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EXECUTIVE SUMMARY

The principal U S interests in Colombia are

- A reduction in production and trafficking of illicit drugs
- The advancement of the peace process
- Increased observance of human rights
- Continued Colombian support for U S hemispheric objectives, including Summit of the Americas goals and the advancement of free trade

President Pastrana's inauguration in August 1998 marked a sea change in Colombia's relationship with the United States, promising progress on illicit drug eradication, the initiation of a peace process, and the reinforcement of participatory democracy. A primary goal of the Pastrana Administration's National Development Plan is to bring increased economic opportunity to and to improve the social wellbeing of people living in conflict zones who have known generations of poverty as a result of decades of internal armed conflict and geographic isolation. In January 1999, Secretary of State Albright designated Colombia as a Democracy Opportunity Country and, thereby, one of only four countries worldwide that will receive high-level U S attention.

The underlying objective of current U S foreign policy in Colombia is to support Government of Colombia (GOC) efforts to achieve peace. The country's two largest insurgent groups now control over 60 percent of the country's national territory – mostly in areas where illicit crops are produced and refined. This, combined with the emergence of paramilitary groups, weak judicial institutions, an economy in recession, and ever increasing rates of violent crime, makes for a highly complex development environment. While there are no templates from other country experiences that can be transferred to Colombia, the cases of Northern Ireland, Guatemala and El Salvador, among others, are nevertheless instructive. Lessons learned from these countries are that negotiations with insurgent groups can proceed despite escalations of violence, the process is lengthy and accompanied by periods of skepticism, and a recognition that there is no real alternative to peace. Thus, and in view of the complexities and endemic nature of violence and guerilla warfare in Colombia, the process in Colombia will likely be long and arduous, fraught with difficulty, and on occasion, negotiations may reach a stalemate and/or break off. Sustained USG support for the Colombian peace process, therefore, will be critical to GOC and civil society efforts to achieve their ultimate goal of national reconciliation and reconstruction.

The peace process now underway provides an historic opportunity to address the root causes of the country's long standing internal conflict and endemic, violent crime. Achievement of the strategic and special objectives that comprise this Strategic Plan will depend largely upon the successful resolution of Colombia's forty-year-old internal conflict. Absent peace, the fight against illicit drugs will be significantly hampered.

Similarly, efforts to strengthen the administration of justice and improve Colombia's human rights record may prove illusory if the conflict continues to escalate

This Strategic Plan incorporates key decisions stemming from USAID/Colombia's FY 1998-2000 R4 DAEC, which served as the basis for the Mission's current management contract with USAID/W (98 STATE 155900). Thus, USAID/Colombia's FY 1999-2003 Strategic Plan will continue to support GOC efforts to reform its weak and inefficient criminal justice system and to eradicate illicit drug production and trafficking. USAID/Colombia will implement other activities aimed at strengthening democracy, protecting human rights, preserving the country's unique biological diversity and assisting in earthquake reconstruction. These activities have been appropriately grouped and articulated under the following strategic and special objectives:

- SO1 "Democracy Strengthened and Human Rights Protected"**
- SO2 "Illicit Crop Production Reduced in Target Areas"**
- SpO1 "Americas Trust Fund Operational"**
- SpO2 "Earthquake Reconstruction Assistance Provided"**

These objectives support the U.S. goals and objectives outlined in the International Affairs Strategic Plan (IASP), the Mission Program Plan (MPP) and the Summit of the Americas Initiative, which are the same goals and objectives contained in Memorandums of Understanding signed during President Pastrana's visit to Washington in late October 1998. Fundamental, underlying assumptions to this Plan are the continuance of an appropriate GOC policy environment and the allocation of sufficient GOC, USG and other international donor financing. Two options are presented for USAID funding over the five-year period of the Strategic Plan: a minimum level of \$70.6 million, and an optimum level of \$111.6 million. The latter would facilitate an important expansion of planned alternative development and earthquake reconstruction activities.

Because of the political nature of the USAID/Colombia program, this Strategic Plan includes only those activities and funding for which there is a direct management responsibility placed upon USAID/Colombia and where there exists a direct link between planned activities and the IASP and MPP goals, i.e. Democracy/Human Rights and Law Enforcement/Illegal Drugs.

PART I SUMMARY ANALYSIS OF ASSISTANCE ENVIRONMENT

A The Colombian Setting

Colombia is a country of significant foreign policy interest to the U S. With 38.6 million people, it is South America's second most populous country (8 percent of Latin America's total population) and has the longest uninterrupted history of democracy. Colombia is the United States' fifth largest export market in Latin America (\$5.2 billion in 1997, equal to 41.5 percent of total Colombian imports) and twenty-sixth largest market for U S products worldwide. U S exports to Colombia are expected to grow about 10 to 15 percent through 1999. The U S is the largest foreign investor in Colombia, with \$4.2 billion in U S investments at the end of 1997, representing 37.8 percent of accumulated foreign direct investment. Colombia also is a major point of entry into the larger Andean market. However, political violence, a reputation for narco-trafficking, and an unstable tax regime inhibit new U S investment and erode the U S position in trade.¹

1 Colombia's Armed Conflict and Pursuit of Peace

Extraordinary levels of violence suffuse everyday life in Colombia, exacerbated by widespread narcotics production and trafficking and endemic guerrilla warfare. In 1998, 2,216 persons were kidnapped, 62.5 percent of these by guerrillas, and 26,627 were murdered. Scarcely a week goes by without reports of killings on a scale larger than the January 1999 Kosovo massacre, many with comparable brutality. With a weak national government and several powerful regional political and economic centers, the Colombian state has been traditionally weak and incapable of mediating conflict. Marxist-Leninist inspired insurgents have steadily gained ground over the last forty years and, as a result, more than half of the country's territory effectively lies outside of government control. In recent years, right wing groups have begun to conduct paramilitary activities in response to the Colombian army's inability to effectively combat the leftist insurgency. Guerrilla forces have significant presence in 28 of Colombia's 32 Departments.

Following forty years of internal warfare and civil strife with sporadic periods of respite, Colombia again is attempting to achieve peace. The USG is an important supporter of the Pastrana's Administration efforts to initiate a peace process. The U S has pledged assistance in democracy strengthening, the protection of human rights, and alternative development. Fundamental reforms in state institutions and services, and greater participation of civil society will be critical to the advancement of the prospect for peace. If Colombians can move toward national reconciliation and healing, USAID assistance will help to maintain the momentum for peace by strengthening key public and private sector organizations, and through support for pilot programs in sustainable rural development.

Peace discussions between the GOC and the Colombian Revolutionary Armed Forces (FARC) got underway on January 7, 1999. The FARC is the strongest guerrilla group in

¹ Country Commercial Guide Fiscal Year 1999 American Embassy Bogota Colombia July 1998

Colombia, with significant presence in some 50 percent of the country's 1,071 municipalities. It also has a huge and growing war chest. It is estimated to receive \$600 million a year through kidnappings, extorting money from foreign and domestic companies, by imposing its own three percent tax² on peasant coca crops, and by providing protection to narco-traffickers. In the first three months of his administration, President Pastrana acceded to the FARC's controversial demand that five relatively remote municipalities be demilitarized as a precondition to the initiation of peace talks. His High Commissioner for Peace has struggled to maintain coherence, direction and focus in talks with insurgents, while other GOC officials and members of Congress have gone to the camps of the FARC to discuss important issues leading to eventual peace negotiations. After a three-month freeze on peace talks demanded by the FARC, and an anticipated GOC decision to extend the deadline of the demilitarized zone for the second time, peace talks have tentatively resumed, with key FARC demands that the GOC show more strength in combating paramilitary groups as a prerequisite for their continuance.

Plans for peace negotiations with the second largest insurgent group--the National Liberation Army (ELN)--are in question. After much publicity and insistence on a separate peace negotiation in February, the ELN abruptly left the talks after declaring that the GOC was not seriously interested in peace after the government's refusal to reserve another section of demilitarized Colombian territory for them as they had done for the FARC. The ELN's subsequent hijacking of a Colombian commercial airplane in April 1999 with the kidnapping of 46 people on board has been widely reported to be a desperate strategic gamble on their part to show the government that they are indeed important players, are capable of threatening national security, and will use these hostages as a bargaining chip to force the government to the negotiating table. Possible peace negotiations between the GOC and the Autodefensas Unidas de Colombia (AUC)--the umbrella organization for right-wing paramilitary groups--are much more complicated and are further down the road due to strong objections from the FARC and the ELN who have rejected the notion that the AUC be accorded political status. The FARC also has demanded that the GOC deal with the AUC through ordinary judicial processes.

In spite of peace explorations between the GOC and the FARC, fighting by all actors in the conflict has actually increased. The GOC, however, has underscored its resolve that peace negotiations continue in spite of continued offensives. Colombian society awareness that this undeclared war is destroying their country is also increasing, with over 9 million Colombians voting for peace in an initiative led by and demanded by civil society organizations in the October 1997 municipal elections. The continued mobilization of civil society groups, including private sector business leaders and the Catholic Church, will be an important factor to advancing the peace process.

The eventual success of GOC efforts is based on the premise that insurgents are genuinely interested in peace. This point has been debated widely and many experts have asserted that these groups could manipulate the peace process to grow stronger. Left- and right-wing combatants in Colombia show little interest in rejoining the mainstream and

² Shift in the Balance of Power *TIME Latin American Edition* September 28 1998 page 18

the GOC has been unable to assure the safety of citizens in areas under their control. Several serious analysts suggest that the guerrillas see the talks as a way of buying time to extend and consolidate their territory. Additionally, a series of recent defeats of the Colombian armed forces support the widespread belief that the Colombian army is incapable of "winning the war." Colombia's economic slide is another cause for concern, which will influence the GOC's base for negotiating a peace settlement.

The complexity of the violence in Colombia, the large number of organized groups, the strong position of the insurgents and paramilitary forces, and their involvement in narcotics production and transportation, present unique and daunting challenges, and militate against a quick negotiated solution. While there are no models from other experiences that can be easily transferred to the Colombia peace process, the cases of Northern Ireland, Guatemala and El Salvador are instructive. In each of these countries, negotiations proceeded despite escalations of violence, the process was lengthy and accompanied by bouts of pessimism, skepticism and optimism, and there was no real alternative to peace. The process will be long and arduous for Colombia, fraught with difficulty, and on occasion, will reach a stalemate. USG support for the Colombian peace process will be critical, precisely at this stage when civil society and GOC efforts to achieve a negotiated settlement should be encouraged and supported by the international community, with USAID participation both at the current initial phase and later, when accords are signed and national reconciliation and reconstruction begins.

2 Social Trends

Central to an understanding of conditions in Colombia is a discussion of the social conflict which has been endemic for most of the country's history and which has become increasingly epidemic over the last several years. The most concrete manifestation of this social conflict is the extraordinary level of violence that Colombians suffer. Colombia has one of the world's highest annual homicide and kidnapping rates. Although there are a startling number of organized groups destabilizing Colombian society (including "guerrilla" and "paramilitary" groups, narco-trafficking mafias and groups of organized crime), they account for only a small portion of homicides.³ Human Rights Watch estimates that in the first eleven months of 1998, Colombia suffered 145 massacres, 1,427 kidnappings, 24,241 homicides and 925 acts of terrorism.⁴ The UN High Commissioner for Human Rights observed that as many people are killed in one year in Colombia as in all the 25 years of Northern Ireland's current internal conflict.⁵ In 1996, more people were murdered in Colombia (26,627) than in the U.S. (19,645) which has eight times its population.⁶

3 National Development Plan Foundations 1998-2002. Change to Construct Peace. p. 3

4 Quoted in *El Tiempo*, December 10, 1998.

5 UN High Commissioner for Human Rights, Mary Robinson, quoted in *El Tiempo*, October 20, 1998.

6 Risking Life, Limb and Capital. Diana Jean Schemo. *New York Times*, November 6, 1998.

Despite continued significant government expenditures on social programs--from a low of 32.8 percent of the national budget in 1992 to the increasingly higher 55.3 percent in 1997--Colombia has a large reservoir of the region's poor. Roughly 25 percent of the work force earns the minimum wage (approximately \$150 per month in 1998). In 1997, 55 percent of the population--or more than 21 million people--compared to 54.4 percent in 1993, were living below the poverty line, while 9 percent of the population in 1997 compared to 14.9 percent in 1993, were living in conditions of extreme poverty. In 1997, 26.9 percent of Colombians had unmet basic needs--down from 32.7 percent in 1993--while the income of 8.3 million people was insufficient to cover the cost of the basic food basket.⁷

Despite mixed overall macroeconomic and social trends, women have been able to maintain and improve their relative position. Unemployment for women increased only seven-tenths of a percentage point (from 15.01 to 15.08 percent) between June 1992 and June 1997, whereas it increased 1.42 percentage points for men (from 8.14 to 9.56 percent). Female participation in the work force increased from 41.3 percent in 1985 to 51 percent in 1997, whereas the participation rate for men decreased (from 76.5 percent in 1992 to 74 percent in 1997). The average annual growth rate of employment for women reached 3.4 percent compared to only 2 percent for men between 1991 and 1997. The gap in income also decreased from 35.8 percent in 1990 to 26.9 in 1996. Women also caught up with men on the education front by 1995. Illiteracy for women was 8.2 percent compared to 8 percent for men, and the average years of schooling for working women in Colombia's seven major cities (9.85 years) surpassed that of men (8.2 years).

The violence and poverty situation summarized above are only two of the many manifestations of social conflict in Colombia. Containing the war and reducing violence are critical for the continued viability of Colombia and its sustainable development.

3 Political Trends

Colombia is a constitutional, multiparty democracy, with the Liberal and Conservative parties contending for power in quadrennial elections. The Presidency was weakened throughout 1997 and 1998 by continued controversy arising from substantial, credible public evidence that President Samper personally sought and accepted an illegal \$6 million contribution from the Cali-based narcotics trafficking cartel during his 1994 electoral campaign. As a result of this incident, the U.S. revoked President Samper's visa, and reduced its dealings with him to a minimum. This enduring controversy significantly diminished the President's moral authority and political ability to govern. Indeed, in 1996, there was a serious effort to plan and carry out a coup d'état.

Longstanding and widespread internal armed conflict and rampant violence, both criminal and political, have increasingly challenged the control of the central government over national territory. An estimated 15,000 to 20,000 full-time guerrillas, belonging to

⁷ Gestión y Desarrollo information bulletin of the National Planning Department. Number 12. June 1998 and op. cit. NDP, p. 4.

two major (FARC, ELN), one minor (ELP or Popular Liberation Army), and several splinter groups, operating in more than 100 separate guerrilla fronts across the nation, represent a growing threat to government security forces. The guerrillas exercise a significant degree of influence in more than 60 percent of the country's 1,071 municipalities. Some guerrilla groups--especially in the southern and eastern parts of the country--continue to collaborate with narcotics traffickers. These activities produce revenues estimated in the hundreds of millions of dollars annually for these groups. Opposing the guerrillas on the right, a diverse collection of regional-based paramilitary forces play a prominent role in the internal conflict, only recently expanding their influence into a number of areas previously dominated by the guerrillas.

Political instability stemming from allegations that Samper accepted drug money in his presidential campaign also affected the economy. Samper made repeated concessions in labor disputes by acceding to workers' demands, including inflationary wage increases. This led the private sector in 1997 to abandon the "Social Pact for Productivity, Prices and Wages," a program instituted in 1995 in which the economy's major players (government, private sector, and labor) agreed to exercise discipline over wages and prices to keep inflation in check.

The July 1998, Colombian elections resulted in a political and diplomatic turnabout. The Conservative Party's Andres Pastrana was chosen to replace the Liberal Party's Ernesto Samper as President. Initial experience confirms that this new administration is a more collegial partner in addressing issues of strategic importance to the U.S., such as democracy, human rights and counternarcotics.

4 Macroeconomic Trends

The start of Colombia's macroeconomic reforms can be traced to its "Apertura" program, designed in 1989 and initiated in 1991 under the leadership of President Cesar Gaviria. It combined the opening up of its economy to international trade and investment with prudent fiscal, exchange rate, and monetary policies, while implementing sweeping changes in the areas of finance, labor, exchange rates and trade. These measures were largely responsible for the sustained economic growth enjoyed by Colombia during Gaviria's administration: 3.8 percent average GDP growth during 1990-1993, and a robust 5.3 percent in 1995. Upon taking office in August 1994, President Ernesto Samper promised to continue many of the programs contained in this economic liberalization program. While the Samper Administration did not undermine "Apertura," it did not push it forward, the GOC continued to privatize state-owned institutions, albeit at a slower rate.

The country's commitment to this first generation of macroeconomic reforms was reconfirmed at the first and second Summits of the Americas in Miami and Santiago. However, the process remains incomplete. Continued high levels of internal strife and limited progress toward peace may force the reversal of gains thus far achieved. For example, the FARC, ELN, and the umbrella group Simon Bolivar Guerrilla Coordinator, all call for natural resources to be domestically owned and managed by the State, which

implies the revocation of existing international contracts and concessions developed over the last decade

Colombia has enjoyed a generally stable economy for most of the last 50 years and has shown reasonably good economic results for seven of the last eight years. Real GDP grew more than 4 or 5 percent for five of the last eight years. Despite two quarters of negative growth in 1996-97, 1997 ended with official real growth of 3.1 percent,⁸ inflation has been decreasing since 1990, and the capital account has been steadily increasing, largely due to a continued increase in foreign direct investment. Non-traditional exports have grown from 25 percent of total exports in 1986 to 50 percent in 1995. Crude petroleum replaced coffee as the nation's principal legitimate export in 1996. The total trade balance, however, has remained negative since 1992, in the range of 5 to 6 percent of GDP. For the most part, official foreign debt (roughly \$17 billion and a declining ratio of GDP from 48 percent in 1987 to 32 percent in 1997) has been well managed.⁹ However, recent performance has slipped considerably.

During the first half of 1998, the economy began to deteriorate as total external debt increased 4.3 percent faster than during the same period in 1997, public sector debt reached \$17.4 billion (10.6 percent of GDP) and private sector debt \$15.8 billion (27.7 percent of which is short term). Despite this increase, Colombian businessmen have attempted to buy down their debt due to fears of a major devaluation.¹⁰ Twenty-three percent of private sector debt is to the financial system, with the balance for investment in export goods and financing imports. Although Moodys is reviewing Colombia's credit rating, Colombia currently enjoys a triple B minus (BBB-) rating.¹¹ The banking sector, albeit temporarily unprofitable and despite problems with the cooperative banks, is well regulated and stable.¹² However, there continue to be extreme deficit problems¹³ and exchange rate pressures.¹⁴

By the end of 1997, unemployment was over 12 percent (its highest level in almost 10 years), the peso was devalued by 30 percent, annual inflation was 17.7 percent, the nominal lending interest rate was 35 percent, and the Central Government deficit had deteriorated to 3.9 percent of GDP.

8 This is substantially better than the 2.1 percent growth registered in 1996 but still well below the 5.3 percent average growth that Latin America experienced.

9 Op cit Country Commercial Guide.

10 The financial sector reduced its debt by \$104 million during the first half of 1998.

11 *El Tiempo* November 12, 1998.

12 Op cit Country Commercial Guide and U.S. Embassy cable 98 Bogota 10722.

13 The central government budget deficit was headed for 6 percent of GDP when the current administration took office in August 1998. It is projected to be 4.8 percent of GDP with the consolidated budget deficit projected at 3.8 percent of GDP before privatizations.

14 The exchange rate is expected to slip 26 percent in 1998 and a further 19 percent by the end of 1999.

Colombia's economic slide continued in 1998, with the incoming Pastrana administration facing the worst economic legacy in national memory. Although GDP for the first quarter increased an encouraging 4.7 percent, with strong growth in industrial output and trade and services each growing almost 7 percent, unemployment jumped to 19.5 percent in March 1999--the worst in 25 years--affecting more than 1.5 million people. Inflation was 14 percent for the first six months of the year. On the positive side, Colombia is expected to finish 1998 with net international reserves of about \$9.4 billion, enough for about 7 months of imports (down from \$9.9 billion in 1997).

For 1999, the GOC hopes to keep real GDP growth from slipping below 1 percent, although many experts believe that it will go negative for the first time since 1932. The government hopes to limit the Central Government deficit to 3.6 percent of GDP,¹⁵ inflation to 15 percent, devaluation to 19 percent, and the balance of payments current account deficit to 5.9 percent.

B Past USAID Assistance

USG assistance began in Colombia almost fifty years ago with the initiation of the Point Four program, an effort largely focused on strengthening the agricultural sector. Since then, assistance has evolved to include housing, land tenure issues, agricultural cooperatives, education and primary health care. Assistance reached a peak towards the end of the 1960s with very large programs in these sectors, many financed through soft loans. A combination of successful programs as well as a desire of the Colombians to wean themselves from foreign assistance resulted in the GOC requesting that USAID begin a gradual phase out of its programs in the mid to late 1970s. In September 1980, USAID officially closed its doors. This position was reversed thereafter in 1982 with the arrival of one USAID direct hire professional who was assigned to the Economic Section of the U.S. Embassy to begin the management of short-term technical assistance in the areas of family planning and agricultural research, most notably in conjunction with the International Center for Tropical Agriculture (CIAT) in Cali.

The relatively quiescent political and social situation was affected greatly soon thereafter in 1985 by the further emergence of the M-19 guerilla movement and the Nevado de Ruiz volcanic eruption. This latter event resulted in the deaths of some 25,000 Colombians and resulted in urgent requests to the U.S. for assistance. Literally less than two weeks after this, the Colombian Supreme Court was occupied by M-19 insurgents, and the subsequent all-out attack by the Army on the Justice Palace caused the deaths of over a hundred people, including most of the members of the Court. Both of these horrific events refocused U.S. attention on Colombia. Corollary questions of drug traffickers' influence behind the taking of the Supreme Court were also brought to the fore at this time.

