

Testimony of Mr. Adolfo Franco

Assistant Administrator, Bureau for Latin America and the Caribbean

USAID's Strategy Under Plan Colombia

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Thank you Mr. Chairman. I am pleased to appear before the Senate Committee on Foreign Relations. The U.S. Agency for International Development (USAID) is proud to contribute to broader U.S. Government (USG) objectives in Colombia—a country that urgently needs our help.

Colombia continues battling over its territory and future with three terrorist organizations: the Revolutionary Armed Forces of Colombia, the National Liberation Army, and the Unified Self-defense Forces of Colombia, known respectively for their Spanish acronyms as the FARC, ELN, and AUC. These organizations are engaged in terrorism and narcotics trafficking. Earlier this month, suspected leftist guerrillas gunned down two candidates in Colombia's upcoming state and mayoral elections after a campaign meeting in a lawless southwestern province. At least 23 mayoral candidates have been killed, eight others kidnapped, and over 125 have dropped out in the run-up to the elections. These groups threaten not only Colombia, but also the stability of the Andean region. This is a direct threat to U. S. security and economic interests.

Conducting development programs in conflicted areas like Colombia is difficult and dangerous. Not surprisingly, we have encountered numerous obstacles during the implementation of our programs; nevertheless, the experience and expertise of our staff have allowed us to make remarkable progress. I am pleased to report that USAID has already met some targets originally planned for 2005 while others are on track.

USAID's Strategy Under Plan Colombia

In response to growing problems created by the illegal narcotics trade and the actions of the three insurgent organizations, the Government of Colombia (GOC) developed a five-year plan, known as "Plan Colombia," for achieving peace and economic prosperity in Colombia while strengthening the state. Since USG efforts to support Plan Colombia were narrowly focused on fighting the drug war, USAID's program strategy was designed to provide the social and economic development backing for GOC counter-narcotics efforts, as well as critical support to the humanitarian crisis generated by the ongoing civil conflict. With \$119.5 million provided under the Plan Colombia supplemental in FY

2000 and \$301 million of Andean Counternarcotics Initiative (ACI) funds provided in FY 2002 and FY 2003, USAID is working toward the achievement of three broad and mutually supporting objectives:

- alternative development to support sustained reduction of drug crops and enhance economic prosperity;
- strengthening democracy and human rights; and
- addressing the needs of people displaced by violence.

While significant achievements have been made, the program continues to evolve in response to changing political, economic, and social conditions in Colombia. I would now like to describe USAID's program and the many accomplishments we have made toward achieving USAID's objectives under Plan Colombia.

Alternative Development

The scourge of illegal narcotics threatens the social and economic fabric of Colombian society, and poses a threat to the U.S. Despite the bold efforts of President Alvaro Uribe to combat narco-trafficking, lack of state presence in large portions of the country has allowed both illegal narcotics production and armed, drug-dealing terrorist organizations to continue to flourish. An estimated 125,000 to 150,000 families are involved in illicit crop production. Drug-related spillover crimes make Ecuador's northern border vulnerable, and intensive eradication efforts by the Government of Colombia may create incentives for the narco-trafficking industry to move back into Peru and Bolivia.

In order to provide small-scale farmers with a means to abandon illicit crop production permanently, USAID's alternative development program in Colombia seeks to increase licit income opportunities for small-scale producers of coca and opium poppy. This program has benefited approximately 33,000 families and supported cultivation of over 30,000 hectares of licit crops such as rubber, cassava, specialty coffee, and cocoa since 2001 in regions under the influence of illicit agriculture. To increase private sector investment and productive employment generation in or near areas where illicit crops are produced, USAID has initiated new programs in agribusiness, commercial forestry, and small and medium enterprise development. Infrastructure initiatives are an important component of the program. Construction of roads and bridges provides short-term employment as families make the transition to licit crops, and provides communities with physical access to markets necessary to sustain a licit economy or develop the skills and acquire funds to pursue economic alternatives. As of June 2003, USAID has helped the GOC complete 410 social infrastructure projects including roads, bridges, schools, and water treatment facilities, greatly exceeding our original target of 26 projects by the end of 2005.

Carrying out alternative development in an insecure and remote region is difficult, dangerous, and takes time. Delays can result from many factors including changes in the security situation; the need to identify, test, and develop useful farmer assistance packages adapted to conditions in the region; and the need to identify, design, contract,

and build appropriate infrastructure projects. Simple changes in weather patterns also limit some agricultural and construction activities in months of the year when rainfall is heavy.

