Plan Colombia

Drug Reduction Goals Were Not Fully Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance
Plan Colombia’s goal of reducing the cultivation, processing, and distribution of illegal narcotics by 50 percent in 6 years was not fully achieved. From 2000 to 2006, opium poppy cultivation and heroin production declined about 50 percent, while coca cultivation and cocaine production levels increased by about 15 and 4 percent, respectively. These increases, in part, can be explained by measures taken by coca farmers to counter U.S. and Colombian eradication efforts.

Colombia has improved its security climate through systematic military and police engagements with illegal armed groups and by degrading these groups’ finances. U.S. Embassy Bogotá officials cautioned that these security gains will not be irreversible until illegal armed groups can no longer threaten the stability of the government of Colombia, but become a law enforcement problem requiring only police attention.

Since fiscal year 2000, State and Defense provided nearly $4.9 billion to the Colombian military and National Police. Notably, U.S.–funded helicopters have provided the air mobility needed to rapidly move Colombian counternarcotics and counterinsurgency forces. U.S. advisors, training, equipment, and intelligence assistance have also helped professionalize Colombia’s military and police forces, which have recorded a number of achievements including the aerial and manual eradication of hundreds of thousands of hectares of coca, the seizure of tons of cocaine, and the capture or killing of a number of illegal armed group leaders and thousands of combatants. However, these efforts face several challenges, including countermeasures taken by coca farmers to combat U.S. and Colombian eradication efforts.

Since fiscal year 2000, State, Justice, and USAID have provided nearly $1.3 billion for a wide range of social, economic, and justice sector programs. These programs have had a range of accomplishments, including aiding internally displaced persons and reforming Colombia’s justice sector. But some efforts have been slow in achieving their objectives while others are difficult to assess. For example, the largest share of U.S. non-military assistance has gone towards alternative development, which has provided hundreds of thousands of Colombians legal economic alternatives to the illicit drug trade. But, alternative development is not provided in most areas where coca is cultivated and USAID does not assess how such programs relate to its strategic goals of reducing the production of illicit drugs or achieving sustainable results.

In response to congressional direction in 2005 and budget cuts in fiscal year 2008, State and the other U.S. departments and agencies have accelerated their nationalization efforts, with State focusing on Colombian military and National Police aviation programs. One aviation program has been nationalized and two are in transition, with the largest—the Army Aviation Brigade—slated for turnover by 2012. Two National Police aviation programs have no turnover dates established. State, Defense, Justice, and USAID each have their own approaches to nationalization, with different timelines and objectives that have not been coordinated to promote potential efficiencies.
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Abbreviations

ABD  Air Bridge Denial
ACI  Andean Counterdrug Initiative
ADAM  Areas for Municipal Level Alternative Development
ARAVI  Police Air Service
AUC  United Self Defense Forces of Colombia
CCAI  Coordination Center for Integrated Government Action
CNC  Crime and Narcotics Center
CSIS  Center for Strategic and International Studies
ELN  National Liberation Army
ESF  Economic Support Funds
FARC  Revolutionary Armed Forces of Colombia
FMF  Foreign Military Financing
FMS  Foreign Military Sales
IACM  Interagency Assessment of Cocaine Movement
IDP  internally displaced person
IMET  International Military Education and Training
INL  Bureau of International Narcotics and Law Enforcement Affairs
ISS  Infrastructure Security Strategy
MIDAS  More Investment for Sustainable Alternative Development
NAS  Narcotics Affairs Section
ONDCP  Office of National Drug Control Policy
PCCP  Plan Colombia Consolidation Phase
PCHP  Plan Colombia Helicopter Program
PRM  Bureau of Population, Refugees, and Migration
UNODC  United Nations Office of Drug Control
USAID  U.S. Agency for International Development

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October 6, 2008

The Honorable Joseph R. Biden, Jr.
Chairman
Committee on Foreign Relations
United States Senate

Dear Mr. Chairman:

The United States has been providing assistance to Colombia since the early 1970s to help the Colombian military, the National Police and other law enforcement agencies, and civilian agencies in their efforts to reduce illicit drug production and trafficking activities. Despite this assistance, in the late 1990s, Colombia was the world’s leading producer of cocaine and had become a major source of heroin used in the United States. In October 1999, the Colombian government announced a 6-year strategy, known as Plan Colombia, to (1) reduce the cultivation, processing, and distribution of illicit narcotics in Colombia by 50 percent over a 6-year period,\(^1\) and (2) improve the security climate in Colombia by reclaiming control of areas held by a number of illegal armed groups, which in the last decade had financed their activities largely through drug trade profits.\(^2\)

Plan Colombia’s counternarcotics strategy centered on illicit crop eradication and interdiction activities and alternative development projects designed to offer farmers an alternative to growing coca and opium poppy. Plan Colombia sought to reclaim control of territory dominated by the Revolutionary Armed Forces of Colombia (known by its

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\(^1\)Although the government of Colombia announced Plan Colombia in 1999, U.S. funding for counternarcotics purposes was not approved until July 2000, leading to some uncertainty about when the 6-year goal was to be achieved. However, the Colombian government announced that it intended to eliminate coca cultivation by August 2006. For the purposes of this report, we use 2000 as the beginning of Plan Colombia and 2006 to mark its end. We also focus on the cultivation and processing of illicit narcotics because only combined “distribution” or “flow” data for South America is developed for cocaine and no flow data is developed for heroin.

\(^2\)The drug trade in Colombia is dominated by the Revolutionary Armed Forces of Colombia (known by its Spanish acronym, FARC); the National Liberation Army (ELN); criminal gangs which include former members of the United Self Defense Forces of Colombia (AUC), which demobilized under a peace agreement with the government; and several drug cartels.
Spanish acronym, FARC) and other illegal armed groups through a variety of means, including the growth and professionalism of the Colombian military and National Police, systematic military engagement with insurgent groups, and an expanded police presence throughout the country. Plan Colombia also included a number of social, economic, and judicial reform programs designed to broadly support its drug reduction and security objectives. In January 2007, the Colombians issued a 6-year (2007-2013) follow-on strategy, referred to as the Plan Colombia Consolidation Phase (PCCP), which includes many of the same strategies and programs initiated under Plan Colombia.

Since fiscal year 2000, the United States has provided more than $6 billion in military and nonmilitary assistance to Colombia. Under the general guidance and direction of the White House Office of National Drug Control Policy (ONDCP), the Departments of State (State) and Defense (Defense) have overseen assistance provided to the Colombian military and National Police for Plan Colombia’s counternarcotics and improved security objectives. State has provided most of this assistance, focusing on five major aviation programs for the Colombian Army, Air Force, and National Police. The U.S. Agency for International Development (USAID), the Department of Justice (Justice), and State have overseen nonmilitary assistance for programs that support alternative development, aid to internally displaced persons and the demobilization of illegal armed groups, and judicial reform efforts.

3The National Police are part of the Ministry of Defense.

4Formally titled the Strategy to Strengthen Democracy and Promote Social Development.

5Plan Colombia’s security component is supplemented by government of Colombia security strategies and military plans of operations issued between 2003 and 2007. These strategies and plans are included in all references to “Plan Colombia” and PCCP in this report.

6To obtain consistent and comparable funding data from each of the departments and agencies involved, we use appropriated U.S. assistance throughout this report. We refer to the funding as “provided,” though all of it may not have been obligated or expended.

7ONDCP establishes policies, priorities, and objectives for the nation’s drug control program. The Director of ONDCP evaluates, coordinates, and oversees both the international and domestic anti-drug efforts of executive branch agencies and ensures that such efforts sustain and complement state and local anti-drug activities.

8These are the Army’s Aviation Brigade and Infrastructure Security Strategy, the Air Force’s Air Bridge Denial Program, and the National Police’s Air Service and Aerial Eradication Program.
Beginning in 2005, Congress called on the Secretary of State to develop a multiyear strategy to guide anticipated follow-on assistance to Plan Colombia.\(^9\) Congress directed that this strategy include a detailed explanation of how State (and the other U.S. departments and agencies involved) planned to “nationalize” or transfer program operations and funding responsibilities to the government of Colombia. In response, State issued a report to Congress in March 2006 that noted the need for continued and sustained support for military and nonmilitary assistance programs in Colombia for the short- and mid-term, followed by reductions as nationalization efforts take hold.\(^10\) State updated this strategy in two reports to Congress dated April 2007 and April 2008.\(^11\) The April 2007 report included a proposed funding plan illustrating the administration’s intent to provide an additional $4 billion in assistance under PCCP. The plan called for a gradual reduction in assistance to the Colombian military and National Police, an initial increase in funding for nonmilitary assistance programs, followed by relatively constant funding levels for nonmilitary assistance through fiscal year 2013. According to State, in fiscal year 2008, Congress accelerated these plans by reducing appropriations for Colombian military and police programs (in particular, aviation programs) by nearly $170 million, while increasing appropriations for nonmilitary programs (in particular, alternative development projects) by over $85 million with the expectation that this funding shift will lead to major reductions in coca growth.

At your request, we examined U.S. assistance efforts since fiscal year 2000 when funding for Plan Colombia was first approved. Specifically, we examined (1) the progress made toward Plan Colombia’s drug reduction and enhanced security objectives; (2) program support provided to the Colombian military and National Police, including specific results and related challenges; (3) nonmilitary program support provided to Colombia, including specific results and related challenges; and (4) the status of U.S.


\(^10\)Report to Congress: U.S. Assistance Programs in Colombia and Plans to Transfer Responsibilities to Colombia, March 2006.

and Colombian efforts to nationalize U.S. assistance and the challenges, if any, these efforts face.

To address these objectives, we reviewed planning, implementation, and other documentation related to U.S. counternarcotics and counterterrorism assistance to the government of Colombia since 2000, including our prior reports on various Plan Colombia related programs. (See Related GAO Products at the end of this report.) We met with officials at Defense, Justice, State, ONDCP, and USAID in Washington, D.C.; U.S. Southern Command headquarters, Miami, Florida; the Joint Interagency Task Force-South, Key West, Florida; State’s Office of Aviation at Patrick Air Force Base, Florida; and the U.S. Embassy in Bogotá, Colombia. In Colombia, we discussed U.S. assistance efforts with U.S. embassy officials and cognizant Colombian military, police, and civilian agency officials. We also met with U.S.-funded contractors assisting with the U.S. programs for the Colombian Army and National Police, and USAID implementing partners primarily involved in alternative development programs. We visited several Colombian military and police bases, including La Macarena, Larandia, Tolemaida, and Tumaco, and numerous nonmilitary program sites, including alternative development project sites, throughout Colombia. We also observed an aerial eradication operation. (See app. I for a more complete description of our scope and methodology.)