The U.S. government demonstrated its growing concern with drug trafficking influence in Colombian politics and society with the beginning of a \$36 million Administration of Justice project in 1991. This activity--described in more detail below and combined with

¹⁵ This despite projections that tax revenues will cover less than 44 percent of expenditures, that public debt payments will require around \$10 billion, and that overall government spending will increase 17 percent.

a new appreciation of Colombia's unique biodiversity--served to establish the basis for USAID's development portfolio for the 1990s. For most of the past five years, USAID/Colombia activities have been concentrated in the areas of justice and environment. Significant activities during this time are described below.

- **Justice Sector Reform** A 1991 bilateral agreement initiated the Justice Sector Reform Program (JSRP) to improve the effectiveness of administration of justice and to strengthen related institutions. The Justice program has entered into its third stage, after two earlier phases implemented through a Colombian non-governmental organization--the Foundation for Superior Education (Fundacion para la Educacion Superior or FES). In this third stage, begun in 1997, USAID/Colombia has assumed a higher level policy dialogue process and a more direct management role in planned activities, with the assistance of the U.S. Department of Justice, and is focussing intensively on public sector and civil society groups most directly related to the criminal investigative and trial system, both in terms of its effectiveness and its fairness.
- **Environmental Program** Pursuant to U.S. legislation and bilateral agreements under the Enterprise for the Americas Initiative (EAI), Colombia and the U.S. in 1994 established a fund that finances environmental programs in Colombia through bilateral debt forgiveness and reduction. The Fund, known as the Americas Fund ("Fondo de las Americas"), has grown rapidly to approximately \$45 million in peso equivalents. Currently, 46 projects have been approved totaling \$3.5 million. The USAID Mission Director serves as the U.S. representative to the Administrative Council, which determines the uses of the funds and activities to be implemented. However, due to problematic implementation by the NGO chosen to carry out the program, the new GOC administration has agreed to present a reformulated proposal for program implementation.
- **Population Program** In 1996 USAID ended 30 years of population assistance to Colombia. This program was and remains one of the most effective, sustainable and respected non-governmental family planning programs, implemented mainly through Profamilia, the national family planning affiliate of the International Planned Parenthood Federation. At the same time USAID provided assistance through AVSC International to public sector health institutions for training of family planning service providers, which has assured the quality of family planning care given to the poorest segments of the Colombian population. There is no current plan to revive this line of assistance.

C FY 1999 R4 Review

As a result of the Agency's overseas restructuring decision in 1996, it was recommended that USAID activities in Colombia be closed out by the end of FY 1999. This was based in large part on the very difficult relations that existed between the Samper Administration and the USG. As a result, one of two U.S. direct hire positions was eliminated. Nonetheless, with the crucial 1998 presidential elections impending and with

the specific support of the US Ambassador, the April 1998 submission of USAID/Colombia's R4 Report for FY 2000 to the LAC Bureau made the case that the program should not be closed down based on the following

- the continuing vital interests of the USG in Colombia in counternarcotics, environment, and human rights/justice
- the impending installation of a new Colombian administration
- revitalized program possibilities

As indicated in the Management Contract cable (98 STATE 155900) sent to USAID/Colombia by the LAC Bureau as follow-up to the R4 review, USAID Administrator J Brian Atwood agreed with the Bureau's rationale for keeping operations open in Colombia. Based on this decision, the LAC Bureau tasked USAID/Colombia with the preparation of a country program strategy for the period 1999-2003. Furthermore, it indicated that this strategy should focus on

- furthering efforts to strengthen the protection of human rights and reform the justice sector
- continuing support for the USG counternarcotics objectives
- guiding the development of an alternative development program in coordination with other donors
- supporting a de minimis environmental activity aimed at developing the effective operation of the Americas Fund to support environmental management and the protection of Colombia's globally important biological diversity
- supporting the peace process initiated by the new Colombia administration

D Rationale

1 Changing Conditions

Absent a halt to its economic slide, Colombia's base of leverage and legitimacy for peacemaking will erode further. The budget deficit must be checked to maintain Colombia's international credit rating, increased rates of employment must be reversed, and interest rates and liquidity must be eased to avert a major recession. These will be Herculean tasks given the nature of the demands on the GOC's budget stemming from provisions of the 1991 constitution, as well as investment needs required to move forward toward peace and decrease illicit economic activities. Exogenous pressures on Colombia's economy, such as low prices for coffee, oil, coal and ferronickel, and

vulnerability to economic developments in Asia and Venezuela, will also be important considerations¹⁶

Colombia is the only country in Latin America whose insurgents have recently grown stronger, they exercise significant control over more than fifty percent of the territory of the country. It is home to the largest active insurgent group in Latin America (the FARC). As the conflict continues, it has begun to spill across the border into Panama, Ecuador, Peru, and Venezuela, the latter the principal supplier of oil to the US¹⁷. The effect of Colombia's problems on Panama, Ecuador, and Peru, will be a growing concern as Colombian insurgents and narco-traffickers look for safe havens and less accessible production/processing sites.

The deterioration in overall USG-GOC relations continued into 1998 caused by successive US decertifications in 1996 and 1997 and the withdrawal of US visas for a considerable number of prominent Colombians, including President Samper, for credible evidence of ties to narco-trafficking. The new Pastrana government has brought significant improvement in relations, with many high-level contacts now reestablished. However, the continued widespread insurgency, whose guerrilla and paramilitary protagonists exercise progressively firmer control over vast, if sparsely populated, geographic areas, as well as unprecedented levels of public corruption, will continue to restrict the ability of USAID/Colombia and its partners to advance USAID Strategic Objectives.

Nevertheless, the atmosphere has begun to change markedly. President Clinton's national interest waiver of Colombia's decertification in March 1998 contributed to a much-improved institutional climate for USAID programs. The Pastrana Administration has taken a number of unilateral initiatives to foster peace discussions, while strongly advocating expanded alternative development programs as a key part of an overall counternarcotics strategy. The President has said he favors another round of legal and constitutional reform and has told visiting US Attorney General Janet Reno that his government wants to move decisively toward an accusatorial criminal trial process.

2 Colombia's Priorities

The Pastrana Government's *National Development Plan 1998-2002*¹⁸ the central theme of which is "Change to Construct Peace," urges the commitment of all Colombians to help construct a lasting peace. Following on earlier GOC reforms to decentralize central government and empower local governments, the National Development Plan--

16 Op cit 98 Bogota 10722

17 Colombia's Chance for Peace. Bernard Aronson. *The Washington Post* May 21 1998

18 *Cambio Para Construir La Paz 1998-2002 Bases*. National Department of Planning Republic of Colombia November 1998 ISBN 958-601 826 1

particularly "Plan Colombia," which is an integral part of that document--seeks to produce the socio-economic conditions that will make achieving peace viable

The National Development Plan has four approaches to reaching that goal ¹⁹

- Achieving development and peace by identifying the most appropriate instruments for a negotiated peace process and by promoting an institutional structure favorable to peace by fighting crime and strengthening justice, defense and security,
- Decentralizing of political and governmental institutions,
- Strengthening the country's social fabric through a fundamental commitment to education, health, and nutrition, and
- Reactivating production to generate the employment needed in Colombia to achieve a lasting peace

In turn, Plan Colombia is more tightly focussed on areas and populations affected by armed violence, and neglected by past national governments. The GOC views the adoption and implementation of an alternative development program as central to this plan and a critical element of its counternarcotics program. Plan Colombia is based on the development of participatory programs, which are self-sustaining over the long term, and which will necessarily affect people who have long been under the influence of the insurgents. The Plan will be funded through the so-called Investment Fund for Peace (FIP). This proposed \$3 billion fund is to be financed by 1) the Colombian private sector through an obligatory peace tax (Peace Bonds) imposed on all businesses and by Colombians above a certain income level, 2) the GOC national budget, and 3) international contributions, largely from the Inter-American Development Bank and the World Bank. The first 30 percent of the Peace Bond proceeds are expected to be collected in June 1999.

E Transitional Issues

The decision by the USAID Administrator to extend and expand a USAID presence in Colombia through FY 2003 acknowledged what are clearly new opportunities for contributing to GOC plans and policy initiatives in the areas of democracy, alternative development and peace. Additionally, selective support of activities directed towards displaced persons and the strengthening of civil society in areas close to the conflict will assist to develop models and contribute to preconditions for peace.

Also, the tragic earthquake of January 1999 will require an extended period of reconstruction in the affected coffee producing area, partial financing for which is expected in mid-1999 through a special supplemental appropriation from the U S

¹⁹ Ibid p. xii, xiii and 27-49

Congress This will require a significant additional unanticipated investment of USAID/Mission time and human resources to ensure an effective use of these funds (\$10 million have been approved) and a satisfactory outcome to reconstruction activities In order to appropriately reflect this commitment, a new Special Objective in earthquake reconstruction is included as part of this Strategic Plan

As the USG has broadened its policy to include support for the Colombian peace process, USAID has begun to fund a number of activities to assist the GOC and civil society in their efforts to achieve peace USAID will continue to contribute both experts and funding to support the peace process, involving national dialogue and reconciliation efforts with currently opposing, sectors of society, as it has done most recently in Nigeria, Indonesia, El Salvador and Guatemala Given the current lack of clarity to the GOC peace effort, instead of creating an additional Special Objective for Peace, USAID/Colombia will treat the advancement of a peaceful resolution of Colombia's long-standing conflict as a crosscutting concern with all of our activities contributing towards that end

Over the past two years, demands from diverse sectors of Colombian society for a negotiated solution to the more than 40 years of armed conflict have intensified dramatically The clamor for peace reached its climax in the "Mandate for Peace," when approximately 9 million Colombians formally expressed their demands for peace by voting through a special ballot appended to the October 1997 municipal elections

Despite the pressure of Colombian civil society in general, and numerous civil society organizations in particular, there remain grave uncertainties as to the future efficacy of the most recent GOC attempt at peace, with both the process and outcome in great doubt Thus, USAID/Colombia will reserve a decision on a more focused set of activities in support of peace until we feel that the GOC leadership on the subject has defined clear directions and has directly requested our help

Nonetheless, USAID is monitoring closely and maintains a readiness to support direct peace negotiations should the peace dialogue prosper Following on a civil disorder disaster determination by Ambassador Kamman that was communicated to Washington in late 1998, USAID is now able to support participatory development projects targeted to the conflict zones of the country, aimed at those marginal populations where State presence has been minimal The objective is to establish a foundation for peace and social reconciliation in communities directly affected by conflict Activities will promote socio-economic and human development, strengthen the institutional capacity of local authorities and various sectors of the civilian population and will promote short-term productive projects that generate immediate subsistence for these communities Activities will be implemented with NGOs, including the International Committee for the Red Cross (ICRC) in Bogota and the Salesian Missions and financed with funds from USAID/Washington's Office of Transition Initiatives (OTI) Presently, \$1 million in OTI funding obligated during the first quarter of CY 1999 is in place for these activities, and represents the first investment by the USG in support of the Colombian peace process

USAID/Colombia co-financed with USIS in May 1998 the publication of proceedings of a seminar in Cartagena on "Lessons of Peace" that brought together El Salvadoran government officials and ex-guerrillas of the FMLN who recounted to GOC policymakers the recent history of peace negotiations and the conclusion of hostilities in their country. These conference proceedings later appeared in leading Colombian newspapers. A similar event funded by USAID/Colombia was then held in Boston in early July 1998 with important representatives of the Colombian private sector and the Catholic Church to discuss the publication "La Paz sobre la Mesa," a document financed with USAID/Colombia local currency and produced by the ICRC in conjunction with the Colombian National Conciliation Commission.

Parallel to this, USAID's LAC Bureau negotiated in mid-1998 a small research grant (\$140,000) with Georgetown University that maintains close connections to the GOC foreign policy sector. The purpose of this grant is to regularly apprise USAID/Washington of events related to the peace process, helping the LAC Bureau to improve its capacity to address issues of internal violence and their implications for democracy and social progress.

In addition to this, USAID/Colombia has negotiated two local currency grants for the equivalent of \$100,000 each to Catholic Relief Services and UNICEF to address the problem of internally displaced persons (IDPs) in the country. The issue of IDPs is yet another factor in the complicated mix of issues which has as its basis the long history of violence in the country. These two grants will provide emergency humanitarian assistance combined with conflict resolution methodologies and other appropriate activities in areas most affected by the phenomenon of the displaced. USAID assistance to the displaced, as mentioned in President Pastrana's joint declaration with President Clinton in Washington in October 1998, is key to the eventual cementing of the peace process. Without this attention, the conditions remain in place for continued violence.

Further USAID/Colombia efforts at supporting this process could include

- technical assistance and training in mediation techniques and support for observation and compliance mechanisms,
- logistical, infrastructure or consulting support for regional or national conventions, conferences, or seminars,
- technical support for the High Commissioner for Peace to analyze different peace scenarios and alternative approaches,
- further strengthening of municipal government capabilities in conflict areas to respond effectively to the needs of the population, and
- support for the demobilization of ex-combatants and their reintegration into their communities.

Finally, the accomplishment of USAID strategic objectives will contribute to peace in the following ways

- Alternative development (AD) policies will provide a framework for a different means of subsistence for small coca producers. AD activities will at least partially respond to the position of the insurgents, which calls for economic assistance to the poor.
- The strengthening of human rights, the justice system, the rule of law and law enforcement relates directly to increasing citizen security, a basic quotient in any stable society and a necessary element for laying the groundwork for the mutual trust that must accompany any successful peace process.
- A stronger analytical and legislative capacity on the part of the Colombian Congress will allow the enactment of those reforms required for a propitious policy environment, which both the guerrillas and the GOC recognize as necessary for a lasting peace.

As Colombian society continues to engage in a concerted effort towards bringing elements of society together, and depending on the degree to which the GOC desires further USG involvement, USAID/Colombia may decide to amend this Strategic Plan out of cycle in order to incorporate "Peace Activities" as a Special Objective. This will also depend on progress achieved during the strategic plan period and the availability of funds.

PART II PROPOSED STRATEGIC PLAN

A Linkage to Agency Goals and Objectives

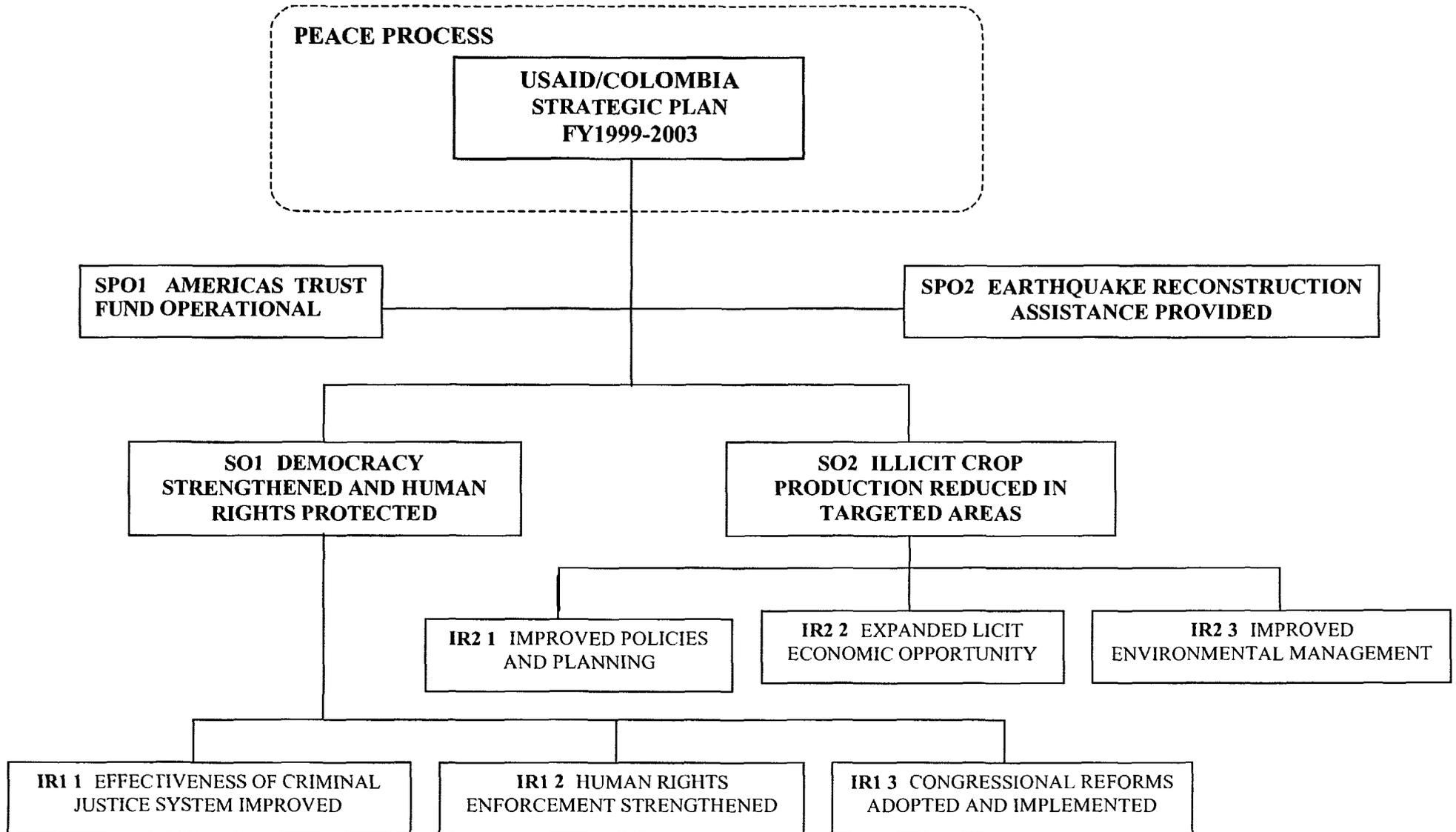
This Country Strategy ties into and is supported by the International Affairs Strategic Plan (IASP), which serves as the guide for all USG activities overseas. The IASP for each country is expressed in the Mission Performance Plan (MPP), prepared, implemented and monitored by all USG agencies present in that country. The U.S. national interests supported by this Strategy are

- A reduction in production and trafficking of illicit drugs
- The advancement of the peace process
- Increased observance of human rights
- Continued Colombian support for U.S. hemispheric objectives, including Summit of the Americas goals and the advancement of free trade

The objectives and intermediate results presented in this USAID Strategic Plan directly support two of the seven Mission goals established in the 1999 MPP. The fight against drugs remains the overriding U.S. national interest in Colombia. For bilateral relations to be exclusively “narcoticized,” however, benefits neither side. Upholding Colombia’s democracy and improving conditions for U.S. business, for example, are not just desirable ends in themselves, but support our counternarcotics campaign by helping to sustain the institutions that are our allies in that campaign and by diffusing economic benefits.

The **overarching goal** of the Country Strategy is to help Colombia to achieve a more just and more peaceful society that facilitates sustainable economic and human growth and development. In view of the scarcity of USAID resources, Colombia’s relative level of development, GOC development priorities, and U.S. foreign policy interests in Colombia, the USAID Strategy proposes a limited program focused on key issues in democracy and human rights and an increasing role in consolidating a credible GOC alternative development program. Woven throughout this program is continued support of the GOC-led peace process, without which it will be difficult to achieve USAID objectives. USAID/Colombia proposes two Strategic Objectives (SOs) that directly impact on a more effective justice system and the protection of fundamental human rights, and the provision of licit income opportunities for small farmers presently producing illicit crops.

RESULTS FRAMEWORK FOR STRATEGIC PLAN



B Strategic Objectives

USAID/Colombia has prepared a separate alternative development strategy that is included as an annex to this document. A summary is provided in this section and is integrated with other priority activities into a cohesive plan for achieving a lasting peace and economic and social stability in Colombia.

Democracy Strategic Objective (SO1)

1 SO1 Statement

“Democracy Strengthened and Human Rights Protected”

An effective strategy to strengthen democracy in Colombia needs to address those factors which contribute to the constant pattern of political and criminal violence. That strategy must contribute to efforts that seek to create a political culture that emphasizes conflict resolution. It must assist in strengthening the capacity and equity of the criminal justice system so as to prosecute crime more effectively and protect the basic human rights of all Colombians. Additionally, it must assist the legislature to produce the laws needed to accomplish these goals and to support the peace effort. Under this SO, USAID/Colombia will work with partners in the public and private sectors in the areas of justice sector policy dialogue, justice sector legislative and policy reform, legislature strengthening, and human rights protection and conflict resolution.

2 SO1 Problem Analysis

The democracy SO extends over a five-year period through September 2003, and focuses on the strategic goal of enhancing Colombian public and private institutional capacity to promote conflict resolution, reconciliation, and greater responsiveness to its citizens in the three critical areas of justice, human rights and the achievement of peace.

Colombia has the longest standing, formal democracy in Latin America. However, that democracy has demonstrated a fundamental weakness--a high degree of politically inspired violence and extraordinarily high levels of common crime. This violence reflects weaknesses in the democratic process: a failure to effectively include the poor, especially the rural poor, who feel that their government does not provide the minimum services they require, including access to a functioning, effective system of justice. This sense of exclusion by Colombia's poor majority has contributed to a guerrilla war that has been a part of Colombian political existence for over four decades. That guerrilla war has been financed by the FARC and ELN through use of extortion, kidnapping for ransom, alliances with narcotics traffickers, and other criminal tactics, as well as by the guerrillas' ability to take control of constitutionally mandated, inter-governmental transfers to local level governments in areas under guerrilla control.

This high propensity for violence has generated extensive human rights violations that include individual and mass murders, kidnapping and forced disappearances, targeted

assassination and physical violence directed at the media, human rights workers, teachers and innocent bystanders in conflict zones. The authors of these violations can be found in all political camps, including the military, the paramilitaries and the guerrillas.

The political and criminal violence that has become endemic in Colombia rests on a political culture that has supported such violence for generations, social and economic inequities, and on the inability of national and local government to respond to citizen demands for basic services. It also rests on the inability of the national government to operate an effective judicial system, one that would eliminate the impunity of those engaged in violence (whether common criminals, actors in the war or agents of the state) and that would effectively provide for fair trials for the accused, regardless of their economic means.

