

Report to Congress

U.S. Assistance Programs in Colombia and Plans to Transfer Responsibilities to Colombia

Submitted to the Congress by the Secretary of State
Pursuant to House Report 109-152 accompanying the Foreign Operations, Export
Financing, and Related Programs Appropriations Act, 2006
(P.L. 109-102).

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Prepared by the Department of State, in consultation with the
Department of Defense, the Department of Justice, and
the Agency for International Development

REPORT ON U.S. ASSISTANCE PROGRAMS IN COLOMBIA AND PLANS TO TRANSFER RESPONSIBILITIES TO COLOMBIA

Introduction

House Report 109-152 accompanying the Foreign Operations, Export Financing and Related Programs Appropriations Act, 2006 (P.L.109-102) states:

“The Committee notes that Plan Colombia was proposed and implemented as a 6-year program, to be complete by the end of 2005, yet the Committee has not been consulted by the Administration on its follow-up program to Plan Colombia. Therefore, the Committee directs the Secretary of State, in consultation with the Secretary of Defense and the Administrator of USAID, to report to the Committee no later than 60 days after enactment of this Act on the future, multi-year strategy of the United States assistance program to Colombia. The Committee expects this strategy to include all aspects of current and future United States assistance and detailed explanations for how the Colombian government will assume responsibility for maintaining more of Plan Colombia’s assets.”

That House Report further requests:

“Additionally, the Committee has held the longstanding view that the Colombian Government immediately should begin the process of assuming the operational and maintenance functions of Plan Colombia’s assets. Therefore, the Committee directs the Secretary of State to report back to the Committee no later than 60 days after the enactment of this Act, what actions are being taken by the Departments of State and Defense to transfer responsibilities for programs funded in this Act currently being executed by United States contractors to Colombian nationals.

As Plan Colombia’s expiration date approached in late 2005, Administration representatives from the U.S. Departments of State, Defense, and Justice, the Agency for International Development, the Office of National Drug Control Policy, and others testified before Congress and met with Senators, Representatives and staff on questions and plans related to a future multi-year assistance program for Colombia.

At that time, however, it was difficult to present a complete, detailed picture of Administration plans inasmuch as the Colombian Government's follow-on strategy was still being formulated.

This report, therefore, represents a welcome opportunity for the Department of State, after consulting with the Department of Defense, the Department of Justice, and the U.S. Agency for International Development, to describe proposed follow-on programs of United States support for the now-completed Plan Colombia. It also describes plans for the Colombian Government to assume greater responsibility for operating and maintaining Plan Colombia assets and programs including transferring responsibilities to Colombian nationals for some programs currently being executed by United States contractors.

The Department of State appreciates the House Report taking note of the successes and the measurable improvements in the lives of the Colombian people because of Plan Colombia. This progress reflects the continuing bipartisan support received from the Congress for our programs in Colombia. The United States and Colombia believe it is essential to continue these programs to build on their tangible successes.

However, the United States Government also expects that the Colombian Government will increasingly assume leadership, management and funding for programs presently supported by the United States. The Department of State is pleased to note that Colombia's draft follow-on strategy to Plan Colombia, entitled the Plan Colombia Consolidation Phase (PCCP), calls for a *“gradual reduction of those resources coming from international donations, as the Colombian government progressively develops the necessary capabilities to strengthen democracy, liberty and the Rule of Law while deepening the systems of justice and democratic institutions, revitalizing the economy, and consolidating the peace process and the process of reinsertion into civilian life.”*

For ease of reference we are providing this report in clearly separated sections, the first of which describes current and future U.S. assistance programs in Colombia (pgs. 3-14). The second section responds to the request for information on how the Colombian government will assume responsibility for maintaining more of Plan Colombia's US-provided assets and describes actions to transfer responsibilities for programs currently being executed by US contractors to Colombian nationals (pgs.15-25).

United States Assistance Programs to Colombia

This section of the report addresses the following areas in response to House Report 109-102 requesting information on current and future United States assistance to Colombia:

- U.S. Policy in Colombia
- U.S. Budget and Planning to Achieve our Goals
- Plan Colombia Results; U.S. Support has made a Difference...
- ...But the Job is Not Over; U.S. Support Should Continue
- Colombia is Developing a Follow-on Strategy, the Plan Colombia Consolidation Phase
- U.S. Assistance is Provided
- Support for Demobilization and Reintegration, the New Element in the Follow-on Strategy
- Colombia Increases its Spending
- A Final Word

United States policy in Colombia: The United States supports the Colombian Government's efforts to end the threats to democracy and regional stability posed by narcotics trafficking and terrorism through assistance programs that strengthen democratic institutions, promote respect for human rights and the rule of law, intensify counter-narcotics and counter-terrorism efforts, foster socio-economic development, and address immediate humanitarian needs.

U.S. budget and planning to achieve our goals in Colombia requires continued, sustained U.S. assistance for the short-to-mid-term, followed by measured reductions over a longer period. We envisage three conceptual stages for operations and programs: (a) support to Colombia through FY 2008 at substantially similar levels as those in FY2005-FY2006; (b) consolidation; and (c) nationalization. These notional stages do not represent fixed or abrupt turning points, but rather an evolution of U.S. assistance over time, from the present strong support to a reduced level for consolidation and finally the end-state maintenance of gains made. While mutually reinforcing, individual USG programs for the Plan Colombia Consolidation Phase (PCCP) will transition independently from one stage to another, as the accomplishment of their goals allows. Some programs may be phased out, but U.S. interests will require some level of continued engagement for many areas. As counternarcotics and counter-terrorism goals are met, and

overall funding declines, we expect the relative percentage of U.S. expenditures devoted to democracy building, justice reform, human rights and humanitarian assistance to increase.

