Plan Colombia: Plan for Peace, Prosperity, and the Strengthening of the State

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Preface

As Colombia stands both proud and threatened on the threshold of the 21st century, we are faced with the historic challenge of establishing and securing a society where the Colombian state can exercise its true authority and fulfill its essential obligations, as stated in our Constitution:

"...to serve the community, promote prosperity and guarantee the principles, rights and duties as consecrated in the Constitution; to facilitate the participation of the people in the decisions that affect them and the economic, political, administrative and cultural life of the Nation; to defend our independence, maintain our territorial integrity and assure peaceful coexistence and a just order."

All these objectives are at stake today. The chief responsibility for us in government is to build a better, more secure country for this generation and future ones to make the Colombian state a more effective force for domestic tranquility, prosperity and progress. We need to build a state for Social Justice, which will protect all of our citizens, and uphold all their rights to life, dignity and property, freedom of belief, opinion and the press.

To make this fundamental idea a reality for Colombia, we must meet and master difficult and ever-changing national and international conditions. We face issues raised by the international economy and others posed by the history and evolution of our own country. The decisive challenges for Colombia come from the spread of drug-trafficking, and the economic, political and social impact of globalization.

There is no question that Colombia suffers from the problems of a state yet to consolidate its power: a lack of confidence in the capacity of the armed forces, the police, and the judicial system to guarantee order and security; a credibility crisis at different levels and in different agencies of government; and corrupt practices in the public and the private sectors. All this has been fed and aggravated by the enormous destabilizing effects of drug trafficking, which, with vast economic resources, has constantly generated indiscriminate violence while undermining our values, on a scale comparable only to the era of Prohibition in the United States.

At the same time, the Colombian economy, despite forty years of continuous growth, has not been able to bring the benefits of prosperity to the majority of our people; nor has it been able significantly to reduce poverty levels. The violence and corruption fuelled by drug trafficking generate distrust among foreign investors, putting a major roadblock in the path of modernizing the way things work, which is essential for generating employment and securing a stable and prosperous place for Colombia in a newly globalized world.

In short, the hopes of the Colombian people and the work of the Colombian government have been frustrated by drug trafficking, which makes it extremely difficult for the government to fulfill its constitutional duty. A vicious and pervasive cycle of violence and corruption has drained the resources essential to the construction and success of a modern State.

We understand that reaching our objectives will depend on a social and governmental process that may take several years a time when it is critical to achieve a lasting consensus within a Colombian society where people understand and demand their rights, but are also willing to abide by their responsibilities.
In the face of all this, my government is absolutely committed to strengthen the State, regain the confidence of our citizens, and restore the basic norms of a peaceful society. Attaining peace is not a matter of will alone. Peace must be built; it can come only through stabilizing the State, and enhancing its capacity to guarantee each and every citizen, throughout the entire country, their security and the freedom to exercise their rights and liberties.

Negotiation with the insurgents, which my government initiated, is at the core of our strategy because it is one critical way to resolve a forty-year old historic conflict that raises enormous obstacles to creating the modern and progressive state Colombia so urgently needs to become. The search for peace and the defense of democratic institutions will require long effort, faith and determination, to deal successfully with the pressures and doubts inherent in so difficult a process.

The fight against drug trafficking constitutes another important part of Plan Colombia. The strategy would advance a partnership between consumer and producer countries, based on the principles of reciprocity and equality. The traffic in illicit drugs is clearly a transnational and complex threat, destructive to all our societies, with enormous consequences for those who consume this poison, and enormous effects from the violence and corruption fed by the immense revenues the drug trade generates. The solution will never come from finger-pointing by either producer or consumer countries. Our own national efforts will not be enough unless they are part of a truly international alliance against illegal drugs.

Colombia has demonstrated its absolute commitment and made heavy sacrifices to forge a definitive solution to the phenomenon of drug trafficking, to the armed conflict, human rights violations and destruction of the environment caused by drug production. Yet, in truth, we must acknowledge that more than twenty years after marijuana cultivation come to Colombia, along with increased cocaine and poppy cultivation, drug trafficking continues to grow as a destabilizing force, distorting the economy, reversing the advances made in land distribution, corrupting society, multiplying violence, depressing the investment climate and most seriously, providing increased resources to fund all armed groups.

Colombia has been leading the global battle against drugs, taking on the drug cartels and losing many of our best citizens in the process. Now, as drug trafficking becomes a more fragmented network, more internationalized, underground, and thus harder to combat, the world continues testing new strategies. More resources are being targeted for education and prevention. We see the results in the increased confiscation and expropriation of profits and properties obtained from illegal drug trafficking. In Colombia, we have recently launched operations to destroy processing laboratories and distribution networks. We are improving and tightening security and control of our rivers and airspace to assure better interdiction, and we are exploring new ways to eradicate illegal crops. The factors directly related to drug trafficking like money laundering, smuggling of chemicals, and illegal arms trafficking are components of a multifaceted problem that must be dealt with across the globe, wherever illicit drugs are produced, transported, or consumed.

Our success also requires reforms at the very heart of our institutions, in particular, in our military forces to uphold the law and return a sense of security to all Colombians everywhere in Colombia. Strong, responsible, responsive military and police forces committed to peace and respect for human rights are indispensable to consolidating and maintaining the rule of law. Also, we need and we are committed to securing a modern and effective judicial system sworn to defend and promote respect for human rights. We will be tireless in this cause, convinced that our first obligation as a
government is to guarantee that our citizens can exercise their rights and fundamental liberties, free from fear.

But Colombia's strategy for peace and progress also depends on reforming and modernizing other institutions so the political process can function as an effective instrument of economic advancement and social justice. To make progress here, we must have to reduce the causes and provocations of violence, by opening new paths to social participation and creating a collective conscience which holds government accountable for results. Here our strategy includes a specific initiative to guarantee, within five years, full access for all our people to education and an adequate healthcare system, with special attention for the most vulnerable and neglected. In addition, we plan to strengthen local governments, in order to make them more sensitive and responsive to the needs and will of our citizens. We will also encourage active grassroots participation in our fight against corruption, kidnapping, violence, and the displacement of people and communities.