3 SO1 Results Framework Assumptions and Causal Relationships

Qualitative changes in the operations of the Colombian justice system will require alterations in administration, management and investigative processes and techniques. USAID/Colombia's approach to strengthening the rule of law in Colombia emphasizes completing the installation of the oral and public criminal trial process, imperfectly provided for in the 1991 constitution. This assumes that there will be clear and determined support forthcoming from the Executive branch of the GOC and periodically expressed policy pronouncements on the part of the Pastrana government to this effect. Similarly, this will require from key justice sector actors, a serious and sustained concentration of human and financial resources on the reform of components of the criminal code and the criminal procedures code.

Training and institutional strengthening support to the human rights units of the two key operational organizations of the Attorney General's Office (AGO or Procuraduria General) and the Prosecutor General's Office (PGO or Fiscalia) will require the political will of the respective authorities, as well as by the directors of the units.

SO1 will be accomplished by achieving three Intermediate Results (IRs)

- IR1 Effectiveness of the criminal justice system improved**
- IR2 Human rights enforcement strengthened**
- IR3 Congressional reforms adopted and implemented**

These IRs are mutually reinforcing. Support to improve the access and operations of the criminal justice system and emphasizing access to alternative dispute mechanisms contributes to efficiency and the ability to defend the rights of all Colombians by reducing arbitrary attacks on a citizen's rights. Enhancing the protection of human rights by strengthening the capacity of relevant national government agencies and civil society organizations strengthens justice. Improving the Congress' ability to analyze and process the legislative proposals will facilitate further reform of the justice sector, implementation of human rights initiatives, and other initiatives that will contribute to fostering increased democracy and enhancing the possibilities for peace.

IR1 Effectiveness of the criminal justice sector improved

The 1991 constitutional reform sought to achieve several major changes. The task of protecting the fundamental rights of individuals and ensuring that laws were properly enforced was assigned to judges. The reform also tried to open up the possibility for alternative dispute resolution, including establishing the possibility of a role for indigenous legal systems. And, it attempted to establish the basis for an accusatory system of justice in order to facilitate criminal prosecution. Thus far, results have been unsatisfactory.

To implement the reforms, new institutions such as the Superior Judicial Council (CSJ), the Constitutional Court, the Human Rights Ombudsman's Office and the Fiscalía have been created. The new prosecutor function represents an important but ultimately unacceptable change in the criminal process, allowing him/her to act as both investigator and judge and enabling him/her to issue search warrants or authorize wiretaps and arrest warrants without the need for recourse to a judge. Thus, instead of setting up a purely investigative and prosecutorial function, the changes establish a hybrid organization with both a prosecutorial and judicial function, with little effective oversight by the courts for the purposes of preventing abuses of individual rights. Furthermore, the PGO now consumes over 70 percent of the judicial branch budget.

The justice system in Colombia continues to suffer from grave problems of inefficiency in its caseload management, a lack of efficacy in its role as dispenser of justice, and a lack of adequate access--above all for those of limited means. The Colombian justice system has expanded its personnel since the reform, almost doubling in size over the past eight years. This has made Colombia the country in Latin America with the highest number of justice system officials in proportion to population. However, a simple expansion of positions clearly has not been effective.

What is needed is a qualitative change in the operations of the justice system. Such change requires alterations in the system's administration, in its management and conduct of the process of investigation, and, above all, the implementation of the oral and public adversarial system of adjudicating criminal cases. USAID/Colombia's approach to strengthening the rule of law in Colombia emphasizes completing the installation of the oral process provided for in the 1991 constitutional reforms and pressing for a new wave of legal and constitutional reforms, primarily the elimination of the judicial functions enjoyed by prosecutors. Such changes will require a new round of constitutional and legislative changes.

IR2 Human rights enforcement strengthened

A major cause of human rights violations in Colombia is the internal armed conflict. Thousands of killings, massacres, forced disappearances and wholesale displacement of populations each year can be directly attributed to the actions of one or another group involved in this civil war, whether it be the guerrillas, paramilitaries or the armed forces.

This political violence adds to the overall culture of violence that has been a characteristic of Colombian society

The culture of violence, as already noted, spills over into daily life through the high rate of violent criminal activity. The lack of an effective judicial process, one that reduces the almost universal impunity that has long characterized the Colombian criminal system, also influences the human rights situation within the country. This part of the human rights equation has already been addressed with the previously proposed intermediate result. This section adds two other elements to the equation: support for the GOC agencies that are mandated by the constitution and the law to protect human rights, (including the Vice President's Office), and those civil society organizations that seek to deal with root causes of the violations of human rights.

The U.S. government is on record in the 1998 Clinton-Pastrana meetings as emphasizing the importance of strengthening the human rights capacity of the GOC. USAID/Colombia proposes to work over the length of this strategy to assist the GOC to enhance its institutional capacity to defend human rights. In support of that strategy, USAID/Colombia will coordinate its efforts with the President's Human Rights Counselor's Office and with other international donors concerned with the issue. The Human Rights Office is charged with setting overall human rights policy, as well as serving as the liaison with the local office of the United Nations High Commissioner for Human Rights and international human rights organizations.

Foremost among the involved GOC offices is the AGO, which investigates and imposes disciplinary sanctions on military and other state functionaries accused of wrongdoing, and the PGO, whose duty it is to prosecute all crimes, whether committed by public functionaries or private individuals, in addition to crimes against humanity committed by the military (in cases where these are not covered by the Code of Military Justice). Other government agencies also have important functions: the Ombudsman, who promotes human rights education, gathers data and channels requests and complaints to the AGO or PGO, the Interior Ministry, which provides human rights training to municipal officials, regional ombudsmen and district attorneys, or, in the case of smaller municipalities, the "personero" employed by the municipality to perform the same functions as a district attorney, and the Permanent Human Rights Offices, also housed in the municipalities with lawyers positioned to receive complaints twenty-four hours a day. Supporting all of this is the Presidential Counselor for Human Rights, whose authorities were recently conferred to the Vice-President of Colombia.

Civil society organizations (CSOs) have been at the forefront of efforts to eliminate human rights violations and build a platform for peace. These organizations range from those engaged in denunciations of specific violations to those that support programs of civic education, community conciliation and the demand for a peaceful resolution of the current national crisis. CSOs can mobilize an enormous amount of popular support, as demonstrated by the October 1996 "Mandate for Peace," which received the votes of over 9 million Colombians. There is a wide and complex range of organizations involved in human rights and related peace movement activities. They range in size and resources

from a few individuals with minimum funding to highly influential national organizations. Most of them, however, face resource constraints, particularly as the conflict has heated up over the past year. Many of them are in constant physical danger and numerous prominent human rights defenders have been murdered or forced to flee the country.

As important actors in the human rights and peace processes, selected CSOs will be included in USAID/Colombia human rights plans. USAID/Colombia will try to support those organizations, recognized by all parties as reliable, authentic and neutral. The impetus of their activities is on human rights education, protection, and building the basis for a long-term solution to the underlying causes of human rights violations by promoting conflict resolution and conciliation.

IR3 Congressional reforms adopted and implemented

There is a need for further legal reform in several of the proposed IRs under this SO reform of the Criminal Procedures Code to ensure that oral procedures are introduced into the justice system at the trial stage, expansion of the role of the public defenders, and reform of the Criminal Code and Military Criminal Code to allow for the more effective prosecution of human rights violations. Past peace processes in other countries have generated the need for extensive reform of legal structures to accommodate key components of peace negotiations. The same is likely to be true in Colombia. For example, under current Colombian law there is no mechanism allowing for prisoner exchange between the GOC and the guerrilla forces. A successful peace process may require the development of legislative solutions to this and other as yet unanticipated problems. Once a peace agreement has been concluded, as was the case in El Salvador, the Congress may need to be reformed to play a role in the process of national reconciliation and healing, providing a forum and voice for ex-combatants.

There currently exists substantial GOC political will to modernize and strengthen the Congress. Representatives of the Colombian Congress have approached the US Ambassador and USAID/Colombia to request assistance in strengthening its capacity to carry out the legislative and oversight processes. In light of the recent movement toward peace negotiations, the timing is appropriate for USAID to begin to facilitate the process. USAID/Colombia will assist in the institutional strengthening of the Colombian Congress to increase its capacity to adequately confront the entrenched conflict which Colombian society faces, to respond to the need for justice system reform and to citizen demands, and to assume a constructive role as a co-equal branch of government.

Based on our experiences elsewhere in Latin America, USAID recognizes that effective institutional strengthening of a national legislature is a long-term endeavor, and that funds are severely limited in this area. Nevertheless, relying on its vast experience and expertise in this area, USAID can provide strategic support at this opportune moment for important structural changes that could be continued by other donors. These changes would consist of the creation, training and consolidation of a standing Legislative Reform Committee, and the establishment of a Legislative Service Center in an independent

university or network of universities. With the support of USAID/Colombia and the approval of Congressional leadership, the Los Andes University (UNIANDES) is organizing such a network to be centered outside the Congress, while maintaining a low profile because of the political sensitivities involved. A broad range of congressional needs would be addressed, including legislative staff support and development of the ability to analyze legislative initiatives.

These two structures will be developed in close coordination with an IDB project, which contemplates direct assistance to the Congress in the areas of administration, training in legal and constitutional analysis, information management, library improvements and information dissemination. USAID has already begun coordination with the IDB by co-funding an initial public conference on reform of the Congress at UNIANDES.

4 SOI Illustrative Approaches

Oral presentation of evidence before a judge is a central part of an accusatory criminal trial system. The basic principle is that only proof presented orally and publicly before a judge during a trial and subject to confrontation by the opposing side meets the requirements of due process. That principle is accepted in the Colombian constitution that calls for a trial phase in a criminal process that is "oral and public." In practice, criminal trials have been neither oral nor public. Among the reasons judges have failed to change their methods are a lack of knowledge regarding oral procedures and their advantages, an unwillingness to apply existing legal norms of criminal procedures, and a lack of the necessary physical facilities to conduct public trials. The major obstacle, however, is the contradictory role of the PGO in the process. Unless that institution is reformed to strip it of residual judicial functions, no truly fair system is possible in Colombia. That reform is increasingly called for publicly and will require new legislation and constitutional reform.

USAID/Colombia has increasingly addressed some of the issues related to support of an oral process. It has provided training for police and prosecutors in modern methods of investigation. These include the training of police and prosecutors in use of careful street work--for example, the painstaking canvassing for and questioning of potential witnesses--which is the basis of most criminal investigations in the United States. Using technical assistance provided by the Department of Justice (ICITAP and OPDAT), the program has been able to develop multiplier models (training manuals, common curricula, and model prosecution units) to enhance the investigative capacity of police and prosecutors. USAID/Colombia also has provided support to the CSJ to develop its role in establishing an effective oral process. This assistance included support for the reorganization of the Judges Training School that recently became a responsibility of the CSJ. Nevertheless, the trial process remains a bottleneck that needs legislative action for a full cure.

The following activities will support the implementation of oral trials. These activities are contingent upon the continued demonstration of political will on the part of key authorities in the Colombian justice system to move the accusatory, oral process forward.

- Policy dialogue with 1) the CSJ to ensure that it issues the necessary regulations to implement oral trials, and 2) the PGO's and the Public Defender's Office to ensure that the required internal decisions to support oral trials are adopted
- Training programs for key judicial system actors to promote oral trials, including judges, prosecutors, defenders and agents of the Public Ministry (the Attorney General and his staff) This will include continued support to strengthen the National Judges School
- An information dissemination strategy directed at opinion leaders and key actors of civil society, including the media, academia, lawyers, bar associations and law faculties The aim will be to foster the development of a legal and judicial culture supportive of oral trials
- Design and development of pilot courtrooms adapted to oral trials
- Equipping pilot courtrooms with the necessary audio-visual equipment to facilitate the presentation of evidence
- Reform of the Criminal Code and the Criminal Procedures Code to facilitate effective investigation, prosecution and sanctioning of crimes

In the area of human rights, USAID/Colombia proposes to focus on two programmatic areas

- Reducing the impunity from prosecution of human rights violators by enhancing the abilities of public authorities to investigate and prosecute human rights violations by guerrilla, paramilitary and military forces
- Strengthening the capacity of private human rights NGOs in their work in the areas of education, protection and conflict resolution One aspect of this assistance will emphasize collaboration between public agencies and private organizations, particularly in human rights protection and in developing experimental programs in civic education and conflict resolution These programs will meet immediate needs and prepare the groundwork for assisting the peace process

USAID/Colombia proposes the following types of activities in support of these two focus areas

- Strengthen the capacity of the Vice Presidency to assure that the President's Human Rights Counselor's Office serves as an activist and effective coordinator and policymaker

- Provide training and institutional strengthening support to the human rights units of the two key operational organizations of the AGO and PGO
- Expand the national presence of the Human Rights Ombudsman
- Support the development of community-based reconciliation methods and extra-judicial conflict resolution through the Ministry of Justice's "Casas de Justicia "

5 SO1 Development Partners

Justice Consejo Superior de la Judicatura (CSJ), Office of Overseas Prosecutorial Development and Training (OPDAT), International Criminal Investigative Training Assistance Program (ICITAP), Prosecutor General's Office (Fiscalia), Departamento Administrativo de Seguridad (DAS), Direccion de Policia Judicial (DIJIN), Cuerpo Tecnico de Investigaciones (CTI), and InterAmerican Development Bank (IDB)

Human Rights and Alternative Dispute Resolution Attorney General's Office (Procuraduria), Prosecutor General's Office (Fiscalia), Ombudman's Office (Defensor del Pueblo), Catholic Relief Service (CRS), Vice-President s Office, Episcopal Conference, local, church-related and other human rights NGOs, and the Ministry of Government

Humanitarian Assistance United Nations Children's Fund (UNICEF), CRS

Peace International Committee for the Red Cross (ICRC), Salesians, Congress, Universidad de Los Andes (UNIANDES), and IDB

6 SO1 Sustainability

The CSJ National Judicial School is becoming self-sustainable USAID has devoted significant assistance to the CSJ over the last year to reorganize the school and will limit assistance to establishing the system and need only accompany the first training series in oral procedures In human rights, one possibility is the creation of a fund to help offset NGO financial needs The Attorney General's Office (Procuraduria) and Prosecutor General's Office (Fiscalia) only require technical assistance and training Alternative dispute resolution is sustained through the Ministry of Government

7 SO1 Performance Indicators

Progress under this strategy will be measured by the following intermediate results

IR1 Effectiveness of criminal justice system improved

- Number and quality of oral trials (Initially, USAID/Colombia anticipates that such trials would take place within the pilot courtrooms While the number of oral trials should be relatively easy to measure, quality will be more difficult but

possible by drawing a random sample of trials and having them observed by skilled professional raters)

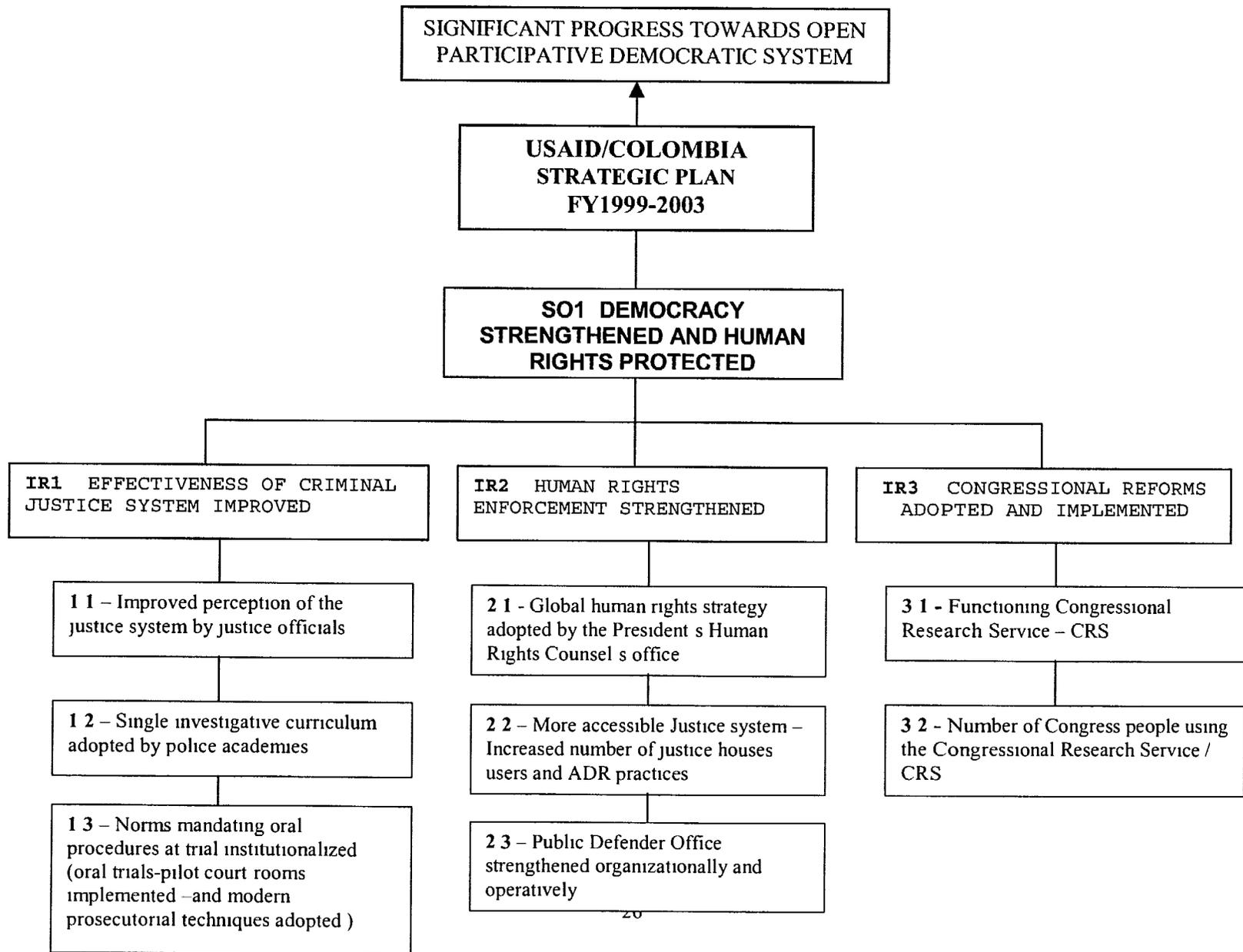
IR2 Human rights enforcement strengthened

- Number of important human rights cases investigated and brought to closure
- Number of cases brought to and resolved through Casas de Justicia and other dispute resolution mechanisms
- Overall GOC human rights strategy adopted and effectively implemented by the President's Human Rights Counselor's Office

IR3 Congressional reforms adopted and implemented

- Creation in the Congress of a bicameral standing Legislative Modernization Committee
- Establishment of a legislative support and service center in a local university
- Number of services or studies provided to legislators contributing to the debate of important issues within the Congress

RESULTS FRAMEWORK FOR DEMOCRACY SO



Alternative Development Strategic Objective (SO2)

1 SO2 Statement

“Illicit Crop Production Reduced in Target Areas”

Under this Strategic Objective USAID/Colombia will work with partners in the public and private sectors in order to encourage investments in infrastructure, agriculture and the social sectors through the promotion of productive, sustainable, alternative development programs based on the participation of targeted communities. Alternative development (AD) refers to the process that puts into place the conditions necessary for the inhabitants of illicit crop producing areas to voluntarily and permanently abandon drug cultivation and enter the licit productive economy. This SO is congruent with and supportive of Plan Colombia, the element of Colombia's overall National Development Plan, which posits alternative development as an important instrument of an overall counternarcotics strategy, which in turn is essential to an overall peace program.

2 SO2 Problem Analysis

AD programs in Peru and Bolivia, as well as activities undertaken to date in Colombia, have provided the following important lessons, which will form an integral part of the U.S. - Colombia alternative development strategy:

- In every instance, it has been extremely difficult to advance alternative development in the absence of an effective parallel program of law enforcement and interdiction.
- Communities must participate concretely and effectively with their local governments in order to achieve long-term, sustained socio-economic development based on licit activities.
- Activities must be demand driven, market oriented, and economically and technically sustainable.
- Partial interventions fail. Alternative development must be an integrated program, designed in a participatory fashion with beneficiaries to address a variety of social and economic requirements that bring communities into the licit economy as well as under the rule of law.
- Lack of infrastructure, basic services, and alternative income prospects are disincentives to abandoning the drug economy.
- The substitution of illicit for licit crops on the same plot of ground is usually not feasible, since coca can grow more productively in poorer soils than will most licit crops. Farmers usually place licit alternative crops on different land, leaving the abandoned illicit fields open to potential replanting.

- Small farmers who take advantage of AD programs normally require intensive technical assistance, training and credit to establish profitable cultivation in the short run
- Lack of formal land titles inhibits long-term sustainable investment and access to credit, both of which decrease the likelihood of success in an AD program

The strategic goal is to reduce illicit crop production (coca and poppy) through voluntary abandonment. It seeks to improve alternative, licit economic opportunities for those in the coca-growing areas and for potential migrants to those areas, resulting in abandonment or prevention of coca and opium poppy cultivation and leading growers to cooperate in, or consent to, their elimination.

Specifically, the strategy proposes that by September 2003, through a coordinated effort with other USG and Colombian agencies, virtually all 6,000 hectares of opium poppy and up to 40,000 hectares of coca presently in production will be permanently abandoned and/or eradicated through a combination of USAID-stimulated alternative, licit economic opportunities and NAS supported, GOC implemented aerial eradication.