We conducted this performance audit from July 2007 to October 2008, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

Plan Colombia’s goal of reducing the cultivation, processing, and distribution of illegal narcotics by 50 percent in 6 years (through 2006) was not fully achieved, however, major security advances have been made. From 2000 to 2006, opium poppy cultivation and heroin production declined about 50 percent. Estimated coca cultivation was about 15 percent greater in 2006 than in 2000 as coca farmers took countermeasures such as moving to more remote portions of Colombia to
avoid U.S. and Colombian eradication efforts.\textsuperscript{12} Estimated cocaine production was about 4 percent greater in 2006 than in 2000. ONDCP officials noted that cocaine production rates did not keep pace with rising levels of coca cultivation due to the impact of aerial and manual eradication on coca field yield rates.\textsuperscript{13} According to U.S. officials, Colombia improved its security climate through its counternarcotics strategy, military and police actions, and other efforts (such as its demobilization and deserter programs), which have weakened the operational capabilities of FARC and other illegal armed groups. As a result of these efforts, several indicators of security have shown marked improvement since 2000. For example, between 2000 and 2007, the Colombian government reports that the number of murders and kidnappings were reduced by at least one-third and oil pipeline attacks were reduced to almost zero. Nonetheless, U.S. and Colombian officials cautioned that the progress made is not irreversible. U.S. embassy officials told us that security gains will become irreversible only when FARC and other illegal armed groups can no longer directly threaten the central government and, instead, become a local law enforcement problem requiring only police attention.

U.S. assistance totaling nearly $4.9 billion since 2000 has provided the Colombian military and National Police with a range of capabilities, primarily air mobility, needed to pursue Plan Colombia’s counternarcotics and security objectives.

- U.S. support to the Colombian military included providing 72 helicopters and related support services to the Army’s Aviation Brigade; equipment and training for the Army’s Counternarcotics Brigade and other Army mobile units dedicated to counternarcotics and counterinsurgency operations; aviation and ground support assistance to help protect the Caño Limón-Coveñas oil pipeline from insurgent attacks; aviation assets and support for the Colombian Air Force’s Air Bridge Denial program; and

\textsuperscript{12}Coca cultivation estimates are produced by the Central Intelligence Agency’s Crime and Narcotics Center (CNC). CNC expanded the number of hectares surveyed for coca growth beginning in 2004 in an effort to improve the accuracy and comprehensiveness of the estimate. Between 2004 and 2006, CNC’s survey area rose from 10.9 million hectares to 23.6 million hectares.

\textsuperscript{13}ONDCP announced in September 2008 that estimated cocaine production rates for 2003 through 2007 had been revised downward based on the results of recent research showing diminished coca field yield rates in Colombia. On the basis of these revised estimates, ONDCP noted that cocaine production decreased by almost 25 percent from a high of 700 metric tons in 2001 to 535 metric tons in 2007.
support for Navy and Marine interdiction programs designed to seize drugs as they transit Colombia’s coastal waters and rivers. Since 2000, U.S. assistance has increased the Colombian military’s overall operational capability, in particular, its air mobility. These enhanced capabilities have contributed to a number of achievements including the Colombian military’s seizure of hundreds of tons of illicit drugs, an estimated 50 percent reduction in FARC combatants since the outset of Plan Colombia, and the extension of the government’s presence.

U.S. assistance to the National Police included support for its Aerial Eradication Program and Air Service, funding for a police commando unit dedicated to counternarcotics and counterterrorism objectives, seaport and airport interdiction programs, and the creation of mobile rural police squadrons that have helped establish a police presence in 169 municipalities, which lacked a presence in 2000. Since 2000, the National Police have utilized U.S. assistance to aerially or manually eradicate over a million hectares of coca and opium poppy; destroy several hundred cocaine hydrochloride laboratories;\textsuperscript{14} and seize thousands of metric tons of cocaine and heroin.

However, both the military and the National Police face a number of challenges. For example, current coca cultivation levels have increased since Plan Colombia’s inception, in part, because countermeasures taken by coca farmers, including replanting and moving to more remote parts of the country, have mitigated extensive aerial and manual eradication operations.

Since fiscal year 2000, U.S.-supported nonmilitary programs totaling nearly $1.3 billion have had a range of accomplishments, but some of these efforts have been slow in achieving their objectives while others are difficult to assess. The largest share of U.S. nonmilitary assistance has gone toward alternative development, which has benefited hundreds of thousands of Colombians through the creation and expansion of legal economic opportunities. However, alternative development programs currently lack measures to gauge whether they contribute to USAID’s stated strategic goal of reducing the production of illicit narcotics by creating sustainable projects that can function without additional U.S. support after the start-up phase is implemented. According to USAID, support to individuals displaced by violence in Colombia has benefited

\textsuperscript{14}Hydrochloride laboratories are used in the final stages of processing coca into cocaine and are considered high-value targets.
millions of people; however, by some accounts, many other displaced persons cannot access this assistance. According to USAID and Colombian officials, U.S. support for the demobilization and reintegration of former illegal armed combatants has likely improved security, but the reintegration of the former combatants into society and reparations to their victims has been slow. USAID democracy and human rights programs have expanded access to the democratic process for Colombian citizens, and are supporting a new Colombian initiative to coordinate military and civilian strategies in some areas. Finally, Justice and USAID assistance has helped improve the rule of law in Colombia, though progress has been hampered by Colombian judicial authorities’ limited capacity to address the large number of criminal cases in Colombia and the lack of transportation needed to investigate crimes in remote and insecure locations.

In response to congressional direction in 2005 and budget cuts mandated by Congress for fiscal year 2008, State and other agencies accelerated their efforts to transfer program and funding responsibilities for U.S. supported programs to Colombia beginning with the Colombian military and National Police aviation programs, which form the core of State’s assistance. Undertaken as a series of separate initiatives, progress has been mixed with one aviation program nationalized, two programs in transition, and two programs with no definite transfer dates established. In addition, State has taken action to nationalize a portion of its non-aviation program support. Defense, Justice, and USAID each have their own approach to nationalization and differing time lines. The U.S. Military Group in Bogotá and State’s Bureau for Political and Military Affairs are developing a strategy for Congress outlining their plans to reduce the level of Foreign Military Financing and Defense counternarcotics funding provided to Colombia over the next several years. Justice and USAID expect that it will take years to create the conditions and partnerships needed to ensure the long-term sustainability of programs and projects initiated with U.S. funding, however, both agencies have begun the process of nationalizing some of their project activities. Key nationalization challenges include uncertain future U.S. funding levels and the Colombian government’s uncertain ability to rapidly assume program costs despite improvements in its economy.

15Foreign Military Financing funds are appropriated to State but are managed by the U.S. Military Group in Bogotá.
We recommend that the Secretary of State, in conjunction with the Secretary of Defense, the Attorney General, the Administrator of USAID, and the government of Colombia, develop a joint plan for turning over operational and funding responsibilities for U.S.-supported programs to Colombia. This plan should include clearly defined U.S. roles and responsibilities for all U.S. departments and agencies involved; funding requirements, including a detailed assessment of Colombia’s fiscal situation, spending priorities, and ability to provide additional funding; and milestones for completing the transition.

We also recommend that the Administrator of USAID develop performance measures to help USAID (1) assess whether alternative development assistance is reducing the production of illicit narcotics and (2) determine to what extent the agency’s alternative development projects are self-sustaining.

In commenting on a draft of this report, State agreed that it should continue to improve the coordination of nationalization efforts among Defense, other executive branch agencies, and the government of Colombia. However, State did not further address how it intends to develop an integrated plan involving these agencies and the government of Colombia. We continue to believe such an effort is needed to fully integrate and coordinate U.S. goals, timetables, and funding needs in Colombia. In its comments, USAID stated that the measures it has are sufficient to gauge progress towards its strategic goals. However, USAID went on to say that better measures and indicators to assess alternative development projects could be developed, and that the USAID/Colombia mission is working with the USAID missions in Bolivia and Peru, which also manage alternative development programs, to identify new indicators to help assess progress.

Background

For decades, Colombia was one of Latin America’s more stable democracies and successful economies. However, by the late 1990s it had entered a period of sustained crisis due to the emerging strength of the FARC, the Army of National Liberation (ELN), and paramilitary groups (primarily, the United Self Defense Forces of Colombia or AUC) who were increasingly financing their activities through profits from illicit narcotics.¹⁶ These groups were assuming increasing control of the coca

¹⁶FARC and ELN remain active. AUC was demobilized under the Justice and Peace process instituted in 2003.
and opium poppy growing areas of the country through wide scale violence and human rights abuses, which affected to varying degrees each of Colombia’s 32 departments (see fig. 1). Colombia suffered a severe economic downturn in the late 1990s as its armed forces and police were unable to respond to the growing strength of these illegal armed groups, and levels of murder, kidnapping, extortion, economic sabotage, and illicit drug trafficking spiraled upward.17 According to State, in the 7 years prior to Plan Colombia, coca cultivation had increased by over 300 percent and opium poppy cultivation had increased by 75 percent.

17FARC, ELN, and AUC are on State’s list of terrorist organizations. Recognizing that the insurgents and illicit drug activities are inextricably linked, Congress provided “expanded authority” in 2002, which enabled the government of Colombia to use U.S.-provided equipment to fight groups designated as terrorist organizations as well as to fight drug trafficking.
Despite U.S. and Colombian efforts to counter the drug-trafficking activities of these illegal armed groups, State reports that Colombia remains the source for about 90 percent of the cocaine entering the United States, and the primary source of heroin east of the Mississippi River. According to State officials, FARC and other illegal groups remain active in areas where coca and opium poppy are grown and are involved in every
facet of the narcotics business from cultivation to transporting drugs to points outside Colombia.

Plan Colombia Provided a Focus for Counternarcotics and Counterterrorism Efforts

Announced by Colombian President Andres Pastrana in 1999, Plan Colombia was designed to counter the country’s drug and security crisis through a comprehensive 6-year, $7.5 billion plan linked to three objectives: (1) reduce the flow of illicit narcotics and improve security, (2) promote social and economic justice, and (3) promote the rule of law. While the latter two objectives were not specifically designed to reduce the flow of illicit narcotics and improve security, they broadly facilitate these goals by addressing some of the underlying social and economic realities that drive individuals toward the illicit drug trade and by providing a legal framework for bringing drug traffickers and terrorists to justice.

As shown in figure 2, State and Defense assistance for the Colombian military and National Police has supported a counternarcotics strategy focused on reducing illicit narcotics and improving security. Central to this support have been State-led efforts to provide the Colombians with air mobility, which supports the full range of military programs and many nonmilitary programs by providing access and security in remote areas. Nonmilitary assistance efforts are implemented by USAID, Justice, and, State, which oversee a diverse range of social, economic, and justice initiatives.
In January 2007, the government of Colombia announced a 6-year follow-on strategy, the PCCP. This new strategy includes the same three broad objectives as Plan Colombia. The government of Colombia has pledged to provide approximately $44 billion for PCCP. The strategy notes that a certain level of support from the international community is still essential. At the time, the United States developed a proposed funding plan of approximately $4 billion in U.S. support for PCCP for fiscal years 2007 through 2013.