Finally, Colombia requires aid to strengthen its economy and generate employment. Our country needs better and fairer access to markets where our products can compete. Assistance from the United States, the European Community and the rest of the international community is vital to our economic development. That development, in turn, is a critical counterforce to drug trafficking, because it brings alternative legal employment, for individuals who might otherwise be lost to organized crime or to the insurgent groups that feed off drug-trafficking. We are convinced that the first step toward meaningful worldwide globalization is to create a sense of global solidarity. This is why Colombia is asking for support from its partners. We cannot succeed without programs for alternative development in rural areas, and easier international access for our legitimate exports. This is the only way to successfully offset the illegal drug trade.

There are reasons to be optimistic about the future of Colombia, especially if we receive a positive response from the world community, as we work to create widespread prosperity combined with justice. This will make it possible for Colombians to pave the way to a lasting peace.

The Spanish philosopher Miguel de Unamuno wrote: "Faith is not to believe in the invisible, but rather to create the invisible". Today, a peaceful, progressive, drug-free Colombia is an invisible ideal, but we are determined to make it the reality of our future. With the full commitment of all our resources and resolve, with the solidarity and assistance of our international partners in the common fight against the plague of drug trafficking, we can and will forge the new reality of a modern, democratic, and peaceful Colombia, not just surviving, but thriving in the new millennium as a proud and dignified member of the world community.

Plan Colombia: Plan for Peace, Prosperity, and the Strengthening of the State

At the turn of the 21st Century, Colombia faces the challenge of consolidating the state's central responsibilities. It must recover confidence among its citizens, and in so doing, the basic canons of coexistence in society. The commitment of the government is to recover the State's central responsibilities: the promotion of democracy, a monopoly of the application of justice, territorial integrity, the generation of conditions for employment, respect for human rights and human dignity, and the preservation of public order.

The destabilizing forces of drug trafficking have aggravated the weaknesses of a State still engaged in the process of consolidation. Progressive reforms introduced in the 1990s heralded on age of increased opportunity for Colombians, but they were distorted and penetrated by corrupting
influences in economic and political circles; they fostered violence and corruption. More recently, the financial relationship between the various armed groups and the drug traffickers has contributed to the intensification of the armed conflict and limited the capacity of the State to discharge its major responsibilities.

The recovery of this capacity of the State requires a process of community and institution building. In this sense, peace is not a question of political will alone. Rather, peace needs to be built up gradually, and therefore there must be progress in the institutionalization and strengthening of the State in order to guarantee security and respect for rights and freedoms for all citizens, in every corner of Colombia.

Central to the strategy are the negotiations with the guerrillas, which seek to put an end to conflicts that have undergone profound change over the last 40 years. If the strategy is successful, it will not only greatly facilitate the process of construction of society: a negotiated peace agreement with the guerrillas on the basis of territorial integrity, democracy and human rights would strengthen the rule of law and the fight against drugs.

At the same time, however, peace also requires strong and viable economic activities so that people can improve their social and economic conditions, thus creating an environment for a lasting reconciliation. An economic strategy complemented by an alternative development strategy has been proposed by the government to accomplish these goals and to provide incentives to reduce illicit crops. It aims to promote new economic activities and alternative agricultural activities, with attention also devoted to the recovery of the environment and the protection of fragile ecosystems threatened by illicit crops. The strategy builds on participatory schemes involving the private sector, the state and beneficiaries through a demand-oriented strategy linked to national and international markets.

Another central thrust of the strategy is the formation of a collective vision between consumer, producer and all other countries involved in the illicit drug chain, addressing basic principles of reciprocity and equality. This alliance should enable a concerted response to be made to the threats of the illicit drug trade, one of the most profitable activities in the world. In Colombia drug trafficking has not only bred corruption within society and diminished confidence in legitimate commercial activities - it also feeds the conflict. It represents an internationalized source of finance for the various armed groups, and helps them to build up economic and territorial influence. In Colombia and abroad, through the preparation and application of an integrated strategy to combat the principal elements responsible for the cultivation of illicit crops, the fight against trafficking will achieve positive results that will benefit both Colombia and the rest of the world.

Colombia has demonstrated a commitment to address the related problems of armed conflict, drug trafficking, human rights violations and environmental degradation. Nevertheless, Colombia is facing the worst economic crisis in its history. Frustratingly, the government's capacity to solve its problems is specially limited at a time when violence, intensified by drug trafficking, is on the increase.

Elements of the plan

1. An economic strategy that generates employment, supports the ability of the State to collect tax revenues and allows the country to have a viable counterbalancing economic force to narco-trafficking. The expansion of international trade, accompanied by enhanced access to
foreign markets and free trade agreements to attract foreign and domestic investment are key to the modernization of our economic base and to job creation. Such a strategy is crucial at a time when Colombia is confronting its worst economic crisis in seventy years, with unemployment reaching 20%, which in turn greatly limits the government's ability to confront drug trafficking and the violence it generates.

2. A fiscal and financial strategy that includes tough austerity and adjustment measures, in order to boost economic activity and recover the historically excellent prestige of Colombia in international financial markets.

3. A peace strategy that aims at a negotiated peace agreement with the guerrillas on the basis of territorial integrity, democracy and human rights, which should further strengthen the rule of law and the fight against drugs.

4. A national defense strategy to restructure and modernize the armed forces and the police, so that they will be able to restore the rule of law and provide security throughout the country, to combat organized crime and armed groups and to protect and promote human rights and international humanitarian law.

5. A judicial and human rights strategy to reaffirm the rule of law and assure equal and impartial justice to all, while pressing ahead with the reforms already initiated in the forces of law and order to ensure that they play their proper role in defending and respecting the rights and dignity of all.

6. A counter-narcotics strategy, in partnership with other countries involved in some or all of the links of the drug-chain: production, distribution, sale, consumption, asset laundering, precursor chemicals and arms dealing. And, at the national level, to stop the flow of drug-money the fuel of violence - to the insurgent and other armed organizations.

7. An alternative development strategy that will promote agricultural schemes and other profitable economic activities for peasant-farmers and their families. Alternative development will also consider economically-feasible environmental protection activities, designed to conserve the forest areas and end the dangerous expansion of illegal crops across the Amazon basin and Colombia's vast natural parks-areas of immense bio-diversity, of vital environmental importance to the international community. Within this framework the strategy includes sustainable, integrated and participatory productive projects combined with the required infrastructure. Particular attention is paid to regions which combine high levels of conflict with low levels of State presence, fragile social capital and serious environmental degradation, such as the Middle Magdalena valley, the Macizo Colombiano and the south-west.

