

Colombia

The Development Challenge: Since President Alvaro Uribe Velez took office in August 2002, he has worked relentlessly to establish state control throughout the country, revitalize the Colombian economy, and combat corruption. Throughout 2003, the Colombian economy has grown at roughly 3% per quarter. Colombia's ranking in the Transparency International Corruption index improved 17% between 2000 and 2003, the highest improvement among the more than 40 medium and low-income countries surveyed. Similarly, the country's human rights record improved significantly as the national homicide rate fell by 22%, trade unionist killings were reduced by 68%, and kidnappings fell by 27%. Moreover, the National Planning Department reported a 60% reduction in the number of attacks on vulnerable civilian populations and a 46% decrease in the forced displacement of Colombian families. With critical support from the United States, the Colombian military is hitting the country's illegal armed groups harder, demonstrated by an 85% increase in desertions. Furthermore, the combined tactics of eradication, interdiction, and alternative development resulted in a coca crop reduction of 37.5% between 2000 and 2002 and an additional 43% between 2002 and 2003, exceeding Plan Colombia goals.

Despite these significant accomplishments, Colombia continues to face several challenges. Numerous rural municipalities remain isolated by poor infrastructure and fragile institutions and, thus, remain prone to violence, illicit crop cultivation, forced displacement, and human rights abuses. Colombia faces severe income disparities, poverty, and inadequate social services. The World Bank estimates that 65% of the population live below the poverty line and rural poverty is especially acute. The poverty rate for rural dwellers in Colombia is estimated at 80%, of which 42% is considered extreme. Also, only 15% of rural dwellers have access to telephone services, 62% to potable water, and 32% to sewage treatment services. These conditions are exacerbated in rural areas by a 15% illiteracy rate. World Bank studies show that Colombia will require sustained economic growth of 4% through 2010 to reduce poverty to the levels recorded in 1995. This is especially challenging considering that the Uribe Government has tightened fiscal spending and that foreign direct investment in 2002 fell to just under \$2 billion -- a decline of about one-half relative to the mid-1990s. Finally, 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. While Colombia's illegal armed groups have been weakened, their presence and ability to inflict violence against the state and civilians continues.

The USAID Program: Since USAID initiated support for Plan Colombia in 2000, significant advances have been made in expanding state presence, strengthening Colombian democracy, creating licit economic opportunities, and providing assistance to the internally displaced. However, given the magnitude and complexity of the challenges facing Colombia, much remains to be done. Coca and poppy cultivation has sprouted in new regions; democratic institutions, especially in rural areas, remain fragile; and thousands of rural Colombians continue to abandon their homes to escape guerilla and paramilitary violence. In confronting these realities, USAID's strategy in Colombia directly supports President Uribe's Democratic Security Policy which seeks to consolidate the rule of law and defend and strengthen democratic institutions throughout the country.

The USAID program has three objectives: stemming the flow of illegal drugs into the United States by encouraging small producers to join the legal economy through licit economic activities and infrastructure projects; promoting more responsive, participatory and accountable democracy; and relieving the plight of Colombian refugees.

Other Program Elements: USAID assists the Government of Colombia in the management of a \$45 million environment fund created under the Enterprise for the Americas Initiative, which forgives foreign debt in exchange for environmental and child protection initiatives. In addition, activities in trade capacity building and malaria control are implemented in Colombia under USAID's South America Regional program. USAID is also carrying out activities in Colombia through the Latin America and the Caribbean Bureau and the Democracy, Conflict Prevention, and Humanitarian Assistance Bureau. Programs include democracy, environment, and health.

Other Donors: Multilateral assistance to Colombia from the World Bank, Inter-American Development Bank, the European Union, United Nations agencies, the Andean Development Corporation and others totaled \$49.9 million in 2002. Other bilateral development assistance to Colombia reached roughly \$65 million in 2002 with Germany, Spain, and the Netherlands the most significant contributors.