Security Component of Plan Colombia Expanded

The government of Colombia significantly expanded the security component of Plan Colombia with its Democratic Security and Defense Policy in June 2003, which outlined a “clear, hold, and consolidate” strategy. The strategy’s main objective was to assert state control over the majority of Colombia’s national territory, particularly in areas affected by
the activities of illegal armed groups and drug traffickers. Colombian officials said this new strategy will take years to fully implement. (See fig. 3.) Expanded authority approved by the U.S. Congress at about the same time allowed agencies to support this security strategy.

**Figure 3: Colombia’s Clear, Hold, and Consolidate Strategy**

- **Clear**: Areas with active presence of IAGs
  - Objective: Disrupt and drive out IAG and assume territorial control
    - MILITARY INTENSIVE EFFORT

- **Hold**: Controlled areas in process of institutional recovery
  - Objective: Maintain order and security within the community. Attract other institutions of the State
    - POLICE AND MILITARY INTENSIVE EFFORT

- **Consolidate**: Stabilized areas
  - Objective: Consolidation of State authority and establishment of all State institutions and public services.
    - SOCIAL AND POLITICAL INTENSIVE EFFORT

Source: Colombian Ministry of Defense.

The government of Colombia has taken a number of steps to implement this strategy, including:

- Increasing the size of its military and police from 279,000 in 2000 to 415,000 in 2007.
- Conducting a series of offensive actions against FARC under a military strategy called Plan Patriota, which began in June 2003 with efforts to clear FARC from areas surrounding Colombia’s capital, Bogotá. In mid-2004, the military implemented a second, more ambitious phase of Plan Patriota aimed at attacking key FARC fronts encompassing the southern Colombian departments of Caquetá, Guaviare, and Meta. Based in Larandia, Joint Task Force-Omega was established in 2004 to coordinate the efforts of the Colombian Army, Air Force, and Marines in this area.
Creating the Coordination Center for Integrated Government Action (CCAI) in 2004 to coordinate the delivery of military and civilian assistance in 58 targeted municipalities emerging from conflict in 11 regions throughout Colombia.

An updated version of the Colombian defense strategy was released in coordination with the PCCP strategy in January 2007. Incorporating lessons learned from the 2003 strategy, this latest strategy focuses on clearing one region at a time and places a greater emphasis on consolidating military gains through coordinated civil-military assistance designed to solidify the government’s presence in previously conflictive areas by providing a range of government services to local populations.

To implement this strategy, the government of Colombia has taken several actions, including focusing Joint Task Force-Omega’s efforts in La Macarena—a traditional FARC stronghold—through a new military offensive called Plan Consolidacion. The government also developed a coordinated military and civilian plan of action called the Consolidation Plan for La Macarena, which has been in place since October 2007. As part of this plan, CCAI established a joint civil-military fusion center to coordinate military, police, economic development, and judicial activities. If successful, the approach in La Macarena is intended to serve as a model for similar CCAI efforts in 10 other regions of the country. It represents a key test of the government’s enhanced state presence strategy and a potential indicator of the long-term prospects for reducing Colombia’s drug trade by systematically re-establishing government control throughout the country.

U.S. Funding for Plan Colombia

Between fiscal years 2000 and 2008, the United States has provided over $6 billion in military and nonmilitary assistance to Colombia. (See table 1.)
Table 1: U.S. Assistance under Plan Colombia and the PCCP by Program Objective—Fiscal Year Appropriations 2000 through 2008

<table>
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<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<th>2006</th>
<th>2007</th>
<th>2008 (Est.)</th>
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<td>Reduce Illicit Narcotics and Improve Security</td>
<td>$817.8</td>
<td>$232.8</td>
<td>$395.9</td>
<td>$607.9</td>
<td>$617.7</td>
<td>$585.6</td>
<td>$587.3</td>
<td>$591.1</td>
<td>$423.4</td>
<td>$4,859.5</td>
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<td>Promote Social and Economic Justice</td>
<td>80.0</td>
<td>0.5</td>
<td>109.9</td>
<td>125.7</td>
<td>126.5</td>
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<td>130.4</td>
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<td>Total</td>
<td>$1,018.9</td>
<td>$234.2</td>
<td>$521.6</td>
<td>$760.6</td>
<td>$753.2</td>
<td>$717.6</td>
<td>$728.2</td>
<td>$738.6</td>
<td>$657.2</td>
<td>$6,130.0</td>
</tr>
</tbody>
</table>

Sources: State and Defense.

Note: To obtain consistent and comparable funding data from each of the departments and agencies involved, we use appropriated U.S. assistance throughout this report. We refer to the funding as “provided,” though all of it may not have been obligated or expended. State appropriations accounts include the Plan Colombia emergency supplemental; the Andean Counterdrug Initiative (ACI), which became the Andean Counterdrug Program (ACP) in fiscal year 2008; International Narcotics Control and Law Enforcement (INCLE); Foreign Military Financing (FMF); International Military Education and Training (IMET); and Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR). USAID and Justice received the bulk of their funding through the ACI account until fiscal year 2008. Beginning in 2008, funding for Justice and USAID rule of law programs was provided through INCLE, with other USAID programs funded through the Economic Support Fund (ESF). Defense receives the bulk of its funding through its own counternarcotics budget for Colombia and State-controlled FMF and IMET funds.

Most State assistance for Colombia is overseen by its Bureau for International Narcotics and Law Enforcement Affairs (State/INL), though the Bureau for Political and Military Affairs is responsible for FMF and IMET funds. State/INL’s Narcotics Affairs Section (NAS) in the U.S. Embassy Bogotá oversees daily program operations. State’s Office of Aviation supports the NAS with advisors and contract personnel who are involved with the implementation of U.S. assistance provided to the Colombian Army’s Plan Colombia Helicopter Program (PCHP) and the National Police’s Aerial Eradication Program. The Military Group in the U.S. Embassy Bogotá manages both Defense counternarcotics support and State FMF and IMET funding. USAID and Justice have full-time staff based in Bogotá to oversee and manage their nonmilitary assistance programs. U.S. agencies are supported in their efforts by an extensive U.S.-funded
contract workforce, which provides a range of services from aviation program support to alternative development project implementation.  

<table>
<thead>
<tr>
<th>U.S. Nationalization Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the outset of Plan Colombia, Congress has stated that U.S. assistance efforts should be nationalized over time and has followed through with a number of specific reporting requirements and budget decisions to help ensure this objective is achieved. Beginning in 2004, Congress signaled that U.S. program administrators should begin the process of drawing down support for U.S. financed aviation programs in Colombia, which it noted accounted for a significant portion of U.S. assistance to Colombia.</td>
</tr>
</tbody>
</table>
| In 2005, House appropriators requested that the administration develop a multiyear strategy defining U.S. program and nationalization plans going forward under the PCCP. The administration responded in March 2006 with a report to Congress that outlined program achievements under Plan Colombia and a broad outline of planned nationalization efforts beginning with U.S. financed aviation programs.  
  Follow-on reports issued in April 2007 and April 2008 further refined the administration’s plans by providing a proposed funding plan illustrating how U.S. assistance efforts would be reduced from 2007 through 2013 as the Colombians assume greater responsibility for programs funded and managed by the United States. |

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18 The Secretary of State is required to file an annual report to Congress on the activities of U.S. businesses that have entered into agreements in the previous 12-month period with State or Defense to carry out counternarcotics activities in Colombia. For example, see Report to Congress on Certain Counternarcotics Activities in Colombia, Apr. 21, 2008.

19 Report to Congress: U.S. Assistance Programs in Colombia and Plans to Transfer Responsibilities to Colombia, March 2006.

Plan Colombia’s goal of reducing the cultivation, processing, and distribution of illegal narcotics by targeting coca cultivation was not achieved. Although estimated opium poppy cultivation and heroin production were reduced by about 50 percent, coca cultivation and cocaine production increased, though data from 2007 indicate that cocaine production slightly declined. Colombia’s security climate has improved as a result of progress in a number of areas, but U.S. and Colombian officials cautioned that current programs must be maintained for several years before security gains can be considered irreversible.

From 2000 to 2006, estimated opium poppy cultivation and heroin production declined about 50 percent, but coca cultivation and cocaine production increased over the period. To put Colombia’s 6-year drug reduction goal in perspective, we note that although U.S. funding for Plan Colombia was approved in July 2000, many U.S.-supported programs to increase the Colombian military and police capacity to eradicate drug crops and disrupt the production and distribution of heroin and cocaine did not become operational until 2001 and later. Meanwhile, estimated illicit drug cultivation and production in Colombia continued to rise through 2001, with estimated cultivation and production declining in 2002 through 2004. However, the declines for coca cultivation and cocaine production were not sustained. In addition, the estimated flow of cocaine towards the United States from South America rose over the period.

As illustrated in figure 4, estimated opium poppy cultivation and heroin production levels in 2006 were about half of what they had been in 2000.
As illustrated in figure 5, coca cultivation was about 15 percent greater in 2006 than in 2000, with an estimated 157,000 hectares cultivated in 2006 compared to 136,200 hectares in 2000. State officials noted that extensive aerial and manual eradication efforts during this period were not sufficient to overcome countermeasures taken by coca farmers as discussed later in this report. U.S. officials also noted the increase in estimated coca cultivation levels from 2005 through 2007, may have been due, at least in part, to the Crime and Narcotics Centers’ decision to increase the size of the coca cultivation survey areas in Colombia beginning in 2004 and subsequent years.
Figure 5: Estimated Coca Cultivation in Colombia, 2000–2007

Note: Coca cultivation estimates are produced by the Central Intelligence Agency’s Crime and Narcotics Center (CNC). CNC significantly expanded the number of hectares surveyed for coca growth beginning in 2005 in an effort to improve the accuracy and comprehensiveness of the estimate. Between 2004 and 2006, CNC’s survey area rose from 10.9 million hectares to 23.6 million hectares. The United Nations produces its own annual estimates of coca cultivation in Colombia. U.S. and U.N. estimates of coca cultivation vary widely due to technical and methodological differences.

As illustrated in figure 6, estimated cocaine production was about 4 percent greater in 2006 than in 2000, with 550 metric tons produced in 2006 compared to 530 metric tons in 2000. However, in September 2008, ONDCP officials noted that cocaine production did not keep pace with rising coca cultivation levels because eradication efforts had degraded coca fields so less cocaine was being produced per hectare of cultivated coca. ONDCP also announced that estimated cocaine production rates in Colombia for 2003 through 2007 had been revised downward based on the results of recent research showing diminished coca field yield rates. On the basis of these revised estimates, ONDCP estimated cocaine production decreased by almost 25 percent from a high of 700 metric tons in 2001 to 535 metric tons in 2007.
As illustrated in figure 7, in 2000, the interagency counternarcotics community estimated that 460 metric tons of cocaine was flowing towards the United States from South America. In 2004, the interagency began reporting low and high ranges of estimated flow. Using the midpoints of these ranges, the estimated flow of cocaine to the United States in 2004

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According to ONDCP officials, a similar assessment is not done for heroin.
was about 500 metric tons; in 2005 it rose to over 625 metric tons; in 2006 and 2007, it was about 620 metric tons.\textsuperscript{22}

**Figure 7: Estimated Amount of Export Quality Cocaine Flowing Towards the United States, 2000–2007**

![Graph showing cocaine flow from 2000 to 2007](image)

Cocaine flow (in metric tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004\textsuperscript{2}</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>2000</td>
<td>470</td>
<td>520</td>
<td>510</td>
<td>520</td>
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<td>520</td>
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<td>2003</td>
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<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
</tr>
<tr>
<td>2004\textsuperscript{2}</td>
<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
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<td>2007</td>
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<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
<td>520</td>
</tr>
</tbody>
</table>

Source: 2006 and 2007 (interim) IACM.