Within this goal, USAID/Colombia's alternative development strategy includes the following objectives:

- Maintain and, if possible, increase net incomes of small farmers in drug producing areas
- Encourage the sustainable use of natural resources
- Improve the quality of life of the population in former drug producing areas
- Strengthen the institutional capacity of local government and decentralized central government agencies to deliver services

3 SO2 Results Framework Assumptions and Causal Relationships

The USAID/Colombia alternative development strategy is based on two premises:

- Significant reduction of illicit crop production and processing requires effective law enforcement against narco-traffickers. Enforcement must be sustained long enough to overcome farmers' expectations that illicit crop production and processing will provide reliably higher earnings relative to licit activities. Undoing years of dependence on illicit crop cultivation cannot be reversed quickly unless those engaged in illegal activities have confidence in the prospects of making a living through legal means.
- Poverty and underdevelopment underlie farmers' decisions to continue in illicit crop production. This implies that collective GOC and international donor efforts and

resources to finance both alternative development and law enforcement programs must be provided consistently over an extended period

SO2 extends for five years through FY 2003, and focuses USAID/Colombia efforts on implementing and supporting the following three, mutually reinforcing Intermediate Results (IRs)

- IR1 Improved policies and planning**
- IR2 Expanded licit economic opportunities**
- IR3 Improved environmental management**

These IRs are mutually enforcing in that in order for expanded licit economic activities and environmental management to be successful, it is necessary that the appropriate regulations and policies related to investment incentives, asset ownership, physical security, and commitment to eliminate illicit crop production exist. Similarly, for licit economic activities to be sustainable, they must take into account environmental concerns and practices that ensure sustainability

IR2.1 Improved policies and planning

USAID and USG policy dialogue with the Colombian government should consider the following significant factors that will affect the success of program implementation

- The GOC economic reform package and its impact on increasing the private sector's role in Colombia's development
- Degree of GOC commitment to eliminate illicit crops
- Growing international awareness about the need to cooperate in narcotics control efforts
- Popular awareness that narcotics production and trafficking is an extremely serious problem for the country
- Attitudes of populations in illicit crop growing areas regarding changing from an illicit-based economy to licit economic activities
- Security situation in project areas

In addition to discussing the above factors, a broad and inclusive dialogue with the GOC and potential beneficiaries is critical to long-term program success. This must include agreement on a vision for bilateral activities in voluntary abandonment of illicit coca and poppy crops in favor of licit economic alternatives, and on the definition and concept of alternative development. As such, beneficiaries in many cases may be people who have been or are currently sympathetic to insurgent activities. Given the decades of conflict as

well as the anticipated target areas, it will be virtually impossible to ensure the exclusion of such people from alternative development activities

Activities may include revision and strengthening of the PLANTE National Alternative Development Plan, participation in the preparation of the DNP National Development and Peace Plans, coordination of AD actions among the various GOC institutions, facilitation of legal arrangements for community eradication agreements, incorporation of AD activities into municipal development plans, development of strategic alliances with the private sector, preparation of presentations and projects to secure expanded resources for AD activities, and development of a socio-economic data base and geographic information system (GIS) in AD areas

IR2 2 Expanded licit economic opportunities

The main thrust of USAID-financed activities within this AD strategy will be a program of grants for activities to substitute illicit income lost as a result of abandonment and non-replanting of coca or poppy with licit sources of income. The strategy will seek to implement both rapid and medium-term impact activities in the targeted areas. It will promote active community participation with municipal governments in the selection and implementation of specific activities, while providing grants to carefully selected private entities to provide agro-industrial and marketing facilities to alternative production activities.

Grants would finance credit for community-based private sector investment activities, including small, local-level social infrastructure, infrastructure improvements (farm-to-market roads) necessary for sustained reactivation of licit economic activities, commodities, including improved seed varieties, studies, technical assistance, and local project implementation costs. While a long list of potential sub-projects can be identified, a methodology will be developed for project selection. Many will require feasibility studies and major design work, particularly roads, bridges and other infrastructure. Projects will have to be prioritized and some will have to be identified that can be quickly implemented and deliver critical assistance directly to small farmers who have lost their illicit crop income.

Other activities may include agricultural technology transfer for alternative crops in illicit crop production areas, credit for productive activities, land titling or adjudication, support to rural small and micro-enterprises, contract production, development of investment packages for private sector, market linkages and information, and installation of small rural infrastructure.

IR2 3 Improved environmental management

All activities under this SO will be implemented with attention to sound environmental practices, which is extremely important in a country that contains an estimated 15 percent of the world's animal and plant species. Environmental management is focused on preventing and/or reversing the deterioration of natural resources (soil, water, and flora and fauna).

caused by cultivation and processing of illegal crops in ecologically fragile areas. Appropriate management and recovery of natural resources would be undertaken by communities and governmental institutions (e.g., National Park Service, Ministry of Environment) with a focus on sustainable economic forestry harvesting-marketing opportunities for small producers of illicit crops in protected areas. Activities undertaken in this area could include protection of micro watersheds through soil terracing and reforestation, management of forestry reserves for conservation and production purposes, grazing in and around protected areas, ecotourism, and environmental education and community organization.

4 SO2 Illustrative Approaches

An integral element of the strategy will be to provide PLANTE and Plan Colombia with assistance in preparing the analyses and documentation that will be required in preparation for a Consultative Group (CG) meeting to assure broadest possible support from the donor community. USAID/Colombia will also provide PLANTE with institutional support and technical advisors (which may flow through an institutional contract to a third party) who can assist in follow-up actions after the CG, working directly with individual donors in translating CG pledges into real projects.

To guide project decisions, USAID/Colombia will conduct a series of rapid assessments in selected regions to provide information necessary to understand and evaluate program options and build an inventory of potential projects. The studies could include:

- Structure of agricultural markets, identification of profitable licit crops, identification of constraints to increased licit production
- Structure of municipal government, budget flows, funds accountability, and transparency and participation in public decision processes
- Special needs and procedures that may be applicable to indigenous groups
- Social aspects that will affect AD activities, including, but not limited, to public health, public education, road and bridge maintenance, electricity distribution, administration of justice, violence, and land tenure

As AD activities proceed in the early stages, PLANTE will begin to identify NGO implementers and determine how to best use these NGOs to extend the reach of AD programs through coordination or management of sub-projects. PLANTE and USAID/Colombia will seek to identify emerging NGOs that could work in AD programs in relatively insecure areas. PLANTE will also work to secure the availability and delivery of private sector, market-based credit that may be necessary for the success of licit economic alternatives. Relationships with private sector associations (e.g., Colombian Coffee Growers Association) will be explored and developed. Further, in coordination with PLANTE, USAID/Colombia will explore the possibility of funding a non-profit private sector representative association to carry out private investment promotion in target areas.

Activities in Poppy Areas - Initial information indicates that four southwestern departments (Cauca, Huila, Nariño and Tolima) have the combination of substantial illicit crop production, physical infrastructure and security that permits launching an immediate AD activity to replace the opium poppy. The arrival of coca in the eastern borders of the Cauca department, as well as production of a large part of Colombia's poppy crop, permits the testing of AD methods while making a substantial contribution to counternarcotics goals. Poppy is primarily cultivated within the high-altitude national parks by individuals who commute to their plots from licit farms at lower altitudes.

Activities in Coca Areas - In the first year of the strategy, the AD grants program will be introduced into the coca-producing areas where PLANTE already has a substantial presence, primarily in Nariño and Cauca departments in the southwest and in the Meta and Caqueta departments in the southeast. These initial sites are characterized by fewer large producing areas and less sophisticated marketing and processing systems. These areas have also not been targeted to date for concentrated aerial fumigation programs.

Environmental Management - Plantation-style coca crop production--responsible for up to 60 percent of the area under production--involves the elimination of large areas of forest cover in tropical lowlands in order to establish sufficiently large tracts of land for this type of exploitation. Generally, these lands are inappropriate for sustainable agricultural production because of their thin, highly leachable soils, with the most sustainable vegetative cover being the original forestry ecosystems. When forest cover is left standing, it is often to disguise small-plot coca production in national parks and reserves, as is the case in the Putumayo department. The use of large amounts of chemicals in tropical areas in the processing of coca leaf into basic paste results in serious contamination of nearby water sources for human and animal consumption, as well as the elimination of natural amphibious life in these aquifers. USAID/Colombia will coordinate its existing environmental activities with those proposed for alternative development, as well as work with governmental institutions, NGOs and other donors in applying environmental solutions to the AD dilemma. Finally, USAID/Colombia must also continue providing guidance to the Enterprise for the Americas Fund, reviewing grant proposals and participating in regular meetings of the Administrative Council.

5 SO2 Development Partners

Individual communities will implement many of the AD grants from PLANTE, although other appropriate GOC entities or NGOs might also implement AD activities. As indicated earlier, USAID/Colombia will help strengthen NGO administrative management capacity, especially in more rural areas, to achieve a broad representation of NGOs capable of applying for AD funds. In addition, close coordination with the offices of UNDCP and the IDB, two organizations with both experience in and plans for continued AD activities, will be a regular part of USAID/Colombia's AD program. Periodic technical exchanges and input from CIAT will also support the AD program. At the implementation level however, close, regular contact with local institutions and communities will be fundamental,

especially in the signing, implementation and monitoring of voluntary eradication agreements

6 SO2 Sustainability

The sustainability of AD activities will depend to a great extent on a number of factors which must come together in order to realize a different source of income for the rural farmers targeted by this strategy. Most importantly, no activities will take place without the regular participation of the beneficiary communities. This, along with the combination of public awareness regarding the negative effects on the country of coca cultivation, effective interdiction and regular GOC budgetary support to both central and decentralized government institutions is a necessary beginning for the long-term sustainability of AD activities. Ultimately, marketing opportunities for farmers, better access to pricing information, newer and more reliable infrastructure and stronger local government support for rural inhabitants will ensure the sustainability of these activities.

7 SO 2 Performance Indicators

The US foreign policy interest served by the implementation of this Strategy is the reduction of movement of illegal drugs from or through Colombia to the United States.

The relevant USAID/Colombia Strategic Objective (SO) for this Strategy is "Reduced Illicit Crop Production in Targeted Areas" This will be achieved by increasing rural income and employment opportunities in licit businesses in and adjacent to traditional drug producing areas and will be carried out within the context of GOC policy regarding the peace process, and through close coordination with other USG drug-related control and law enforcement activities.

The SO-level indicators to be used to measure progress in achieving this Objective are

- Number of hectares devoted to illicit crops
- Quantity of illicit crop production
- Ratio of licit agricultural production to illicit crop production in target areas

Among the major barriers that prevent a permanent reduction of illicit crop production in Colombia are the present lack of legal economic alternatives in production areas as a result of deficient economic infrastructure, market linkages, and investment, as well as limited provision of basic social services and presence of municipal governments, and physical insecurity. Consequently, actions carried out under this strategy will focus on the alleviation of these constraints and progress will be measured by the following intermediate results

IR1 Policy and planning improved

- Incorporation of revised PLANTE Strategic Plan into the National Development and Peace Plans

- Assistance to Plan Colombia strategic planning
- Establishment and operation of high-level GOC counterdrug coordination mechanism
- Completion of rapid assessments identifying opportunities in target areas

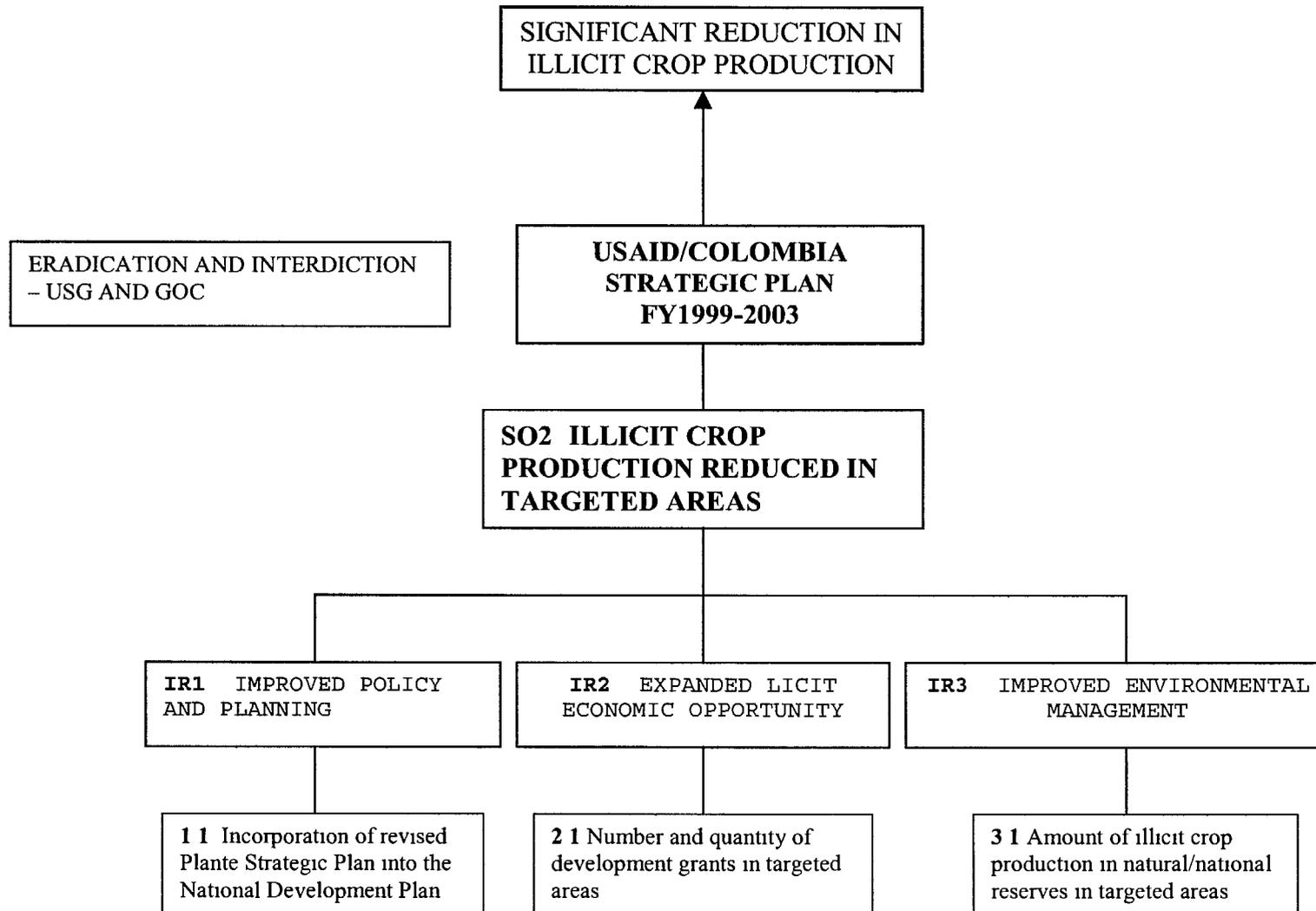
IR2 Licit economic opportunities expanded

- Number and quantity of development grants in target areas
- Amount of public sector investment in target areas

IR3 Environmental management improved

- Amount of Illicit Crop Production within natural/national reserves in target areas
- Management plans for generating pasture-forestry income to replace illicit crop production in natural/national reserves and parks in target areas
- Number of hectares of land protected through reforestation and sound environmental practices in target areas

RESULTS FRAMEWORK FOR ALTERNATIVE DEVELOPMENT



Environmental Special Objective (SpO1)

1 SpO1 Statement

“Americas Fund Operational”

Under this Special Objective, USAID/Colombia will work with partners in the public and private sectors to consolidate an agile mechanism for the provision of grant resources from the Americas Fund for rational environmental and natural resource management, development, and protection. It will monitor USAID/Washington-funded environmental and biological diversity activities (e.g., Parks in Peril, Biodiversity, Tropical Forests) in Colombia to ensure appropriate program coordination and leverage with the Americas Fund.

2 SpO1 Problem Analysis

Based on Colombia's rich resource endowment and the opportunity to reduce U.S. debt held by Colombia in exchange for environmental protection, biological conservation, and sustainable natural resource management (and also child survival activities), the USG signed an agreement with Colombia in 1993 under the Enterprise for the Americas Initiative to establish the Americas Fund. This Fund provides competitive grant financing for plans, programs, and projects implemented by non-governmental organizations (NGOs) independently or in coordination with public entities. In order to implement the activities under this agreement, a private, non-profit corporation (Ecofondo) was created by the GOC and Colombian environmental NGOs.

Unfortunately, the Americas Fund has never functioned smoothly and has experienced significant implementation problems. Attempting to remedy this, USAID/Colombia provided separate development assistance funding to Ecofondo in late 1996 to improve its administrative and management capabilities, but it only used this assistance to a limited degree. Burgeoning administrative expenses resulted in a downsizing of the organization in late 1997. Many administrative and financial problems have not been solved satisfactorily by either the board or the staff of Ecofondo, despite assistance from a number of outside advisors and donors.

The Americas Fund here remains paralyzed while the USG awaits the pending GOC renegotiation proposal. Prior to leaving office, the previous Colombian Government had accepted the USG position on the need for a consultation process, but nothing could advance in the final few months of the past GOC administration. A new GOC administration took office in August 1998, and was fully briefed on the USG position by the USAID/Colombia Director in his capacity as USG Representative to the Administrative Counsel. In October 1998, once the Colombian representatives to the local Americas Counsel (the National Planning Director and the Environment Minister) were confirmed in office, the USG Representative to the Counsel presented a briefing on the tortured history and the current status. A few weeks later, a positive GOC response on renegotiations was received, and the USG Representative asked that the GOC present a suggested

working agenda on renegotiations of the Bilateral Agreement and initiate needed consultations. In addition, the Foreign Ministry was briefed, as they had made it clear that they wished to be involved from the outset in any renegotiation process.

In November 1998, the Colombian International Cooperation Agency (ACCI) called for a meeting to report on progress in which the Vice Minister of Environment outlined ideas for proposals. These were plainly based on the premise that fixed percentages of the Americas Fund would be dedicated to specific areas, including child survival (for which the Americas Fund has not given not a single grant since its inception), a Green Bank, and the National Parks System. Finally, a percentage would continue to be administered by Corporacion Ecofondo, the quasi-government NGO, whose chronic mismanagement had precipitated the current suspension of the Americas Fund grant process. The USG Representative responded that the fixed percentages would need to be reviewed once the formal GOC proposal was received by USAID/Colombia.

At that November 1998 meeting, the GOC committed to present a formal agenda proposal to start the renegotiation consultations. Recently, the Environment Ministry presented a final draft document to the National Planning Directorate (DNP) and ACCI, which is being reviewed by DNP before a final document is presented to the USG. Upon receipt, USAID/Colombia will analyze and forward the document with comments to State/OES for review and presentation to the Enterprise for the Americas Initiative Board (EAB) for its review and instructions on how to conduct the renegotiation process.

In the meantime, the Fund has grown to \$45 million and no new projects have been approved or presented for consideration to the Counsel since late 1997. However, projects approved before December 1997 have continued receiving their funding and some of them are successfully concluding.

Additionally, the terms of most of the non-government Counsel members have expired and the Counsel itself is **de facto** in suspension until new members are proposed by the GOC and ratified by the USG. The USG Representative has strongly and repeatedly suggested that the GOC begin this process of renewal of the Administrative Counsel independently of the eventual renegotiation process. The ACCI Director is considering possible nominees, but to date has not taken action.

Recently, the USG Representative attended meetings concerning Colombia's desire and intention to seek inclusion in the Tropical Forest Initiative (TFI), at which representatives of the same GOC agencies involved in the Americas Fund issues were present. He reiterated the USG position that the Americas Fund reorganization should be dealt with first and once this was resolved adequately, the matter of TFI negotiations could move ahead.

3 SpO1 Results Framework Assumptions and Causal Relationships

SpO1 extends for three years with funding from USAID/Colombia principally for management and technical assistance to facilitate the restructuring and reorganization of the

Americas Fund Because of the limited timeframe and financial resources dedicated to this SpO, progress will be measured solely by SpO-level indicators discussed in paragraph 7

4 SpO1 Illustrative Approaches

Activities to be financed by the Fund may include those that link conservation and sustainable use of natural resources with local community development, and those that promote child survival and other child development, especially those that link child survival and development with sustainable management of natural resources Recipients of grant funding will be those projects managed by NGOs and those that involve local communities in their planning and execution

Three examples of projects presently being implemented with Fund financing are 1) Forest Composition and Management Plan of Chiribiquete National Park, 2) Environmental Assessment of the Guayabal Indigenous Territory to Establish Land Use Planning, and 3) Environmental Education Through Folk Music Programs in the Caribbean Region

As one of eight directors (and the official U S representative) on the Council of the Americas which is responsible for the administration of the Fund, the USAID/Colombia Director will continue to take the lead in converting the Americas Fund into an effective development mechanism USAID/Colombia has prepared a draft of a new Bilateral Agreement that would separate control of the Fund's income, establish the Fund as a permanent rather than a draw-down fund, and require the Council of the Americas to establish a clear, long-term strategy that the Fund would follow as it implements the program

5 SpO1 Development Partners

Public sector Ministry of Environment, National Planning Department, PLANTE (in activities related to illicit crop substitution)

PVOs/NGOs The Nature Conservancy (TNC), Fundacion Sierra, PROSIERRA

6 SpO1 Sustainability

With the establishment of the Fund as a permanent fund, it will have created its own endowment, from which interest earned on the endowment will be used to pay for operating expenses of the Fund, as well as to finance new environmental grants One of the key criteria for awarding sub-grants will be the presentation of sustainability plans in the applications by prospective grant recipients The Fund will periodically evaluate sub-grant performance, including sustainability

7 SpO1 Performance Indicators

The U S foreign policy interest served by the implementation of this SpO is the fulfillment of understandings and agreements on the environment arising from the Enterprise for the

Americas Initiative, as well as the larger worldwide concern for adequate environmental management

The **SpO-level indicators** to be used to measure progress in achieving the “Americas Fund operating effectively according to a strategic plan” are the following

- New Bilateral Agreement signed
- Long-term strategy for Fund administration prepared
- Number of projects financed

Earthquake Reconstruction Special Objective (SpO2)

1 SpO2 Statement

“Earthquake Reconstruction in Coffee Zones Implemented”

Under this Special Objective, USAID/Colombia will work closely with public and private sector partners in the design and implementation of immediate actions related to physical reconstruction of coffee zones struck by a massive earthquake

2 SpO2 Problem Analysis

On January 25, 1999, Colombia was struck by a 6.0 magnitude earthquake, with its epicenter in the major coffee Department of Quindio. Over 900 people were killed, some 4,000 were injured, and approximately 425,000 were affected. Hardest hit was Armenia, the capital city of Quindio, with a population of 300,000, where an estimated 37,000 families (approximately 185,000 people) are homeless. In the neighboring city of Pereira, with a population of 450,000, an additional 3,000 families lost their homes. An estimated one-third or approximately 12,000 families, represent the cities’ poorest and most vulnerable group, whose homes were completely destroyed. Additionally, a section of mountain adjacent to Pereira’s principal aqueduct has been weakened and it is feared may collapse, and the city’s water supply for a total population of 500,000 would be cut off for at least six months.