Data Sheet

USAID Mission:	Colombia
Program Title:	Democracy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	514-007
Proposed FY 2004 Obligation:	\$24,000,000 ACI
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$25,000,000 ACI
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY2005

Summary: USAID's democracy program provides technical assistance and training to modernize the criminal justice system; protect and promote human rights; strengthen local governance; increase government transparency and accountability; and support peace initiatives.

Inputs, Outputs, Activities:

FY 2004 Program:

Modernization of the justice system and increase access to legal services (\$5,500,000 ACI). USAID will assist the transition to an accusatory judicial system through policy support and training and by constructing an additional six oral trial courtrooms. Technical assistance will be provided to the Public Defender's Office to strengthen its capacity to provide full-time public defense lawyers who will ensure due process and rights for the accused. To increase citizen access to justice, USAID will continue to work with the Ministry of Justice to expand coverage through Justice Houses that offer community legal services. USAID will build four new Justice Houses that will handle an additional 628,000 cases, and train 225 conciliators to provide services in targeted communities. USAID will also work with the Ministry of Justice to design a regional model to bring services to marginalized rural areas and to install small claims courts in some Justice Houses. The prime implementer is Checchi & Company.

Human rights (\$6,500,000 ACI). USAID will continue to provide technical assistance to strengthen the Early Warning System in order to prevent massacres and forced displacements. Assistance will be provided to help the Government of Colombia effectively respond to and track alerts. USAID will provide protection to an additional 1,000 unionists, journalists, elected officials, community leaders, and others under threat and to 20 human rights offices. Temporary protection will also be provided to some former mayors. The program will continue working with key Colombian Government institutions in formulating national and local human rights policies. The prime implementer is Management Sciences for Development.

Local governance (\$6,500,000 ACI). USAID will continue to provide technical assistance to enhance municipal capacity to deliver services, increase revenue, and address citizen priorities by increasing community participation. This includes updating cadastres and municipal tax codes to increase municipal revenues; improving service delivery; and developing social infrastructure. Approximately 40 municipalities will be fiscally strengthened and 20 will improve their delivery of public services. Moreover, at least 100 social infrastructure projects will be developed with citizen participation and 60 citizen oversight committees will be formed. Additionally, USAID will provide technical assistance to promote dialogue at the local and national level and strengthen organizations active in Afro-Colombian, indigenous, and other traditionally marginalized communities. The prime implementer is Associates in Rural Development.

Transparency and accountability (\$2,500,000 ACI). USAID will begin the second phase of a program to increase transparency and accountability at the national and municipal levels. Technical assistance and training will be provided to at least 40 Colombian Government entities in developing electronic

government and standardizing internal control systems. USAID will support efforts of civil society to improve transparency and efficiency in the use of public resources. USAID also plans to strengthen at least 100 citizen oversight groups. Casals & Associates is the prime implementer.

Peace initiatives (\$3,000,000 ACI). USAID will continue to promote peace by working with Colombia's High Commissioner for Peace to support negotiations between the Government of Colombia and illegal armed groups pending satisfactory resolution of policy and funding issues. USAID may also assist the Colombian Government with implementation of potential peace settlements and demobilization/reintegration activities. USAID will support community peace initiatives to help establish seven additional Co-existence Centers that provide communities with a neutral space for dialogue, conflict mitigation, and social services. Support to civil society organizations that promote peace through local projects will continue. The prime implementer is the International Organization for Migration.

FY 2005 Program:

Modernization of the justice system and increase access to legal services (\$5,500,000 ACI). Technical assistance and training to implement the accusatory justice system nationwide will continue in targeted regions. An additional two oral trial courtrooms and two Justice Houses will be established, an additional 695,000 cases will be handled, and 100 conciliators certified. Same implementer as above.