Levels of U.S. assistance and programs to support the PCCP will reflect the President's annual budget preparation and congressional appropriations processes, taking into account policy planning and other guidance, including, among others, Embassy Bogotá's annual Mission Performance Plan (MPP), USAID's Development Strategy, the President's National Drug Control Strategy, USSOUTHCOM's Theater and Country Security Cooperation Plan, and Colombia's PCCP, as well as events as they develop.

Our FY 2006 budget -- the first for post-Plan Colombia -- reflects the President's continued commitment, with funding at nearly the same level as in FY 2005, the last year of Plan Colombia.

- The Department of State appreciates that Congress, through the FY 2006 Foreign Operations Appropriations Act (P.L. 109-102), provided that funds be made available to support these ongoing programs, even though a final document describing the Colombian government's follow-on plans is not yet available for review. The FY 2006 appropriation represents the first year of this follow-on strategy and provides funding for programs envisioned by the draft PCCP document.
- The Administration intends to seek support from Congress for spending during the next two fiscal years at substantially the same levels as for FY 2005 and FY 2006. In following years, we expect to request declining amounts as the Colombian government achieves its PCCP objectives and assumes additional funding responsibility.

Plan Colombia has shown results; U.S. support has made a difference... Colombia's challenges are complex and do not lend themselves to easy or rapid solution. The country's present-day troubles reflect numerous, deeply-rooted problems including limited or non-existent government presence and law enforcement capability in large areas of the interior. This has ceded control to narcotics trafficking and terrorist groups, resulting in a lack of public security and endemic violence, and deep social and economic inequities.

To address these problems, the GOC announced Plan Colombia in 1999, a six-year program with a balanced and comprehensive strategy. The Uribe

Administration, which assumed office in 2002, confirmed its full commitment to the goals of Plan Colombia.

Since FY 2000, the United States has undertaken a wide variety of programs to assist Colombia and to support Plan Colombia. These programs provide training, equipment, infrastructure development, funding, and expertise to the GOC and Colombian civil society in alternative development, interdiction, eradication, law enforcement, military and police training and equipment, institutional strengthening, judicial reform, human rights, humanitarian assistance for displaced persons, local governance, anti-corruption, conflict management and peace promotion, the rehabilitation of child soldiers, and preservation of the environment.

Progress in Colombia has been impressive. Plan Colombia has changed the political, military, economic, and counternarcotics environment in the country. Drug crop eradication continues at record levels with a 33 percent decline in coca cultivation from 2001 to 2004. The military and police have made impressive progress in regaining control of national territory. Ongoing demobilization of the United Self-Defense Forces of Colombia (AUC) is another positive development, as is establishment of a police presence in all of Colombia's 1,098 *municipios* (counties), some for the first time.

Even though the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and elements of the AUC continue to pose a security threat to Colombia and to U.S. interests, Plan Colombia has reduced violence significantly. Homicides have declined to their lowest point since 1987 and in 2005 were 11,000 less than 2002's peak of 28,000.

Important gains are being made in other key areas, including alternative development, strengthening democracy and respect for human rights, institutional improvement, justice sector reform and humanitarian assistance.

USAID social and economic programs have had significant results, helping millions of people gain access to justice and social services through the establishment of 42 local Justice Houses, which have handled more than 3.9 million cases, and 45 oral trial courtrooms, as well as by providing training for public defenders and community alternative dispute resolution moderators. Over 4,600 at risk persons have been afforded protection through the human rights protection program. An estimated 73,000 families have received assistance through alternative development programs, with over 96,000 jobs created, and over

1,000 infrastructure projects built using ACI funding administered by USAID. More than 2,800 former child soldiers and 2.5 million internally displaced persons have also been assisted through various outreach programs designed to reintegrate them back into productive society.

The Department of Justice has trained more than 40,000 prosecutors, criminal investigators, judges, and technical experts, including over 20,000 in the new accusatory criminal justice system. In addition, DOJ has developed specialized prosecutor/police task force units to combat human rights abuses, money laundering, narcotics and corruption offenses, has provided criminal forensic equipment for DNA, fingerprint, and ballistic analyses and has trained technical experts so that Colombia now has a state-of-the art forensic capacity. The Justice Sector Reform Program has also trained and equipped an entire cadre of judicial and dignitary security specialists.

As Colombia implemented Plan Colombia, the Administration and Congress increasingly came to understand that the terrorist and narcotics problems in Colombia are intertwined and must be dealt with as a whole. Working with Congress, the Administration sought and Congress enacted expanded authority in the FY 2002 Supplemental Appropriations Act to more readily address the combined threat and facilitate the use of FY 2002 funds available for assistance to the GOC for supporting its unified campaign against narcotics trafficking and U.S.-designated Foreign Terrorist Organizations.

The expanded authority allows some additional flexibility to help the Colombian Government address narcotics trafficking and terrorism more effectively. Implementation has been in accordance with the guidance provided by Congress and described in the Department of State's May 2003 report.

...But the job is not over and U.S. support should continue. Serious challenges remain that require sustained United States cooperation. We need to ensure that the progress made to date continues.