USAID continues to adjust its program based on security conditions and our evolving relationship with local communities. Greater emphasis has been placed on working more closely with individual communities to tailor the program to help these communities with the needs they identify. Larger infrastructure projects are undertaken to improve the economic potential of isolated regions and to provide temporary employment and income to rural residents making the transition from coca to legal crops and employment. USAID also expanded the geographic focus of the alternative development program to areas beyond southern Colombia, where conditions may be more favorable for alternative income generation.

Democracy and Human Rights

In August 2003, the FARC and the smaller ELN issued a rare joint statement ruling out negotiations with President Uribe, whom they described as an enemy of peace. The stalled peace process translates to more violence and human rights violations. About 20 people die every day as a result of Colombia's armed conflict.

The FARC conducted a "resign or die" campaign against all the country's mayors and local officials. As a result, 1,500 city council members and 300 mayors have stood down, leaving 40% of the country's municipalities at the mercy of rebels and with little or no state presence. This obviously makes life very insecure for the general population of these areas.

Impunity from arrest and prosecution is believed to be the basic problem that allows those responsible for human rights violations in Colombia to continue committing these crimes. It is also a strong tool to scare people to silence, as denouncing a violation might put the victim in an even worse situation, with threats, torture, forced disappearance, killing, and displacement as possible results.

Administration of Justice

Colombia suffers from an extraordinarily high homicide rate of 63 murders per 100,000 inhabitants each year. Surprisingly, most of these deaths are not related to the armed conflict with guerillas. Rather, they are a result of drug-related violence, weak governmental institutions, and a pervasive sense of impunity before the law. The high homicide rate contributes significantly to general insecurity, lack of confidence in governmental institutions, and increasing numbers of people who resort to extra-official protection. Lack of access to legal adjudication of disputes is also one of the major contributing factors.

To address this problem, USAID, in collaboration with the Ministry of Justice, has established the "Justice Houses" program to increase access to judicial and dispute

resolution services for low-income and marginalized Colombians. These centers provide a "one-stop-shop" where citizens can seek help and redress on a wide range of issues.

Thirty four of these Justice Houses have been established to date. Nearly 1.8 million cases have been resolved since the first Justice House was established in 1995, easing the burden on the over-taxed, inefficient judicial system. By providing an alternative to the use of violence, the Justice Houses are contributing directly to improving the sense of security as well as a sense of connection to the State for many Colombians. USAID is expanding this highly popular program and will establish an additional six Justice Houses by the end of FY 2005.

Meanwhile, the traditional court system is hampered by backlogs of unresolved cases and overcrowded detention centers with individuals waiting to be charged. By providing technical assistance and training, USAID is helping to improve efficiency and transparency of the formal court system by assisting Colombia's transition from the traditional "inquisitorial" system of justice to a modern accusatorial system based on oral trials rather than written procedures. In addition to being more transparent, and therefore less prone to corruption, oral trials are more cost effective and timely. Since 1998 when the GOC agreed to launch oral procedures, USAID has helped create 19 oral trial courtrooms and funded training for 6,160 judges, lawyers, and public defenders in oral trial techniques. In addition to this training, USAID provides broad support to law schools to adapt curricula to the new system. We also conduct activities designed to strengthen the Office of Public Defense to ensure a fair and timely defense for citizens. Continued efforts to modernize the judicial system and improve oral procedures will result in Colombians having greater faith and confidence in their judicial system.

Human Rights

Working through the Ministry of Interior's Protection Program, USAID assistance has helped about 3,000 Colombians whose lives were threatened in the past year alone. This includes human rights workers, labor activists, journalists, mayors, and others. The Protection Program has given financial assistance to people to help them avoid danger, helped to relocate nationally or internationally those who are threatened, provided protection to government and NGO offices, and provided the use of armored vehicles, or other protective equipment to people being threatened by guerilla or paramilitary groups.

On a different track, USAID and the National Human Rights Ombudsman's Office have organized an Early Warning System (EWS) that provides the Colombian military, national police, and other state institutions with early warnings of situations that could result in massacres or forced displacements. The signs of impending mass violence include the arrival of unknown and armed men, graffiti, intimidation of individuals, and increased crime. The EWS is essentially an emergency telephone number where NGOs, municipal authorities, or individuals can call the National Human Rights Ombudsman's Office to report signs of potential violence. The validity and seriousness of the threat is evaluated and, when warranted, a formal warning is issued to the police, the military or other authority. Each warning from the National Human Rights Ombudsman's Office

includes recommended actions, and the police and military are required to reply in writing to the threat and state what actions they have taken in response to the warning.