8. A social participation strategy aimed at collective awareness. This strategy seeks to develop more accountability in local government, community involvement in anti-corruption efforts, and continued pressure on the guerrillas and other armed groups to end kidnapping, violence and the internal displacement of individuals and communities. This strategy will also include cooperation with local business and labor groups, in order to promote innovative and productive models in the face of a more globalizes economy and thus strengthen our agricultural communities and reduce the risks of rural violence. In addition, this strategy seeks to strengthen institutions, both formal and informal, to foster changes in the cultural patterns through which violence develops and reinforces itself. It includes the promotion of
mechanisms and educational programs to increase tolerance, the essential values for peaceful co-existence, and participation in public affairs.

9. A human development strategy to promote efforts to guarantee, within the next few years, adequate education and health, to provide opportunities to every young Colombian and to help vulnerable groups in our society, including not just those affected and displaced by violence but also those in conditions of extreme poverty.

10. An international-oriented strategy to confirm the principles of shared responsibility, integrated action and balanced treatment of the drug issue. The role and support of the international community is also vital to the success of the peace process provided that it conforms to the terms of international law and is requested by the Colombian government.

The Peace Process

Armed conflict has been waged in Colombia for more than thirty-five years. This Administration has initiated a negotiation process that seeks to obtain a negotiated peace agreement with the guerrillas on the basis of territorial integrity, democracy and human rights. If successful, it would rapidly strengthen the rule of law and the fight against drugs throughout the country.

The peace process is clearly one of the country's top priorities. President Pastrana has assumed personal leadership of the government's role, along with the assistance of the High Commissioner for Peace, who is appointed directly by the President. The Commissioner, whose position carries ministerial rank, works alongside leaders of society and business who are equally devoting their energies to resolving the conflict.

The demilitarized area was created by law to guarantee the security necessary to advance negotiations with the guerrillas. The law allows the President to create and eliminate a distention zone, as an expression of the sovereignty by the State. The law only restricts the presence of the army and the police within the area and suspends warrants for arrest; it does not narrow the authority of elected officials at either local or regional level.

The peace process is also part of a strategic alliance against drug-trafficking, corruption, and the violation of human rights. For this to become both feasible and durable, it requires complementary support in the areas of security and defense, a partnership against drug production, consumption, distribution, and sale, asset laundering and arms-dealing; and a development plan which will create jobs and reach those most in need.

The Armed Conflict and Civil Society

There are three protagonists in the conflict: on the side of the guerrillas, there is the FARC ("Revolutionary Armed Forces of Colombia"), and the ELN ("Army of National Liberation"), whose roofs lie in agrarian-based movements and the Cold War respectively. On the other side there are the illegal "self-defense" groups, who seek an armed solution to all guerrilla activities and increased political recognition for their organization. Finally, caught in the crossfire, are the great majority of Colombians, who often suffer at the hands of the armed actors.

The guerrilla movement has its roots in the traditional rural and political antagonisms of Colombian society fueled in part by the ideological rhetoric of capitalist-communist confrontation. Over time,
its fight to extend its territorial presence and acquisition of political and military power has been financed by extortion and kidnappings, and more recently, informal levies placed on drug-intermediaries.

In the past 30 years, Colombia has moved from a primarily rural economy to an urban-based one, with more than 70 percent of its population now living in urban areas. With the end of the Cold War, the public support previously afforded to the guerrillas has, according to opinion polls, fallen to 4 percent. The guerrillas increasingly acknowledge that, under these circumstances, they will not be capable of winning power by armed struggle. Despite the country's widespread rejection of their ideas and methods, the guerrillas continue to seek leverage through military means.

The peace process has therefore been set up to allow society as a whole to play a central role. There is a growing social consensus among the representatives of society, economic interests and even those under arms that peace is the immediate goal. As a result, the participation of society as a whole is considered necessary for the application of pressure on armed groups for a political solution to armed conflict and respect for internationally recognized humanitarian law. The dynamic contribution of Colombian society is also crucial for the development of ideas and suggestions to help move the process forward and to guarantee the survival of the consensus that a negotiated settlement is needed, with the participation of the international community.

**The Current Situation**

The peace process has made real advances on several fronts. With the FARC, a distention area was created as a safe haven for negotiations, and has helped both parties to formulate an agenda, a process completed in May, 1999. Now that the conditions have been met, the negotiation phase can begin.

With the ELN, the government has authorized a group of distinguished citizens to help arrange the release of hostages, and has agreed to start active talks in preparation for a National Convention, immediately after their release takes place.

The government continues to fight the illegal "self-defense" groups, but this does not mean that, as the peace process progresses, it is not prepared to look for alternative and peaceful ways to dismantle their infrastructure and operations.

During the peace process, the army and the police must necessarily continue to increase their capabilities so that they will be able to maintain an effective presence throughout the country and ensure a peaceful settlement.

The achievement of peace will ultimately rest on three pillars: first, advances in the agreements already made between the government and the main guerrilla organizations (FARC and ELN) to regard one another as legitimate agents in serious peace talks. Second, to reach partial agreements according to the 12-pronged government- FARC agenda, securing a permanent peace accord before the end of the four-year mandate of President Pastrana. The third, and most important of all, will be to make the agreements effective.
The Role of the International Community

The role of the international community is vital to the success of the peace process. More specifically, Colombia requires support in two areas: diplomatic and financial. The international community can act as media for, overseer or, at a later stage, verifier of compliance with agreements made. In addition, it is very important that the international community strongly rejects any and all terrorist action and violations of International Humanitarian law, and applies pressure to keep the process moving forward.

In the field of bilateral relations, military and police cooperation are vital. Collective action by neighboring countries is not only less effective than bilateral action, but it can serve to obstruct the negotiation process. In this area, it would be of enormous benefit to coordinate military and police operations and to improve border security, equipment and technological support.