United States programs for the follow-on to Plan Colombia will support Colombia's efforts to extend effective state authority, basic services and security throughout the country, while maintaining and strengthening its already vigorous

democracy. In addition, our goals include:

- Narcotics cultivation reduced to a level where Colombian-managed and financed programs effectively limit illegal cultivation, with continuing efforts and capacity to cut cultivation;
- Narcotics trafficking and terrorist organizations reduced to a law enforcement issue only, no longer posing a threat to national security;
- Alternative development programs that are self-sustaining;
- Widely available basic government services from improved institutions;
- Colombian civil and military legal systems transformed into transparent and effective structures;
- A more effective criminal justice system and improved law enforcement capabilities;
- Internally displaced persons (IDPs) receiving the assistance and support necessary to either return home or reintegrate into society safely;
- Demobilized fighters reintegrated successfully into society;
- Increased economic growth, employment generation, infrastructure development, and poverty alleviation through sound, market-based policies and trade development, including a Free Trade Agreement;
- Colombia as a strategic energy partner, with coal, natural gas and petroleum production contributing to global needs;
- Links ended between the Colombian military and illegal armed groups; and
- The Colombian military in full compliance with human rights obligations, with increased capabilities to act as a partner with the United States for the promotion of democracy and regional security.

Colombia is developing a follow-on strategy, the Plan Colombia Consolidation Phase. The Colombian Government has not yet publicly announced a follow-on strategy for Plan Colombia. However, anticipating its conclusion in late 2005, the GOC began preparing plans to build on and consolidate the progress achieved to date.

While the final planning document is not yet completed, a draft PCCP has been discussed with U.S. officials. The strategy builds on accomplishments underway in four major areas, the first three of which are a continuation of the most important elements of Plan Colombia programs, and the fourth

(demobilization), partially reflects progress made by Plan Colombia. The program areas are:

- Combating narcotics trafficking, terrorism and transnational crime;
- Economic and social development, including humanitarian assistance;
- Strengthening institutions and the justice system, promoting respect for human rights; and
- Demobilization of illegal armed groups and the reintegration of their former members.

The Administration supports the broad priorities contained in that draft plan, insofar as they have been made known to us.

U.S. assistance is provided through the Andean Counterdrug Initiative (ACI), Foreign Military Financing (FMF), Non-Proliferation, Anti-terrorism, Demining and Related Activities (NADR), International Military Education and Training (IMET), Department of Defense Counternarcotics funding and other budgetary vehicles as determined by the President's annual budget preparation and congressional appropriations.

ACI programs support the core elements of Colombia's efforts to end the narcotics trade and stop the terrorism that threatens one of the oldest democracies in the hemisphere and a key Latin American ally. Successful alternative development, justice sector reform, humanitarian assistance and human rights programs, along with the counternarcotics and counter-terrorism programs, help revitalize and strengthen Colombian democracy.

Alternative development and institution building efforts include emergency and longer-term assistance to vulnerable groups and displaced persons, and programs promoting the rule of law, local governance, and human rights. Programs also include agribusiness and private sector development, trade capacity building and economic policy reform.

Continued programs for alternative development, institutional building, and rule of law will be directed towards long-term projects that seek to support sustainable changes and transfer implementation and management capabilities to Colombia.

Continued implementation of Colombia's new Criminal Procedure Code, with the support and assistance of the Department of Justice and USAID, is

bringing a dramatic and historical reform of the criminal justice system. The Code provides for an accusatory system with oral trials that is gradually being introduced across Colombia to replace the country's traditional and inefficient inquisitorial written system, which often took years to resolve many cases.

We are encouraged by recent reports of declining purity and increasing prices of both cocaine and heroin on U.S. streets. While too early to establish a trend, they are promising and reflect gains from the substantial investments and programs supported by the USG.

All programs that are proposed to provide assistance to the military and police forces are in accordance with U.S. law, including the Leahy Amendment, personnel ceilings on U.S. military personnel and U.S. citizen civilian contractors, and the prohibition on their engaging in combat.

Support for the PCCP will maximize drug interdiction and eradication efforts by the Colombian public security forces. Colombia set a new record in 2005 for the aerial eradication of coca crops, with the Colombian National Police (CNP) spraying over 138,000 hectares of coca and 1600 hectares of opium poppy in 2005. We anticipate a need to be prepared to spray at least the same amounts in 2006 and 2007 to ensure that there is no resurgence in coca or opium poppy cultivation. U.S. funds and assets would also continue to support manual eradication, which complements aerial spraying in areas with adequate security.

In addition to ACI programs, FMF, NADR, IMET and Department of Defense (DOD) counternarcotics funding will be needed to support the Plan Colombia follow-on programs. In spite of impressive improvements, Colombian security forces will require U.S. assistance for counternarcotics and counterterrorism, especially in key areas of mobility, intelligence, logistical support and training, in great part due to the increased operational pace brought about by recent successes.

FMF funds will provide Colombia's integrated national strategy with significant military assistance and counternarcotics and counterterrorism programs that increase the Colombian military's ability to establish a secure environment, essential to President Uribe's comprehensive national security strategy. The United States expects to provide operational support (training, supplies, repair parts, maintenance and infrastructure enhancements) and specialized items (weapons, night vision goggles and communications equipment, etc.) to the Colombian army and continue support for the battlefield medical evacuation

program and the army's specialized and mobile units. The USG also provides assistance (at lower levels) to the army's regular brigades and other units. FMF supports the Colombian navy and air force, including the provision of interdiction boats, training and infrastructure improvements, maintenance and operational support. FMF funds assist naval interdiction programs by providing secure communications equipment, spare parts, and assistance to sustain an operations center. Riverine forces benefit from spare parts and other logistical support.

The Colombian military's efforts to execute its unified campaign against terrorism and narcotics trafficking would benefit from the establishment of an air intelligence network, a strategic communications network, and support for information operations. FMF funds support these intelligence and information programs, including providing communications equipment, computers and training. Finally, FMF continues to support reform of the military justice system.