To date, a total of 220 warnings were issued which resulted in 170 responses or interventions by State authorities. A recent review indicated that the EWS was very effective in focusing attention on dangerous situations. USAID believes that the EWS has saved lives, and in the process, strengthened the link between communities and central state institutions.

Improved Local Governance

Transparent and effective local government is an essential aspect of building confidence in democracy and providing community cohesiveness to help counter the influence of armed groups and narcotics traffickers. Working in close coordination with the alternative development program, USAID is strengthening the capacity of 44 municipal governments in areas where coca and opium poppy eradication activities are underway. Assistance is focused on increasing citizen participation in governmental decisions, strengthening municipal management, and reducing opportunities for corruption. As part of this component, 140 citizen oversight groups were created to improve management and delivery of municipal public services and track the use of public funds. Thirteen municipalities have reported increased revenue through improved application of fiscal systems, tax collections procedures, and cadastres. Funding is also provided for municipal infrastructure projects that benefit local communities while strengthening their ties to formal governmental structures. As of last July, 42 water and sewer systems, 56 schools, and 6 health centers were completed, providing jobs and improving infrastructure for nearly 60,000 citizens. The number of completed social infrastructure projects almost meets USAID's target of 115 by the end of 2005. These successes are helping to build citizen confidence in the ability of local government to provide services to the Colombia people.

Increased Transparency and Accountability

USAID is promoting the use of more transparent and accountable central government management procedures through programs with the Controller General, the National Auditor, and the Accountant General as well as internal control units in targeted GOC entities. Over the past two years, audit and monitoring regulations were standardized in 26 GOC bodies, meeting the target set for the end of 2005. Four hundred officials were trained in new audit procedures. Training in finances and ethics was also provided to 30 public accountants, 50 mayors, and 70 council members in four departments. USAID has trained almost 100 citizen groups who will share their training with others and use it to combat corruption utilizing constitutional mechanisms such as citizen oversight committees and public hearings. Additionally, USAID is working with the Colombian Attorney General's Office to establish a national database containing disciplinary and criminal records of elected officials and public servants and companies doing business with the GOC. This information will help keep people with questionable legal and disciplinary records from being elected to public office or named as public servants in

Colombian government agencies. Finally, USAID has assisted in the creation and implementation of a merit-based, transparent recruitment program to hire 120 regional directors of the Ministry of Social Welfare and 100 chiefs of internal control offices. These efforts are leading to a government that is more transparent and accountable to its citizens.

Support for Peace Initiatives

USAID works with 18 Colombian private and public sector organizations to carry out activities that encourage or promote peace and conflict reduction. Approximately 150,000 people benefited through 43 grants to Non-Governmental Organizations (NGOs) implementing peace-related activities. USAID-funded activities included grants to support the participation of women in the peace process, NGO institutional assistance training, and the establishment of an information resource center within the Office of the High Commissioner for Peace. Each month, tens of thousands of children receive social skills training in remote areas of the country. USAID is currently working on strengthening peace negotiation mechanisms in the Office of the High Commission for Peace and helping the Government of Colombia to plan for a possible Unified Self-defense Forces of Colombia demobilization.

Support for the Peace Initiatives is broad-based, national in scope, and focused on building the effectiveness and credibility of governmental institutions. These programs directly contribute to USAID's alternative development goals. Colombia's democratic institutions in recent years have been almost overwhelmed by the corrupting influence of the enormous drug industry and the prolonged civil conflict. USAID assistance directly counters these negative influences and helps build a broader constituency for a democratic solution to Colombia's social and political challenges.

Internally Displaced Persons (IDPs)

Colombia has one of the largest populations of internally displaced people (IDP) in the world, about 2.5 million people, and the only IDP population in the Western Hemisphere. USAID has provided relief to about 1,092,000 IDPs and demobilized child soldiers, targeting aid specifically at female heads of household. At the beginning of the IDP program, USAID planned to assist about 400,000 IDPs by this time. Thus far, approximately 42,900 IDPs are employed in new jobs and 14,000 have been given vocational and skills development training. Over 520,000 IDPs have received health care and almost 92,600 IDP children have been provided with improved and more specialized access to education.

Looking Ahead in Colombia

Plan Colombia is working. Significant progress is being made on all fronts, but let me be frank - we still have much to do. Lessons from Bolivia, Peru, and Ecuador demonstrate that governance rather than income or poverty levels is the key underlying factor that determines whether or not the coca industry will establish itself, grow, or decline.

Governance in this context includes a national government enforcement presence, responsive local governments delivering public services and creating incentives against coca production, cohesive local communities, and a system of individual values or beliefs that reject drug production as a way of life. If local communities work together in a participatory manner and are supported by a visible national government presence with a strong commitment to the eradication of drug crops and a capable military presence, the illicit coca economy can be reduced significantly.