Almost immediately following the disaster Colombian President Pastrana traveled to Armenia, where he and his advisors identified the most critical needs of victims, namely food, water and shelter. USAID’s Office of Foreign Disaster Assistance (OFDA) backstopped by USAID/Colombia responded immediately to Colombia’s call for help, providing emergency relief for immediate needs (food, water and health). These have now been met and the response is rapidly moving into the next phase of providing temporary shelter. In accordance with the city of Armenia’s master plan, USAID/Colombia and the OFDA team are addressing immediate shelter needs with the construction of community kitchens and day care facilities, and are working toward the construction of temporary shelter units for single and multi-family use by the most vulnerable populations. The carefully directed provision of temporary shelter should reduce social pressures and accelerate recovery.

The gap between immediate emergency and longer-term aid, however, must be filled immediately if the USG is to prove responsive to the urgent reconstruction/rehabilitation needs. Permanent and appropriate solutions to the shelter crisis caused by the earthquake are necessary, as well as funding for rehabilitation of other infrastructure, such as the stabilization of the section of mountain threatening Pereira and the repair of damaged sewage systems in Pereira and Armenia.

3 SpO2 Results Framework Assumptions and Causal Relationships

Various actions have been identified as appropriate responses to the death and destruction caused by the earthquake. SpO2 extends for two years with expected FY 1999 supplemental funding from USAID/Washington. Because of the limited timeframe for this SpO, progress will be measured solely by SpO-level indicators discussed in paragraph 7.

4 SpO2 Illustrative Approaches

As Colombia seeks to rebuild its coffee-growing zone after the devastating earthquake, periodic USAID/Colombia assistance will be required in order to coordinate the inputs of various USG entities. More importantly, a concerted effort will have to be made for the design, implementation and follow-up of activities. USAID/Colombia anticipates that the following activities would be undertaken:

- **Strengthening of Micro-Zoning for Reconstruction Planning**

USAID/OFDA will support the Universidad de Los Andes, which has solid technical capabilities in the field, to work directly with the Municipality of Armenia, the Colombian Association of Seismic Engineers and other local institutions to conduct a study that will result in a detailed micro-zoning document. The study will be conducted in close coordination with local government officials and will become the basis of Armenia's reconstruction plan.

- **Workshops on Appropriate Construction with Local Materials**

With USAID/OFDA funding, USAID/Colombia will fund a program through the Colombian Association of Seismic Engineers that will take advantage of recent experience in appropriate earthquake-resistant uses of local construction materials in three ways. First, the program will work to assure that appropriate uses of local materials become part of existing norms and regulations in the Colombian Building Code. Second, these experiences would focus on developing prototype structures that utilize local materials. Finally, the program will develop workshops to teach appropriate construction and maintenance techniques to communities and builders using local materials.

- **Construction of Prefabricated “Community Homes”**

The Colombian Institute of Family Wellbeing (ICBF) funds a variety of programs aimed at supporting the physical, psychological and social development of children under seven years of age who live in extreme poverty. These programs work through neighborhood women who provide childcare within their homes. Many of these women lost their homes in the earthquake and, thus, the ICBF programs have been unable to operate. To reestablish these important programs, USAID/OFDA will fund ICBF to contract local builders to construct “Community Homes.” The homes will provide a clean, dignified and appropriate space for ICBF’s interrupted children’s programs to resume.

- **Materials Banks for the Rehabilitation of Schools and Other Vital Community Centers**

Throughout the affected area, many schools, community centers, and other important community buildings suffered serious damage. To help meet the need for construction materials, USAID/OFDA will work with the Foundation for Higher Education (FES) to create a “Materials Bank.” The Bank will include basic construction materials such as zinc sheets for roofing, wood and possibly cement. Materials will be provided in exchange for transportation and labor provided by the beneficiaries. Designs for structures will conform to earthquake-resistant guidance and prototypes developed through the USAID/OFDA-supported activities of the Colombian Association of Seismic Engineers and, where possible, participants will attend workshops on appropriate construction with local materials. This program will be contracted and monitored by USAID/Colombia.

- **Long-term Reconstruction Assistance**

USAID/Colombia and OFDA assistance will be strongly focused on the restoration of adequate permanent shelter to approximately 6,000 of the region’s poorest families (approximately 30,000 people) out of the total estimated 12,000 poor families who lost their homes. The homes would be built using a “sites and services” approach, in which most of the construction would be done by the families themselves. Important infrastructure strengthening will be targeted, especially the stabilization of a section of mountain which threatens to collapse and destroy the main aqueduct of the City of Pereira, and extensive repairs to sewer systems in the cities of Pereira and Armenia. Finally, long term reconstruction will focus on the rebuilding of ten health posts and ten primary schools in both Armenia and Pereira, benefiting an estimated 30,000 poor residents and 4,000 school-aged children. USAID/Colombia will channel this assistance through the Global Bureau SUM IQC.

5 SpO2 Development Partners

Micro-Zoning and Workshops private sector (Colombian Association of Seismic Engineers, Ingeominas), universities (Los Andes, Quindio), public sector (Ministry of Urban Development, municipality of Armenia), USG (USGS)

Pre-fabricated “Community Homes” and Long-term Reconstruction private sector (NGOs, local construction firms), public sector (U S Army Corps of Engineers, Colombian Institute of Family Wellbeing, municipalities), community organizations, affected families

Materials Banks private sector (National Federation of Coffee Growers, Fundacion para la Educacion Superior), public sector (Colombian Institute of Family Wellbeing, Secretaries of Health and Education, municipalities)

6 SpO2 Sustainability

When the micro-zoning activity is completed, Armenia’s reconstruction plan will serve not only for immediate reconstruction efforts but also for prohibiting new construction in quake-prone areas, thereby minimizing future disasters in Armenia. Likewise, the materials banks and training activities will prepare technicians and local inhabitants to use appropriate housing construction materials that will minimize destruction from future quakes. Local populations will be integrally involved in planning and implementing the long-term reconstruction activity, thereby ensuring maintenance and upkeep of the reconstructed facilities.

7 SpO2 Performance Indicators

The U S foreign policy interest served by the implementation of this SpO is humanitarian assistance response in a disaster situation, with a view to short-term economic and social recuperation of the affected zone.

The **SpO-level indicators** to be used to measure progress in achieving the proposed reconstruction are:

- Construction of “community homes” completed
- Building materials through the “materials banks” provided
- Houses, health posts and schools reconstructed

C Activities in Colombia Financed with LAC, Global and Other Funds

1 U S Department of the Treasury

At the request of the GOC in August 1998, USAID/Washington drafted and concluded a Memo of Understanding with the U S Department of the Treasury that provides for long-term technical assistance to the Colombian banking sector. This MOU was signed with the GOC, Treasury and USAID during President Pastrana’s late October 1998 visit to Washington. This activity--which is awaiting the conclusion of a formal agreement between USAID and the GOC and will be financed with \$500,000 in ESF--will assist the Ministry of Finance in the development of a new financial strategy and provide a sound basis for determining the state of financial health of a number of different Colombian

banking institutions. These efforts will have a direct impact on diminishing the fiscal deficit.

2 The Nature Conservancy (TNC) Parks in Peril Program

This LAC regional program is administered by TNC and will continue on a small scale until the end of FY 1999. Four Colombian national parks were selected under this program. USAID/Colombia, with some local currency funding, continues to assist TNC. Evaluation processes, scorecards, indicators and results are prepared by TNC and are reflected in LAC's Regional Program R-4.

3 Biodiversity Support Program

Under this centrally funded program, several conservation and research projects have been sponsored in Colombia. During FY 1998 one small proposal presented by a Colombian NGO for the preservation and protection of migratory birds (US\$65,000) was approved. As of early CY 1999, USAID/Colombia is unaware of any other proposals that may be pending for review.

4 Microenterprise Program

A US PVO, Opportunity International, has submitted a proposal to USAID/Washington's Global Bureau for approximately \$1.8 million for a period of three years which would provide small-scale loans for low income entrepreneurs, primarily in the northern part of the country. USAID/Colombia has commented that, while the proposal is sound, its ultimate approval by the Global Bureau will require a degree of oversight which has not been planned.

5 Support to CIAT

Under this Global Bureau program, during FY 1998 a contribution of over \$2 million was assigned to CIAT's (International Center for Tropical Agriculture) core program. CIAT is the international agricultural research center focussed on tropical agriculture and sustainable land management systems for the tropics. It conducts strategic research programs on rice, beans, tropical forages and cassava, and implements the following projects: Community Management of Hillside Watershed Resources, Rice Improvement for Latin America and the Caribbean, Tropical Grasses and Legumes for Multiple Uses, Conservation of Plant Genetic Resources in the Neotropics, Enhancing Agrobiodiversity Through Biotechnology, Integrated Pest and Disease Management, Improving Soil Quality in Marginal Environments, Sustainable System for Small-Scale Farmers, Rural Agroenterprises for Small-Scale Farmers, and others. Many of these projects draw on the Center's gene bank collection that is the best in the world, and bring to bear cutting edge science (breeding, biotechnology, pathology, pest management) to solve problems in developing country agriculture. Because of this, USAID/Colombia has recently initiated discussions with CIAT on the theme of Alternative Development. CIAT could serve as a

source of technical input for elements of the Alternative Development SO, particularly advising on appropriate crop alternatives for a particular area

D Donor Coordination

The relatively ambitious thrust of this Strategic Plan, the small staff (2 USDHs for 1999) and projected funding over the FY 1999-2003 period make close collaboration with other donors essential to achieve program objectives. Although the tightly focussed justice and human rights objective is less dependent on other donor funding, the critical nature of all activities in this area makes close coordination equally important.

The success of the Mission's focussed programs on democracy and governance, peace, and alternative development to illicit drug production requires that key donors work under a common understanding of the GOC's policy framework, which establishes the parameters and direction for the GOC's overall development plan. Donor programs must be complementary.

The National Planning Department (which reports directly to the President) also houses the Colombian Agency for International Cooperation (ACCI), which coordinates all donor strategies and programs. However, it is not clear to the donor community which GOC agency has ultimate authority--the ACCI, the Ministry of Foreign Affairs, line ministries (such as Agriculture), or another GOC counterpart agency. Without a central place for coordination, donor programs risk duplicating efforts, while neglecting macro or overarching issues that may not be so evident when communication is limited to a specific sector.

In the interim period between the GOC Administration's evolution of development policy and establishment of key institutions, the donor community has begun to meet under the leadership of UNDP to coordinate their efforts. Donors have come together twice for monthly meetings for the exchange of information, such as key donor programs and general discussions on progress in policy reform and the status of key frameworks such as the "Plan Colombia." Ad hoc meetings between donors also take place on an as-needed basis, and often focus on specific sectors or areas of shared interest, such as alternative development.

In the areas of primary interest to USAID--administration of justice (AOJ), human rights, alternative development--three multilateral institutions (IDB, UNDP/UNDCP, World Bank) and three bilateral donors (Canada, Germany, European Community) may be referred to as key partners for cooperation. The IDB's relevant program focus is on alternative development (infrastructure and institution building) and support for justice. The UN (UNDP and UNDCP) has provided support for alternative development (on-the-ground productive investment programs combined with eradication and support for law enforcement, as well as support for PLANTE and ACCI) and in democracy (judicial system reform, human rights, and training). The World Bank's focus is on the peace process (conflict resolution, justice of peace programs).

Bilateral assistance provided by Canada is in environment (debt conversion), and a smaller program in democracy (human rights through NGOs) The EC and Germany are interested in areas of alternative development and AOJ Cooperation with USAID may be encouraged through the German Presidency of the EU starting in January 1999

USAID/Colombia has identified two priority areas for strengthening cooperation with and among key donors whose program impact on its program

- Establish GOC leadership for donor coordination USAID/Colombia's strong working relationship with the GOC in limited areas can be used to take the "inside story" of the seriousness of GOC intentions to do the right thing for the development of Colombia to other donors USAID/Colombia is in a position to encourage other donors to continue and expand support for key GOC institutions such as ACCI and PLANTE which are showing a strong willingness to develop new approaches to address fundamental development constraints in Colombia GOC leadership is critical for establishing the mechanisms to bring all donors together for frank and transparent discussions of needs, progress, and impact of development programs This can prevent, or at least minimize, the negative impact of turf battles among key donors
- Establish operational frameworks USAID/Colombia can continue to work closely with PLANTE, justice, sector entities and organizations moving forward the peace process to ensure that coherent frameworks are developed and accepted by key donor partners in these areas Such frameworks should include monitoring and performance indicators Together with GOC leadership, they will enable a better division of labor and prevent duplication of efforts, while maximizing complementarity of programs

E Environmental Analysis

In accordance with ADS 201 10g, an analysis of USAID/Colombia actions needed to conserve biological diversity and tropical forests, and the extent to which its proposed actions meet those needs, is provided below

Colombia is an extraordinary country in terms of biodiversity and, therefore, for the protection of the global environment Its position--between two oceans, at the north end of the Andes mountain chain, and at South America's juncture with the Isthmus of Panama--gives Colombia one of the highest degrees of biological diversity on the planet According to a recently published book on the environment--Megadiversity Earth's Biologically Wealthiest Nations²⁰--Colombia is the third most important country in the world in terms of the greatest global biodiversity, behind Brazil and Indonesia The World Bank classifies over half of Colombia's vegetation within its highest categories of importance, "Outstanding at the Global Level" and of "Maximum Regional Priority for Conservation "

20 Mittermeier, Russell A and Cristina Goettsch Mittermeier, Megadiversity Earth's Biologically Wealthiest Nations, CEMEX, 1997

Likewise, USAID classifies most of Colombia as either “Regionally Outstanding” or “Regionally Significant”

The Andean Region is the most biologically important zone in Colombia in terms of its sheer diversity, its levels of endemism, and the threat posed by five centuries of severe human impact. It is comprised of 45 distinct vegetational districts, ranging from sub-Andean humid forest to *paramo* to arid sites. The Andes is the largest geographic region, covering portions of 21 different Colombian departments, and the region suffering the greatest degree of human disturbance at present, especially due to continued expansion of cities encroaching on the natural vegetative cover²¹

The Orinoquia Region--a mosaic dominated by natural savannas and gallery forests, wetlands, and a narrow rain forest strip where it contacts the foothills of the Andes--is threatened by road construction, large-scale agricultural and livestock expansion, colonization, and indiscriminate and uncontrolled logging. National parks and reserves in this region remain difficult to manage given that it is also a stronghold of guerrilla activity and illegal coca cultivation, and has been the site of armed conflict between guerrilla and paramilitary forces for many years.

The Colombian Amazon occupies fully 35.4 percent of the southeastern quadrant of the country. The region is covered almost entirely by rain forests, with some small islets of natural savannas. It is extraordinary both for its high biodiversity and the relative integrity of its ecosystems and indigenous communities. Indeed, it is perhaps the most intact of all the Amazonian nations, given the near complete absence of roads into the region and the fact that even the rivers are largely unnavigable due to rapids. However, this integrity remains tenuous because of outside influences and socioeconomic pressures, many of which have resulted in extensive deforestation and social dislocation of indigenous inhabitants in other parts of Amazonia. Evidence of forest loss in the Amazon has generated increasing national and international attention, resulting in some positive legal and administrative changes in Colombia's Amazonian policy. Nearly 60 percent of this region has already been declared as either indigenous reserves or protected areas, and it is hoped that even more parks and protected areas will be established²²

Given this biodiverse setting and the threats to its existence, the USG established the \$50 million Americas Fund with the GOC in 1993 to facilitate NGO activities in the preservation and/or rational management of this fragile resource. USAID/Washington has also provided funding and technical assistance for Colombian biodiversity management through its Parks-in-Peril and Biodiversity programs. Most recently, USAID/Colombia is embarking on its Alternative Development program to reduce illicit crop production, much of which is taking place in national parks and protected areas, thereby damaging the ecology of these areas. One of the three components of the Alternative Development program is environmental management in which efforts will be taken to appropriately deal with the environmental aspects of crop diversification, including reforestation and forest management.

21 *Ibid.*, p 117

22 *Ibid.*, p 118

PART III RESOURCE REQUIREMENTS

USAID /Colombia is proposing two options for program resources to implement this Country Strategy. The first option is based on discussions that it has had with USAID/Washington since last year's R4 review. The higher level proposed in the second option reflects USAID/Colombia's assessment of what is needed to take advantage of the opportunities presented by the new GOC willingness to deal effectively with human rights, justice, and narcotics issues. The second option also will enable a more complete response to the recent destructive earthquake, the reconstruction needs of which are in the process of being assessed. These options do not include any potential contractual support from the LAC or Global Bureaus.

Under Option 1, USAID/Colombia is proposing a programmatic resource level of \$66.5 million over the five-year strategic plan period (FY 1999-2003). This request includes \$33 million of ESF, \$33 million of CN (or INC), and \$500,000 of DA. The level of \$23 million for the democracy SO is based on the assumption that \$1 million ESF will be available in FY 1999, \$2 million in FY 2000, and \$4 million in each subsequent year through the remainder of the plan period. Of this amount, \$1 million would be used each year to address human rights concerns. It is also assumed that \$2 million of CN funds will be available each year starting in FY 2000 for AOJ activities. Under this option, it is assumed that an annual allocation of \$5 million for the Alternative Development SO can be maintained through the plan period. The \$500,000 requested for the Americas Fund will enable USAID/Colombia to manage a new arrangement for using the environmental trust funds and to build a series of productive environmental relationships between public and private sector institutions. For earthquake activities, ongoing assessments may show that reconstruction needs can be addressed adequately within the FY 1999 supplemental of \$10 million. To advance the peace process in Colombia, \$2 million annually of ESF from IDA (OTI) is projected for the period FY 2000-2003.

The proposed funding level under Option 2 is \$87.5 million over the plan period. The funding levels under this option are similar to those proposed under Option 1 except for the Alternative Development SO and earthquake activities. In the case of AD, the annual level would increase by \$2 million in FY 2001 and FY 2002 and by \$1 million in FY 2003 for a total funding level of \$36 million. At the higher level, USAID/Colombia would be able to expand its field activities in illicit crop production areas. The increased level for earthquake reconstruction assumes that pending assessments will show needs significantly higher than the \$10 million being proposed under Option 1. While the level for the Americas Fund is maintained at that proposed under Option 1, it should be recognized that this level could increase somewhat if the GOC agrees to participate in the Tropical Forest Initiative.

TABLE 1 – RESOURCE REQUEST							
FY 1999 TO FY 2003							
(\$000)							
OPTION 1							
Strategic Objective	Source	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
SO1 – Democracy Strengthened and Human Rights Protected	ESF	1 000	2 000	4 000	4 000	4 000	15 000
	CN		2 000	2 000	2 000	2 000	8 000
Sub Total SO 1		1 000	4 000	6 000	6 000	6 000	23 000
SO2 - Illicit Crop Production Reduced in Target Areas	CN	5 000	5,000	5 000	5 000	5 000	25 000
SPO 1 – Americas Trust Fund Operational	DA		250	250			500
SPO2 – Earthquake Reconstruction Assistance Provided	ESF	10 000					10 000
Advance Peace Process	ESF		2 000	2 000	2 000	2 000	8 000
Totals		16 000	11 250	13 250	13 000	13 000	66 500

TABLE 2 – RESOURCE REQUEST							
FY 1999 TO FY 2003							
(\$000)							
OPTION 2							
Strategic Objective	Source	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
SO1 – Democracy Strengthened and Human Rights Protected	ESF	1,000	2 000	4 000	4 000	4 000	15 000
	CN		2 000	2,000	2 000	2 000	8 000
Sub Total SO 1		1,000	4 000	6 000	6,000	6 000	23 000
SO2 - Illicit Crop Production Reduced in Target Areas	CN	5,000	5 000	7,000	9 000	10 000	36,000
SPO1 – Americas Trust Fund Operational	DA		250	250			500
SPO2 – Earthquake Reconstruction Assistance Provided	ESF	10 000	10,000				20,000
Advance Peace Process	ESF		2 000	2 000	2 000	2 000	8 000
Total		16,000	21 250	15 250	17 000	18 000	87 500

ANNEX A

CUSTOMERS AND PARTNERS CONTACTED IN PREPARING THE STRATEGIC PLAN

1 Civil Society

National Conciliation Commission, Executive Secretary, Ernesto Borda,
Institute of Human Rights, Universidad Javeriana, Director, Javier Sanin, S J ,
Fundacion Social, Policy and Strategy Director, Alfredo Range Suarez

2 Other Donors

IDB, Deputy Representative, Joel Korn,
IICA, Representative, Carlos Gustavo Cano,
ICRC, Director, Pierre Gassmann,
UNDCP, Director, Klaus Nyholm, Assistant Director, Kristian Hoelge and Regional
Advisor for Alternative Development, James C Jones,
UNICEF, Regional Coordonator for South and Central America, Cecilio Adorna
UNDP, Deputy Director, Fredy Justiniano

3 Plante

PLANTE Director, Maria Ines Restrepo

4 U S Government

NAS Director, Luis Moreno and Deputy Director David Becker,
Pol/Econ, Joseph N McBride, Roman H Wasilewski and Michael Fitzpatrick,
USAID/Colombia Director, Carl A Cira

ANNEX B

USAID/COLOMBIA

ALTERNATIVE DEVELOPMENT STRATEGY

April 1999

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LIST OF ACRONYMS

AD	=	Alternative Development
CG	=	Consultative Group
DNE	=	Dirección Nacional de Estupefacientes (National Drug Control Agency)
FIP	=	Fondo de Inversión para la Paz (Investment Fund For Peace)
GOC	=	Government of Colombia
GPS	=	Geographic Position System
IDB	=	Inter-American Development Bank
IMF	=	International Monetary Fund
INL	=	International Narcotics and Law Enforcement Office of the U S State Department
NAS	=	Narcotics Affairs Section of the U S State Department
NGO	=	Non-Government Organization
Plante	=	Plan Nacional de Desarrollo Alternativo (National Alternative Development Plan)
UNDCP	=	United Nations Drugs Control Program
USAID	=	U S Agency for International Development
USG	=	U S Government

PART I BACKGROUND

A Political Overview

Colombia has recently become the focus of attention as one of the world's last guerrilla battle zones. It is the only country in Latin America whose guerrilla armies are growing stronger and who now control forty percent of the country's territory. A combination of perceived illegitimacy of the State by the actors in the armed conflict during the Samper administration, weak government institutions with limited presence in rural areas, increased poverty in the rural areas, and the blanket of narco-trafficking lingering over the entire Colombian conflict has created an extremely insecure and volatile environment.