DOD counternarcotics programs supporting Colombia's unified campaign against narcotics trafficking and terrorist organizations are expected to continue during this period. DOD funding provides across-the-board support to the Colombian military with a focus towards building its capacity and making it increasingly self-sufficient. DOD programs will continue to fund training and equipment to a variety of specialized Colombian military units vetted for human rights by our Embassy, such as the Lanceros and Commando Battalion. DOD will continue to improve Colombian marine and navy riverine force's capability to allow them to control the extensive Colombian littoral waters and rivers. Support to the Colombian air force and army further enables them to maintain and sustain fixed wing and rotary wing aircraft to include improved infrastructure and maintenance, aviation training and support, joint maintenance facilities, and logistics standardization through further support to the logistics command and control system. Lastly, we will continue building Colombian capacity to share information and intelligence through support to the counternarcotics command management system, hemispheric radar support, and support to Colombia's air bridge denial program.

The IMET program complements key U.S. objectives in Colombia by providing training for the Colombian military, with a strong emphasis on human rights.

USG programs supported by NADR funding assist in addressing the rampant and well documented trafficking in illicit arms across Colombian borders.

The support of the U.S. Small Arms/Light Weapons destruction program of small arms and handguns contribute to improving security in the region.

NADR funding also supports implementation of the successful Anti-Kidnapping Initiative (AKI). The AKI provides tactical and investigative training and equipment to the Colombian Government's military and police anti-kidnapping units (Unified Action Groups for Personal Liberty, Spanish acronym "GAULA"). NADR funds also support developing an interagency database to collect, analyze and disseminate information on kidnappings, upgrading Colombian training facilities, and enhancing Colombian interagency coordination. This database is in the process of transitioning to the GOC. Proposed programs, with Department of Justice assistance, could continue training of GAULA units, including a "train the trainers" component. DOJ/FBI are also providing anti-kidnapping training for GAULAs and the National Anti-kidnapping Unit in areas of investigation and prosecution strategy, crime scene management, forensic development, witness interview, and data base searches. This training involves mock trial presentations under the new Colombian Criminal Procedure Code.

The Colombian Government plans to assume the expense of maintaining the training camp as well as feeding and housing instructors and students. As the GOC assumes more responsibility for anti-kidnapping training, the GOC has advised us it is willing to undertake anti-kidnapping training and support to other countries in Latin America.

Support for demobilization and reintegration is the new element in the follow-on strategy. It is important for the United States to support Colombia's demobilization and reintegration programs. The Government of Colombia is two years into an ambitious peace process with the United Self-Defense Forces of Colombia (AUC) intended to dismantle that paramilitary organization. Over 28,000 of its members had collectively disarmed and demobilized as of March 15, 2006. In addition, over 8,000 members of Colombia's three most important illegal armed groups have deserted and demobilized individually since the beginning of the Uribe administration in 2002.

Colombia is providing \$88 million of the estimated \$171 million overall cost for demobilization programs in 2005-2007. At the same time, it continues to dedicate a large share of its budget for counternarcotics efforts and other Plan Colombia programs. The international community and private sector have been asked to provide the rest, with Colombia seeking \$48 million from the United States. There is general agreement between the USG, European governments, the

European Union and human rights NGOs that international support is essential for vigorous implementation of the demobilization and reintegration process.

Recognizing that these initiatives represent a significant opportunity for progress in bringing peace and stability to Colombia, an important U.S. foreign policy goal, the Secretary of State approved reprogramming of an initial \$20.5 million from other FY 2005 and FY 2006 ACI programs for demobilization and to support the Organization of American States (OAS) Mission in Colombia.

The Departments of State and Justice and the U.S. Agency for International Development believe the importance of demobilization and reintegration is such that we have asked to reprogram from already appropriated funds, while maintaining the integrity of other central programs. Consultations are continuing with Congress to identify and reprogram FY 2005 funds.

The Department of State is seeking to identify additional sources of funding for FY 2006 and FY 2007 for demobilization and reintegration programs up to and beyond the \$20.5 million approved by the Secretary of State, and would undertake consultations for this purpose with the Congress.

The FY 2006 Foreign Operations Appropriations Act also provides that up to \$20 million in FY 2006 funds may be made available for these purposes. Recognition by the Congress that demobilization and reintegration is an initiative that warrants U.S. support, subject to certain conditions, is welcome.

A successful demobilization and reintegration program will consolidate and augment major reductions in violence and is an important step toward an end to the civil conflict that has constrained economic and social development in Colombia for more than 40 years. Engaging at this critical beginning stage enables us to help mold implementation of reintegration efforts to ensure a successful and responsible program through our involvement and oversight. In addition, USG support for the process will encourage Europeans and other donors to provide support for demobilization and reintegration in Colombia.

Colombian spending is growing. Over the last five years, Colombia has significantly increased its budget for both military and civilian programs. Growth of the defense budget has reversed decades of inadequate spending on security forces engaged in prolonged civil conflict. Military and police forces have increased personnel by over 60% since 2000, when Colombia undertook to spend

\$4.5 billion on programs to support Plan Colombia and has, by all accounts, done so. It is doing its share and more. The United States will continue to support – but not substitute for -- these broader efforts of the Colombian Government and society.

(Billions of U.S. dollars)	2000-2001	2002	2003	2004	2005	2006 projected
Colombian Ministry of Defense*	\$2.6	\$2.85	\$3.0	\$3.09	\$3.93	\$4.48
U.S. ACI and FMF for support of military and police**	\$1.053	\$0.253	\$0.430	\$0.424	\$0.411	\$0.404

*Includes both military and police. Does not include “non-operational” expenditures, such as pensions or the military’s private sector holdings (e.g. hotels) which do not contribute to “war fighting.”