Human rights (\$7,300,000 ACI). Support for the Early Warning System will continue. Protection will be provided to an additional 1,000 threatened individuals and 20 offices of human rights non-governmental organizations (NGOs). Support in human rights policy-making will be directed at policy implementation, including initiatives related to the demobilization and reincorporation of illegal armed groups. Same implementer as above.

Local governance (\$6,500,000 ACI). Local governance strengthening will be consolidated in key regions where approximately 100 social infrastructure projects will be created in 60 new municipalities. Public policies that foster local development will be implemented. Ten municipalities will improve their delivery of public services and an additional 30 will be fiscally strengthened. Same implementer as above.

Transparency and accountability (\$2,450,000 ACI). Anti-corruption activities will continue to strengthen internal control systems and the use of electronic government to promote transparency and efficiency. Citizen oversight will be fortified in key regions with the strengthening of 100 oversight groups. Same implementer as above.

Peace initiatives (\$3,250,000 ACI). Peace activities will continue to support the High Commissioner in negotiations, potential peace settlements, and demobilization/reintegration. One additional Co-existence Center will be established and selected organizations active in promoting peace will be supported. Same implementer as above.

Performance and Results: A total of 33 Justice Houses have been established, handling some 1.9 million cases. USAID has also established 28 oral trial courtrooms and helped strengthen public defense through the training of judges in oral trials, legal evidence, and procedures. Through FY 2003, 3,145 individuals and 71 human rights NGOs received protection. The Early Warning System was expanded to 20 regions and was key to the Government of Colombia's response to 177 of the 234 alerts issued through 2003. The local governance program promoted effective public administration by helping finance 148 social infrastructure projects in eight departments. The establishment of 163 citizen oversight committees reinforced transparency and participation. To fight corruption, USAID standardized internal control units in 19 Government of Colombia entities and supported 75 citizen oversight initiatives in FY 2003. This contributed to Colombia's impressive improvement in Transparency International's annual corruption perception index. Under the peace program, USAID is assisting the High Commissioner's Office with the design of its demobilization/reintegration initiative and supported community-based projects, including the establishment of three Co-existence Centers. By the end of USAID's program, democracy in Colombia will be more responsive, participatory and accountable to the needs of Colombian citizens.

Data Sheet

USAID Mission:	Colombia
Program Title:	Alternative Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	514-008
Proposed FY 2004 Obligation:	\$55,700,000 ACI
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$78,500,000 ACI
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY2005

Summary: USAID's alternative development program seeks to increase legal economic opportunities for small producers of coca and opium poppy. This increase will contribute to permanent abandonment of illicit crop production.

Inputs, Outputs, Activities:

FY 2004 Program:

Strengthen national and local institutions (\$1,000,000 ACI). USAID will continue to strengthen the Government of Colombia's National Alternative Development Plan in the areas of planning, implementing, monitoring, and evaluating projects. Technical assistance will be provided to strengthen local non-governmental organizations (NGOs) in technical areas, as well as accounting and other aspects of internal management. USAID will also provide technical assistance to strengthen several business development service providers. Assistance will be provided to the Colombian Government to strengthen the long-term sustainability of their Family Forest Guards program. Prime implementers are Chemonics, Pan-American Development Foundation (PADF), Associates in Rural Development, Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (ACDI/VOCA), Carana Corporation, Land O'Lakes and Aid to Artisans.

Rural social infrastructure (\$3,400,000 ACI). Infrastructure initiatives are an important component of the alternative development program because they provide short-term employment and income to families making the transition to licit crops. Projects are designed to be as labor intensive as possible, employing the maximum number of local people and educating them on basic construction methods. Technical and financial support will be provided to build or rehabilitate roads, bridges, electric power grids, schools, health clinics, potable water, and sewage systems in remote regions of the country to generate new jobs and improve access to basic services. USAID will continue to support community-based decision making and provide technical assistance in the sound financial management of infrastructure projects. The prime implementers are Chemonics, U.S. Army Corps of Engineers and PADF.