However, the inauguration of a new president and the growth of a broad-based civic movement that has called for a just and fair peace have given Colombians new hope for an end to political violence. Indeed, Colombia has a unique window of opportunity, if not to resolve, at least to minimize internal conflict. Colombians perceive a heightened sense of State legitimacy not seen in decades. President Pastrana has recently made high profile efforts to open negotiations with the various guerrilla entities, the keystone of which is a demilitarization, or "despeje" of five sparsely populated municipalities (42,000 square kilometers) in southeastern Colombia.

Within this political setting, the principal USG objectives in Colombia are a reduction of narcotics production and trafficking and an end to the 41-year old civil conflict. The USG has provided substantial assistance to Colombia since 1994, but was unable to make significant progress under the previous administration. Colombia was not certified in 1996 and again in 1997 as making valid efforts to control narcotics production or trafficking. Since taking office in August 1998, the Pastrana Administration has maintained--and the USG has agreed--that alternative development must be an integrated element of the fight against narcotics as well as a key part of the economic reforms in a negotiated peace.

B Economic Overview

President Pastrana in his inaugural address said that "without peace, there will be no bread." The converse is also true. Colombia is currently facing an economic slide which threatens to disrupt the government's ability to engage in effective peace-making activities. First, it has a budget deficit which, if unchecked, could cause world financial institutions to downgrade Colombia's creditworthiness. Second, the prospect of a major recession exists.

To deal with this situation, the government has named a capable economic team that is currently putting into place a three-stage economic plan for the next four years. Although the IMF has looked favorably on this plan, Colombia is in for a difficult four-year struggle, and the possibility of failure is not small. On the positive side, it is important to note that Colombia's economy remains the most diverse and developed in the region, marked by a cultural business savvy and history of responsible macro-economic management. In

addition, the banking sector is well regulated and stable, although recently it has been experiencing considerable loan defaults

Given the government's new fiscal plan, economic support for counternarcotics activities in general and alternative development activities specifically may face budgetary restrictions from the Finance Ministry at a time when resources for Plante and other counternarcotics agencies require expansion. It will be important for the USG to help assure Plante's ability to carry out its mandate with adequate financial resources

C Colombia's Drug Production and Trade

Coca and opium poppy are the principal illicit crops grown in Colombia. Three-quarters of the world's annual production of cocaine hydrochloride (refined cocaine) is produced in Colombia. Colombia experienced a net 18 percent increase in coca cultivation from 1996 to 1997, primarily outside crop spraying areas. Combined with crop reduction in Bolivia and Peru, this makes Colombia the world leader in area of coca under cultivation (approximately 80,000 hectares)

Colombia is also the most important supplier of heroin to the U.S., with approximately 6,000 hectares of opium poppy under cultivation. According to USG estimates, Colombia can potentially produce six metric tons of heroin yearly, virtually all of which is destined for sale to U.S. heroin users.

While the extent of drug crop production is difficult to determine exactly, such crops are thought to occupy about 3 percent of the country's 4.3 million hectares of cultivated land, and are tended by slightly more than 3 percent of the rural workforce of 5.5 million people. Despite aggressive eradication efforts, in 1996 roughly 100 of Colombia's 1,096 municipalities—with a total population of 2 million or nearly 6 percent of the country's population—had significant acreage under illicit crop production. Most small farmers engage in coca cultivation because it is the only crop that has a guaranteed market. Coca can be harvested from four to six times a year, and payment to the growers is made on site and in cash. Any other agricultural product must be transported by the grower to market, and often goes unsold. Still, despite the certainty of the sale of coca, small coca producers barely manage to survive.

Small farmer coca plots may account for up to 40 percent of coca cultivation, or 32,000 hectares. These farmers are either established producers who have not increased their coca fields or new producers that are attempting to enter the rapidly increasing coca economy. New commercial producers have been responsible for the major increase of coca production owing to the successful interdiction of airborne coca transport from Peru. Plantation-style coca farms now account for 48,000 hectares in production, using hired labor and modern methods similar to those employed in a commercial tea plantation. Many laborers are migrants from other areas of Colombia. Annual increases in cultivation are made according to availability of investment capital and labor.

The booming drug trade, however, has not lifted small farmers from poverty. In most areas, basic services in health, education, and environmental sanitation either do not exist or are inadequate. Illicit crop cultivation and processing breeds an environment of violence, both criminal and terrorist, which directly impacts the lives of most people living in the drug producing areas. Although small farmers may desire to stop cultivating coca, they will most likely continue to grow it until they have a viable economic alternative. It is noteworthy that in Peru, USAID's alternative development experience has shown that delivery of basic services in a peaceful environment had a positive impact in convincing people to change to a licit economy.

In 1996 and 1997, President Clinton did not certify to the U.S. Congress that Colombia was making an acceptable effort in the counternarcotics fight. Despite this declaration, the Colombian government has made some progress against narco-trafficking. It passed legislation to increase prison sentences for drug-related crimes and improved its existing anti-money laundering statute. It also began to take action against a new generation of narcotics traffickers, as well as making large-scale seizures of narcotics and trafficker assets. Colombia receives approximately \$75 million annually under regular budget procedures from INL to finance a series of counternarcotics projects, making it by far the largest NAS operation in the world. The FY 1998 counternarcotics supplemental appropriation totaled \$970 million, of which \$240 million were specifically directed to counternarcotics activities in Colombia.

In recent high-level meetings, USG and Colombian authorities agreed that a broader counternarcotics strategy, including alternative development, was necessary and would be supported by the USG. There have been good indications from senior members of the Pastrana administration that the new government is serious about developing an integrated counternarcotics strategy. Importantly, alternative development is seen not as a substitute but as a complement to aerial eradication.

To date, however, USG efforts aimed at helping Colombia stem the cultivation and flow of illegal narcotics have dealt almost exclusively with interdiction, aerial eradication and justice sector reform. This comes against a backdrop of a violent civil conflict growing more intense and increasing pressure for the GOC to advance toward a negotiated peace agreement with the guerrilla forces. Both countries agreed that alternative development should be an essential element in Colombia's counternarcotics policy, as well as an essential element in the peace process.

The Pastrana administration has clearly signaled its intention to make alternative development a fundamental part of its counternarcotics strategy. At the same time, it has tied alternative development to the long-term goal of a negotiated peace process and rural development plans as the centerpiece of the National Peace Fund. It is thus very timely for the USG to signal support to the new Pastrana government for a large, sustained alternative development program which will also serve notice to other bilateral as well as multilateral donors that the time has come to join forces and work closely with the GOC in its war on drugs.

PART II STRATEGY RATIONALE

The Colombia National Development Plan, recently drafted by the Pastrana administration, is designed to ensure the viability and long-run sustainability of peace. It proposes a series of actions which form the basis of Plan Colombia, whose principal components are a special plan for zones affected by violence, an alternative development plan for substitution of illicit crops, and a plan of attention to displaced persons. As a complement to this Plan, the overall peace program involves specific policies for peace and citizen wellbeing, on the one hand, and strategies for counternarcotics, on the other. As an instrument for partially financing actions under this overall peace program, an Investment Fund for Peace (FIP) has been created (See Diagram A)

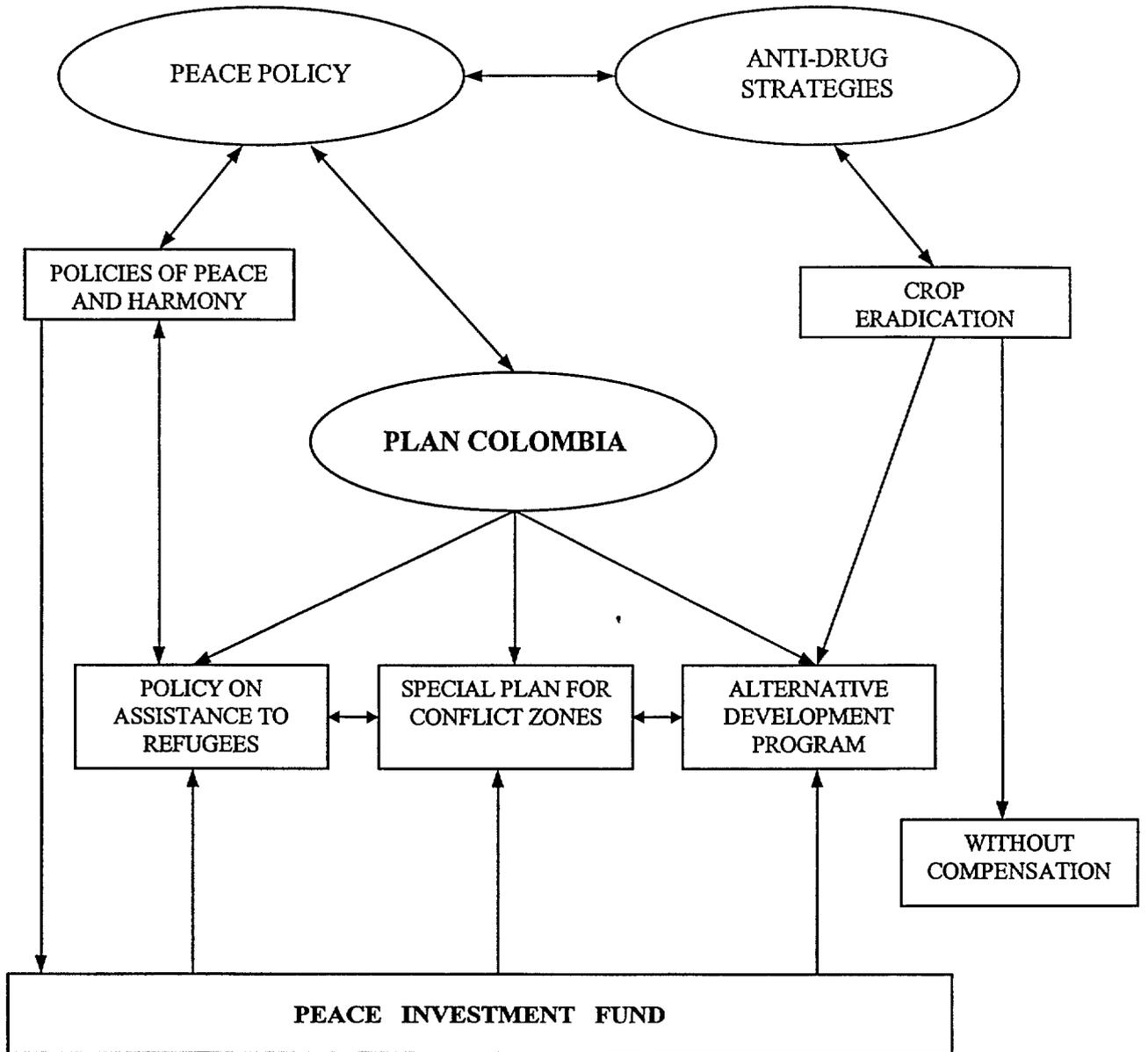
Plan Colombia will make investments in infrastructure, agriculture and the social sector through promoting productive, sustainable programs with participation of the targeted communities and the productive sector, within the framework of the three closely related and complementary components indicated above. The Plan is based on the development of highly participatory programs that are sustainable in the long run.

Within Plan Colombia, the counternarcotics strategy now forms an integral part of the overall peace program. And within the counternarcotics strategy, alternative development plays a pivotal role as seen in the diagram. Both the U.S. and the Colombian governments see alternative development as an action that is parallel and complementary to the incipient peace efforts. The guerrillas control the major producing areas of poppy and coca, both the guerrillas and the paramilitaries are involved in protection of illicit crops. Alternative development (AD) activities engender the confidence necessary for local acceptance of peace initiatives. While the peace initiative and AD activities are mutually supportive, alternative development can and should go forward even in the absence of a final agreement on a peace plan, since it is an essential part of Colombia's ongoing war on drugs.

The policy for reducing illicit crops will be differentiated according to origin, extension and purpose of the crop. In the case of crops grown for a purely commercial purpose--those which are cultivated by narco-traffickers on large extensions of land in order to generate considerable profits--the government policy will be forced eradication (crop elimination) without compensation. In the case of illegal crops belonging to small farmers who chose this production option due to their poverty and lack of viable economic alternatives, the government will offer them productive alternatives in exchange for voluntary eradication through its AD program.

One of the central elements of the Colombian AD program consists of the promotion of productive schemes based on permanent crops with market linkages which permit integration into the economic system, promote formation of social capital, and counteract the factors which generate violence. This scheme requires that productive projects are structured as business ventures with high levels of productivity and competitiveness.

DIAGRAM A PLAN COLOMBIA



The central premise which guides these projects is the response to markets facilitated by effective management techniques which provide greater response capability and adaptability to consumer demand. Realizing that small farmer negotiating capacity is limited and that organizational structures are weak in rural areas, the participation of the entrepreneurial private sector is vitally important in the construction of a model based on "strategic alliances" which facilitates sustainability in the long run. These alliances will be promoted by the government through the linking of critical actors in the "productive chain", provision of incentives for capitalization of rural production (investment, credit, technology transfer, market links), and public sector investments in economic infrastructure, services, and social development.

AD projects will be managed under a regional rural development approach and will be based on the principles of citizen participation, competitiveness, equality, and economic, social and environmental sustainability.

The USAID/Colombia alternative development strategy will also draw on USAID's Municipalities in Action program in El Salvador, where a violent civil war raged even while peace was being discussed, as well as in Peru and Bolivia, where strong local government and a more secure environment (coupled with unprofitable coca prices due to successful interdiction of narco-trafficking) mobilized small farmers to opt for licit crops and peaceful, secure lifestyles.

PART III STRATEGY

The USAID/Colombia alternative development strategy is based on two premises

- Significant reduction of illicit crop production and processing requires effective law enforcement against narco-traffickers. Enforcement must be sustained long enough to overcome farmers' expectation that illicit crop production and processing will provide reliably higher earnings relative to licit activities. Undoing years of dependence on illicit crop cultivation cannot be reversed quickly unless those engaged in illegal activities have confidence in the prospects of making a living through legal means.
- Poverty and underdevelopment underlie farmers' decisions to continue in illicit crop production. This implies that collective GOC and international efforts and resources to finance both alternative development and law enforcement programs must be provided consistently over an extended period.

The strategic goal is to reduce illicit crop production (coca and poppy) through voluntary abandonment. It seeks to improve alternative, licit economic opportunities for those in the coca-growing areas and for potential migrants to those areas, resulting in abandonment or prevention of coca and opium poppy cultivation and leading growers to cooperate in, or consent to, their elimination.

Specifically, the strategy proposes that by September 2003 virtually all 3,300 hectares of opium poppy and 40,000 hectares of coca presently in production will be permanently abandoned and/or eradicated through a combination of USAID-stimulated alternative licit economic opportunities and NAS aerial eradication.

Within its goal, this USAID alternative development strategy includes the following objectives:

- Maintain and, if possible, increase net incomes of small farmers in drug producing areas,
- Encourage sustainable use of natural resources,
- Improve the quality of life of the population in drug producing areas, and
- Strengthen institutional capacity of local government and decentralized central government agencies to deliver services.

Alternative Development refers to the process that puts into place the conditions necessary for the inhabitants of illicit crop producing areas to voluntarily and permanently abandon drug cultivation and enter the licit productive economy.

The concept of alternative development is radically different from crop substitution. While crop substitution entails direct replacement of coca or opium poppy for other crops, alternative development entails a broad range of socio-economic development initiatives to

alleviate poverty, generate licit employment alternatives and improve the well being of people in drug producing areas. Complementary measures will have to create incentives for investment and economic growth in the out-migration areas that provide migrant labor for coca and opium poppy production in plantation settings. Greater economic opportunities may exist in other agricultural and non-farm settings, and resettlement outside illicit crop producing areas should be considered as one of the alternatives.

AD programs in Peru and Bolivia, as well as the Colombian activities undertaken to date, have provided the following important lessons, which should form an integral part of the Colombia-U S alternative development strategy

- In every instance, it has been extremely difficult to advance alternative development in the absence of an effective parallel program of law enforcement and interdiction
- Communities must participate concretely and effectively with their local governments in promoting their own development. Effective, broad community participation provides a sense of ownership of development activities in which people play an active role, reduce the incidence of violence, facilitate the creation of organized resistance against narco-traffickers, and form the basis for agreements to reduce illicit crop production
- Strong local governments that use effective participatory mechanisms are vital to long-term sustained socio-economic development based on licit activities
- Programs should be designed as demand driven, market oriented, and economically and technically sustainable
- Partial interventions fail. Alternative development should be an integrated program, designed in a participatory fashion with the beneficiaries and addressing a variety of social and economic requirements that bring the populace into the licit economy as well as under the rule of law
- Lack of infrastructure, basic services, and alternative income prospects are disincentives to abandoning the drug economy. Agriculture and off-farm incomes both rely on infrastructure and basic services
- The substitution of licit for illicit crops on the same plot of ground is usually not feasible, since coca can grow more productively in poorer soils than will most licit crops. Farmers usually place licit alternative crops on different land, leaving the abandoned illicit fields open to potential replanting
- Small farmers who take advantage of AD programs normally require intensive technical assistance, training and credit to establish profitable cultivation in the short run

- Lack of formal land titles inhibits long-term sustainable investment and access to credit, both of which decrease the likelihood of success in an AD program in agriculture

Alternative development must be broad-based and sustained if it is to have the desired impact. Thus, a sound AD strategy takes into account macro- and micro-economic initiatives, improved basic services such as health and education, adequate infrastructure facilities, a responsive government, and a secure environment as part of a long-term, sustained development effort that offers people sufficient incentives to switch from an illicit based economy to licit economic activities.

It is important to note that any GOC/USG effort to reduce the production of coca leaf or opium poppy must involve both an alternative development component and a law enforcement component. If law enforcement does not create an environment that makes coca leaf and opium poppy less economically attractive, alternative development will be substantially less likely to achieve its goal of reducing cultivation of those crops in the target areas. If law enforcement activities are implemented alone, they will drive illicit producers to new production areas.

A Elements of the Strategy

The alternative development strategy extends over a five-year period through September 2003, and focuses USAID efforts on implementing and supporting activities in five emphasis areas: Policy and Planning, Licit Economic Opportunities, Environmental Management, Public Awareness, and Rural Infrastructure.

1 Policy and Planning

USAID and USG policy dialogue with the Colombian government should consider the following significant factors that will affect success of program implementation:

- GOC economic reform package and its impact on increasing the private sector role in Colombia's development,
- firmness of the GOC commitment to eliminate illicit crop production,
- growing international awareness about the need to cooperate in narcotics control efforts,
- popular awareness that narcotics production and trafficking is an extremely serious problem for the country,
- attitudes of populations in illicit crop growing areas regarding changing from an illicit-based economy to licit economic activities, and
- security situation in project areas

In addition to discussing the above factors, initial dialogue is critical to long-term program success, and must include agreement on a vision for bilateral activities in voluntary abandonment of illicit coca and poppy crops in favor of licit economic alternatives, and on the definition and concept of alternative development as discussed earlier.

The vision must then be promoted to the larger GOC and USG communities through a national counterdrug coordination mechanism that brings together alternative development, interdiction, eradication, and prevention. There should be a single, consensus alternative development strategy, coordinated among all appropriate public and private sector agencies. It will be critical to develop close coordination mechanisms between Plante and the National Drug Control Agency (DNE) as well as between Plante and the Colombian security forces, with a clear recognition that it may be difficult to conduct AD activities in many areas without special security arrangements.

USAID policy dialogue should also address international and bilateral donor coordination along the lines discussed later in the section on financing the strategy, especially emphasizing the possibility of a Consultative Group meeting for the alternative development program.

USAID policy dialogue with the GOC should also assure that the GOC strategy takes into account the efforts of law enforcement to drive down the price of poppy and coca--either through interdiction or eradication--and handles the issue of security in the target areas in a satisfactory manner.

In its policy dialogue with the GOC, USAID and other USG participants on the Country Team will need to ensure that the GOC agrees to the premise that in the absence of an effective narcotics control program, no development activity will convince farmers to stop growing a relatively lucrative illicit crop or to cease involvement in other aspects of the narcotics market. Simultaneously, development activities are understood to be essential catalysts to the economic, social and political facilitation of anti-drug behavior.

