



U.S. - Colombia Relations

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Introduction

Mr. Chairman, Mr. Burton, and distinguished members of the Subcommittee, thank you for the opportunity to come before you today to discuss our policy and plans for assistance to Colombia. Strong bipartisan support in the Congress and this Subcommittee has been a constant in our efforts since the beginning of Plan Colombia and is one of the reasons why we believe Colombia has achieved remarkable results.

As President Bush said on March 5 just before his trip to Colombia and four other countries in Latin America, "It is in the interest of the United States of America to help the people in democracies in our neighborhood succeed. When our neighbors are prosperous and peaceful, it means better opportunities and more security for our own people. When there are jobs in our neighborhood, people are able to find work at home and not have to migrate to our country. When millions are free from poverty, societies are stronger and more hopeful." These are clearly goals that the people of Colombia, with our support, are making progress toward and are committed to achieving.

It is important that we recognize how much things have improved in Colombia over the past seven years. The Government of Colombia has taken concrete actions to respond to the challenge posed by illegal armed groups and narcotics cartels. As a result, the lives of ordinary people have improved dramatically. Improvements in security have allowed the economy to prosper. Poverty and violence have decreased, the rapid growth in coca cultivation of the 1990's has been reversed, a massive demobilization of nearly all paramilitary groups has been completed and paramilitary prosecutions and victims reparations programs are underway. Further, the government has clearly stated that human rights abuses are not tolerated and that there is no shelter and no impunity.

At the same time, we recognize that there is still much to be done. The violence has resulted in the displacement of millions of Colombian citizens. Economic difficulties and lack of employment opportunity plague rural parts of the country; and we continue to be concerned by all allegations of human rights abuses.

We need to continue working with the Government of Colombia to help them expand security, social services and economic opportunity and to ensure the benefits accrue to all Colombians – whether in the countryside or the cities, and especially among the Afro-Colombians, indigenous and displaced. The key will be to create a strong economy, put additional pressure on the groups fighting over drug profits, and end impunity for those that commit, or are complicit in, human rights abuses.

Colombians have bravely taken up these challenges. We need to help them finish the task, both by continuing to support our programs and by approving the U.S.-Colombia free trade agreement that will both provide the people of Colombia with economic opportunity to further reduce poverty and enhance trade and export opportunities for the United States.

Although Colombia will assume additional responsibility for new and ongoing programs over time, they will require continued U.S. and international assistance in critical areas. Our approach will change to support Colombia's new programs or to apply lessons learned to continuing programs.

We urge early Congressional approval of the U.S.-Colombia free trade agreement, which has major benefits for both countries. It will help Colombia further reduce poverty and provide legitimate economic opportunities to all of Colombia's citizens, as well as enhance trade and export opportunities for United States workers, farmers and companies.

Successes in Colombia

Before looking to the future, let me summarize the remarkable gains that Colombia, with U.S. and other international support, has made. In 2000, a bipartisan consensus in the Congress determined that the United States should support Plan Colombia. The most significant areas of success include:

- Reversing the high rate of growth in the late 1990's of coca and opium poppy cultivation and increasing rates of interdiction. Every hectare of coca and opium poppy that is not grown or that is interdicted means less money flowing to the perpetrators of violence and atrocities in Colombia.
- Reducing violence. The security situation has improved significantly from a time when Colombia had among the highest crime numbers in the world, with kidnappings down by 76 percent, terror attacks by 61 percent, and homicides by 40 percent since 2000.
- Improving the economy. The improved security has contributed to Colombia's economic recovery. Economic growth has averaged close to five percent over the past four years and reached 6.8 percent in 2006. Thousands of additional families are now working in the formal, legal economy.
- Reducing poverty. Poverty rates in Colombia fell dramatically to 45.1 percent in June 2006 from nearly 60 percent when Plan Colombia began. In urban areas, the poverty rate decreased to 39.1 percent, while in rural areas it fell to 62.1 percent. The rate of extreme poverty has fallen to 12 percent nationwide. Extreme poverty in urban areas fell from 16.7 to 8.7 percent, and in rural areas from 35.7 to 21.5 percent. While these numbers are still too high, especially for Colombia's indigenous, Afro-Colombian and displaced populations, all of whom are disproportionately affected, they represent a steady improvement that the Government of Colombia's new Strategy seeks to continue. One program, called Families in Action, provides a nutritional subsidy to families with children up to age six if parents ensure medical checkups and vaccinations, and an education subsidy to older children on the condition the children attend school. Approximately 520,000 families, including 110,000 displaced families, now benefit from this program, and the Government of Colombia seeks to triple that number in the next year.
- Reducing impunity: Colombia's justice sector reform program, with significant U.S. support, is having a profound effect. The changeover from the former written system to an oral, accusatory one has brought the average case duration down from three years to between 25 and 163 days. For crimes such as theft, personal injury, arms trafficking and homicide, there have been reductions in processing time of 93 percent, 84 percent, 92 percent, and 90 percent, respectively.
- Taking militants off the battlefield. Although prosecutions and reparations have just begun, there is real progress, with over 31,000 paramilitary members demobilized. Current negotiations with the National Liberation Army have the potential of leading in the same direction.

This is a critical and perhaps unique moment for Colombia. The Colombian people's confidence is high. For the first time in over a generation, Colombians can envisage the possibility of real peace. Colombia is poised to make this a reality through its new plan for the next seven years.

Colombia's New Strategy

In January 2007, Colombia announced its "Strategy to Strengthen Democracy and Promote Social Development." Mr. Chairman, with your permission, I would like to submit a copy of this plan to the Subcommittee and ask that it be made a part of the hearing record. It is also available to the public at

http://www.dnp.gov.co/novedades_detalle.aspx?idn=113.

Colombia's strategy places increased emphasis on consolidating state presence by expanding government programs in remote rural areas, especially those emerging from conflict. Assistance to vulnerable groups, such as Afro-Colombians on Colombia's Pacific coast, indigenous people, and displaced persons, are among its priorities. The strategy stresses the importance of economic development through sustainable growth and trade. To ensure the secure environment necessary for carrying out these programs, the Strategy continues the fight against terrorist groups and narcotics producers and traffickers.

U.S. Support is Crucial

Continued U.S. support is crucial to fulfilling the key Colombian objectives of improving national security and stopping the drug trafficking which fuels the country's violence, expanding effective state presence throughout the country and providing alternative development opportunities, addressing the needs of displaced persons and other disadvantaged groups, improving the protection of human rights, combating impunity, strengthening the economy and reducing poverty, and assuring the demobilization and dismantlement of illegal armed groups.

We want to improve the lives of ordinary Colombians while reducing the impact of narco-terrorism on the United States and the region. We seek to strengthen the rule of law and respect for human rights by supporting judicial reform, the national prosecutor's office, and civil society. We also seek to promote sustainable economic growth and the expansion of licit economic opportunities.

My colleague, Ambassador Patterson, will address more ably than I questions involving our counternarcotics programs, so I will briefly describe other aspects of our efforts. A more detailed discussion of our strategy for the U.S. assistance program through 2013 will be included in a report that the Department of State will submit to the Congress shortly. Once again, with your permission, Mr. Chairman, I would like to submit a copy of this report to the Subcommittee with a request that it be made part of the hearing record.

State Presence and Social Services

Now that Colombian authorities have established a presence in all 1,099 municipalities (equivalent to U.S. counties) throughout the country, it is essential that we improve local capabilities to provide social services in rural areas and small towns to build public confidence in local government. U.S. Government assistance will focus on those newly-secured areas in transition from conflict to peace. We will support programs to enhance security and the effective state delivery of health and education services and to build the capacity of local government and citizen groups. U.S. support for health clinics, schools, road improvements, and other quick, high impact initiatives at the local level will assist the Government of Colombia in its effort to consolidate state presence.