Supporting licit productive activities (\$37,600,000 ACI). USAID will continue to provide technical assistance to promote agricultural and non-agricultural alternatives through the provision of modern production technologies, food processing, credit, and marketing assistance to producer associations. Non-agricultural activities will include technical and managerial support to small and medium-sized private enterprises to generate employment in Colombia's secondary cities and help them become more competitive nationally and internationally. Other activities will include vocational training and technical workshops for rural families that are transitioning to licit agricultural activities. USAID plans to expand activities into other agricultural areas shifting the focus of the program from Putumayo to other illegal crop producing regions of the country. The program will concentrate on geographical areas involved in or under the influence of illicit crop production, where there is a strong market and economic growth potential for licit agricultural activities, and where the number of beneficiaries is significant and will result in a positive impact on the region. Additionally, USAID will focus on private sector, market-driven

activities for increased sustainability. Prime implementers are Chemonics, PADF, Associates in Rural Development, ACDI/VOCA, United Nations Office of Drugs and Crimes, and Aid to Artisans.

Improve management of natural resources and environment (\$9,200,000 ACI). In many drug-producing regions, the long-term success of alternative development depends on the conservation of fragile soils by small farmers and proper management of tropical forests. USAID will promote sustainable production for alternative crops through forestry systems particularly suited to the financial and ecological conditions of small farms in remote tropical lowlands. USAID will continue to assist the Colombian National Parks Unit (CNPU) to improve the overall management of the park system and to protect its resources and improve visitor services. This assistance covers all protected areas with priority given to areas where illicit crop cultivation occurs. USAID will continue to work with indigenous communities in Putumayo, Nariño, and Caquetá in protecting the environment and indigenous cultures. The assistance will strengthen CNPU institutional presence in protected areas and enhance their capacity to improve management. Activities to promote Colombia's potential to improve or create more integrated production chains for the forest products industry will continue in four geographically selected forest clusters. USAID will continue to provide support for forestry activities in Putumayo. The prime implementers are Chemonics and Amazon Conservation Team.

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

FY 2005 Program:

Strengthening national and local institutions (\$4,000,000 ACI). USAID will continue to implement the activities described. Implementers are the same as above.

Rural social infrastructure (\$14,000,000 ACI). USAID will continue to implement the activities described above. Implementers are the same as above.

Supporting licit productive activities (\$48,000,000). USAID will continue to provide assistance in areas that support licit productive activity by working with the private sector in market-driven activities such as agri-business, forestry and small/medium enterprise development. Agribusiness activities are designed to leverage a significant amount of private sector financial resources from businesses, producer associations, and local non-governmental organizations. USAID will promote the growth of licit economic activities in secondary cities that currently serve as a conduit to illegal drug activity, while continuing to support small farmers and communities in rural areas. Implementers are the same as above.

Improve management of natural resources and environment (\$8,000,000). USAID will continue to implement the activities described above. Implementers are the same as above.

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

Performance and Results: Since 2000, USAID has supported the establishment of 38,563 hectares of licit crops and completed 630 social and productive infrastructure projects in coca and poppy growing areas. The program has benefited over 31,170 families. These results were achieved through a strong collaborative effort of some 112 local NGOs. USAID continues to enhance the capabilities of local NGOs through technical assistance and training in financial management and procurement. The large-scale spraying of coca areas, especially in Putumayo, has helped convince small farmers to abandon their illegal crops. Continued fighting between the armed groups has contributed to farmers' growing distaste for illicit crop production in southern Colombia.

USAID's program will help reduce coca cultivation in Colombia and stem the flow of illicit drugs to the United States.

Data Sheet

USAID Mission:	Colombia
Program Title:	Internally Displaced Persons
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	514-009
Proposed FY 2004 Obligation:	\$38,000,000 ACI
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$43,000,000 ACI
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY2005

Summary: USAID's Internally Displaced Persons (IDP) program provides economic and social assistance to vulnerable groups, particularly internally displaced persons. USAID-funded activities focus on medium and longer term solutions leading to the sustainable reincorporation of IDPs and former child combatants into mainstream Colombian society through programs at the national and local levels as well as programs to help prevent displacement and illegal recruitment of children.