The policy dialogue will include the nexus of alternative development and anti-poverty efforts linked to Plan Colombia. The Colombian government is appropriately concerned about the substitution of licit family income for income derived from illicit sources, especially where endemic poverty is a significant factor. The USG position is that recipients of alternative development benefits must agree to total abandonment and eradication of illicit crops in return for the benefits received. Voluntary eradication may occur over a period of up to two years, giving rural families an opportunity to establish licit incomes through AD projects.

Discussion and agreement on the criteria for selection of the geographic zones where USAID-financed activities will take place is an important dialogue issue. For example, would out-migration and resettlement areas be a better focus for income generation opportunities than present illicit crop production areas? Close coordination with other donors (IDB, UNDCP and other bilateral programs) will be required.

During the first six months of the strategy, USAID funds will be used to strengthen Plante staff in program management and oversight to provide uniform coverage of the project area and equitable handling of AD proposals. USAID will also fund technical assistance to Plante to ensure that it achieves and maintains a substantial capability in program planning and coordination as well as the skills necessary to monitor and evaluate activities. Funds

from the grant will be used to procure modern office and communication equipment for Plante in its central and ten regional offices to increase the volume of work that can be passed through Plante's procedures. USAID, either directly or through an institutional contractor, will also finance a small contract staff within Plante to process the municipal grant applications that will be generated by the AD activity.

The Colombian tradition of decentralized government that was written into the 1991 Constitution tracks very well with the lessons learned by USAID in dealing with alternative development and conflictive situations in other countries. Plante and USAID already agree on the use of community organizations, municipal governments, NGOs and the private sector as the major intermediaries in alternative development. Although financial, administrative, and management systems already exist to a certain extent at Plante, they will need to be substantially strengthened during program implementation.

An integral part of this element of the strategy will be to provide Plante with assistance in preparing the analyses and documentation that will be required in preparation for a Consultative Group (CG) meeting to assure broadest possible support from the donor community. USAID will also provide Plante with institutional support and technical advisors (through an institutional contract) who can assist in follow-up actions after the CG and work directly with individual donors in translating CG pledges into real projects.

To guide project decisions, USAID will conduct a series of rapid assessments in selected departments to provide information necessary to understand and evaluate program options. The studies could include

- structure of agricultural markets, identification of profitable licit crops, identification of constraints to increased licit production,
- structure of municipal government, tracing budget flows, accountability of funds, and transparency and participation in public decision process,
- special needs and procedures that may be applicable to indigenous groups, and
- social aspects that will affect AD activities, including but not limited to public health, public education, road and bridge maintenance, electricity distribution, administration of justice, violence, and land tenure.

In preparation for the AD grants program, Plante, the Contraloria Nacional, and USAID will determine an adequate monitoring arrangement for USAID-funded activities at Plante, as well as improved oversight of municipal controllers that deal with Plante and GOC transfers related to alternative development. To comply with USAID requirements to receive funds under a formal project agreement, USAID controller staff will supervise a review of Plante's internal control mechanisms. This review usually includes procurement procedures, accounting functions, financial and administrative management procedures, and audit.

As AD activities proceed during the first year, Plante will begin to identify NGO implementers and determine how to use these NGOs to extend the reach of alternative development programs through coordination or management of sub-projects. Plante and USAID will seek to identify emerging NGOs that could work in alternative development programs in relatively insecure areas. Plante will also work to secure the availability and delivery of private sector, market based credit that may be necessary for the success of licit economic alternatives. Relationships with private sector associations (e.g., coffee), will be explored and developed. Further, in coordination with Plante, USAID will explore the possibility of funding a non-profit private sector representative association to carry out private investment promotion in target areas.

2 Licit Economic Opportunities

The main thrust of USAID-financed activities within this alternative development strategy will be a program of grants for activities to substitute licit sources of income for the illicit income lost as a result of abandonment and non-replanting of coca or poppy. The strategy will seek to implement both rapid and medium-term impact activities in the targeted areas. It will promote active community participation with municipal governments (e.g., Municipalities in Action program in El Salvador and Alternative Development program in Peru) in the selection and implementation of specific activities, while providing capital grants to carefully selected private entities to provide agro-industrial and marketing facilities to alternative production activities.

It will be extremely important during implementation of this component of the strategy for USAID to define this program as one that has special foreign policy objectives requiring expedited procurement procedures and the ability to waive competitive processes, similar to those used in disaster assistance.

a Eradication Agreements

Representatives of Plante and eradication authorities will visit with the municipal government to develop and present the AD plan. Program coordination at the municipal level will be necessary among Plante, infrastructure maintenance staff, education and health personnel, security personnel, cooperating NGOs, the church, and others. A number of these entities will form part of the monitoring team that will be responsible for checking voluntary eradication compliance after AD benefits are delivered.

Once the municipal government has signed on to the AD plan, Plante and eradication authorities will visit communities in search of local groups that are willing to consider eradication in return for alternative income sources, an improved lifestyle, and increased security. Several visits may be necessary to reach agreement on participation in the alternative development program. Some communities might not agree to participate, and will need to see benefits accruing to their neighbors before they enter the alternative development program.

It will be important to ensure that everyone agrees that, while the community complies with its AD agreement, there will be no aerial spraying of illicit crops. However, if compliance is not achieved, spraying will begin. Community leaders will be responsible for ensuring that farmers comply with their commitment to eradication.

b Monitoring of Agreements

Each agreement will specify that monitoring of voluntary eradication will be undertaken by a joint team of Plante, DNE, municipal governments and community members. The fields designated in the agreement for each step of the eradication plan will be identified by GPS coordinates and registered in the name of the responsible farmer. The GPS coordinates will be correlated to coca or poppy fields in aerial photography images, which will be shared with the joint team.

At the end of the agreed period for delivery of AD benefits and completion of agreed eradication (estimated to be every six months), the joint team will visit the identified fields and verify that the agreed eradication has taken place. Where additional eradication will occur, the coordinates of the remaining portion of the field will be noted. The report of the team will be correlated with aerial photographic images to confirm the eradication and to verify that no new plots have been planted to illicit crops.

Once the AD agreement has been fully implemented and the illicit crops eradicated, follow-on monitoring through aerial photography will occur at regular intervals to track the continued compliance of the community.

c Development Grants

Many of the AD grants from Plante will be implemented by individual communities, although other appropriate GOC entities or NGOs might also implement AD activities. As indicated earlier, USAID will help strengthen NGO administrative management capacity, especially in more rural areas, to achieve a broad representation of NGOs capable of applying for AD funds.

A committee will be established to provide for transparent deliberation and award of grants. Successful applicants will clearly link abandonment of illicit cultivation in favor of licit economic alternatives. At the same time, these grants will reinforce community initiative and participation while avoiding open-ended commitments that would defeat the economic sustainability of the municipal level activity.

Grants would finance credit for community-based private sector investment activities: small, local-level social infrastructure, infrastructure improvements (farm-to-market roads) necessary for sustained reactivation of licit economic activities, commodities, including improved seed varieties, studies, technical assistance, and local project implementation costs. While a long list of potential sub-projects can be identified, a methodology will be developed for project selection. Many will require feasibility studies and major design work, particularly roads, bridges and other infrastructure. Projects will have to be prioritized.

and some will have to be identified that can be quickly implemented and deliver critical assistance directly to small farmers who have lost their illicit crop income

A first priority may be a small, high impact and carefully targeted program administered through NGOs that can quickly deliver assistance (e.g., agricultural production resources) to farmers as if a natural disaster had hit these areas. Work plans developed by Plante should include a sense of prioritization, timing, scale and proportion among the different types of projects being proposed. Plante should be encouraged to give emphasis to utilizing municipalities, NGOs, local community groups and private enterprise to achieve its objectives. Activities should be implemented in a highly decentralized manner with a great deal of local autonomy in how funds are used. It is this type of decentralized mechanism that reinforces governmental presence and was instrumental in ending the civil war in El Salvador.

The mix of activities should serve to

- increase the production of licit cash crops which have proven markets based on demand studies
- develop agro-industries to process resulting increases in production
- develop rural micro-enterprise packages, including training, credit and follow-up
- develop and disseminate viable agricultural packages through effective agricultural applied research and extension services
- develop and expand marketing channels for the agricultural and agro-industrial production resulting from the program
- restore or develop the complementary vital local physical and social infrastructure required for economic reactivation and improvements in the quality of life in the target area

In the absence of a security situation that permits regular, direct USAID oversight of project activities, this strategy will have to rely exclusively on Colombian oversight of field activities through Plante, local governments, and NGOs.

d Activities in Poppy Areas

Initial information indicates that three southwestern departments (Cauca, Huila and Tolima) have the combination of substantial illicit crop production, physical infrastructure and security that permits launching an immediate AD activity to replace the opium poppy. The arrival of coca in the eastern borders of the Cauca department, as well as production of a large part of Colombia's poppy crop, permits the testing of AD methods while making a substantial contribution to counternarcotics goals. Poppy is primarily cultivated within the high-altitude national parks by individuals who commute to their plots from licit farms at lower altitudes.

Plante will initiate the AD grants program in Cauca, Huila and Tolima in the 40 municipalities where illicit crops are grown. Three to four crop cycles--or about 18 months--may be required to completely eliminate cultivation of opium poppy in the target areas, depending on the final mix of voluntary abandonment and aerial fumigation of plots by law.

enforcement authorities Taking into account lessons learned in the first three departments, expansion of AD activities related to abandonment of poppy cultivation could be undertaken in the Nariño department and smaller northern producing areas in Bolivar and Santander departments, depending on the security situation and available funding

Through a joint effort of alternative development and aerial spraying activities, 6,000 hectares of illicit poppy cultivation can be eradicated in three years, meaning practically all illicit poppy cultivation in Colombia will have ceased Follow-on monitoring of alternative development areas that formerly cultivated poppy will show no replanting

e Activities in Coca Areas

In the first year of the strategy, the AD grants program will be introduced into the coca-producing areas where Plante already has a substantial presence, primarily in the southeastern departments of Meta and Caqueta These initial sites are characterized by fewer large producing areas and less sophisticated marketing and processing systems These areas have also not been targeted to date for concentrated aerial fumigation programs

Though a joint effort of aerial spraying and alternative development activities, it is anticipated that 40,000 hectares of illicit coca cultivation can be eradicated in five years, meaning half of all illicit coca cultivation in Colombia will have ceased This figure can increase if the civil conflict ends during the strategy period Follow-on monitoring of alternative development areas that formerly cultivated coca will show no replanting

3 Environmental Management

Plantation-style coca crop production--responsible for up to 60 percent of the area under production--involves the elimination of large areas of forest cover in tropical lowlands in order to establish sufficiently large tracts of land for this type of exploitation Generally, these lands are inappropriate for sustainable agricultural production because of their thin, highly leachable soils, with the most sustainable vegetative cover being the original forestry ecosystems When forest cover is left standing, it is often to disguise small-plot coca production in national parks and reserves, as is the case in the Putumayo department The use of large amounts of chemicals in tropical areas in the processing of coca leaf into basic paste results in serious contamination of nearby water sources for human and animal consumption, as well as the elimination of natural amphibious life in these aquifers

Poppy production in higher altitudes is generally undertaken on small plots of land within national parks and reserves, with the use of chemicals for production damaging the forestry ecosystem and contaminating nearby water sources by run-off This is a serious implication, considering that much of the poppy production takes place in the macizo Andino, which is the principal watershed for the Cauca and Magdalena Rivers which dissect the country

Environmental management is focussed on preventing and/or reverting the deterioration of natural resources (soil, water, and flora and fauna) caused by cultivation and processing of illegal crops in ecologically fragile areas Appropriate management and recovery of natural

resources would be undertaken by communities and governmental institutions (e.g., national park service, Ministry of Environment) with a focus on sustainable economic forestry production-harvesting-marketing opportunities for small producers of illicit crops in protected areas. Activities undertaken in this area could include protection of micro watersheds through soil terracing and reforestation, management of forestry reserves for conservation and production purposes, grazing in and around protected areas, ecotourism, and environmental education and community organization.

USAID will coordinate its existing environmental activities with those proposed for alternative development, as well as work with governmental institutions, NGOs and other donors in applying environmental solutions to the AD dilemma.

4 Public Awareness

An important aspect of a national counternarcotics strategy is a program of public information to prevent drug abuse and educate the population on the negative impact of drugs on all facets of Colombian life, culture and society, including the direct link with violence within the society arising from guerrilla and paramilitary activities. The purpose is to raise public consciousness and awareness as to the negative effects on a society living with the levels of drug production and trafficking as found in Colombia, including overt violence, official corruption, family degeneration, and exploitation of children.

Existing INL-funded awareness and education activities through the National Drug Control Agency, as well as related actions undertaken by the UNDCP, will be the key activities responsible for mobilizing public opinion and action in support of law enforcement and alternative development activities in counternarcotics. Plante will provide materials to these organizations related to alternative development.

5 Rural Infrastructure

In order to secure private sector investment and develop alternative legal income and employment opportunities in and close to present illegal crop production areas, a minimum level of basic rural infrastructure needs to be in place. This includes farm-to-market roads and bridges which facilitate the transportation of inputs, equipment and machinery for production and processing in target areas as well as efficient movement of products from target areas to regional and national markets. Equally important is availability of electricity to facilitate product processing and complementary small industry development. Additionally, provision of public services--especially health and education--are dependent on the existence of basic rural infrastructure.

Small infrastructure construction will be carried out through development grants within the Licit Economic Opportunities component when there is a direct link between the installation and the productive activity (e.g., packing facility to be used for newly-produced fruits and vegetables). With these installations, it is important that the direct beneficiaries participate in the planning, design and construction of the facility, as well as its maintenance.

Infrastructure construction which increases the overall productive potential of a region (e.g., major access road, extensive irrigation, schools) but may not be directly linked to a specific project-related productive investment is important. However, USAID would not have resources for this purpose, but would coordinate area investment activities with other sources of funding, especially the IDB, the World Bank and the GOC's Plan Colombia. Municipal and regional governments would play an important role in this effort in prioritizing regional and local investments and incorporating these investments into their annual development plans.

In summary, the USAID/Colombia Alternative Development Strategy will focus its efforts in the first three areas where it has a comparative advantage: Policy and Planning, Licit Economic Opportunities, and Environmental Management. It will support complementary efforts with other institutions in Public Awareness and Rural Infrastructure, while coordinating closely with GOC eradication and law enforcement activities financed through the U.S. Department of State.

B Financing the Strategy

Financing alternative development, drug prevention and rehabilitation activities are usually not high priorities for international donors. USAID will encourage Plante to propose a pre-CG donor meeting in Colombia, hosted by the GOC. The major purpose of this meeting would be to engage the United States and other drug consuming countries in a more coherent and systematic dialogue on shared objectives, responsibilities and funding of alternative development in Colombia. This could be followed by a major lobbying effort by high-level GOC officials in capitals of drug consuming nations in preparation for specific donor pledges that could be made at a Consultative Group for Alternative Development after the strategy has established a certain degree of credibility.

The drug industry in Colombia generates billions of dollars per year in revenue. INL has provided Colombia with over \$775 million in assistance since the program first began in the mid 1980s, and it currently has an annual program budget of approximately \$75 million. Given the magnitude of the problem, if USAID is to play a meaningful role in providing the essential alternative development complement to law enforcement activities, it will have to provide a minimum critical mass of support over a sustained period. At a minimum, USAID/Colombia should be prepared to provide \$5 million per year to alternative development activities with the expectation that if the program is being implemented successfully and achieving anticipated results, that level would increase to more realistic levels (\$15 to \$30 million annually). Additionally, USAID together with UNDCP should play a leadership role in organizing an alternative development consultative group meeting on Colombia once sufficient credibility of the program has been achieved.

The Government of Colombia will ensure the availability of funds for alternative development activities at the community level through its regular resource transfers as prescribed by national law as well as ongoing programs in alternative development financed by IDB and UNDCP. Municipal governments will allot funds from their own receipts or from transfers from the national budget for AD activities that complement USAID funding.

The GOC will also monitor the additional cost of extending basic social services financed by the national budget into the alternative development areas. Its contribution can take into account transportation, agronomist salaries, and salaries of collateral workers in local government, health, etc. The GOC must also take responsibility for accounting and control of grants made to the communities, with appropriate USAID involvement to ensure funds control and accountability. It should also be clear that Plante is not the implementing entity for the AD grants, but rather the coordinating body.

USAID coordination efforts should address the problem of a stalled \$90 million IDB loan for alternative development. The project has gone virtually undisbursed for a variety of reasons, however, with the new priority placed on alternative development, USAID can play a leadership and catalytic role in not only mobilizing new resources, but taking advantage of existing funds as well.

USAID, through Plante, will fund the introduction of licit alternative income sources in the alternative development areas. USAID and Plante signed a Limited Scope Grant Agreement on September 18, 1998, to fund the first phase of USAID's participation in alternative development in Colombia. The grant anticipated a Memorandum of Understanding that was signed in October 1998 during President Pastrana's visit to Washington. The MOU will lead to a formal project agreement with Plante in early 1999. In addition it will probably be necessary for the Mission to enter into a broad institutional contract for implementation of the various elements of the long-term program.

C Results Framework for the Strategy

The US foreign policy interest served by the implementation of this Strategy is the reduction of movement of illegal drugs from or through Colombia to the United States

The relevant USAID Strategic Objective (SO) for this Strategy is "**Reduced illicit crop production in targeted areas**" This will be achieved by increasing rural income and employment opportunities in licit businesses in and adjacent to traditional drug producing areas, and by coordinating closely with the Peace process, as well as other USG drug-related control and law enforcement activities

The **SO-level indicators** to be used to measure progress in achieving this Objective are

- Number of hectares devoted to illicit crops
- Quantity of illicit crop production
- Ratio of licit agricultural production to illicit crop production in target areas

Among the major barriers that prevent a permanent reduction of illicit crop production in Colombia are the present lack of legal economic alternatives in production areas as a result of deficient economic infrastructure, market linkages, and investment, as well as limited provision of basic social services, presence of municipal governments, and physical insecurity. Consequently, actions carried out under this strategy will focus on the alleviation of these constraints and progress will be measured by the following intermediate results as seen in Diagram B

Activities related to **Intermediate Result 1 Improved Policies and Planning** could include revision and strengthening of the Plante Alternative Development Plan, participation in the preparation of the DNP National Development and Peace Plans, coordination of AD actions among the various GOC institutions, facilitation of legal arrangements for community eradication agreements, incorporation of AD activities into municipal development plans, development of strategic alliances with the private sector, preparation of presentations and projects to secure expanded resources for AD activities, and development of a socio-economic data base and geographic information system (GIS) in AD areas

The **indicators of progress for IR1** include

- incorporation of revised Plante Strategic Plan into the National Development Plan
- establishment and operation of high-level GOC counterdrug coordination mechanism
- completion of rapid assessments identifying opportunities in target areas

Activities related to **Intermediate Result 2 Expanded Licit Economic Opportunities** could include agricultural technology transfer for alternative crops in illicit crop production areas, credit for productive activities, land titling or adjudication, support to rural small and micro-enterprises, contract production, development of investment packages for private sector, market linkages and information, and installation of small rural infrastructure

The **indicators of progress for IR2** include

- number and quantity of development grants in target areas
- amount of public sector investment in target areas

Activities related to **Intermediate Result 3 Improved Environmental Management** could include protection of micro watersheds through soil terracing and reforestation, preparation of management plans for natural/national reserves where illicit crops are being produced, establishment of forestry production-harvesting-marketing enterprises with local populations, environmental education, ecotourism in environmentally fragile areas

The **indicators of progress for IR3** include

- amount of illicit crop production in natural/national reserves in target areas
- management plans for generating pasture-forestry income to replace illicit crop production in natural/national reserves and parks in target areas
- number of hectares of land protected through reforestation and sound environmental practices in target areas

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SUBJECT FY96-99 COLOMBIA R4 - MANAGEMENT CONTRACT

1 INTRODUCTION DURING PROGRAM WEEK FOR USAID COLOMBIA, MARCH 17-21, 1997, A SERIES OF FORMAL, SCHEDULED MEETINGS CONSIDERED DEVELOPMENT OBJECTIVES, PROGRESS TOWARD MEETING THOSE OBJECTIVES, RESOURCE REQUIREMENTS AND A BROAD RANGE OF PROGRAM ISSUES THE RESULTS REVIEW AND RESOURCE REQUEST (R4) ISSUES REVIEW MEETING WAS HELD ON MARCH 18, 1997 FOLLOWED BY THE DEVELOPMENT ASSISTANCE EXECUTIVE COMMITTEE (DAEC) REVIEW ON MARCH 20 THIS CABLE OUTLINES MAJOR ELEMENTS OF DISCUSSION AND DECISIONS REACHED AT THOSE MEETINGS

2 SUMMARY THE TECHNICAL REVIEW TEAM FOR THE DEMOCRACY STRATEGIC OBJECTIVE RELIED EXTENSIVELY IN ASSESSING PERFORMANCE ON DISCUSSIONS WITH THE AIDREP AND OBSERVATIONS OF TEAM MEMBERS WHO HAD VISITED THE PROGRAM IT WAS AGREED THAT PERFORMANCE UNDER THE DEMOCRACY OBJECTIVE MET THE EXPECTED TARGETS THOUGH THIS MASKED GREAT VARIATION IN PERFORMANCE OF DIFFERENT ELEMENTS PERFORMANCE UNDER THE ENVIRONMENT SPECIAL OBJECTIVE, HOWEVER, FELL SHORT IN THE ACHIEVEMENT OF PLANNED TARGETS DURING THE PAST YEAR SINCE ECOFONDO S STRATEGIC PLAN WAS