** Does not include ACI funds used for alternative development, democracy, rule of law or humanitarian assistance. 2001 figure includes FY 2000 Emergency Supplemental.

Colombia’s projected funding in 2006 for the military and police of \$4.48 billion represents an increase since 2001 of over 30 percent after inflation, and accounts for 11.6 percent of the overall national budget. The increased spending has gone to operations, capital improvements, force expansion, training programs, small arms and ammunition, aircraft and other equipment. Despite this growth, military and police budgets are still inadequate for the many demands placed upon them. Additional needs in 2006 will include securing demobilized areas and protecting electoral candidates.

Increased defense spending has not been at the expense of social programs, which have also grown equally rapidly in recent years. Tax and pension reforms, as well as an improved economy, partly due to increased security, have boosted government revenues and enabled the GOC to increase security and social spending. The budget for social programs, not including pensions, is \$12.7 billion in 2006 - nearly three times the amount planned for defense spending - of which \$4.9 billion is for education, \$3.8 billion for health, and \$4.0 billion for social protection programs. However, it would also appear that most of this funding is spent in urban areas rather than the rural zones formally occupied by illegal armed groups, an issue that the GOC is seeking to address.

U.S. programs remains critical, especially for military and police training and for intelligence support. Nevertheless, Colombia expects to begin to assume funding in some areas now supported by the USG.

A final word about the follow-on strategy. While implementing programs to assist Colombia, the USG will not ignore the regional policy context. Continued

U.S. attention to Bolivia, Ecuador and Peru is necessary for effective action against drugs and violence, as are programs that focus on the transit zone and trafficking connections with Mexico.

The United States will also support Colombian efforts to engage its neighbors to increase border security and to enhance regional security with Caribbean and Central American countries.

Since Colombia's deep-seated internal conflict dates back over 40 years, it would be misleading to attempt to provide a time table for full achievement of U.S. objectives in the country. In other regions of the world such as Angola, Central America, South Africa and Eastern Europe, the United States has shown that with patient engagement, accompanied by political will and courage, we have been able to undertake long-term initiatives and successfully assist governments challenged by entrenched conflicts.

Realization of U.S. policy goals will require a concerted Colombian strategy and effort -- backed by sustained U.S. assistance -- to establish control over its national territory, eliminate narcotics cultivation and distribution, end terrorism, provide humanitarian assistance, and promote human rights and the rule of law, and reactivate its economy as envisioned by the PCCP.

**Responsibility for Maintaining Plan Colombia's Assets and
Transfer of Responsibilities for Programs Currently Being Executed by
United States Contractors to Colombian Nationals**

As requested by House Report 109-102, this section of the report also discusses plans by the Department of State and the Department of Defense to transfer to the Government of Colombia the responsibility for operational management of and financial responsibility for maintaining USG assets and programs in the years ahead as well as the transfer of responsibilities for programs currently being executed by United States contractors to Colombian nationals. The process of transferring responsibility is broad-based, by necessity incorporating specific personnel training initiatives as well as institutional and capacity-building efforts.

The following details our plans to transfer aircraft operation and maintenance responsibilities and, in that context, our efforts to train Colombian nationals to assume responsibilities currently held by U.S. contractors. We will also address our efforts to nationalize USG aircraft assets and military equipment in Colombia in concert with DOD. (By "nationalize," this report means to transfer responsibility from the United States to Colombia). These assets include USG fixed-wing aircraft, helicopters and radars that are used in conjunction with the Colombian military and police forces for counternarcotics and counterterrorism missions.

Program and policy plans intended to ensure that we are building local capacity and creating sustainable development within Colombia for our nationalization programs, such as USAID's alternative development programs and Department of Justice programs are also described.

Even though the original Plan Colombia has formally ended, the most important elements of its programs continue. Counterdrug and counterterrorism activities in Colombia will require continued U.S. support in the near term, but our programs are designed to foster Colombian self-sufficiency and ultimately, national ownership over the long term.

We have made significant infrastructure investments for the training of Colombian military and police forces throughout the six years of U.S. support to Plan Colombia. The USG will continue that support, while seeking to establish greater Colombian ownership of the programs, including increased funding, personnel, and maintenance levels. USG commitments will be used primarily to

sustain eradication and interdiction, to improve infrastructure in areas of Colombia only recently brought under government control, and to develop Colombian capacity to assume these important missions independently.

President Uribe's sustained political will, aggressive actions against narcotics trafficking and terrorist organizations, and the positive results from this have brought about an increase in the pace of operations that was not contemplated even one or two years ago. Mobile police *Carabinero* squadrons provide increased security to rural Colombia. Colombia has more than doubled the percentage of its GDP devoted to public security from less than two percent to over five percent in the last four years. The GOC has added more than 111,000 National Policemen and Army soldiers since 2000 and plans to add more, with training and equipment support from the USG. These actions are a clear demonstration of support at the highest level of the Government of Colombia for the goal of increasing Colombian responsibility for public security and counternarcotics operations in Colombia.

The intensified pace of successful operations against narcoterrorists has produced impressive results, but it has also limited our ability to nationalize all of our current programs as well as the Colombians' ability to assume sole responsibility for them. For example, new missions, like that of providing pipeline security and helicopter lift and ground security support to massive manual eradication efforts were added to the program, increasing the need for pilots, maintenance and support personnel, and commensurate training to enable them to do their jobs. The limited expansion of the Colombian National Police air fleet has equipped Colombia with more aviation assets, but additional aircraft require more fully trained and experienced air and ground crews.