Flow estimates use export quality cocaine (that is, less than 100 percent pure) to reflect the fact that shipped cocaine is almost always diluted. Export quality purity levels can vary from year to year, depending on a number of variables.

Because of methodological concerns, beginning in 2004, the Interagency Assessment of Cocaine Movement, which represents the principal source of information about cocaine flow in the transit zone, began providing its cocaine flow estimates in the form of a range.

Reductions in Colombia’s estimated cocaine production have been largely offset by increases in cocaine production in Peru and to a lesser extent Bolivia. Although U.S. government estimates suggest that South American cocaine production levels have fluctuated since 2000, production in 2007 was 12 percent higher than in 2000. See appendix III for more detail about the interagency counternarcotics community’s estimates of coca cultivation and cocaine production in Colombia, Bolivia, and Peru.

Plan Colombia Achieved Important Security Advances

Since 2000, U.S. assistance has enabled the Colombians to achieve significant security advances in two key areas. First, the government has expanded its presence throughout the country, particularly in many areas formerly dominated by illegal armed groups. Second, the government, through its counternarcotics strategy, military and police actions, and other efforts (such as its demobilization and deserter programs) has degraded the finances of illegal armed groups and weakened their operational capabilities. These advances have contributed to an improved security environment as shown by key indicators (see figs. 8 through 10) reported by the government of Colombia.
Figure 8: Homicides in Colombia, 2000–2007

Number of homicides

35,000
30,000
25,000
20,000
15,000
10,000
5,000
0

Year
2000 2001 2002 2003 2004 2005 2006 2007

Source: Colombian Ministry of Defense.

Figure 9: Kidnappings in Colombia, 2000–2007

Number of kidnappings

3,000
2,500
2,000
1,500
1,000
500
0

Year
2000 2001 2002 2003 2004 2005 2006 2007

Source: Colombian Ministry of Defense.
One central tenet of Plan Colombia and follow-on security plans is that Colombian government must reassert and consolidate its control in contested areas dominated or partially controlled by illegal armed groups. According to an analysis provided by the Colombian Ministry of Defense in February 2008, the government was in full or partial control of about 90 percent of the country in 2007 compared with about 70 percent in 2003.\textsuperscript{23} U.S. officials we spoke to generally agreed that the government of Colombia had made major progress reasserting its control over large parts of the country and that Colombia’s estimates of enhanced state presence were reasonably accurate.

Colombian Government Controls More of the Country

IllegaL Armed Group Finances and Operating Capabilities Have Been Degraded

U.S. and Colombian officials and some observers agree that Plan Colombia’s counternarcotics and counterterrorism efforts have degraded the finances and operating capacity of illegal armed groups, including FARC, paramilitaries, ELN, and other drug-trafficking organizations.

\textsuperscript{23}The analysis also suggested that while the government increased its presence in most areas of the country, some became more contested, including the southern department of Putumayo—a critical region of coca cultivation—and the eastern department of Vichada, which borders Venezuela.
However, these officials also cautioned that FARC, while severely weakened, remains a threat to Colombia’s national security.

**FARC’s Capabilities and Finances Have Been Significantly Reduced, but It Remains a National Security Threat**

According to U.S. and Colombian officials and some reports, FARC’s capabilities and finances have been substantially diminished as a result of U.S. and Colombian counternarcotics efforts and continued pressure from the Colombian military. According to the Drug Enforcement Administration, since 2000, FARC has been Colombia’s principal drug-trafficking organization, accounting for approximately 60 percent of the cocaine exported from Colombia to the United States. According to ONDCP, FARC membership has declined from an estimated high of 17,000 in 2001 to an estimated force of 8,000 or less today. In June 2007, ONDCP reported that Colombia’s antidrug efforts reduced FARC’s overall profits per kilogram of cocaine from a range of $320 to $460 in 2003 to between $195 and $320 in 2005.

According to State and embassy officials, and nongovernmental observers, the number of FARC combatants and its capabilities have been dramatically reduced by continuous assaults on its top leadership, the capture or killing of FARC members in conflictive zones, and a large number of desertions. In 2007, the Colombian Ministry of Defense reported that it had captured or killed approximately 4,600 FARC combatants and about 2,500 had demobilized. According to the Colombian Ministry of Defense, as of July 2008, over 1,700 FARC have demobilized this year—over two-thirds of the total for all of 2007. U.S. Military Group officials told us FARC now avoids direct combat with Colombian security forces and is limited to hit and run terrorist attacks.

Nonetheless, Defense and Colombian officials caution that FARC remains a national security threat, exercising control over important parts of the country, such as Meta, which serves as a key transport corridor linking many of the coca cultivation areas in the eastern part of the country with the Pacific ports used to transport cocaine out of the country. According

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24 According to Defense officials, FARC derives about 80 percent of its total revenue from drug trafficking.

25 For example, Luis Edgar Devia Silva (alias “Raul Reyes”), a member of FARC’s central command, was killed in a raid over the border with Ecuador in March 2008.
to U.S. military group officials, the government of Colombia’s goal is to reduce FARC’s members, finances, and operating capabilities so it no longer poses a national security threat. To achieve this goal, Colombian President Uribe has accelerated the pace of all activities to help ensure this happens by 2010 when his current term ends. However, according to U.S. Military Group officials, FARC will not reach the point where it can no longer pose a significant threat to Colombia’s government until the number of combatants is reduced to less than 4,000. In February 2008, U.S. Military Group officials told us that they estimated that this point could be reached in 18 months, but not without continued U.S. support.

AUC Has Demobilized, but Remnants Remain a Threat

Beginning in late 2003, AUC entered into a peace accord with the government of Colombia to demobilize and lay down its arms. From 2003 to 2006, AUC paramilitary members reported to demobilization centers around the country. According to USAID officials, approximately 32,000 paramilitary soldiers and support staff entered the demobilization process.

However, according to Defense officials, former midlevel officers of AUC have taken advantage of the vacuum created by the demobilization of AUC to form or join regional criminal bands engaged in drug trafficking, which threaten to destabilize the political system and civilian security. According to a May 2007 report by the International Crisis Group, estimates of the total number of individuals involved in these criminal bands range from 3,000 to 9,000, with many of the members former AUC. These include the “Aguilas Negras,” (Black Eagles), which operates in northeastern Colombia along the border with Venezuela, and the “Nueva Generación Organización” (New Generation Organization), which operates in the department of Nariño. According to Defense officials, while homicides and kidnappings throughout Colombia have decreased, fighting among illegal armed groups has resulted in an increase in violence and internal displacement in certain regions of the country, such as the southern Colombian department of Nariño.

ELN Has Been Weakened and Drug-Trafficking Organizations Have Been Fragmented

According to U.S. embassy and Colombian military officials, a number of factors, including Colombian counternarcotics efforts, military pressure, and competition with FARC, have combined to weaken ELN. According to U.S. military group officials, in 2000, ELN was estimated to number approximately 5,000 combatants; it is currently estimated to number between 2,200 and 3,000.

According to the Drug Enforcement Administration, in addition to the insurgent and paramilitary groups that engage in drug trafficking, other major drug trafficking groups operate in Colombia. These include the North Valle de Cauca group based in the southwestern Colombian department of Valle de Cauca and the North Coast group based in the Caribbean cities of Cartagena, Barranquilla, and Santa Marta. According to Drug Enforcement Administration officials and reports, Colombian law enforcement successes, including the arrest and extradition of major traffickers, have helped fragment these groups, forcing them to become “niche” organizations, specializing in limited aspects of the drug trade in order to avoid being identified, arrested, and prosecuted. Nevertheless, according to a 2006 Drug Enforcement Administration report, these organizations are increasingly self-sufficient in cocaine base production, have a firm grip on Caribbean and Pacific smuggling routes, and dominate the wholesale cocaine markets in the eastern United States and Europe.

U.S. Assistance Promotes Colombian Military and Police Counternarcotics and Security Objectives

State and Defense provided nearly $4.9 billion from fiscal years 2000 to 2008 to the Colombian military and police to support Plan Colombia’s counternarcotics and security objectives (see table 2). U.S. assistance to the Colombian military has focused on developing the capabilities of the Colombian Army’s Aviation Brigade and the creation of an Army Counternarcotics Brigade and mobile units that focus on counternarcotics, infrastructure protection, and counterinsurgency missions. State and Defense also provided extensive support for the Air Force’s Air Bridge Denial Program; and Navy and Marine interdiction efforts. ²⁷ U.S. support for the National Police has focused on its Aerial Eradication Program and

²⁷Pursuant to the “Leahy Amendment,” U.S. assistance to the Colombian military may only be provided to units that have been vetted for human rights abuses as certified by the Secretary of State.
Air Service. Other U.S. assistance supported the creation of mobile squadrons of rural police (referred to as “Carabineros”), which have helped establish (1) a police presence in 169 Colombian municipalities that had no police presence in 2002, and (2) specialized interdiction programs that attack cocaine labs and narcotrafficking in the ports.

Table 2: U.S. Assistance Provided to the Colombian Military and National Police, Fiscal Year Appropriations 2000 through 2008

<table>
<thead>
<tr>
<th>Service/fiscal year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008 (Est.)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombian Military</td>
<td>$683.5</td>
<td>$192.8</td>
<td>$257.1</td>
<td>$443.4</td>
<td>$445.5</td>
<td>$394.7</td>
<td>$382.8</td>
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<td>127.5</td>
<td>143.2</td>
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<td>$844.1</td>
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<td>Army Ground Forces</td>
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<td>6.3</td>
<td>18.1</td>
<td>13.4</td>
<td>22.2</td>
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<td>Infrastructure Security</td>
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<td>4.0</td>
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<td>Air Interdiction</td>
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<td>8.0</td>
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<td>10.0</td>
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<td>8.0</td>
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<td>Colombian National Police</td>
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<td>Police Presence in Conflict Zones</td>
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<td>16.4</td>
<td>31.5</td>
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<tr>
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<td>$395.9</td>
<td>$607.9</td>
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<td>$585.6</td>
<td>$587.3</td>
<td>$591.1</td>
<td>$423.4</td>
<td>$4,859.5</td>
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</table>

Sources: State and Defense.

Note: To obtain consistent and comparable funding data from each of the departments and agencies involved, we use appropriated U.S. assistance throughout this report. We refer to funding as "provided," though all of it may not have been obligated or expended. Funding sources include State funded ACI, INCLE, FMF, IMET, NADR, and Defense counter narcotics funding. State officials noted funding data represents allocated amounts, which do not reflect any subsequent budget reprogramming that might have occurred or restrictions placed on funds by Congress due to certification requirements relating to human rights or environmental concerns over the aerial spray program.