The objectives of President Uribe's *Democratic Security and Defense Policy*, issued earlier this year, converges with the sentiments of President Bush in his *National Security Strategy of the U.S.* which states: "We are working to help Colombia defend its democratic institutions and defeat illegal armed groups of both the left and right by extending effective sovereignty over the entire national territory and to provide basic security to the Colombian people." Our USAID program is directly supportive of the six objectives of President Uribe's *Democratic Security Policy*: (1) guarantee the security, freedom, and human rights of the population; (2) consolidate state control over national territory; (3) eradicate drug trafficking; (4) defend democratic order and the rule of law; (5) promote economic prosperity and social equity; and (6) reconstruct the social fabric.

As I just described, USAID's program seeks to strengthen weak state structures as a means of ensuring improved security for Colombian citizens, while simultaneously increasing their participation in political and economic decision-making. USAID continues to work in reforming the justice system and improving respect for human rights, while initiating new programs to strengthen local governance, combat corruption, broaden citizen participation in political decision-making and back initiatives in support of the peace process. Equally important, USAID continues to introduce economic alternatives for rural Colombians transitioning to the licit economy and helps to provide badly needed assistance to displaced persons.

Assuming that the objectives of Plan Colombia will have been met by 2005, a key issue confronting USAID, as well as the GOC, will be how to protect and consolidate those gains within the context of broader political and economic conditions and trends in Colombia. In particular, USAID will need to determine the critical intervention "pressure points" in both policy reform and institutional development terms that will facilitate the maintenance and consolidation of the progress now being made under Plan Colombia. To the greatest extent possible, USAID's efforts should be directed toward geographic regions of the country where public security has been regained and should concentrate on helping to establish legitimate state presence and providing people with access to health, education, justice, and economic opportunities. An effective strategy must entail the development and implementation of a regional economic development approach that promotes financially stable investment in critical infrastructure in targeted areas and the establishment of a stable and policy-friendly economic governance environment in these areas. Most importantly, it requires the development of core civil and fiscal governance institutions that (1) promote an improved allocation of scarce local government resources to critical social and physical infrastructure and social service needs and (2) strengthen the social bonds between the citizen and the state.

Recently, the Government of Colombia requested USAID support with the design of a demobilization and reinsertion program for ex-combatants which could be the first step toward a negotiated settlement of Colombia's prolonged civil conflict. If the Government is able to sign and implement demobilization agreements with irregular armed groups that have been fighting with Government forces and each other for more than 40 years, then a demobilization and reinsertion program could eventually provide assistance to approximately 35,000 ex-combatants. The USG is currently analyzing its role in any future reintegration process. There are many legal and policy issues to be resolved before USG resources could support a reintegration program. Types of assistance being contemplated for adult ex-combatants include providing documentation, training and relocation support, education and counseling. All such assistance to ex-combatants would only occur after they have been demobilized and vetted for human rights abuses, narco-trafficking, or other criminal charges. USAID currently has a highly successful demobilization program for child soldiers which could be expanded to accommodate more child soldiers should a massive demobilization occur.

A reintegration program will require additional resources; however, at this point in the process, there is no way to know with certainty exactly how many illegally armed combatants will demobilize in the near term or beyond. Demobilization and reintegration will provide critical support to President Uribe's new Democratic Security and Defense Policy and his significant commitment to enhanced security and expansion of state presence in conflictive areas. Without enhanced security it is unlikely that the U.S. and Colombia shared goals of reducing drug production, improving the economy, strengthening democracy and increasing the presence of legitimate state institutions will ever be achieved.

CONCLUSION

Let me conclude by stating that while we have made significant progress in achieving our objectives under Plan Colombia, we must continue our efforts. Colombia's multiple interrelated problems are not amenable to a quick fix. For continued effectiveness, USAID's alternative development strategy must be dynamic and respond quickly to change to promote collaboration of local entities with coca reduction goals. Long-term income creation means that alternative development programs must be diversified beyond the coca field and employment stimulated where it is cost effective and sustainable. We need to capitalize on the Andean Trade Promotion and Drug Eradication Act in the next two-three years in order that Colombia can effectively participate in the opportunities presented under the Free Trade Act of the Americas. We must continue to support efforts in citizen rights, participation, and rule of law. The Uribe administration is the ideal partner with which to work, combining will, strategic and operational creativity, and resources to the difficult task ahead. I hope we can continue to count on the support of this Committee and the Congress in facing down the scourge of narcotics and narcoterrorists.

Thank you.