Inputs, Outputs, Activities:

FY 2004 Program:

IDPs and other vulnerable persons assisted (\$26,000,000 ACI). USAID will assist at least 170,000 IDPs during 2004. Technical assistance and training will be provided to enable IDPs and host communities to improve community infrastructure, attend to those who need emotional counseling, ensure educational opportunities for children, address critical and chronic health requirements, assist in providing shelter and housing solutions, promote vocational training tied to job acquisition, support income generation opportunities, and develop micro and small businesses. Whenever possible, the Government of Colombia prefers that IDPs return to their original places of residence. Prime implementers include Cooperative Housing Foundation International (CHF), the International Organization for Migration (IOM), the Pan American Development Foundation (PADF), Profamilia (a Colombian non-governmental organization), the United Nations Children's Fund (UNICEF), the United Nations High Commission for Refugees (UNHCR), and the World Food Program (WFP).

International, national, and local IDP programs strengthened (\$9,000,000 ACI). USAID will provide technical assistance to strengthen the institutional capacity of Colombian organizations that assist IDPs and other vulnerable groups. IDPs are encouraged to participate more actively at the municipal level, both with other displaced persons and with local authorities. Technical assistance will continue efforts to strengthen coordination among donor institutions and Colombian governmental entities at the national and local levels. The prime implementers are CHF, IOM, PADF, Profamilia, UNHCR, and UNICEF.

Former child combatants and other vulnerable children served (\$3,000,000 ACI). USAID will provide technical assistance and training to serve at least 350 former combatant children. Training will be provided for juvenile justice personnel working in the special treatment of former child combatants. A prevention strategy will continue to be implemented that seeks to diminish the participation of children in the armed conflict. The prime implementer is IOM.

FY 2005 Program:

IDPs and other vulnerable persons assisted (\$30,000,000 ACI). Technical assistance and training will continue to be provided for approximately 170,000 IDPs in areas of credit, micro-enterprise, vocational training, job placement, health care, shelter and housing, income generation, increased access to education, and improved/expanded basic community infrastructure (such as water and sewage systems, centers for conflict resolution, etc.). Implementers are the same as above.

International, national, and local IDP programs strengthened (\$10,000,000 ACI). Technical assistance and training will be provided to continue strengthening institutions responsible for providing medium and long-term assistance to IDPs. Implementers are the same as above.

Former child combatants and other vulnerable children served (\$3,000,000 ACI). USAID will provide technical assistance to serve at least 350 children. The program is prepared to serve a vastly expanded number of children in the event there is a mass demobilization of illegal armed groups that include children. Implementers are the same as above.

Performance and Results: Since 2000, USAID programs benefited over 1.2 million IDPs and at least 1,176 former child combatants. With input from all key IDP implementing partners, the IDP program initiated a major lessons learned study which will be completed in early FY 2004.

By the end of FY 2005, USAID will have helped more than 1.5 million displaced persons and at least 1,800 ex-combatant and other vulnerable children. This represents a serious effort to address Colombia's displaced population of more than 2.5 million people and the estimated 11,000 child soldiers serving in the illegal armed groups.

Colombia PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Andean Counterdrug Initiative	101,900	122,200	122,200	122,300
Total Program Funds	101,900	122,200	122,200	122,300

STRATEGIC OBJECTIVE SUMMARY				
514-007 Democracy				
ACI	22,000	24,000	25,000	25,000
514-008 Alternative Development				
ACI	49,400	50,429	54,200	54,300
514-009 Internally Displaced Persons				
ACI	30,500	43,300	43,000	43,000
TRANSFER				
ACI	0	4,471	0	0

Mission Director,
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