*State could not allocate appropriations by program category in fiscal years 2000 and 2001.

This category addresses State’s Air Bridge Denial program.
This support has led to a range of accomplishments since 2000 including increasing the cost of doing business for both coca farmers and drug traffickers by eradicating illicit drug crops and seizing finished product; destroying hydrochloride laboratories; demobilizing, capturing, and killing thousands of combatants; and the capture or killing of several high-profile leaders of FARC and other illegal armed groups. Program officials noted, however, that a number of challenges have diminished the effect U.S. assistance has had on reducing the flow of cocaine to the United States, including the countermeasures taken by coca farmers to mitigate the effect of U.S. and Colombian eradication programs.

### Army Aviation Brigade

Since fiscal year 2000, State and Defense have provided over $844 million to help expand and maintain an Army Aviation Brigade that has seen almost a threefold increase in the number of aircraft it manages and a near doubling in its total personnel since 2000. Increased air mobility has been described by the Colombian Ministry of Defense as a key outcome of U.S. support for Plan Colombia. Air mobility is needed to conduct spray operations and move Army Counternarcotics Brigade personnel to eradication sites to provide needed security. Air mobility is also needed to transport different Colombian army units waging security operations against FARC and other illegal armed groups where rapid deployment is essential for delivering combat troops to the point of attack.

The brigade consists of three fleets of helicopters. The first, referred to as the Plan Colombia Helicopter Program or PCHP, consists of 52 U.S. aircraft—17 UH-1Ns, 22 UH-IIIs, and 13 UH-60L Blackhawks—that State provided to the Colombians under a no-cost lease. The second fleet, commonly referred to as the FMS fleet, consists of 20 UH-60Ls, which Colombia acquired through the Foreign Military Sales (FMS) program. The

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28The United States originally provided the brigade with a total of 72 helicopters (33 UH-1N, 25 UH-II, and 14 UH-60). According to State officials, several aircraft were transferred to the police, some were nationalized, and others have crashed.
The third fleet consists primarily of Russian and U.S. aircraft leased by the Army Aviation Brigade, along with aircraft that have been nationalized.\footnote{For example, this fleet includes seven UH-IIIs and two Blackhawks transferred to the Army Aviation Brigade as part of Colombia’s infrastructure security strategy.}

State, with assistance from Defense, has provided the PCHP fleet with the essential support components needed to manage a modern combat aviation service, including infrastructure and maintenance support; contract pilots and mechanics; assistance to train pilots and mechanics; flight planning, safety, and quality standards and procedures; and a logistics system. Defense provides a Technical Assistance Field Team to support the brigade’s FMS fleet. The team is contracted to provide oversight of FMS fleet maintenance activities and to help train brigade mechanics working on these helicopters. Defense also is providing the Ministry of Defense with a logistics system and a limited aviation depot to enable the Colombians to perform certain depot-level repairs on their helicopters. Appendix II describes these support services in more detail. Figure 11 illustrates some examples.
According to U.S. and Colombian officials, a key challenge facing the brigade is to train and retain enough pilots and mechanics to manage the brigade without continued U.S. support—a challenge we have noted previously. In June 2003, we reported that the Colombian Army could not maintain the PCHP helicopters because it did not have sufficient numbers of qualified pilots and mechanics. At that time, U.S. officials expected

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they would have enough trained entry level pilots by December 2004. They also told us that 54 maintenance personnel required basic training, but noted that it would be 3 to 5 years before these mechanics would be qualified to repair helicopters.

We found that the Army Aviation Brigade is still understaffed. According to State, as of June 2008, a total of 43 contract pilots and 87 contract mechanics were needed to operate the PCHP program. U.S. officials expect that almost all of these contract personnel will be replaced with Colombian Army personnel by 2012, at which time U.S. program officials said all program support to the Army Aviation Brigade would consist of technical support. According to the Commander of the Army Aviation Brigade, however, the Colombians are buying 15 additional UH-60 Blackhaws through the FMS system for delivery starting in October 2008 and, in July 2008, the United States loaned 18 UH-1Ns from PCHP’s inventory to Colombia. These additional helicopters will strain U.S. efforts to help the Colombians ensure they have enough trained pilots and mechanics to meet their needs. Military Group and NAS officials told us that current U.S. funding and training plans can accommodate Colombia’s planned FMS purchase and the 18 loaned UH-1Ns. These officials cautioned, however, that any additional Colombian aircraft purchases will have a significant impact on future funding and training requirements.

While the Colombian Army has not had difficulty retaining pilots, the lack of a dedicated career path that provides an incentive for pilots to remain with the brigade could adversely affect retention. According to a U.S. Embassy Bogotá report, the lack of a warrant officer program means that, to earn promotion, Army Aviation Brigade officers must command ground troops, taking them away from being helicopter pilots. This lack of a dedicated career path may be a problem as more junior staff progress in their careers. According to the Commander of the Army Aviation Brigade, the Colombian Army has approved plans to establish a career path for military and police aviators by creating a warrant officer program.

31 State officials noted that these levels represent nearly a 50 and 75 percent reduction, respectively, in on-hand contract pilots and mechanics since 2004 when the contractor reduction plan was put in place.

32 This loan agreement runs through December 2009. During this period, the Colombians have agreed to assume all operating and maintenance costs.

33 In August 2008, one of these helicopters crashed.
However, the Ministry of Defense and the Colombian legislature must approve this before the program can begin.

| Army Ground Forces | Since fiscal year 2000, State and Defense have provided over $104 million to advise, train, and equip Colombian ground forces, which grew by almost 50 percent during this period. This assistance supported the creation of an Army Counternarcotics Brigade, Army mobile units, and a Joint Special Operations Command. Each pursues various counternarcotics and counterinsurgency missions under a national joint command structure. |
| Counternarcotics Brigade | The Army’s Counternarcotics Brigade was originally established in 1999 to plan and conduct interdiction operations against drug traffickers in southern Colombia. U.S. and Colombian officials credit the brigade with providing the security needed to conduct aerial and manual eradication operations, along with drug and precursor seizures and the destruction of base and hydrochloride laboratories. The brigade’s initial focus was on the departments of Putumayo and Caquetá where, at the time, much of Colombia's coca cultivation was located. Subsequently, the brigade was designated a national asset capable of operating anywhere in Colombia. The brigade’s mission was also extended to include counterinsurgency operations in line with expanded program authority passed by Congress in 2002 that allowed U.S. assistance to be used for both counternarcotics and counterterrorism purposes. Defense provided the brigade with training, equipment, and infrastructure support including the construction of facilities at Tres Esquinas and Larandia, while State assistance provided the brigade with weapons, ammunition, and training. The brigade carries out ground interdiction operations and provides ground security for the National Police’s aerial and manual eradication efforts. The brigade is supported by the Army Aviation Brigade, which provides air mobility. According to State and U.S. military group officials, the brigade now provides its own training and most of its equipment. Beginning in fiscal year 2004, State reduced the amount of funding for the brigade from approximately $5 million to $2.2 million in fiscal year 2007. It is scheduled to remain at this level in fiscal year 2008. |

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34The United States originally agreed to provide training and equipment for a brigade made up of three battalions (which became operational in December 1999, December 2000, and May 2001, respectively) and a headquarters staff that initially totaled about 2,285 professional and conscripted soldiers.
### Mobile Army Brigades and Special Forces Units

Defense provided support has helped equip mobile Army brigades and joint special forces units which, according to Defense officials, seek to establish “irreversible” security gains against FARC and other illegal armed groups. In particular, this assistance (1) enabled the Army to form mobile brigades for counterinsurgency efforts, such as Joint Task Force-Omega in central Colombia, and (2) facilitated the establishment of a Joint Special Forces Command made up of a commando unit, an urban hostage rescue unit, and a Colombian Marine special forces unit.

According to Defense officials, U.S. assistance to the mobile brigades consisted primarily of intelligence and logistics support, training, weapons, ammunition, vehicles, and infrastructure support including a fortified base in La Macarena, which is the home base for Joint Task Force-Omega’s mobile units. This assistance has helped the Colombian Army conduct mobile operations throughout Colombia, a capacity that Defense officials said generally did not exist at the outset of Plan Colombia. According to a senior U.S. Military Group official, the mobile brigades’ effectiveness can be seen in the number of combatants from illegal armed groups captured and killed or who have surrendered. For example, Joint Task Force-Omega documentation provided by the Colombians show that, as of February 2008, the task force had captured over 1,000 combatants, killed almost 100, and persuaded about 400 to surrender. The United States continues to provide support for the Army’s mobile brigades, but U.S. officials expect this support to be reduced as the brigades become increasingly self-sufficient.

U.S. support has helped the Colombian military establish a Joint Special Forces Command that also operates under the direction of the General Command of the Armed Forces. The support consisted of training,

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35 This support refers to the counternarcotics funding directly appropriated to Defense, as well as FMF funds provided through State’s Bureau for Political-Military Affairs.

36 According to Colombian officials, Joint Task Force-Omega was established in 2004 to coordinate the efforts of the Colombian Army, Air Force, and Marines against FARC in its traditional stronghold in central Colombia, which incorporates portions of the departments of Meta, Guaviare, and Caquetá.

37 Defense Planning Assistance Training Teams provide military planning and training to Colombian military units, including the mobile brigades.

38 Joint Task Force-Omega is supported by five mobile Army brigades. According to Colombian officials, Joint Task Force-Omega, which is comprised of about 10,000 soldiers, is tasked with clearing FARC from central Colombia and holding reclaimed areas with a focus on the pilot project for re-asserting government control in La Macarena in Meta.
weapons, ammunition, and infrastructure support, including for the command’s principal compound near Bogotá. According to Defense officials, the command includes approximately 2,000 soldiers from five units made up of Colombian Army, Air Force, and Marine components. It is tasked with pursuing high-value targets and rescuing hostages in urban and rural environments. U.S. officials described this command as similar to the U.S. Special Operations Command and said that, prior to 2004, the Colombian military did not have the capability to conduct joint special forces operations. According to U.S. officials, the command has been involved in a number of high-profile operations, including the recent rescue of 15 hostages that included three U.S. citizens.

<table>
<thead>
<tr>
<th>Infrastructure Security Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>In fiscal years 2000-2008, Congress provided over $115 million to help Colombia implement phase one of its infrastructure security strategy, designed to protect the first 110 miles of the nearly 500 mile-long Caño Limón-Coveñas oil pipeline from terrorist attacks. In prior years, insurgent attacks on the pipeline resulted in major economic losses for both the Colombian government and oil companies operating in the country. For instance, in 2001, the pipeline was attacked 170 times and forced to shut down for over 200 days, resulting in approximately $500 million in lost revenues, as well as considerable environmental damage. According to State, there was only one attack made on the entire length of the pipeline in 2007.</td>
</tr>
<tr>
<td>U.S. support provided for both an aviation component and a ground combat support element and included two UH-60 Blackhawk helicopters, eight UH-II helicopters, and related logistics support and ground facilities. Nearly $30 million was used for U.S. Special Forces training and equipment provided to about 1,600 Colombian Army soldiers assigned to protect this portion of the pipeline.</td>
</tr>
</tbody>
</table>

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39 This strategy consisted of three phases. Phase one focused on protecting the first 110 miles of the pipeline. Phase two was designed to protect the rest of the pipeline, and phase three was to secure other infrastructure throughout Colombia. However, phases two and three of the strategy were later broadly incorporated into Colombia’s Defense Policy and Security Strategy in 2003.