Additionally, the adversaries are not static. They have adjusted in response to the Colombian government's efforts, such as adopting faster and more intense replanting of coca, and we have had to respond by increasing the pace and coverage of our counternarcotics and military support efforts. Nevertheless, GOC support overall, such as funding, personnel and programs, has increased markedly (see chart on page 13).

In September 2005, the Colombian Ministry of National Defense (MOD) began to develop a formal process for nationalizing all equipment, and especially the aircraft, provided by the USG in support of Plan Colombia. The MOD plan, which is being developed in close cooperation with our Embassy in Bogotá, will establish the general plan for nationalization, as well as specific follow-up annual

plans. The general plan and the annual 2007 plan are scheduled to be completed in March/April 2006, in time for the GOC to adjust its 2007 budget.

Efforts to pursue nationalization are in concert with these Colombian actions. While the United States and Colombia are committed to nationalization, progress towards this goal could be affected by unforeseen factors in the military campaign, including a dramatic increase in narcoterrorist activity, reversals on the battlefield, increases in opium or coca cultivation, or deteriorating economic conditions.

Aviation and Aviation Training Programs

Colombia is almost the size of California and Texas combined -- with an almost-Texas-sized area without a single road much of the year. It is in this inaccessible area that much of the coca is being grown. The only way the GOC is effectively going to fight either drugs or illegal armed groups in this environment is with dependable helicopter lift.

Currently, all Plan Colombia aircraft, both Colombian military and Colombian National Police (CNP), remain titled to the USG and are leased on a no-cost basis to the GOC. These USG-supported helicopters extend Colombian control over drug crop cultivation, production, and transit areas. They reduce cultivation and trafficking problems to a manageable size for the GOC budget, but we are not yet at a point where Colombia can sustain helicopter costs without USG support.

As drug cultivation, processing, and trafficking are reduced in Colombia, we will consider transferring title of our aircraft to our partners. Some aircraft may be titled to Colombia or continue to be provided on a no-cost lease basis, remaining in Colombia to continue their missions and be maintained by Colombians. The timeframe for such decisions is dependent on our continued progress against narcoterrorism, and particularly on sustained net reduction of coca and opium poppy cultivation to a level the GOC can effectively continue to reduce on its own.

Helicopters are expensive assets to operate and maintain; additionally, training its aviators and maintenance personnel is a lengthy process. We are seeking to ensure that the GOC is able to maintain and operate them according to U.S. standards of safety and effectiveness. We are working towards nationalization, but we are also mindful of the need to protect the investments made by the United States and ultimately the American taxpayer. We are also

mindful of the need to ensure flight safety and to keep our limited helicopter flight hours focused on the highest priority missions.

Section 484 of the Foreign Assistance Act, as amended, does not bar the Administration from passing title to any or all such aircraft if not transferring title would be contrary to our national interest, and after Congressional notification. We are also working with the GOC to determine the extent to which Colombia can provide funds to offset or subsidize the cost of fuel and other expenses in the operation of aircraft and to take responsibility for other programs presently funded by the United States.

Colombians, Americans, and third country nationals routinely rotate into and out of counternarcotics contracts, making for a fluid environment in which there are few specifically American-designated slots. The number of foreign national contractors in Colombia providing support varies as programs are developed, implemented, and completed. The Department of State's quarterly reports to Congress on U.S. citizen civilian contractors details this variation in numbers.

We are making considerable progress in nationalizing aviation operations by training Colombian nationals to take on the duties of flying and maintaining counternarcotics aircraft in Colombia, a critical step for reducing U.S. financial and workforce support to the Colombian military and CNP. The Narcotics Affairs Section (NAS) of the U.S. Embassy in Bogotá, in close cooperation with the Military Advisory Group (MILGP), the Colombian police and the Ministry of Defense (MOD), has led the effort to assist Colombia to assume increased responsibility. USG financial support for these programs is funded by the Department of State's Bureaus for International Narcotics and Law Enforcement Affairs (INL) and Political-Military Affairs (PM), and the Department of Defense.

The MOD has begun a formal process to consider nationalization of USG assistance as quickly as feasible. This process recognizes that nationalizing aviation programs will require substantial increases in the MOD budget as well as completing development of the supporting infrastructure: personnel, training, operations and maintenance capacity. The Embassy and MOD are establishing several working groups to prepared planning with the objective that the MOD assumes all fuel costs and some other USG program costs.

Colombian Army (COLAR) Aviation Brigade:

Most of the aviation support and maintenance for the Colombian Army Aviation Program, also known as the “Plan Colombia Helicopter Program” (PCHP), is part of a contract administered by the Department of State’s Air Wing, a component within INL. DynCorp, the primary contractor, provides pilots, maintenance technicians, trainers, and logistics support to the PCHP, since the Government of Colombia is not yet able to support these operations.

Built into the DynCorp contract is a reduction schedule based on a Contractor Reduction Plan developed and implemented by the Narcotic Affairs Section. The plan, now into its third year, focuses on intensive supervised practical maintenance training (PMT) for COLAR helicopter mechanics. PMT not only provides initial helicopter mechanic qualification, it also provides continuous monitoring of sustainment training and accountability of trained personnel. Also built into the DynCorp contract is an availability standard for the Colombian Army tied to contractor reduction. The COLAR is required to have a minimum of 75 percent of all certified helicopter mechanics present for duty and working under contractor supervision on a daily basis.