In areas where corruption has been traditionally accepted as inherent, U.S. programs will encourage citizen oversight to increase transparency and accountability and reduce corruption.

U.S. humanitarian efforts will allow for shelter, healthcare, education, job training, and social services which are critical to the successful reintegration of Colombia's internally displaced persons.

Trade, Economic Growth and Poverty Reduction

Sustained economic growth is essential to Colombia's efforts to provide economic opportunities as alternatives to the narcotics industry, meet poverty reduction goals, and reduce its need for international assistance.

And the single most important step we can take to keep Colombia on the path of strong economic growth is to approve and implement the U.S.-Colombia Trade Promotion Agreement (our free trade agreement or FTA). It will contribute to creating jobs, reducing poverty and to incorporating all Colombians into the formal economy. We view it as part of an integrated economic strategy, with the ultimate goal of a fully self-sufficient Colombia that derives full benefits from the opportunities of the global economy.

Moreover, our pending bilateral free trade agreement is part of a regional strategy that encompasses pending free trade agreements with Peru, and Panama and complements existing agreements with Chile, Central America and the Dominican Republic, Mexico and Canada. Completing these agreements would solidify open markets and strengthen democracy along the Pacific coast of the Americas.

As part of an integrated economic strategy, the Colombia agreement would build on what we have achieved with the unilateral trade preferences of ATPA and foster the creation of stable, better-paying jobs and legitimate opportunities in the formal sector, while U.S. assistance would complement Colombia's open market policies and economic reforms by helping to broaden their benefits throughout society on a sustainable basis. Our assistance programs will focus on those entering the work force – marginalized or vulnerable groups, former low-level growers of illicit drug crops, and former low-level members of demobilized terrorist organizations who fulfill their obligations under Colombia's demobilization program.

At the same time, a free trade agreement with Colombia will significantly increase opportunities for U.S. trade, exports and jobs.

U.S. trade capacity building activities will continue to focus on policy and institution strengthening reforms to help Colombia access more global markets and to maximize sustainable income and employment generation, including in rural communities for which agricultural trade opportunities are key. We will assist the Government of Colombia in analyzing remaining impediments to small and medium-size enterprises' creation and growth. If approved, the FTA will provide market incentives for these enterprises to flourish.

Colombia is a strategic energy partner with coal and petroleum production contributing to global energy supply. U.S. engagement will continue to focus on promoting energy sector reforms that encourage increased investment, greater private sector participation, and a more efficient, market-based approach to energy production and use. We are also looking at how the United States could assist Colombia to broaden the delivery of financial services and facilitate transportation and improved communication.

Justice and Human Rights

Ensuring access to effective justice, ending impunity, and protecting the human rights of all Colombian citizens are key components of working toward lasting peace and security. Overall, the Government of Colombia has made progress in these areas over the last decade, especially under the Uribe administration. However, much more remains to be done, particularly to end impunity in cases of human rights abuses. Continued progress on human rights remains a top priority in our policy dialogues with Government of Colombia leaders.

U.S. assistance will support Colombian efforts to prevent human rights abuses, promote respect for human rights, and respond quickly and adequately to abuses. We will help strengthen Colombia's already marked progress in these areas and encourage the government to continue focusing on human rights and justice reform.

The Government of Colombia provides approximately \$26 million annually to protection programs for 10,000 persons identified as at risk. The Ministry of Interior and Justice, with support from USAID, administers a \$20.9 million program that provides protection to more than 6,000 of these individuals, including \$8.4 million for over 1,200 trade unionists. Since the inception of the Ministry of Interior and Justice's protection program in 1999, homicides of trade unionists have declined significantly.

According to the Ministry of Social Protection, 105 trade unionists were killed in 2000, and this number fell to 25 in 2006. The National Union School, a non-governmental organization focused on workers rights in Colombia, reports a similar decline from 77 in 2000 to 38 in 2006. Still, we believe strongly that even the murder of one individual is one too many.