40 According to NAS officials, one of the UH-II helicopters crashed in 2006.

In December 2007, the United States transferred operating and funding responsibility for the infrastructure security strategy to Colombia—including nine helicopters.

**Air Interdiction**

Beginning in fiscal year 2003, State has provided over $62 million in assistance to enable the Colombian Air Force to implement the Air Bridge Denial (ABD) program, which is designed to improve the Colombian government’s capacity to stop drug trafficking in Colombian airspace by identifying, tracking, and forcing suspicious aircraft to land so that law enforcement authorities can take control of the aircraft, arrest suspects, and seize drugs. The program was expanded in 2007 to include surveillance of Colombia’s coastal waters to strengthen the Colombian government’s capacity to address the emerging threat posed by semisubmersible vessels.

To support the program, State and Defense have provided the Colombian Air Force with seven surveillance aircraft, which monitor Colombian airspace for suspicious traffic, infrastructure support at four ABD bases located across Colombia, contract aviation maintenance support, training, ground and air safety monitors, and funding for spare parts and fuel. The program also utilizes a network of U.S. detection resources including five in-country radars, over-the-horizon radars located outside Colombia, and airborne radar systems. In June 2007, the United States began nationalizing the ABD program, including transferring the title of surveillance aircraft and responsibility for operating and maintaining the five radars located in Colombia. According to NAS officials, the United States is training Colombian Air Force ground and air safety monitors and maintenance personnel and expects to nationalize the program by 2010, with only limited U.S. funding in subsequent years.

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42State provided an additional $35 million in fiscal year 2001 to the Colombian Air Force to upgrade interceptor aircraft. These are used to support the ABD program and other air force missions.

43The ABD program operated in both Colombia and Peru during the 1990s. The program was suspended in both countries in April 2001 when a legitimate civilian aircraft was shot down in Peru and two U.S. citizens were killed. The program was restarted in Colombia in August 2003 after additional safeguards were established.

44One of these aircraft crashed and is unrepairable.
According to NAS officials, suspicious aircraft tracks dropped from 637 in 2003 to 84 in 2007. In 2007, the Colombian Air Force forced three suspected drug-trafficking aircraft to land and each aircraft was seized; however, according to a senior NAS official, the crews escaped, and no cocaine was found. In the same year, the ABD program was expanded to include a maritime patrol mission. While conducting a maritime patrol, ABD aircraft assisted in the sinking of two self-propelled semisubmersibles, which resulted in the arrest of seven individuals and the seizure or destruction of approximately 11 metric tons of cocaine. In our September 2005 report, we noted that the stated purpose of the program (the seizure of aircraft, personnel, and drugs) was rarely achieved, though the program did succeed in reducing the number of suspicious flights over Colombia—a valuable program outcome, according to U.S. and Colombian officials.

Coastal and River Interdiction

Since fiscal year 2000, State and Defense provided over $89 million to help sustain and expand Colombian Navy and Marine interdiction efforts. According to Defense, from January to June 2007, an estimated 70 percent of Colombia’s cocaine was smuggled out of the country using go-fast vessels, fishing boats, and other forms of maritime transport. State and Defense support for the Colombian Navy is designed to help improve their capacity to stop drug traffickers from using Colombia’s Caribbean and Pacific coasts to conduct drug-trafficking activities. State and Defense support for the Colombian Marines is designed to help gain control of Colombia’s network of navigable rivers, which traffickers use to transport precursor chemicals and finished products. According to Colombian Ministry of Defense officials, the number of metric tons of cocaine seized by the Navy and Marines represented over half of all cocaine seized by Colombia in 2007.

State and Defense assistance to the Colombian Navy provided for infrastructure development (such as new storage refueling equipment for the Navy station in Tumaco), the transfer of two vessels to Colombia, eight “Midnight Express” interceptor boats, two Cessna Grand Caravan


46Colombia’s efforts are supplemented by U.S. interdiction resources as described in our November 2005 report on transit zone operations. See GAO-06-200.
transport aircraft, weapons, fuel, communications equipment, and training. State assistance also helped the Colombian Navy establish a special intelligence unit in the northern city of Cartagena to collect and distribute time-sensitive intelligence on suspect vessels in the Caribbean. In 2007, the unit coordinated 35 interdiction operations, which resulted in the arrests of 40 traffickers, the seizure of over 9 metric tons of cocaine, and the seizure of 21 trafficker vessels including one semisubmersible vessel. The U.S. Embassy Bogotá credits this unit for over 95 percent of all Colombian Navy seizures in the Caribbean, forcing traffickers to rely more on departure sites along the Pacific Coast and areas near Venezuela and Panama.

The Colombian Navy faces certain challenges. First, it generally lacks the resources needed to provide comprehensive coverage over Colombia’s Pacific coastline. For example, according to Colombian Navy officials, the Navy has only three stations to cover all of Colombia’s Pacific coastline. Second, according to U.S. Embassy Bogotá officials, these services lack adequate intelligence information to guide interdiction efforts along the Pacific coast. According to embassy officials, the United States is working with the Colombians to expand intelligence gathering and dissemination efforts to the Pacific coast, in part by providing support to expand the Navy’s intelligence unit in Cartagena to cover this area. Third, traffickers have increasingly diversified their routes and methods, including using semisubmersibles to avoid detection.

For the Colombian Marines, State and Defense provided support for infrastructure development (such as docks and hangars), 95 patrol boats, weapons, ammunition, fuel, communications equipment, night vision goggles, and engines. Colombia’s rivers serve as a vital transport network and are used to transport the precursor chemicals used to make cocaine and heroin, as well as to deliver the final product to ports on Colombia’s Caribbean and Pacific coasts. According to State, up to 40 percent of the cocaine transported in Colombia moves through the complex river network in Colombia’s south-central region to the southwestern coastal shore.

According to U.S. Southern Command officials, the key challenge facing the riverine program is a general lack of resources given the scope of the problem. The Colombian marines maintain a permanent presence on only about one-third of Colombia’s nearly 8,000 miles of navigable rivers. U.S. embassy planning documents have set a goal of helping the Colombian Marines achieve a coverage rate of at least 60 percent by 2010.
National Police Eradication Program

Since the early 1990s, State/INL has supported the Colombian National Police Aerial Eradication Program, which is designed to spray coca and opium poppy. Since fiscal year 2000, State has provided over $458 million to support the program, which increased its spray operations about threefold. The Aerial Eradication Program consists of U.S.-owned spray aircraft and helicopters, as well as contractor support to help fly, maintain, and operate these assets at forward operating locations throughout Colombia. As of August 2008, these aircraft included 13 armored AT-802 spray aircraft; 13 UH-1N helicopters used as gunships or search and rescue aircraft; four C-27 transport aircraft used to ferry supplies and personnel to and from the various spray bases; and two reconnaissance aircraft used to find and identify coca cultivation, and plan and verify the results of spray missions. A typical spray mission consists of four spray aircraft supported by helicopter gunships to protect the spray aircraft along with a search and rescue helicopter to rescue downed pilots and crew. In addition, ground security is provided as needed by the Army Counternarcotics Brigade.

U.S. funded counternarcotics efforts, which focused on aerial spraying, did not achieve Plan Colombia’s overarching goal of reducing the cultivation, production, and distribution of cocaine by 50 percent, in part because coca farmers responded with a series of effective countermeasures. These countermeasures included (1) pruning coca plants after spraying; (2) replanting with younger coca plants or plant grafts; (3) decreasing the size of coca plots; (4) interspersing coca with legitimate crops to avoid detection; (5) moving coca cultivation to areas of the country off-limits to spray aircraft, such as the national parks and a 10 kilometer area along Colombia’s border with Ecuador; and (6) moving coca crops to more

47 State officials told us that a total of 17 UH-1Ns are dedicated to the eradication program. As of August 2008, 4 of these aircraft were undergoing conversion to UH-1STs at Patrick Air Force Base as part of a service life extension program. The cost of upgrading each aircraft is approximately $3 million and the total estimated cost of upgrading all 17 aircraft is about $50 million.

48 According to NAS officials, on average, an estimated 40 percent of the coca eradicated is replanted, although in some cases, NAS officials have validated that up to about 80 percent of the coca sprayed appears to have been replanted or pruned.

49 Ecuador has expressed concern that spray drifting across the border into its territory has caused damage. In December 2005, Colombia agreed to stop spraying within a 10-kilometer strip along its border with Ecuador. However, due to concerns about the growth of coca in this area, in late 2006, the Colombian government resumed spray operations for 2 months, provoking a diplomatic dispute that has not been resolved.
remote parts of the country—a development that has created a “dispersal effect” (see figures 12 and 13). While these measures allowed coca farmers to continue cultivation, they have increased the coca farmers and traffickers’ cost of doing business.
Figure 12: Coca Growing Regions in 2004

Source: Crime and Narcotics Center.
NAS officials said Colombia and the United States have taken several actions to address this issue. For instance, the government of Colombia initiated a program in 2004 to manually eradicate coca. Since 2004, the amount of coca manually eradicated increased from about 11,000 hectares
to about 66,000 hectares in 2007. According to NAS officials, in response to congressional budget cuts in fiscal year 2008, the embassy reduced its aerial eradication goal to 130,000, compared with 160,000 in 2007. This reduction may be offset by a planned increase in manual eradication efforts from 66,000 hectares in 2007 to 100,000 hectares in 2008. However, manual eradication efforts require significant personnel, security, and transportation, including air mobility resources. Through the end of May 2008, Colombia reported that about 28,000 hectares had been manually eradicated. In addition, manual eradication often takes place in conflictive areas against a backdrop of violence, which makes full implementation of this strategy even more problematic. According to State, despite protection measures taken, manual eradicators were attacked numerous times—by sniper fire, minefields, and improvised explosive devices—and through August 2008, 23 eradicators were killed, bringing to 118 the total number of eradicators killed since 2005.

National Police Air Service

Since fiscal year 2000, State provided over $463 million to help expand and sustain the Police Air Service (known by its Spanish acronym, ARAVI). Similar to the role played by the Army Aviation Brigade, ARAVI provides air mobility support for a range of National Police functions including aerial and manual eradication efforts that require gunship and search and rescue support for the spray planes, as well as airlift support for the manual eradication teams and associated security personnel. In addition, ARAVI provides airlift for the National Police’s commandos unit, known as Junglas. According to NAS officials, ARAVI consists of 61 NAS-supported aircraft and 30 National Police-supported aircraft. Key program support elements include hanger and taxiway construction upgrades to the Air Service’s operating base outside of Bogotá; the provision of contract mechanics; training; and funding for spare parts, fuel, and other expenses. Appendix II describes these support services in more detail.