With reference to diplomatic action by neighboring countries, the Colombian government, at this delicate stage in the negotiations, prefers bilateral dialogue and confidential consultations with countries interested in the process. Whatever the manifestation of international participation in the peace process, it is imperative that it follow the norms of international law and that it be acceptable to the Colombian government. It must adhere strictly to the principles of non-intervention and non-interference with respect to internal affairs of state, and can only occur after consultation with the Colombian government and with its support.

The government has set up a Peace Investment Fund as a channel for international financial assistance directly to the peace process. This fund will be used to support projects for economic and social development to the areas most-affected by the armed conflict. For this purpose an expert consultative group has been set up, with IDB support, to advise on and oversee the use of funds made by various countries. These resources will be used to supplement funds already allocated by the Colombian government.

A successful peace process will also have a positive impact on the fight against drugs, since the government will be able to expand low enforcement and alternative development programs to those areas most involved in drug production. Guerrilla activity and drug trafficking are problems which, though linked in certain ways, have different origins and different objectives. The guerrillas operate under a revolutionary political-military scheme that demands a negotiated solution--something that can never be accorded to the drug-traffickers.

Approach to the Colombian Economy

The Pastrana government has had to contend with a legacy of a seriously deteriorating economy. Unemployment is at an historic high of 20% and GDP has completed the third consecutive quarter of negative growth. Several external shocks (low coffee and other commodity prices, extensive earthquake damage) have aggravated Colombia's economic weaknesses (a rising fiscal deficit since the early 1990's, and problems in the banking sector). The ongoing conflict and the security situation are eroding the confidence in the economy. As employment opportunities continue to disappear due to the recession, more and more Colombians are making a living in the destabilizing trade in narcotics and in other illegal activities.

The central element in the government's strategy is to stabilize the economy and return to fiscal balance. These measures will lay a basis for sustained growth in private sector trade and investment.
Renewed confidence—together with a healthy banking system, stable government finances, improvements in the security situation, increased Colombian exports and measures to improve the investment climate—create an environment in which private sector growth will generate employment.

Given the need for fiscal consolidation, Colombia requires financial assistance to help cover its security and anti-drugs budgets, as well as pressing social investment needs. While drug traffickers and rebel groups continue to fund themselves through drug profits, Colombia has been forced to cut back in critical areas due to rising debt and debt-servicing burden. (Colombia's total debt almost doubled in the past five years, rising from 19.1% of GDP in 1995 to 34% in the year 1999.) As part of the budget cutbacks, money going to the military, police and judicial system has been reduced dramatically (20%). Outside assistance is essential if the government is to be able to consolidate its economic reforms and at the same time increase the flow of resources to finance the military effort and address social needs. In this manner, the government will be able to lay a sound foundation for private-sector-led economic growth while ensuring that the current economic situation does not generate additional employment in criminal activities.

**Stabilization measures**

The government is working to stabilize the macroeconomic environment, with particular emphasis on the elimination of imbalances in the fiscal accounts and problems within the Banking sector.

During the past year public spending was cut, the VAT base was widened, a special tax was levied on financial transactions, and controls on tax evasion were introduced. Next year, most civil service salaries are to be broken, and more cuts will be made in bureaucracy and non-investment expenditure.

A new set of structural reforms the rationalization of regional public finance, social security reform and the creation of a regional pension fund have been proposed to Congress. They seek to reduce the structural fiscal deficit and stabilize the level of indebtedness.

State-owned companies and banks are to be privatized in order to increase productivity and help finance the fiscal adjustment. ISA and ISAGEN, two national-order electricity companies, and 14 smaller regional electricity distributors are already on the market, and so is CARBOCOL, the State coal corporation. Three State-owned banks will be up for privatization next year.

Two obstacles have made the fiscal adjustment more difficult: The destruction caused by the earthquake in the coffee belt in January is demanding an investment of almost 1% of GDP, and the financial strategy designed to prevent a banking crisis will call for almost double that amount.

The government is closely coordinating its activities with the international financial institutions. It is currently in discussions with the IMF regarding a three-year assistance program to support the government's plan for fiscal and structural reform. World Bank and IDB assistance is supporting the government's efforts to reform the financial sector and public finances.

In addition, the government has prepared a social support network to alleviate the negative impact that fiscal adjustment will have on the most vulnerable sectors of the population. With one in five of the population unemployed, there is a vulnerable group that includes families displaced from conflict areas of the country. The policy instruments mimic those successfully implemented in similar
countries: targeted public works, subsidies or basic needs (especially for children and single mothers), and targeted loans. The government is working with the IFIs to ensure that the fiscal stabilization program will not jeopardize the most vulnerable members of society.

The government requires additional external financing in order to implement its strategy. Assistance is essential to minimize the short-term negative impact of fiscal consolidation on unemployment and other social problems, which ultimately increase the spread of criminal activities.

**Promotion of Trade and Investment**

With its economy booming in the early nineties, Colombia was able to bring down unemployment to just 8%, which in turn heavily reduced the influence of violent groups in the major cities of the country during the early 1990's. The recession has hit these big urban areas badly, with unemployment in Bogota reaching 20% and in Cali close to 23%. The situation has deteriorated, as a large portion of the money originating in drug trafficking is laundered through contraband imports into Colombia, fueling violence, reducing state taxes and further damaging employment in competing industries. Unemployment is thus impacting and destabilizing Colombia’s cities and needs to be addressed through revitalization of industrial production.

During the last decade, Colombia opened its traditionally closed economy, expanding rapidly both exports and imports. However, its agricultural sector suffered heavily as its production of cereals, such as wheat, corn, and barley, and other products such as soybeans, cotton and sorghum, were shown to be noncompetitive in world markets. The result was the loss of 700,000 hectares of agricultural production to imports during the decade, which in turn proved to be a critical flow to employment in the rural areas where Colombia's conflict is mainly staged. The expected modernization of agriculture has been extremely slow, since the permanent crops that Colombia as a tropical country is competitive in, require large investments and credit as they have an unproductive period of several years.

With no room for fiscal expansion, domestic and foreign private investment is crucial to recovery and the development of employment opportunities in licit enterprises. This new investment, however, is threatened by deteriorating investor confidence. Foreign investment, particularly, is not only necessary to help solve the continuing financing needs of the economy but is crucial in modernizing the industrial backbone of the country, thus speeding the alleviation of unemployment.