U.S. assistance will help the Government of Colombia continue its programs to provide protection to trade unionists and other vulnerable groups. It will also increase the government's capacity to aggressively prosecute violence against trade unionists^[1] and help the government continue to make progress in addressing child labor issues.

Our assistance will help the Government of Colombia improve protection for the rights of the individual, while also helping civil society to play an effective role in monitoring, counseling, and advising on human rights issues. The United States will build up the capacity of civil society to conduct oversight; promote public policy, dialogue and accountability; and play a bigger role in Government of Colombia efforts to improve the protection and promotion of human rights, with special attention to labor rights.

The United States will continue to support activities that promote victims' rights to truth, justice, and reparations. U.S. assistance will also support the Early Warning System for Human Rights Abuses, which alerts Government of Colombia institutions to threatening situations that could lead to human rights abuses. Special attention will be focused on support to communities at risk. To guarantee sustainability, the Government of Colombia will gradually take over payment of salaries and other operational costs for national government human rights programs.

Human rights-oriented reforms within the Ministry of Defense will be supported through our assistance, including the assignment of independent inspectors with responsibility for human rights, among other matters, in each division of the Army and the expansion of this initiative to the brigade level. It will fund a broad range of courses, including human rights training, and will support the Ministry of Defense's efforts to reform the military's educational system to include a greater focus on protection of human rights.

U.S. assistance will support the Government of Colombia's protection programs for human rights defenders, trade unionists, and community and social leaders. Our support will also increase the ability of the Communities at Risk Program to protect communities at high risk of violence, including Afro-Colombian and indigenous communities.

We will help strengthen institutions, including the Office of the Vice President, the Inspector General's Office, the Prosecutor's Office, and the Ombudsman's Office, so they are able to provide prompt response to human rights abuses and strengthen independent oversight of human rights institutions and policies. Working with the Prosecutor General's Office, we will help train prosecutors, public defenders, police, forensic technicians, and judges. We will continue to develop specialized task force units in the areas of human rights violations, money laundering and asset forfeiture, terrorist financing, narcotics and maritime enforcement, corruption, prison security and judicial/dignitary and witness protection, post-blast analysis, counterfeiting crimes, and increasing forensic analytic capacity. U.S. assistance will help Colombia improve the effectiveness of the military justice system, ensure that human rights cases remain under the civilian justice system, and facilitate investigation and prosecution of crimes allegedly involving military personnel.

Another priority is completion of the implementation of the new accusatory system and help to strengthen justice sector institutions. Under the old written system, criminal cases often took years to resolve. Now, with the implementation of the new Criminal Procedure Code and transition to an oral accusatory system, these cases are reaching verdict in months. In addition, we plan to expand the successful Justice House program to rural areas by the end of 2008. Justice Houses provide a wider range of community services than indicated by their name, including increased access to social and other basic government programs, as well as to legal services and alternative dispute resolution mechanisms. U.S. support will establish ten additional Justice Houses in previously marginalized or conflictive areas of the country.

Counter-Terrorism, Demobilization, and Reintegration

The Government of Colombia's military efforts against the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) have weakened the terrorist groups, but they have not been defeated. Our support for equipment, training, and intelligence programs remain crucial to Colombian counter-terrorism efforts. One sign of the Government of Colombia's success is the more than 9,400 ELN and FARC members that have left their units and turned themselves in to Colombian authorities since 2002.

The U.S. continues to work closely with the Government of Colombia to effect the safe recovery of hostages held by the FARC, including three American citizens.

The United Self-Defense Force (AUC) paramilitary groups agreed to a ceasefire and a negotiated demobilization. The last AUC group demobilized in August 2006, bringing the total demobilized collectively to over 31,000. One small group did not demobilize and some individual paramilitaries have joined other criminal organization. Nevertheless, as a result, violence in areas where paramilitary groups demobilized has generally been reduced. However, this is only the start of an extended and difficult process.