According to NAS officials, in addition to enabling ARAVI to better manage its aviation assets, ARAVI has become self-sufficient in some areas. For instance, it provides its own entry-level pilot and mechanic.

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50All ARAVI pilots are Colombian National Police personnel.

51Defense is providing the Colombian Air Force with a Limited Aviation Depot that will also service ARAVI helicopters, enabling the military and police to perform some major depot-level repairs in Colombia. Defense is also funding a Logistics Command and Control System that will reduce the need for each service to maintain a full complement of spare parts by allowing them to share parts.
training and can plan and execute its own operations. However, U.S. and contractor officials said that ARAVI still continues to suffer from major limitations. According to NAS and contractor officials, ARAVI:

- Receives approximately 70 percent of its total maintenance and operating funding from State. According to Embassy Bogotá officials, the Colombian Ministry of Defense often underfunds the service on the assumption that State will make up the difference.

- Lacks some specialized maintenance personnel. For instance, according to State-funded U.S. contractor personnel, in February 2008, the service only had about half of the required number of quality control inspectors. To make up the shortfall, the service relies on quality control inspectors provided by the contractor.

- Has high absentee rates. This is a problem that we have reported on in the past. For example, according to data supplied by the contractor, during the second week of February 2008, only 25 percent of the technicians and 40 percent of the assigned inspectors were present to service ARAVI’s UH-60s.

Since fiscal year 2000, State provided over $153 million to strengthen the National Police’s efforts to interdict illicit drug trafficking. According to State, in fiscal year 2007, it focused most of its assistance on equipping and training the Junglas, but also provided assistance for maritime, airport, and road interdiction programs.

The Junglas consist of 500 specially selected police divided into three companies based at Bogotá, Santa Marta, and Tulua, as well as a 60-man instructor group based at the National Police rural training center. Described by U.S. Embassy Bogotá officials as being widely considered as one of the best trained and equipped commando units in Latin America, they are often the unit of choice in operations to destroy drug production laboratories and other narcoterrorist high value targets, many of which are located in remote, hard-to-find locations. State support for the Junglas consisted of specialized equipment typically provided to U.S. Army Special Forces teams, such as M-4 carbines, mortars, helmets, and vests, as well as specialized training provided in Colombia and the United States.

According to State, in 2006 and 2007, the Junglas were responsible for more than half of all the hydrochloric and coca base laboratories destroyed by the National Police, and seized over 64 metric tons of cocaine during the same period.

State also supported the National Police’s maritime and airport security programs to strengthen the National Police’s capability to protect against illicit cargo—primarily narcotics—smuggled through Colombia’s principal seaports and airports. State assistance included funding for training, technical assistance, and limited logistical support (including K-9 support) for port security units at eight Colombian seaports and six airports. According to State, units based at Colombia’s principal seaports and airports seized more than 13 metric tons of illicit drugs in 2006; a figure that rose to over 22 metric tons in 2007.

Since fiscal year 2000, the United States provided over $92 million to help the Colombians establish Carabineros squadrons. The Carabineros were initially created to provide an immediate State presence in conflictive areas reclaimed by the Colombian military. According to State, the Colombians currently have 68 Carabineros squadrons, each staffed with 120 personnel. The squadrons provide temporary support as other government services and a permanent police presence are established in reclaimed areas. State support consisted of training, weapons, ammunition, night vision goggles, metal detectors, radios, vehicles, and other items including some limited support for permanent police stations.

The Carabineros supported President Uribe’s goal of re-establishing a State presence in each of the country’s 1,099 municipalities (169 municipalities had no police presence prior to 2002). Though a July 2007 U.S. Embassy Bogotá report noted there are now police stations in every municipality throughout Colombia, these often consist of a small number of police who are responsible for areas covering hundreds of square miles of territory. Despite these limitations, State noted that in contrast to earlier years, no police stations were overrun in 2007. NAS officials

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Reestablishing a Police Presence in Conflictive Zones

53 State officials told us that legislation eliminated funding for this program in fiscal year 2008, but the Department has requested $19 million in funding for fiscal year 2009.

54 According to NAS officials, the Carabineros’ mission was later expanded to include providing security for manual eradication efforts and targeting the new criminal gangs formed in the wake of AUC’s demobilization.
attributed this development to improved based defense training, defensive upgrades, and the increased police presence that Carabinero squadrons provide in rural areas.

Since fiscal year 2000, the United States has provided nearly $1.3 billion for nonmilitary assistance to Colombia, focusing on the promotion of (1) economic and social progress and (2) the rule of law, including judicial reform. To support social and economic progress, the largest share of U.S. nonmilitary assistance has gone toward alternative development, which has been a key element of U.S. counternarcotics assistance and has bettered the lives of hundreds of thousands of Colombians. Other social programs have assisted thousands of internally displaced persons (IDPs) and more than 30,000 former combatants. Assistance for the rule of law and judicial reform have expanded access to the democratic process for Colombian citizens, including the consolidation of state authority and the established government institutions and public services in many areas reclaimed from illegal armed groups. (See table 3.)
### Table 3: U.S. Nonmilitary Assistance, Fiscal Year Appropriations 2000 through 2008

<table>
<thead>
<tr>
<th>Program category / fiscal year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007 (Est.)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promote Social and Economic</strong>&lt;br&gt;Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Promote Social and Economic Justice</td>
<td>$80.0</td>
<td>$0.5</td>
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<td>$125.7</td>
<td>$126.5</td>
<td>$124.7</td>
<td>$130.4</td>
<td>$139.8</td>
<td>$1,031.9</td>
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<tr>
<td>Alternative Development</td>
<td></td>
<td></td>
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<td>60.2</td>
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<td>70.7</td>
<td>72.0</td>
<td>68.2</td>
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</tr>
<tr>
<td>Internally Displaced Persons</td>
<td></td>
<td></td>
<td>34.0</td>
<td>41.5</td>
<td>42.6</td>
<td>32.0</td>
<td>30.7</td>
<td>31.1</td>
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<tr>
<td>Demobilization and Reintegration</td>
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<td>0.0</td>
<td>8.9</td>
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<td>Total</td>
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<td></td>
<td></td>
<td></td>
<td>$201.1</td>
</tr>
</tbody>
</table>

Source: State.

Note: To obtain consistent and comparable funding data from each of the departments and agencies involved, we use appropriated U.S. assistance throughout this report. We refer to the funding as “provided,” though all of it may not have been obligated or expended. Funding sources include the State controlled Andean Counterdrug Initiative, Economic Support Funds, and Defense controlled counternarcotics funding. State officials noted funding data represents the amount allocated for the categories and does not reflect any budget reprogramming that occurred after allocations were made or holds placed by Congress on funds due to certification requirements relating to human rights or environmental concerns over the aerial spray program.

a State could not allocate appropriations by program category in fiscal years 2000 and 2001.
b “Promote the Rule of Law” also includes other programs such as Demand Reduction and Culture of Lawfulness.

Nevertheless, these programs face several limitations and challenges. For example, the geographic areas where alternative development programs operate are limited by security concerns, and programs have not demonstrated a clear link to reductions in illicit drug cultivation and production. In addition, many displaced persons may not have access to IDP assistance, the reintegration of former combatants into society and reparations to their victims has been slow, and funding to continue these programs is a concern. Finally, Colombia’s justice system has limited capacity to address the magnitude of criminal activity in Colombia.
Alternative Development Has Benefited Many Colombians, but USAID Does Not Track Progress in Drug Reduction and Sustainability

USAID provided more than $500 million in assistance between fiscal years 2000 and 2008 to implement alternative development projects, which are a key component of the U.S. counternarcotics strategy in Colombia. USAID’s goal for alternative development focuses on reducing the production of illicit narcotics by creating sustainable projects that can function without additional U.S. support after the start-up phase is implemented. In recent years, USAID modified its alternative development strategy to emphasize sustainability. With regard to its strategic goal, alternative development projects face two key challenges—USAID currently has almost no alternative development projects in areas where the majority of coca is grown, and a government of Colombia policy prohibits alternative development assistance projects in communities where any illicit crops are being cultivated.

USAID Modified Its Alternative Development Approach to Emphasize Sustainability

USAID’s original alternative development strategy in 2000 focused on encouraging farmers to manually eradicate illicit crops and providing assistance to those who did through licit, short-term, income-producing opportunities. These efforts were concentrated in the departments of Caquetá and Putumayo, where, at the time, most of Colombia’s coca was cultivated and where U.S. eradication efforts were focused. However, USAID and its implementing partners found it difficult to implement projects in the largely undeveloped south where the Colombian government exercised minimal control. As a result, in February 2002, USAID revised its approach to support long-term, income-generating activities, focus more attention and resources outside southern Colombia, and encourage private-sector participation. In 2004, we reported that the revised alternative development program had made progress but was limited in scope and may not be sustainable.\(^{55}\)

USAID revised its alternative development strategy beginning in 2006 to focus on specific geographic corridors, improve coordination, and increase the likelihood of achieving sustainable projects. The geographic corridors are in six regions in the western part of Colombia where the government has greater control and markets and transportation routes are more developed. However, the corridors are not in primary coca cultivation areas. USAID officials told us that the alternative development corridors are intended to act as a magnet, providing legal economic

\(^{55}\)GAO, Drug Control: U.S. Nonmilitary Assistance to Colombia Is Beginning to Show Intended Results, but Programs Are Not Readily Sustainable, GAO-04-726 (Washington, D.C.: July 2, 2004).
opportunities to attract individuals from regions that cultivate illicit crops, while also preventing people within the corridors from cultivating coca.

USAID’s current strategy is carried out through two major projects—Areas for Municipal Level Alternative Development (ADAM) and More Investment for Sustainable Alternative Development (MIDAS). ADAM works with individuals, communities, and the private sector to develop licit crops with long-term income potential, such as cacao and specialty coffee. ADAM also supports social infrastructure activities such as schools and water treatment plants, providing training, technical assistance, and financing of community projects. It emphasizes engagement with communities and individual beneficiaries to get their support and focuses on smaller scale agricultural development with long-term earning potential. For example, under ADAM, USAID provided infrastructure improvements to a facility that processes blackberries in order to increase capacity and continues to provide technical assistance to farmers who grow blackberries for the facility.

MIDAS promotes private-sector led business initiatives and works with the Colombian government to make economic and policy reforms intended to maximize employment and income growth. USAID encourages public and private-sector investment in activities that raise rural incomes and create jobs, and it provides training and technical assistance to the Colombian government at the local and national levels to expand financial services into rural areas, build capacity of municipal governments, and encourage the Colombian government’s investment in programs. For example, MIDAS worked with the Colombian government to lower microfinance fees and provided technical assistance to private lenders, which led to increased availability of small loans in rural areas that can be used to start up small- and medium-sized businesses.

Overall, alternative development beneficiaries we talked with told us their quality of life has improved because they faced less intimidation by FARC and had better access to schools and social services, even though they generally earned less money compared with cultivating and trafficking in illicit drugs.