Colombia has developed a ten-year strategic plan to expand trade. This is vital to the economic development of Colombia and a counterbalancing force to drug trafficking as it would help encourage private sector initiatives and expand foreign and domestic investment in nontraditional sectors.

Plan Colombia involves developing trade intelligence on world demand and advancing regional and inter-regional integration under strategic guidelines. It also involves designing policies that bring together the industrial, agricultural and service sectors under trade policy, infrastructure building aimed at enhancing productivity and supporting appropriate export oriented technological innovation and human capital formation. In this effort the government will pay particular attention to fostering the role of small and medium enterprises in private sector job creation.

The plan also involves implementing measures to encourage foreign investment and further promote trade expansion. These include the completion of necessary steps to comply with existing Uruguay
Round agreements, especially those dealing with customs valuation, intellectual property protection, and investment measures, as well as implementing business facilitation measures proposed in the FTM negotiations. In addition, Colombia will take steps to promote a favorable environment for electronic trade, in order to create new business opportunities and improve competitiveness of existing ones. Colombia also recognizes that transparency and due process in government procurement is an essential element in achieving greater efficiency in the use of public funds. Accordingly, Colombia is committed to work on the completion of an agreement on transparency in government procurement with the WTO.

Colombia looks to its major trading partners, including the United States, to expand its access to their markets for products with a competitive advantage. The United States' continued support for preferential market access is vital to economic development in Colombia and a counterbalancing force to drug trafficking as it encourages private sector initiatives and helps expand investment in nontraditional sectors creating jobs that would otherwise go to the drug trade or to the insurgent or illegal "self-defense" groups. In particular, it would be very important at an early date to extend the duration of the ATPA, in order to reduce the uncertainty affecting both trade and investment. Also, the product coverage of ATPA should be extended to be comparable to other countries in the sub-region, especially those products under the CBI initiative.

Colombia and the United States can work jointly to negotiate a Bilateral Investment Treaty as a means of protecting U.S. and Colombian foreign investment and to move, as soon as practical, to negotiate "open skies" agreements to facilitate air freight and passenger services, for which Colombia will work on complying with international air safety standards. Colombia will also explore greater use of World Bank/IDB resources, such as the IFC and MIGA, and will also seek more effective utilization of existing U.S. programs such as OPIC, EXIM, and TDA financing, to promote investment.

Colombia must open room for alternatives not only to illegal crops but also to crops that respond to the challenges of a modern agricultural sector. This would provide employment in the rural sector, which is vital to the success of the overall strategy for peace and development. Colombia needs technical and financial assistance in the sanitary and phytosanitary area to reduce production costs, encourage greater agribusiness development, and further advances in biotechnological research and development. In this regard, Colombia will ensure that its regulatory regime for biotechnology products is transparent and efficient.

**Counter-Drug Strategy**

The Colombian Government has made the fight against drug production and trafficking one of its top strategic priorities. Narcotics are a threat not only to the internal security of the nation but also to people in both consumer and producer nations.

Drug trafficking, because of its huge profits and its destabilizing power, is one of the central factors generating violence throughout Colombia. For this reason the government must focus significant attention on this problem and is determined to combat narcotics, in terms of drug trafficking, production, consumption and any other elements that support this illicit activity, which threatens the democratic institutions and the integrity of our nation.

The strengthening of the police and the armed forces through its modernization, restructuring and professionalization is crucial to make them more capable of reestablishing the rule of law, restoring
security to Colombians throughout the nation, and halting the penetration of irregular groups and organized crime especially those associated with drug trafficking.

The National Government of the Republic of Colombia is committed to implement a long-term National Counternarcotics strategy, on outline of which follows:

**Strategy based on human values**

The army and police will base their conduct on preservation of democratic liberties and the defense of life, honor and property of citizens. The strategy will give priority to promoting respect for and protection of human rights of all.

The phenomenon of internal violence leads to instability caused by four violence-generating agents--groups or organizations which carry out aggressive actions leading to physical, psychological, economic, social and political violence: narco-trafficking organizations, subversive groups, illegal "self defense" groups and common criminals.

Although the guerrilla movements have their roots in Colombia's rural areas and, at least in port in ideological confrontation, over time their fight to expand territorial control has been financed by extortion and other illegal activities. At least 30% of their income now comes from charges placed on coco leaf and paste obtained from intermediaries in the growing areas.

The drug trade is currently a destabilizing element for all democratic societies, providing immense sums of money for illegal armed groups. The drug trade has dangerous multiplier effects, including funds earned from growing, processing and trafficking, all of which have contributed to a notable increase in the numbers and firepower of the armed groups.

Guerrillas and illegal "self-defense" groups threaten the State by endeavoring to control sovereign territory, through the disruption of order by raids, kidnapes, roadblocks and terrorist attacks. The traffickers rely on coca and opium poppy crops in remote areas beyond government control -both trafficking and processing occur in southern Colombia where there is a strong guerrilla presence. As long as this independent source of drugs and revenue remains beyond the control of the forces of law and order, the guerrillas, the illegal "self-defense" groups and the traffickers will only grow stronger and prove a greater threat to the State.

**Strategic objectives**

Over the next six years, the goal is to reduce the cultivation, processing and distribution of narcotics by 50%.

**Objective No. 1:** Strengthen the fight against drug trafficking and dismantle the trafficking organizations through an integrated effort by the armed forces.

- Combat illicit cultivation through continuous and systematic action of both the military and police forces, especially in the Putumayo region and in Southern Colombia, and strengthen the eradication capacity of the Colombian National Police. The government will not tolerate ties of any kind between any member of the military forces or the police and any illegal armed group or force.
• Establish a military control of the south for eradication. Destroy processing structures and improve land, air, ocean and river interdiction of drugs and illegal precursor chemicals.

• Establish government control over key drug production areas.

**Objective No. 2:** Strengthen the judicial system and combat corruption.

• Strengthen the institutions of the Prosecutor's office, the courts, public defenders and especially human rights units.

• Reinforce and train the police investigating corps.

• Support the anti-corruption groups responsible for the investigation of civil servants.

• Reform the prison system.

• Apply extradition laws.

• Obtain a proposal for oral trials in criminal cases and, in the meantime, draft regulations for the present criminal procedures of public trials.