The conclusion of Organization of American States Secretary General Insulza's February report on its mission in Colombia is worth quoting. He said, "Even though the disarmament and demobilization of the AUC and its attempt to reintegrate into civilian society have faced difficulties, such steps, taken one at a time, constitute new scenarios for peace for Colombia."

In marked contrast to other peace processes worldwide, the Government of Colombia has not been willing to provide a total amnesty for demobilized paramilitary members. Instead it is prosecuting all former paramilitary members accused of serious crimes under the Justice and Peace Law. If convicted, they will serve sentences of six to eight years.

In our judgment, the Justice and Peace Law, as modified by the Colombian Constitutional Court decision and the implementing decrees, provides an adequate legal mechanism for prosecution of paramilitary leaders. We cannot expect all the paramilitary cases dating back over a decade to be resolved in a short time. The legal process is certain to be an extended one, but it is moving in the right direction and the number of cases generated is significant. U.S. assistance is helping to strengthen the ability of the Prosecutor General's Office to investigate, interview, and prosecute demobilized paramilitary members.

In this process, we must not forget the victims. Many of the victims have bravely come forward to share information with authorities. Their reports have enabled the Government of Colombia to discover mass graves and begin to identify bodies.

U.S. assistance will strengthen the abilities of victims and victims groups to effectively pursue and advocate for their right to truth, justice, and reparations, all of which are crucial for reconciliation. We will support the National Reparations and Reconciliation Commission to accelerate the distribution of assets to victims and disclosure of criminal and terrorist activity.

Rank and file paramilitary members not accused of serious crimes need help in transitioning to normal, peaceful lives. In some parts of Colombia, such as Medellín where I visited last week, reintegration programs have had impressive success. In other parts of the country, however, implementation has not proceeded as quickly as we would have hoped. The Government of Colombia's new Reintegration Commissioner is now working hard to ensure these programs are better monitored and more effectively implemented throughout Colombia.

U.S. assistance will support the Reintegration Commissioner's work with communities where the demobilized have returned to implement the new national strategy of reintegration. Private sector involvement, like that of General Motors Colombia and Microsoft, is important to the success of these programs. The United States will also continue supporting Colombian and Organization of American States oversight and monitoring of the demobilization and reintegration of ex-militants.

Before leaving this subject, it is important to note that in some of the areas where paramilitary groups demobilized, a small proportion of demobilized paramilitary members (estimated at less than ten percent) have joined with other delinquents to form new criminal groups. The Government of Colombia recognizes the seriousness of this problem and has established new units to combat the new groups. We have heard allegations that, despite the determination of Government of Colombia to combat these new criminal groups, military units in certain areas may turn a blind eye to their activities. We will continue to monitor closely the activities of new groups, the government's efforts to arrest them, and any allegations of military cooperation with the groups.

Lastly, the allegations that have surfaced in the media in the last few months about government connections to paramilitary groups show both the progress Colombia has made in rooting out such people and the challenges that lie ahead. It was the Uribe administration's policies that led to the discovery of these links and resulted in the arrest of prominent government figures. President Uribe made it clear that he will not tolerate complicity with paramilitary groups and has called for a full investigation into all allegations of involvement by Government of Colombia officials with paramilitary organizations. President Uribe has also called for all military personnel with paramilitary connections to turn themselves in. Defense Minister Santos has echoed this call and is actively cooperating with civilian judicial authorities to advance their investigations.

These actions display the strong will of the Government of Colombia to investigate and prosecute all allegations of wrong-doing. We fully support the transparent and forthright process the government has initiated to confront this situation. We are confident that all allegations will be investigated to the fullest extent of the law and culpable parties will be held responsible for their actions. The Government of Colombia needs our support and that of the international community to complete this difficult process. Our assistance will help the government take action against officials uncovered in this investigation.