NOT FINALIZED BY THE TIME THE R4 WAS SUBMITTED, NOR HAVE THE FINANCIAL SELF-SUFFICIENCY PLAN AND THE PROJECT

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MANAGEMENT STRATEGY BEEN DEVELOPED THE HIGHLY SUCCESSFUL POPULATION PROGRAM IN COLOMBIA CAME TO AN END IN SEPTEMBER 1996, AFTER MORE THAN 30 YEARS OF ASSISTANCE THE DAEC REVIEW CONCENTRATED ON THE FOCUS OF THE JUSTICE SECTOR PROGRAM OVER THE REMAINING LIFE OF THE STRATEGIC OBJECTIVE, COORDINATION WITH THE INTER-AMERICAN DEVELOPMENT BANK, THE AVAILABILITY OF FUNDS FOR FIELD SUPPORT ACTIVITIES UNDER THE ENVIRONMENT SPECIAL OBJECTIVE AND MANAGEMENT OF THE COLOMBIA PROGRAM DURING FY98 AND FY99 THE FY1996-99 R4 WAS APPROVED END SUMMARY

3 THE DAEC REVIEW OF THE FY1996-99 R4 FOR COLOMBIA WAS CHAIRED BY DAA/LAC NORMA PARKER IN ATTENDANCE WERE REPRESENTATIVES FROM G, M, STATE/ARA, PPC AND APPROPRIATE LAC BUREAU OFFICES AS WELL AS REPRESENTATIVES FROM THE DEPARTMENT OF JUSTICE'S ICITAP AND OPDAT OFFICES USAID REPRESENTATIVE LARS KLASSEN AND JUSTICE SECTOR REFORM PROGRAM MANAGER MAGDA ROCIO MORENO PRESENTED THE R4

4 THE FIRST ISSUE ADDRESSED BY THE DAEC WAS THE FOCUS OF THE JUSTICE SECTOR PROGRAM OVER THE REMAINING LIFE OF THE SO AND WHETHER NEW ACTIVITIES SHOULD BE INITIATED GIVEN THE LIMITED TIME AND RESOURCES REMAINING FOR USAID S CONTRIBUTION TO THE PROGRAM, REVIEWERS AGREED THAT USAID SHOULD FOCUS ON THOSE ACTIVITIES WHICH WILL BE ABLE TO SHOW SIGNIFICANT RESULTS, CAN BE COMPLETED BY THE END OF FY99, AND WHICH SUSTAIN EFFORTS ALREADY UNDERTAKEN USING THESE CRITERIA, DAA/LAC AGREED THAT THE FOLLOWING ACTIVITIES COULD BE EXPLORED FOR DEVELOPMENT AND POSSIBLE FUNDING

A TRAINING OF JUDGES - AN IMPORTANT ELEMENT IN REFORMING THE CRIMINAL JUSTICE SYSTEM, WHICH HAS NOT PROGRESSED VERY FAR, IS TRAINING OF TRIAL JUDGES UNDER THE ACCUSATORIAL SYSTEM OPDAT IS TRAINING SOME JUDGES IN ITS PROGRAM BUT OTHER OPTIONS SUCH AS WORKING DIRECTLY WITH THE JUDICIAL COUNCIL SHOULD BE EXPLORED DAA/LAC STATED THAT THE MISSION SHOULD ACCELERATE THIS PROGRAM AND INVOLVE U S AND LATIN AMERICAN JUDGES IN TRAINING

B LAW SCHOOLS - LIMITED WORK SHOULD BE DONE WITH LAW SCHOOLS IN CONVERTING THEIR CURRICULA TO THE ACCUSATORY SYSTEM OF JUSTICE THIS IS CRITICAL TO SUSTAIN REFORMS IN THE JUSTICE SECTOR BECAUSE THERE IS TOO LITTLE TIME LEFT IN THE PROJECT TO UNDERTAKE A MAJOR INSTITUTIONAL DEVELOPMENT EFFORT, IF ASSISTANCE IS PROVIDED, IT SHOULD BE NARROWLY FOCUSED, SUCH AS ON A FEW OF THE LAW SCHOOLS, ON SEMINARS/CONFERENCES, OR THROUGH MECHANISMS SUCH AS THE USIS SISTER LAW SCHOOL PROGRAM, WHICH WOULD NOT REQUIRE AS MUCH USAID MANAGEMENT SUPPORT

C NGOS - WORK WITH NGOS TO PROMOTE HUMAN RIGHTS, CIVIC AWARENESS AND JUSTICE REFORM, WHICH MIGHT BE IMPLEMENTED THROUGH G/DG MECHANISMS EFFORTS SHOULD BE HIGHLY FOCUSED, SUCH AS ON CONFERENCES TRYING TO MAKE NGOS AWARE OF THE NEW ACCUSATORIAL SYSTEM, RATHER THAN ESTABLISHING AN NGO GRANT PROGRAM

D CASAS DE JUSTICIA - PROCEED WITH EXISTING PLANS TO EXPAND THE CASAS DE JUSTICIA, WHICH ARE AHEAD OF SCHEDULE

E PUBLIC DEFENDERS - EXPAND THE WORK WITH PUBLIC

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DEFENDERS LOOKING AT DIFFERENT ASSISTANCE PROVIDERS, RATHER THAN RELYING SOLELY ON OPDAT TRAINERS THERE WAS CONCERN THAT PROJECT STRATEGIES HAVE NOT BEEN WELL-DEVELOPED FOR DEALING WITH JUDGES AND DEFENDERS THE TECHNICAL REVIEW TEAM STRONGLY RECOMMENDED TO THE MISSION THAT IT ASSESS THE NEEDS OF PUBLIC DEFENDERS AND THAT ANY FUTURE TA AND/OR TRAINING FOR PUBLIC DEFENDERS AND JUDGES BE DONE SEPARATELY AND BY DIFFERENT TRAINERS THAN THE PROJECT NOW USES FOR POLICE AND PROSECUTORS (SEE PARA A ABOVE)

F FISCALIA/POLICE - IT IS IMPORTANT IN THE TIME REMAINING IN THE PROGRAM TO INSTITUTIONALIZE THE TRAINING IMPLEMENTED BY ICITAP AND OPDAT IN THE MAJOR TRAINING ACADEMIES FOR POLICE, PROSECUTORS AND JUDGES

DAA/LAC AGREED WITH THE TECHNICAL REVIEW TEAM S RECOMMENDATION THAT THE MISSION SHOULD NOT GO FORWARD WITH ASSISTANCE TO THE PROCURADURIA BECAUSE IT IS UNLIKELY THAT EFFORTS WILL YIELD SUSTAINABLE RESULTS IN THE TIME REMAINING AND BECAUSE OF THE MANAGEMENT BURDEN IT WOULD PLACE ON THE MISSION

TECHNICAL ASSISTANCE, COMPOSED OF REPRESENTATIVES FROM LAC, G, AND POSSIBLY STATE/INL, WILL BE PROVIDED ASAP TO ASSIST THE MISSION IN PRIORITIZING AND DESIGNING, AS NECESSARY, ACTIVITIES TO BE IMPLEMENTED DURING THE REMAINDER OF THE JUSTICE SECTOR PROGRAM, SOME OF WHICH ARE DISCUSSED ABOVE THE FINANCIAL ANALYSIS TO BE DONE AS PART OF THE DESIGN EFFORT WILL TAKE INTO ACCOUNT THE PROGRAM'S CURRENT PIPELINE AND EXPECTED ADDITIONAL FUNDS FROM STATE/INL THE AIDREP PROVIDED TO STATE/INL A DRAFT PROPOSAL FOR THE USE OF THE \$2 MILLION TO BE PROVIDED IN FY97 INL HAS REVIEWED THE PROPOSAL AND IS PREPARING A CABLE WITH QUESTIONS, CONCERNS, AND THEIR VIEWS ON PRIORITIES, WHICH SHOULD BE CONSIDERED AND FURTHER EXAMINED BY THE DESIGN TEAM

PRIOR TO THE ARRIVAL OF A DESIGN TEAM, THE AIDREP (WITH ASSISTANCE OF THOSE WHO WILL ARRIVE IN ADVANCE OF THE FULL TEAM) WILL PREPARE A SCOPE OF WORK FOR THE DESIGN TEAM, AND AN ANALYSIS OF THE RESULTS TO DATE, THE POLITICAL COMMITMENT OF THE VARIOUS COUNTERPART ENTITIES IN COLOMBIA, AND OF THE U S GOVERNMENT'S INTERESTS THE ANALYSIS, WHICH CAN BE DONE BASED LARGELY ON EXISTING MATERIALS, WILL ALSO SERVE AS BACKGROUND FOR DEVELOPMENT OF THE RESULTS FRAMEWORK AND DESIGN OF NEW ACTIVITIES, AND FOR DISCUSSIONS WITH OTHER DONORS THE RESULTS FRAMEWORK, TO BE DEVELOPED BY THE FULL TEAM, SHOULD IDENTIFY RESULTS TO BE ACHIEVED OVER THE REMAINING LIFE OF THE PROGRAM AND IS IMPORTANT TO UNDERSTANDING THE RELATIONSHIP AMONG PROGRAM COMPONENTS PRIOR TO IMPLEMENTING NEW INITIATIVES OR EXPANDING CURRENT ACTIVITIES, THE RESULTS FRAMEWORK SHALL BE SUBMITTED TO LAC/SPM FOR REVIEW AND APPROVAL BY APPROPRIATE BUREAU AND AGENCY OFFICES

5 THE SECOND ISSUE ADDRESSED BY THE DAEC WAS WHETHER FUNDS ARE AVAILABLE FOR FIELD SUPPORT ACTIVITIES WHICH SUPPORT THE ENVIRONMENT SPECIAL OBJECTIVE THE MISSION PROPOSED THREE ENVIRONMENTAL ACTIVITIES FOR WHICH FIELD SUPPORT WAS REQUESTED, HOWEVER, NO FUNDS WERE REQUESTED IN THE R4 BUDGET TABLES FOR THIS OBJECTIVE THE RESOLUTION

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WAS AS FOLLOWS (1) WORLD WILDLIFE FUND (WWF) - THE AIDREP ADVISED THAT THE MISSION COULD USE ITS OWN LOCAL CURRENCY ACCOUNT TO OBTAIN SUPPORT FROM WWF (2) THE NATURE CONSERVANCY (TNC) - THE MISSION WOULD LIKE TNC TO EXPAND ON THEIR WORK IN COLOMBIA WITH INDIVIDUAL PARKS IN PERIL (PIP) SITES, AND ASSIST COLOMBIA IN DEVELOPING A COUNTRY-WIDE PROTECTED AREA MANAGEMENT POLICY USAID/COLOMBIA IS WORKING WITH TNC TO DEVELOP THIS IDEA, WITH THE INTENTION THAT TNC WILL PROPOSE IT AS A "BALANCING THEME" IN TNC'S ANNUAL WORK PLAN SUBMITTED TO LAC/RSD/E UPON REVIEW AND APPROVAL BY LAC/RSD/E, IT WOULD BE FUNDED WITH LAC REGIONAL PIP FUNDS (3) GREENCOM - DAA/LAC AGREED THAT THE LAC BUREAU WILL PROVIDE \$50,000 IN FY97, \$25,000 IN FY98 AND \$10,000 IN FY99 TO DEVELOP ENVIRONMENTAL EDUCATION PROGRAMS WITH ECOFONDO AND ITS AFFILIATED NGOS

6 THE FINAL ISSUE ADDRESSED BY THE DAEC WAS HOW THE COLOMBIA PROGRAM WILL BE MANAGED DURING FY98 AND FY99 IF THE AIDREP'S POSITION IS ELIMINATED DAA/LAC STATED THAT AS LONG AS THERE ARE NEEDS IN THE JUSTICE SECTOR AND FUNDS ARE AVAILABLE TO MEET THOSE NEEDS, IT IS EXPECTED THAT USAID WILL MAINTAIN A PRESENCE IN COLOMBIA IF THE PROGRAM NEEDS TO CONTINUE BEYOND FY99 AND STATE/INL PROVIDES FUNDING SUPPORT, THE QUESTION OF WHETHER TO MAINTAIN THE AIDREP'S POSITION WILL NEED TO BE REEXAMINED

7 IN ADDITION TO THE ISSUES DISCUSSED ABOVE, THERE WAS DISCUSSION AT THE DAEC ABOUT THE PROBLEM OF COORDINATION WITH THE INTER-AMERICAN DEVELOPMENT BANK (IDB), THE OPDAT TEAM AND THE FISCALIA ON THE JUSTICE SECTOR PROGRAM ALTHOUGH THE AIDREP MET WITH THE IDB IN WASHINGTON DURING PROGRAM WEEK, THE MATTER IS STILL UNRESOLVED THE USAID REPRESENTATIVE TO THE IDB AND THE AIDREP WILL CONTINUE TO PURSUE THE ISSUE FROM WASHINGTON AND COLOMBIA RESPECTIVELY

8 THE FOLLOWING ISSUES AND CONCERNS WERE RESOLVED PRIOR TO THE DAEC

A THERE WERE QUESTIONS ABOUT THE ADEQUACY OF THE INDICATORS AND TARGETS USED TO MEASURE PERFORMANCE UNDER THE JUSTICE SECTOR SO AND OF THE STATUS OF DEVELOPMENT OF THE RESULTS FRAMEWORK DISCUSSIONS BEGAN DURING PROGRAM WEEK AND WILL CONTINUE AIMING TO SIMPLIFY THE INDICATORS, FINALIZE STATEMENTS OF PLANNED RESULTS WHICH FOCUS ON IMPACT ON COLOMBIA'S JUSTICE SECTOR, AND COMPLETE THE RESULTS FRAMEWORK AS DISCUSSED IN PARAGRAPH 4 ABOVE, TDY ASSISTANCE WILL BE PROVIDED TO THE MISSION TO WORK ON THE RESULTS FRAMEWORK

B THE MISSION DID NOT, AS HAD BEEN REQUESTED, INCLUDE IN THE R4 A PLAN FOR CLOSING OUT THE PROGRAM BY THE END OF FY99 BECAUSE OF THE LIMITED RESOURCES TO UNDERTAKE THIS COMPLEX TASK, IT WAS AGREED THAT ASSISTANCE WOULD BE PROVIDED TO THE MISSION TO PREPARE THE CLOSE-OUT PLAN BY THE BEGINNING OF FY98

C THE AIDREP WARNED OF A LIKELY SUBSTANTIAL TURN-OVER AT THE TOP LEVEL OF THE FISCALIA, OF LEADERS WHO HAVE BEEN IMPORTANT TO IMPLEMENTING REFORMS NO PARTICULAR ACTION IS REQUIRED NOW, ALTHOUGH, IF/WHEN TURNOVER OCCURS, THE MISSION MAY BE ABLE TO USE THE CHANGE AS A NATURAL POINT

TO RE-EXAMINE KEY FEATURES OF THE PROGRAM WITH THE NEW LEADERSHIP AND DEVELOP AGREEMENT ON WHAT REMAINS AT THAT POINT TO BE DONE BEFORE THE PROGRAM ENDS TO ASSURE SUSTAINABILITY

D THERE WAS CONCERN AS TO WHEN ALL ELEMENTS FOR THE COMPUTERIZED INDIVIDUAL CASE MANAGEMENT SYSTEM BEING DEVELOPED UNDER THE JUSTICE PROGRAM WILL BE FULLY IMPLEMENTED AND SUSTAINABLE A SERIOUS PROBLEM HAS ARISEN IN THAT THE FISCALIA HAS NOT BEEN ABLE TO HIRE AND TRAIN PERSONNEL SUFFICIENT TO ADEQUATELY MANAGE THE SYSTEM THE AIDREP DESCRIBED PLANS FOR THE MANAGEMENT AND MAINTENANCE OF THE SYSTEM WHILE THE FISCALIA STAFFS UP SUFFICIENTLY TO MAINTAIN THE SYSTEM ITSELF R4 REVIEWERS AGREED THAT SUSTAINABILITY OF THE SYSTEM WAS KEY AND THAT ANTICIPATED RESULTS SHOULD BE INCORPORATED INTO THE RESULTS FRAMEWORK

E THE LACK OF SPO INDICATORS AND CLEAR IR INDICATORS AND TARGETS FOR THE ENVIRONMENT SPECIAL OBJECTIVE WAS DISCUSSED THE AIDREP REQUESTED ASSISTANCE IN REFINING TARGETS AND INDICATORS AT THE SO AND IR LEVELS AND FOR TRAINING THE FSN STAFF AND ECOFONDO IN THE PERFORMANCE MEASUREMENT METHODOLOGY THE AIDREP WOULD LIKE ASSISTANCE TO BE PROVIDED IN APRIL LAC/RSD AND LAC/SPM WILL WORK WITH THE AIDREP TO IDENTIFY WHAT ASSISTANCE WILL BE MADE AVAILABLE TO THE MISSION

F AS THE FORMAT FOR THE R4 DOES NOT CONTAIN ALL THE INFORMATION NORMALLY PRESENTED IN A FORMAL END-OF-PROJECT REPORT, IT DOES NOT REPORT ON THE WHOLE OF THE EXCEPTIONALLY SUCCESSFUL POPULATION PROGRAM, NOR IS IT YET POSSIBLE TO KNOW IF THE RESULTS OF THE PROGRAM WILL BE SUSTAINED TWO DISTINCT SUGGESTIONS WERE MADE FOR USEFUL REPORTS CONCERNING THIS LONG-RUNNING AND CONSIDERABLE USAID INVESTMENT ONE POSSIBILITY IS TO COMMISSION A MODEST REPORT NOW ON THIS HIGHLY SUCCESSFUL PROGRAM WITH INFORMATION ABOUT THE ACHIEVEMENTS OF THE PROGRAM OBJECTIVES (CHANGES IN FAMILY PLANNING, MANAGEMENT, AND FINANCIAL SUSTAINABILITY) AND A DESCRIPTION OF THE PROGRAM AND ITS MECHANISMS, INCLUDING OUR PARTNERS AND PROGRAM EFFORTS BEYOND PROFAMILIA AND IPPF/WHR SUCH A DESCRIPTIVE REPORT COULD BE PREPARED UNDER THE POPTECH CONTRACT, USING MANY OF THE REPORTS THAT HAVE BEEN PREPARED IN THE PAST, AND A FIELD VISIT COULD BE USED TO OBSERVE DIRECTLY THE PROGRESS OF THE PROGRAM AND TO INTERVIEW THE KEY PERSONNEL THERE

ANOTHER POSSIBILITY IS TO USE THE CONCLUSION OF THIS PIONEERING EXPERIENCE IN FOSTERING FINANCIAL SELF-SUFFICIENCY AS AN OPPORTUNITY TO ASSESS ITS DURABILITY AN ASSESSMENT OF THE PROGRAM TWO TO THREE YEARS AFTER ITS TERMINATION COULD BE DONE IN ORDER TO DETERMINE IF USAID S SUPPORT TO FAMILY PLANNING IN COLOMBIA HAS BEEN SUSTAINED

THE MISSION ENTHUSIASTICALLY SUPPORTS USAID CONDUCTING BOTH STUDIES FOR THE END OF PROGRAM REPORT, THE AIDREP STRONGLY SUPPORTS THE IDEA THAT TRAVEL TO COLOMBIA WOULD BE USEFUL IN FULLY DOCUMENTING THE ACHIEVEMENTS OF THIS REMARKABLE PROGRAM, AND HE PLEDGED OE RESOURCES FOR TRAVEL OF USDH STAFF FOR SUCH A TRIP SUCH A REPORT SHOULD BE PREPARED AS SOON AS PRACTICAL G/PHN AND LAC/RSD WILL CONSULT WITH THE MISSION ON THE PREPARATION OF A SCOPE OF

WORK FOR THE STUDY LAC/RSD/PHN WILL ALSO FOLLOW-UP WITH G AND CDIE ON UNDERTAKING A STUDY IN A COUPLE YEARS TO DETERMINE THE SUSTAINABILITY OF USAID SUPPORT TO FAMILY PLANNING IN COLOMBIA

9 THE FOLLOWING CLARIFICATIONS TO THE R4 WERE ACCEPTED

A THE PRESENTATION IN THE R4 SUGGESTS THAT THE ENVIRONMENT SPECIAL OBJECTIVE WILL CONTINUE TO THE END OF FY99 HOWEVER, THE MISSION'S WIND-UP PLAN, PREPARED LAST YEAR AS A RESULT OF THE NARCOTICS DECERTIFICATION, INDICATES THAT THE PACD OF THE GRANT WITH THE IMPLEMENTING ENTITY (ECOFONDO) IS SEPTEMBER 30, 1997 THE DATE IN THE WIND-UP PLAN COINCIDED WITH THE INITIAL DATE DISCUSSED FOR ENDING THE COLOMBIA PROGRAM THE AIDREP CLARIFIED THAT THE COMPLETION DATE OF THE GRANT IS TO BE EXTENDED TO THE END OF FY99 AND THAT NO ADDITIONAL FUNDS WILL BE NEEDED FOR THE CONTINUED ASSISTANCE TO ECOFONDO THE WIND-UP PLAN DATED MAY 29, 1996 (APPROVED BY AA/LAC ON JUNE 3, 1996) IS HEREBY MODIFIED BY AA/LAC TO REFLECT THE CURRENT PLANS TO CONTINUE ASSISTANCE TO ECOFONDO THROUGH FY99

B AA/LAC APPROVAL IS REQUIRED FOR NEW ACTIVITIES PLANNED IN SUPPORT OF THE ENVIRONMENT SPECIAL OBJECTIVE THAT WERE NOT INCLUDED IN THE WIND-UP PLAN THE ACTIVITIES MUST FIT WITHIN THE RECOGNIZED LEGAL AND STATUTORY EXCEPTIONS TO TERMINATION AS A RESULT OF THE NARCOTICS DECERTIFICATION THE TWO NEW ACTIVITIES, GREENCOM AND WWF, ARE TO DEVELOP ENVIRONMENTAL EDUCATION PROGRAMS WITH ECOFONDO AND ITS AFFILIATED NGOS GC/LAC WILL WORK WITH THE AIDREP AND OTHERS, AS APPROPRIATE, TO DETERMINE WHETHER THE ACTIVITIES FIT WITHIN ONE OF THE EXCEPTIONS (POSSIBLY ACTIVITIES WHICH SUPPORT BIODIVERSITY CONSERVATION) AND ON PREPARING THE NECESSARY DOCUMENTATION
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