**Objective No. 3:** Neutralize the drug trade's financial system and seize its resources for the state.

• Strengthen counter-smuggling efforts.

• Carry out a vigorous asset seizure program.

• Freeze and interdict bank accounts and assets in Colombia and abroad.

**Objective No. 4:** Neutralize and combat violence agents allied with the drug trade.

• Increase security for citizens against kidnapping, extortion, and terrorism.

• Halt the acquisition of arms by those groups that profit from drug trafficking though a concerted international effort.

**Objective No. 5:** Integrate national initiatives into regional and international efforts.

• Share information and intelligence with other security agencies in the country.

• Contribute to and coordinate with regional and international operations and efforts.

**Objective No. 6:** Strengthen and expand plans for alternative development in areas affected by drug trafficking.

• Provide job opportunities and social services to people living in the cultivation zones.

• Promote public information campaigns on the dangers of illegal drugs.
Basic Elements of the Strategy Against Narcotrafficking

Even though the fight against narcotrafficking is a primary activity for the State's police, the close link with illegal, armed groups has forced the Military Forces to focus on making a decided and committed contribution, in an integrated and cohesive form in the fight against this threat.

Complimentary Actions of the strategy

The Armed Forces and the Police have designed a series of actions to support these defined roles and responsibilities:

Human Rights and Operations

All units of the armed forces should ensure the protection of democracy and human rights as a primary responsibility in the performance of its counterdrug missions, as well as in their fight against guerrillas and self-defense groups. The armed forces will increase training in human rights before, during and after carrying out each phase. Protection of the civilian population requires an increased effort to fight the illegal "self-defense" groups in the drug growing and processing areas.

Air Interdiction

Consolidate control over national air space by all necessary means. Dissuasion of the use of the airspace (intelligence from all agencies, Air Force). Increase the operational range of the Colombian Air Force for interdiction. Provide additional support for interdiction, to increase the rhythm of operations and expansion of geographic coverage. Improve the air interdiction program with emphasis on eastern Colombia.

Marine, River and Chemical interdiction

Increase and improve operational support for the Navy and the Marines. Improve efforts to control imports of precursor chemicals. Interdiction of precursor chemicals by air, sea, rivers and land (Army, Infamar, Air Force, Police). Improve controls to intercept the ground movement of drugs by the CNP in ports and clirports.

Increase CNP Operational Support by the Armed Forces

Increase the use of combined operations with CNP. Strengthen combined efforts between Colombia and the United States. Improve the protection of our own forces. Integrate the forces for intelligence collection and analysis. Increase the number of troops in operations. Increase mobility with emphasis on air and river operations in the jungle. Improve the capacity of the units to conduct combined night operations.

Operations against Laboratories and stockpiles

Destroy processing infrastructure (Intelligence, Army, Infarmar, Air Force, National Police). Combat the armed protectors of narcotraffickers (Army, Infarmar, Air Force). Increase the ability of the CNP and the Armed Forces to detect laboratories. Increase means to destroy the infrastructure. Reduce the capability to trade precursor materials and drugs (Intelligence, Police, Navy, Army, Air Force).
**Eradication of crops**

Strengthen and increase the employment of combined security operations during fumigation and eradication operations. Support the new strategies under the United Nations International Drug Control Program to test and develop environmentally safe and reliable biological control agents, thereby providing new eradication technologies.

**Summary**

The purpose of this strategy is to strengthen the fight against narco-trafficking by bringing all elements of the Police and Armed Forces to bear against the traffickers. The goal is to eliminate large-scale drug production, end large-scale violence and lawlessness by organized armed groups, promote respect for human rights and break the link between armed groups and their narcotics industry support.

**The Reform of the Justice System and the Protection of Human Rights**

Colombia is committed to building a fair and effective justice system. Reforms will ensure that it is transparent, accessible and independent. Effective reform is a key element in restoring public confidence in the State. Dealing with narco-trafficking and its culture of violence, corruption and lawlessness involves the entire criminal justice system. In particular, the trafficking of cocaine, heroin and other drugs threaten every aspect of civil society and these strategies also respond to them accordingly. These issues transect a number of Colombian agencies --and indeed the three branches of Government. The Executive Branch will work closely with the Legislature and the Judiciary to ensure that coordination and implementation of these strategies is effective.

**Securing the Rule of Law:**

Colombia will investigate, try and sentence major drug-traffickers and other criminals. These criminals must be held in high security prisons so that they can not continue their crimes from their cells. International criminals--those who have broken other nations' laws--must, under Colombian law, be extradited for trial in the jurisdictions where the evidence of their violations has been collected. The Government will ensure that these increased efforts to combat drugs and armed groups will not be undertaken at the expense of the protection of democracy, human rights and the rule of law.

In order to address this priority Colombia will: strengthen domestic and multilateral law enforcement initiatives, including a) multilateral investigations and joint training, and b) effective protection for witnesses and judicial officials; extradite international criminals in accordance with domestic and international law; improve the prison system to meet international security standards, including adequate facilities and a well-trained and professional staff; and extend multilateral initiatives to control and seize shipments of chemical precursors.

The unacceptably high rates of kidnapping and violent street crime, in many cases related to or a product of narcotics trafficking must be reduced to restore the public's sense of security and well being.

Strategies to address this priority include: the development of anti-violence programs throughout the country involving law enforcement, the judiciary and community leaders, with an emphasis on drug-
related crime; and the design, training and equipping of an anti-kidnap unit to investigate and prosecute kidnaps.

The Accountability of the Judicial System:

Colombia is committed to respect the rule of law and will continue to strengthen all aspects of the judicial system. This includes support for the continuing transition to an accusatory system (including oral trials and effective investigations), and faster movement of cases through the judicial process, thereby ensuring that all will have access to justice, regardless of geographic location or income. The Government will provide leadership to make the judicial system fairer and more effective, transparent and accessible.

To this end, the government will seek to reduce impunity through improved prosecution, more effective investigations and speedier trials. It will provide effective coordination of the judiciary, including open communication and effective policy implementation between the different branches and offices of the State responsible for judicial reform and administration; it will increase training for judicial officers, including judges, public defenders and prosecutors, in order to ensure that their decisions are open to public scrutiny and that the result is just in all cases --including military cases in civilian jurisdictions; it will implement a core curriculum for judicial police investigators through a single judicial police training academy; and ensure public access to justice and a fair defense, nation-wide.