COLAR Helicopter Maintenance Training:

An average of forty students receive COLAR helicopter mechanic training each year. Training includes a six-month initial and three-month basic course established by the COLAR. Approximately 20 soldiers are assigned to either the Huey-II or UH-1N mechanic training program conducted in Colombia. Ten soldiers are selected annually for initial UH-60 maintenance training and ten soldiers are selected for initial specialized “allied shops” maintenance training at Fort Eustis, Virginia. Training for maintenance personnel is lengthy and varied, depending on specialization. We are dealing with years, not months. Subsequent to the initial training, individuals receive up to an additional four months of PMT to become certified to work on Plan Colombia aircraft. To gain the appropriate experience to work unsupervised generally requires an additional three to four years. Follow-on training occurs on the job in Colombia.

In support of the COLAR Aviation Brigade, we have certified 54 of the 91 Huey-II mechanics and 56 of the 73 UH-1N mechanics as of January 1, 2006. We have also certified 42 of the 54 UH-60 mechanics. Colombian responsibility for maintaining counternarcotics aircraft will increase proportionally with newly trained personnel.

	<i>Already Trained</i>	<i>To be Trained</i>	<i>Total Needed</i>	<i>Completion Dates</i>	<i>Location of Training</i>
UH60 Mechanics	42	12	54	2006	USA and Colombia
Huey II Mechanics	54	37	91	2008	Colombia
UH-1N Mechanics	56	17	73	2007	Colombia

Helicopter Pilot Training:

To meet COLAR UH-60, UH-1N and Huey-II pilot requirements, basic pilots must receive additional training and actual flight experience. There is a significant difference between the training and experience needed for a Co-Pilot (PI) and a Pilot-In-Command (PC). A pilot-in-command has the responsibility of ensuring that the helicopter is operated in accordance with all applicable State Department and COLAR regulations. It generally takes two-to-three years to gain the flight experience to become a PC. As of January 1, 2006 we have completed PC certification for 50 of the 70 UH-60 pilots, 28 of the 62 Huey-II pilots and 42 of the 54 UH-1N.

The NAS Contract Reduction Plan, as originally implemented, called for the induction of 30 new Colombian Army officer pilots a year into the program. This number was a reasonable estimate of new pilots to be assimilated annually into the program and to receive sufficient flight training and experience, given the initial shortages of COLAR PCs. As the program has matured and requirements increased, the induction of 35 new pilots in 2006/07 is planned. Complicating this process is the addition of 8 FMS UH-60s, scheduled to arrive by August 2006, and 6 commercially purchased MI-17s in 2006. These are new requirements and will compete for limited pilots.

Before Pilot-in-Command and co-pilot training, initial entry rotary wing training (IERW) provides for basic helicopter pilot training, establishing the fundamentals in flight, navigation, and operation. The IERW training, as originally implemented, called for the training of 120 pilots. Because of several factors such as a greater pilot-to-aircraft ratio, a high attrition rate, and an increase in the number of helicopters available (both USG-provided and Colombian purchased), actual requirements exceed this initial projection. Because the Colombian Joint IERW Training Center (in Melgar, Colombia) supported by DOD

is unable to meet the new PCHP pilot requirements, State now augments this IERW training with its own stateside program. This augmentation program trains IERW candidates to Federal Aviation Administration standards. Although it is a not equivalent to the more advanced Colombian IERW training, which includes flying training with night-vision goggles, aerial navigation, multi-aircraft formations, and combat mission profiles, it is a necessity to meet the new PCHP pilot requirements.

These increases in certified Colombian mechanics and pilots will allow us to make significant cuts in contract personnel in 2006. We are confident that annual reductions in our contract work force, combined with effective training of pilots and mechanics, will push us steadily towards effective nationalization of our COLAR aviation counternarcotics and counterterrorism program in Colombia.

The following chart includes pilot-in-command, co-pilot, and IERW training:

Position	<i>Already</i>	<i>To be</i>	<i>Total</i>	<i>Projected</i>	<i>Location of Training</i>
	<i>Trained</i>	<i>Trained</i>	<i>Needed</i>	<i>completion</i> <i>dates</i>	
UH-60 pilot	87	49	136	2006	USA and Colombia
UH-1N pilot	64	42	106	2007	Colombia
Huey II pilot	71	50	121	2009	Colombia
TOTAL	222	141	365		

Plan Colombia Helicopter Program (PCHP) U.S. Contractors:

At present, 271 U.S., Colombian, and third country national civilian contractors are working as maintenance personnel in support of PCHP. The projected timeframe for the training program is presented in the table below. The need to increase contract pilots and maintenance personnel to support fielding of the new Caño-Limón Pipeline security helicopters (8 Huey-II and 2 UH-60) led to a slower pace of training in 2005 for the PCHP than we would have otherwise realized.

Year	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Maintenance Contract Personnel	312	266	213	157	TBD	TBD	TBD
Contract Pilots	82	100	70	38	TBD	TBD	TBD
Total	394	366	283	195	TBD	TBD	TBD

Cost Savings:

Since the DynCorp contract is a fixed-price, performance-based contract, there will not be significant cost savings to the USG in the immediate near term. There will, however, be a significant reduction in construction program and sustainment costs in the long term as the GOC assumes greater funding responsibilities for these activities (i.e. fuel, ammunition and facilities maintenance). Some continued U.S. funding and technical oversight will be necessary.

CNP Aviation Support:

Most of the aviation support and maintenance for the Colombian National Police Air Wing is part of a Time and Materials Delivery Order, competed and awarded by U.S. Army CECOM to Lockheed-Martin. Lockheed-Martin provides maintenance and logistics support personnel, aviation facilities, and facility maintenance to assist the CNP with the maintenance and support of the CNP aviation program. The GOC is not yet able to provide the resources necessary to support these operations, largely because of a shortage of personnel and budget. However, all the mission pilots for this program are Colombian National Police; five USG contract pilots fly training and occasional operational support missions.