Colombian and International Funding

Colombia's spending for Plan Colombia during 2000-2005 has exceeded that of the United States. Colombia spent nearly \$7 billion on Plan Colombia programs, while the United States provided approximately \$4 billion in assistance. Colombia's funding in 2006 for the military and police of \$4.48 billion represented an over 30 percent real increase since 2001 and accounted for 11.6 percent of the overall national budget. Its' funding for social programs, not including pensions, was nearly three times higher than defense spending at \$12.7 billion.

Colombia is planning to fund an even higher proportion of the costs of programs under its new Strategy than it did with Plan Colombia. Colombia plans to spend \$43.8 billion during 2007-2013. Our notional plan for U.S. assistance during that period could total approximately \$3.9 billion. Our request for FY 2008 is \$590 million.

Mobilizing resources is important. Economic growth has allowed increases in the government budget and the Government of Colombia enacted a "wealth tax" in December 2006 that will raise an estimated \$3.7 billion over the next four years, with funding being used to increase its ability to carry out President Uribe's democratic security goals.

Colombia's strategy anticipates a gradual reduction of those resources coming from the United States and others in the international community. This will be possible as the Government of Colombia progressively develops the necessary capabilities and economic capacity to manage and fund critical programs currently receiving international support.

We have worked hard to encourage increased international support to Colombia and the Andean region and believe that we are having increasing success. Programs funded by other donor countries in Colombia are primarily focused on alternative development, human rights, humanitarian assistance, and good governance. As such, they are a welcome addition to our programs and reflect all donors' shared goals. The Government of Colombia's "Shared Responsibility" campaign, spearheaded by Vice President Santos in late 2006, is aimed at increasing European support for Colombia's counter-narcotics and other programs. During her mid-April 2007 visit to Colombia, EU Commissioner Benita Ferrero-Waldner announced plans to grant Colombia over 160 million Euros (approximately \$217 million) in program assistance for 2007 to 2013. In addition, Norway, Spain, Japan, the Netherlands, Sweden, Canada, Korea, Mexico, Brazil, and Chile, among others, provide bilateral assistance and/or support the Organization of American States mission in Colombia.

Some in Congress have questioned why our programs do not mirror the Colombian spending breakdown, with the largest part of the funding going to support social programs. Rather than change the proportion of U.S. support for FY 2008, we are requesting about the same mix of counternarcotics/counter-terrorism and economic/social/human rights assistance as in previous years, while the Government of Colombia is greatly expanding its own spending on such economic and social programs.

Our programs provide greater support in those areas where we have a unique capability and which contribute to Colombia developing its own capacity to assume them. Government of Colombia officials have clearly told us that continued U.S. support to counternarcotics and counter-terrorism programs remains critical and that our proposed mix of U.S. assistance reflects their needs. However, in spending those funds, we plan to put more focus on building Government of Colombia capacity so it can assume responsibility for programs that were begun with U.S. support. Over the next few years, we plan to increase the proportion of U.S. assistance that goes to social, economic, and human rights programs as counternarcotics and counterterrorism programs decline.

Regional Context

A short word on the broader regional context of U.S. support for Colombia's new Strategy, which contributes to our overarching objectives in Latin America. The United States also plans to continue counternarcotics assistance to Bolivia, Ecuador, and Peru to ensure no increase or spillover in illegal cultivation of coca and efforts to control the transit zone and trafficking connections with Mexico. The United States will also support Colombian efforts to engage its neighbors to increase border security, confront transnational threats, and to promote greater regional security cooperation with Caribbean and Central American countries. Colombia's success with Plan Colombia, and now the new Strategy, will also enable it to work with other countries in the hemisphere to support democratic institutions and economic integration.

Conclusion

This is a historic moment for Colombia, a time of great challenges but even greater opportunity to help the country assure its path to peace and prosperity. We strongly believe that continued U.S. government support, will help secure this better future for the people of Colombia, and in turn for the people of the United States. I would be pleased to take your questions.

[1] The Government of Colombia is taking action to combat impunity in cases of violence against trade unionists through an independent special prosecutor's unit with a budget of \$1.5 million to rapidly investigate and prosecute 204 such cases.

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