The Promotion, Respect and Protection of Human Rights

The government, under the coordination of the office of the Vice-President, has made a total commitment to the protection and materialization of fundamental rights, in accordance with Colombia's obligations under International Treaties and Pacts.

The government is complying with its international commitments by inculcating a deeper understanding of human rights through the media, and through the application of an educational model for use in the Armed Forces, with political and material support for the work of the human rights units and training for journalists in human rights and International Humanitarian Law. At the same time, the government is working in collaboration with the United Nations High Commissioner for Human Rights in Colombia.

The government has embarked on a strategy against impunity. Various inter-institutional committees have been created in the last year to press for the investigation and punishment of the most severe cases of human rights abuse. By the end of this year, the government will have established a Standing Commission on Human Rights and International Humanitarian Law. The government has already presented bills to Congress, which will legislate against disappearances and crimes against humanity and ratification of the International Criminal Court.

There is a strategy to protect those who work in defense of human rights through the support of the Witnesses and Threatened Persons Program, and a Presidential order requires that all public officials protect human rights workers and support their work and that of NGOs.
**Eliminate Corruption:**

The proceeds of drug trafficking have corrupted officials in all branches of Government and private activity, and eroded public confidence in civil institutions. Colombia will continue its efforts to fight corruption and ensure that violators are subjected to administrative or criminal sanctions, as appropriate.

This will be achieved by building upon existing initiatives- including the Presidential Program Against Corruption and the Prosecution Services Anti-Corruption Unit and by implementing effective financial disclosure and rigorous pre-employment and in-service integrity checks.

The Government will work through the Presidential Program Against Corruption and the Comptroller General's office to increase the transparency of government procurement and financial transfers to local governments.

**Deprive Criminals of Illegal Profits:**

The prevention of money laundering and the forfeiture of the proceeds of drug offences (estimated of more than a billion dollars a year) can support law enforcement and other social initiatives (including land reform, alternative development, and the strengthening of civil institutions) which are critical to a lasting peace.

Strategies to address this priority include: the effective implementation of existing legislation on confiscation of assets and the implementation of adjustments to ensure that forfeiture proceedings for properties seized from criminals are expedited; the reinforcement of existing laws and institutions in order to fight money laundering, including the Prosecution Service's Special Unit and the Financial Information and Analysis Unit; the coordination of national and international authorities to secure effective information-sharing and prosecution; the destruction of the financial links between the drug traffickers, the guerrillas and the paramilitaries through effective law enforcement programs and multilateral cooperation; the coordination of prosecutors, investigators and customs officials and their international counterparts in efforts to dismantle the black market in currency; completion of the development of mechanisms to share assets forfeited in multilateral enforcement actions, in accordance with international law.

The Government will move as quickly as possible to complete the formal expropriation of assets, especially land, which have been seized from convicted drug-traffickers. This land will be used, among other things, for the resettlement of small farmers and landless laborers who leave the coca-producing areas, and families displaced by rural violence.

**Combat Contraband and Strengthen Narcotics Interdiction:**

A crucial element in the elimination of drug trafficking is the blockage of transit routes for drugs, precursors and contraband (which often represents the repatriation of drug money). This requires a coordinated effort at all of Colombia's ports of entry and along its borders.

Strategies to address this priority include: the coordination of effective enforcement sea, including joint efforts between the Colombian Navy, the Prosecution office and their international counterparts to seize narcotics and chemicals and effectively prosecute violators; the strengthening and expansion of existing port security programs to include all ports of entry; the improvement of information-
sharing with international counterparts in relation to suspected offenders, routes and trends in shipping methods; the training of a Customs Police service with proper equipment to ensure effective control at ports and airports; the strengthening of international cooperation to fight contraband; close cooperation with other Governments, so that the private sector commits itself to effective measures of control and prevention of contraband by implementing a "know your client" policy and obtaining better knowledge of clients’ practices.

**Reduction of Demand:**

Colombia is often seen only as a producer of illegal drugs but the reality is that consumption, although relatively low at present, is rapidly increasing. Campaigns to prevent the consumption of illegal drugs are directed primarily at the young, and are designed to discourage them from starting to consume drugs and to control the abuse of alcohol, tobacco and addictive medicaments. The treatment and rehabilitation networks will also be increased to reach many people who have no access to them today.

**Plan for Democratization and Social Development**

The overall objective of this strategy is to reduce the causes and manifestations of violence, progressively and systematically, by strengthening civic participation and collective awareness. This strategy aims to ensure more accountability in local government, community involvement in anti-corruption efforts and continued pressure on the guerrillas and other armed groups to end kidnapping, violence and the internal displacement of individuals and communities. Also, the strategy harnesses community participation to generate economic, social and cultural conditions for the eradication of illicit crops among peasant and indigenous communities.

**Assistance for the Victims of Violence**

One of the goals of the peace strategy is the provision of adequate humanitarian assistance to the victims of the armed conflict, in accordance with the principles of International Humanitarian Law and internal legislation. It includes insurance and compensation, physical and psychological rehabilitation, mechanisms to quantify and determine the eligibility of victims and specially targeted programs for the most vulnerable (children, women heads of households, the elderly and ethnic groups). The government will define a regulatory framework, establishing minimum standards of quality and institutional responsibility based on progressive benchmarks and monitoring indicators.

Guided by the UN Convention on Children's Rights, humanitarian assistance will focus primarily on children's psychological and physical needs, promoting their development and deterring them from any involvement with the armed groups. In addition, it includes rehabilitation, psychosocial care and special education and training for the disabled, considering their collective and individual needs. Finally, the strategy includes actions to identity and eliminate anti-personnel mines and to reduce the risks to population settlements in areas of high conflict, through social and economic integration.

**Assisting the Internally Displaced**

Action is directed to help the displaced to return home and to guarantee their stability through social investment and productive programs in conflict areas. The Government's strategy for assistance to the displaced will be closely coordinated with the peace process and the overall effort to increase local government capacity. Primarily municipal governments and Colombian NGOs under the
leadership of the Social Solidarity Network will provide assistance for the displaced. The Government will also invite international organizations to participate at municipal level, as a means of mobilizing additional resources and to establish independent verification of the local situation.