CNP Eradication Support:

The aviation support for this program is part of the DynCorp contract administered by the Department of State Air Wing. DynCorp provides pilots, maintenance technicians, and logistics support to the Colombian National Police Eradication Program. The Government of Colombia is not yet able to provide the resources necessary to support these operations. However, in recent years the number of Colombian pilots and mechanics has been increasing. In addition, the CNP provides escort support to DynCorp-piloted aircraft. The CNP operates a Search-and-Rescue (SAR) equipped UH-60 and a Quick Reaction Force (QRF) UH-60 in support of eradication operations as well. Additionally, the CNP

provides co-pilots and gunners for the DynCorp-piloted aircraft. All gunners on all aircraft are members of Colombia's public security forces.

Building Local Capacity and Creating Sustainable Development

We continue to train Colombian security forces to assume a greater share of the planning and logistics currently shouldered by the USG. The State Department works closely with the Department of Defense to train Colombian nationals for the purpose of assuming responsibilities for operating and maintaining military equipment. Training is often led by NAS in close cooperation with MILGP. Military training is provided to all three services and focuses on specialized and mobilized units, casualty evacuation, aviation maintenance, and riverine operations.

Since 1999, over 2,400 National Police personnel have been trained in the United States; some 9,000 were trained in Colombia by U.S. instructors. More importantly, we have assisted the CNP in nationalizing its training so that over 63,000 police have been trained in Colombia by CNP instructors who were trained by U.S. instructors. The trend of transferring even more courses to Colombia will continue.

DOD is committed to developing Colombian's military self-sufficiency in its war against illegal armed groups and has been providing technical and operational advice and assistance to the Colombian military and is developing training programs to enable the Colombians to assume control and responsibility for major DOD funded systems such as ground-based radars, logistics and maintenance.

- Under the Hemispheric Radar System, the US Air Force (USAF) has a network of five long range radars geographically located in Colombia. This program trains the initial cadre of Colombian Air Force (FAC) radar operators and supervisors. When completed, these FAC personnel will perform radar site operation and maintenance functions now performed by USAF and contracted personnel at multiple radar sites in Colombia. The first radar site transitioned to Colombian responsibility will be in April/May 2007 with the final site scheduled in 2008. The ultimate goal is to transfer equipment ownership (through the Foreign Military Sales process) to the GOC no later than FY 2009.
- The Logistics Command and Control System provides an integrated, software-based logistics network which will provide the Colombian

security forces a joint information sharing tool for the management and readiness reporting of five critical modules (maintenance, warehouse, supply, finance and human resources) for the purposes of enhancing its control of national assets. The Colombian Army and Air Force are scheduled to complete their system roll-outs in early 2006, while all the services are scheduled to have full capability in 2007.

- The Joint National Maintenance Point Facility provides depot-level maintenance for Colombian helicopters at a central location. The centralized repair of such high-cost, low-density items such as Blackhawk helicopters will eliminate costly redundancy and inefficiency that would occur if maintenance were otherwise conducted by the respective services of the Colombian military and police. While progress is being made, we do not currently have a completion date for this project.

As we work with Colombia to ensure a proper transition of program operation and sustainment with the goal of developing Colombia's self-sustainment capacity, DOD's assistance will gradually shift to quality control oversight and those critical resources required to sustain success. To reduce U.S. efforts in Colombia before the Colombian military is self-sufficient would surrender the gains of the past years.

The Department of Justice's (DOJ) training program involves the development and involvement of Colombian trainers and permanent Colombian training capability. In training over 40,000 police, prosecutors and judges, DOJ has developed a cadre of over 100 Colombian trainers.

Colombianization or nationalization of USAID programs will mean a shift between our current assistance relationship to a partnership, as well as the development of local capacity, an increase in private sector alliances, an increase in state presence and responsibility, an increased emphasis on identifying and strengthening Colombian institutions, and a decrease in USG contractors and expatriate assistance.

In the area of Alternative Development programs, USAID is seeking to strengthen the Government of Colombia's capabilities through tax reform and a strong Public/Private Alliance program. Private co-investments will be a priority. In order to leverage USAID's resources to the maximum extent possible, private sector partners will ultimately provide the entirety of funding requirements as

USAID's financial commitment is reduced and this will apply to most USAID/Colombia projects, whether in Small and Medium Enterprise (SME), Agribusiness or Forestry. USAID will work directly with Colombian sub-contractors, local NGOs and government institutions to strengthen and expand the effectiveness of public and other Colombian civil society entities to ensure the sustainability of USAID program investments.

To support programs assisting Internally Displaced Persons, USAID has already leveraged more than \$85 million through strategic alliances with the Colombian public and private sectors, a clear demonstration of the strong commitment that exists to collectively address IDP issues. The IDP program is taking a two-pronged approach to Colombianization by strengthening civil society and the capacity of non-governmental institutions to provide services and support to the IDP population, while at the same time strengthening the public sector – at all levels – to meet the needs of those who have been displaced. This approach should ensure the long-term sustainability and increase the impact (through leveraging) of the many investments that have been made in this sector.

USAID Democracy sector programs focus on identifying and strengthening local capacity of civil society and watch dog groups as well as increasing GOC responsibility for the Human Rights Protection Program, the Early Warning System, training of Public Defenders, and the establishment and maintenance of Justice Houses. In addition, the program is using Private Sector Alliances to promote anti-corruption initiatives.

All of these steps are creating local capabilities and building experience that will allow Colombians to take over program responsibilities and ensure that lessons learned remain in Colombia.