According to the outlines of the Guiding Principles of Attention to Internal Displacement, the Government's action seeks to neutralize the causes that lead to displacement by improving security in the areas of highest risk. In conflict areas, the Government will establish an early-warning system to detect imminent violence and permit an appropriate response. If it is not possible to prevent displacement, the government will provide for local needs.

These needs will be satisfied by special measures to guarantee that the rights of any displaced person will be protected, while establishing minimum standards for emergency humanitarian assistance with respect to water and sanitation, nutrition, health and shelter. Special attention will be given to the various needs of different age groups, with special services for children, women and ethnic minorities. Wherever feasible, the Government will support and promote Peace Communities to which displaced persons can return and social services and physical protection can be delivered.

Alternative Development Strategy

This strategy seeks to introduce integrated, participatory, profitable and thus sustainable economic alternatives in rural areas, particularly those most affected by a combination of intensive conflict, deficient presence of the State, weak social capital, poverty, illicit crops and related environmental problems. The priority will be placed on ensuring the long-term sustainability of productive projects, with a primary focus on permanent crops, but without excluding transitory crops. There will be participation which should make the best use of local capabilities and the demands of national and international markets. Sustainability will be guaranteed through strategic alliances, involving small producers, private investors, local and national government and producer associations. One point of emphasis of the strategy is the encouragement of demand-oriented private investment in small enterprises and pre-purchasing prior to harvest. Such projects would be supported by financial mechanisms as well as investments in physical infrastructure, such as roads, river transport networks, mining and electrification projects, housing, water and sanitation systems and additional supportive infrastructure for productive initiatives.

The strategy seeks to improve the social conditions and incomes of peasant-farmers directly, and is the framework of the policy to encourage voluntary abandonment of illicit crops. The latter policy focuses particularly on small farmers (less than 3 hectares in production) and plantation workers. Action is determined by the proximity of the legitimate production to potential markets, the origin of the people producing the illicit crop and the agricultural potential of the land where the illicit crops are being grown.

In the poppy-producing areas, as well as in approximately one third of coca-producing areas, it is generally feasible to substitute the illicit production of small farmers with one or more legal crops. In these areas, producers will be encouraged to abandon illicit production in return for assistance in establishing profitable and legal crops, provision of education and health services, improved municipal infrastructure, and personal security. Municipal governments, the private sector, and Colombian NGOs will work with the Government to establish sustainable crops and to strengthen the links between producers and local and urban markets.
It is estimated that as much as 60 percent of the coca-producing areas are far from their potential markets and are poorly suited to any sort of sustained agricultural production. The Government envisions three possible ways to offer legitimate income opportunities to small farmers and laborers in such areas. First, farmers and others in similar occupations will be offered the opportunity to move from the coca-producing areas and resettle on land that has been seized from drug-traffickers or provided by the agrarian reform agency INCORA; second, opportunities in small and micro-enterprises will be offered in the urban areas of origin for migrant coca growers, to reduce the economic incentive for migration; third, the Government will work with indigenous groups and local government to launch economically feasible environmental protection activities that conserve forest areas, in an effort to slow the advance of the agricultural frontier into fragile ecosystems. Work in conservation and protection also generates employment for some former coca farmers.

The estimated cost of the Alternative Development strategy for 1999-2002 is US$570.8 million. Of this, US$342.5 million will be for productive projects and technology transfer, US$100 million for infrastructure development in rural areas, US$86 million for conservation and restoration of environmentally fragile areas and, finally, US$42.3 million for support for the development of indigenous communities.

Sustainable Development in Environmentally Fragile Areas

The armed conflict affects the natural habitat as much as the expansion of agriculture (legal and illegal) which has destroyed close to one million hectares of forest since 1974. These zones include a high proportion of conservation areas and national parklands, and there is ample evidence that this process of expansion poses a serious threat to the rest of the Amazon region.

Actions to combat this problem include the restoration of certain areas as national parks, while also recovering forest which, it is hoped, will contribute to the global objectives to preserve the Amazon basin (as noted in the Convention on Climate and Change). Moreover, the government will facilitate the transition from unsustainable agricultural production toward crops more amenable to local and regional conditions. Finally, actions would include support for small scale reforestation and the consolidation of green markets that generate possibilities for local business.

The Role of Local Communities and Municipalities

Citizens expect security, order, employment, basic services and a better future for their children. National programs such as those for alternative development, environmental protection, displaced persons and assistance to conflict zones, aim to help make these expectations a reality, thereby reducing incentives for people to migrate or produce illicit crops. Local communities and municipal councils play a vital role in ensuring that these national programs reach their intended destination.

The strengthening of local government capacities to develop and execute national social investment programs, working with local NGOs and businesses in the solution of local problems, and accounting for their performance is central to Colombia's social investment and alternative development strategy.

The Government will work through the Social Solidarity Network, Ministries, and NGOs to provide municipal governments with greater technical abilities to manage funds and take action in favor of displaced persons, alternative development and the alleviation of poverty. Up to 150 communities living in areas where conflict or illicit crop production have disrupted the provision of basic services,
and which have experienced environmental degradation or which suffer from high levels of poverty, will be selected over a period of two years to participate in local governance-strengthening programs. Local government leaders will be trained in governance skills. Further, local government will be trained to develop mechanisms to promote public participation in the decision-making process and in the solution of social and economic problems. The training of local leaders will enable priorities to be set in community needs, and initiatives to meet basic service needs to be designed and implemented, so that available resources will be used in the most effective manner.

To maximize effectiveness, local government will work in partnership with the national government, local businesses and NGOs. Municipal administrations will be encouraged to invest local revenue, funds from the central budget and donor funds to support local organizations in addressing priority needs.

In order to strengthen institutional development, this strategy will also promote investment in the promotion of greater confidence, legitimacy and faith in public institutions. Formal and informal mechanisms to fostering tolerance, justice, and security and changes in the cultural patterns, which incite a violent response to conflict, will be promoted. This will be complemented with active support for local peace-building networks.

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1 This initiative arose in the context of the approval of the amendment "Act 1961 to facilitate the protection of the tropical forests by helping to reduce the debt of developing countries with tropical forests," on behalf of the President of the United States, July 25, 1999.