One challenge facing alternative development programs is their limited geographic scope. Alternative development programs are largely focused in economic corridors in the western part of Colombia, where, according to USAID officials, a greater potential exists for success due to access to markets, existing infrastructure, and state presence and security. Currently, USAID has almost no alternative development projects in
eastern Colombia, where the majority of coca is grown. (See fig. 14.) While the majority of the Colombian population lives within the USAID economic corridors, the lack of programs in eastern Colombia nonetheless poses a challenge for linking alternative development to reducing the production of illicit drugs. The USAID Mission Director told us that the mission intends to expand the geographic scope of alternative development programs as the government of Colombia gains control over conflictive areas. However, the lack of transportation infrastructure in most coca growing areas limits the chances of program success and future expansion. USAID and other U.S. Embassy Bogotá officials emphasized that alternative development programs have benefited from security gains made possible through the Colombian military’s enhanced air mobility, but large areas of Colombia are still not secure.

According to USAID officials, another challenge is the government of Colombia’s “Zero Illicit” policy, which prohibits alternative development assistance projects in communities where any illicit crops are being cultivated. Acción Social officials said the policy is intended to foster a culture of lawfulness and encourage communities to exert peer pressure on families growing illicit crops so that the community at large may become eligible for assistance. However, USAID officials expressed concern that the policy limits their ability to operate in areas where coca is grown. The policy also complicates USAID’s current strategy of working in conflictive areas like Meta, where coca is cultivated in high concentrations. One nongovernmental organization official told us the policy is a major problem because if one farmer grows coca in a community otherwise fully engaged in and committed to growing licit crops, then all aid is supposed to be suspended to that community. However, USAID officials told us programs have only been suspended a few times due to this requirement.

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56 Acción Social is USAID’s government of Colombia counterpart for alternative development and other social programs.

57 Acción Social partners with the United Nations Office of Drug Control (UNODC) to monitor areas that receive alternative development assistance and verify they are coca and poppy free. According to USAID, if illicit crops are found, all alternative development projects in the community where the coca is found are to be suspended. The community has up to 38 days to manually eradicate the crops, and UNODC will return to verify if the illicit crops have been eradicated. If so, the alternative development projects may resume.
Figure 14: Alternative Development Projects and Coca Cultivation in Colombia

Source: GAO based on USAID map from September 2007.
USAID collects data on 15 indicators that measure progress on alternative development; however, none of these indicators measures progress toward USAID’s goal of reducing illicit narcotics production through the creation of sustainable economic projects. Rather, USAID collects data on program indicators such as the number of families benefited and hectares of legal crops planted. While this information helps USAID track the progress of projects, it does not help with assessing USAID’s progress in reducing illicit crop production or its ability to create sustainable projects.

In 2004, USAID officials said a new strategy was being developed that would allow for the creation of new performance measures. But, USAID did not develop indicators that are useful in determining whether alternative development reduces drug production. For example, while USAID intends for coca farmers in eastern Colombia to move to areas with alternative development projects, USAID does not track the number of beneficiaries who moved out of areas prone to coca cultivation.

In addition, while the current alternative development strategy is designed to produce sustainable results, USAID does not collect tracking data on beneficiaries who have received assistance to determine whether they remain in licit productive activities or which projects have resulted in sustainable businesses without government subsidies. The contractor responsible for implementing USAID’s alternative development programs told us USAID does not monitor the necessary indicators and, therefore, cannot determine the extent to which projects are contributing to reducing coca cultivation or increasing stability.

Since fiscal year 2000, State’s Population Refugee and Migration (PRM) bureau reports it has provided $88 million in short-term, humanitarian assistance to support IDPs and other vulnerable groups (such as Afro-Colombians and indigenous peoples). PRM provides humanitarian assistance for up to 3 months after a person is displaced, providing

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58 USAID tracked eradication of coca and poppy through the end of 2006. In 2007, USAID stopped tracking eradication of illicit crops because alternative development program communities cannot cultivate illicit drugs to participate.

59 According to State, PRM also provided un-earmarked funding to the United Nations and the International Committee of the Red Cross, a portion of which may have been used to assist IDPs.
emergency supplies as well as technical assistance and guidance to the government of Colombia and local humanitarian groups to build their capacity to serve IDPs.

In addition, from fiscal years 2000 to 2007, USAID has provided over $200 million for longer term economic and social assistance to support IDPs and vulnerable groups. USAID assistance has focused on housing needs and generating employment through job training and business development and has also included institutional strengthening of Colombian government entities and nongovernmental organizations through technical assistance and training in areas such as delivery of housing improvements and subsidies and the provision of health care. According to USAID, more than 3 million people have benefited from this assistance.

Figure 15: Displaced Persons Receive Job Training

However, according to State and USAID officials, the number of newly displaced persons in Colombia continues to rise, and it can be difficult to register as an IDP. According to the United Nations High Commissioner for Refugees, Colombia has up to 3 million IDPs—the most of any country
in the world. Acción Social reports it has registered over 2.5 million IDPs.\textsuperscript{60} But State PRM officials report that international and non-governmental organizations estimate that between 25 and 40 percent of IDPs are not registered. Acción Social officials disagreed and estimated under-registration to be 10 percent. In any case, Acción Social officials said that the agency’s budget is not sufficient to provide assistance to all the IDPs registered.

AUC Combatants Have Demobilized, but Reintegration and Reparations Have Been Slow

In 2003, the Colombian government and AUC entered into a peace accord to demobilize. State data indicate the United States has provided over $44 million for USAID programs for monitoring and processing demobilized AUC combatants, the verification mission of the Organization of the American States, reparations and reconciliation for victims of paramilitary violence, and the reintegration of adult and child ex-combatants into Colombian society. USAID also supports the National Commission on Reparation and Reconciliation, which was created to deliver reparations and assistance to victims.

From 2003 to 2006, according to USAID, approximately 32,000 AUC members demobilized. Most were offered pardons for the crime of raising arms against the Colombian state and were enrolled in a government of Colombia reintegration program. AUC leaders and soldiers who had been charged, arrested, or convicted of any major crime against humanity (such as murder and kidnapping) were offered alternative sentencing in exchange for providing details of crimes in depositions to Colombian officials.\textsuperscript{61} USAID assisted the government of Colombia in the creation of 37 service centers, mostly in large cities, at which ex-combatants could register for health services, job training, and education and career opportunities, and has assisted the service centers in tracking the demobilized soldiers’ participation in the reintegration process. USAID also assisted with AUC identity verification, criminal record checks, initial legal processing, documentation of biometric data (such as pictures, thumbprints, and DNA samples), and issuance of a registration card.

\textsuperscript{60}The government of Colombia has a lengthy IDP registration process and only registers people as IDPs if they have been displaced by violence committed by a recognized illegal armed group, such as FARC or ELN. Those who have been displaced by criminal gangs, by economic hardship, or by eradication programs are not eligible for benefits.

\textsuperscript{61}While the majority were pardoned, over 2,000 AUC combatants were implicated in major crimes.
U.S. and Colombian officials report that the AUC demobilization has enhanced security through reductions in murders, displacements, and human rights abuses. Depositions have uncovered thousands of crimes, hundreds of former combatants are serving jail sentences for their crimes, and victims of paramilitary violence are beginning to see resolution to crimes committed against them and their families.

In April 2008, the government of Colombia began allowing some FARC deserters to receive benefits similar to those received by AUC.\textsuperscript{62} FARC ex-combatants who cooperate with Colombian authorities may receive pardons; enter a reintegration program; and have access to training, medical benefits, and counseling.\textsuperscript{63}

\textsuperscript{62}According to the government of Colombia, since 2002, over 14,000 individuals have deserted from other illegal armed groups, primarily FARC.

\textsuperscript{63}The intelligence received from FARC deserters has been useful to Colombian military officials. FARC desertion is on the rise; according to the government of Colombia, 50 percent more FARC members deserted in 2007 than in 2006.
Despite the progress made, Colombian and USAID officials told us the reintegration of demobilized combatants has been slow, and many may have returned to a life of crime. The reintegration program is the primary system to prevent the demobilized from joining the ranks of criminal gangs. However, USAID officials estimate that approximately 6,000 of the demobilized have not accessed the service centers. Moreover, Colombian officials told us many businesses have been reluctant to hire the ex-combatants, and the majority has not found employment in the formal economy. Criminal gangs recruit heavily from the ranks of the demobilized, and Colombian officials estimate about 10 percent (or 3,000) have joined these illegal groups.

In addition, a senior Colombian official reported that reparations to the victims of paramilitary violence have been slow. Ex-combatants have not been forthcoming about illegally obtained assets—which can be used to pay for reparations—and often hide them under the names of family or acquaintances. Victims of paramilitary violence have criticized the reparations process as slow and expressed resentment of the benefits paid
to demobilized paramilitaries under the reintegration program. Initially, victims could not receive reparations unless there was a conviction, which required a lengthy judicial process. But, in April 2008, Colombia began to provide compensation to over 120,000 paramilitary victims without the requirement for a conviction.

USAID Support for Democracy

Since fiscal year 2000, State data indicates that USAID has provided over $150 million to support the rule of law in Colombia through human rights protection, the creation of conflict resolution centers, and training of public defenders, among other activities.  

- USAID has provided more than 4,500 human rights workers protection assistance such as communications equipment and bullet proof vests, as well as technical assistance, training, equipment, and funding to programs that protect union leaders, journalists, mayors, and leaders of civil society organizations. USAID also created and provides assistance to Colombia’s Early Warning System, to alert authorities of violent acts committed by illegally armed groups. According to USAID, since its inception in 2001, the Early Warning System has prevented over 200 situations that may have caused massacres or forced displacements.

- By the end of 2007, USAID achieved its goal of creating 45 justice sector institutions known as Justice Houses, and has trained over 2,000 conciliators who help to resolve cases at Justice Houses; these conciliators have handled over 7 million cases, relieving pressure on the Colombian court system. USAID has also refurbished or constructed 45 court rooms to ensure they are adequate for oral hearings under the new criminal justice system, and is developing 16 “virtual” court rooms, by which the defendant, judges, prosecutors, and public defenders can all participate via closed circuit television.

- USAID has trained 1,600 public defenders since 2003, including training in a new criminal procedure code, and the Colombian government now pays all of the defenders’ salaries.  

However, these programs face challenges in receiving commitments from the Colombian government and addressing shortfalls in equal access to

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64 USAID also supports the consolidation of security gains made through governance support in conflictive zones.

65 A Colombian constitutional mandate gives citizens the right to a public defender.
justice for all Colombians. USAID officials expressed concern about the Colombian government’s ability to fund the Early Warning System—USAID currently pays 95 to 98 percent of the salaries. According to USAID officials, a letter of understanding between USAID and the Colombian government calls for Colombia to pay 100 percent in 2011. In addition, the 45 Justice Houses in Colombia are located in large cities primarily in the western half of the country, with almost no Justice Houses in the less populated eastern half of the country where high rates of violence and crime occur. However, USAID plans to assist the Colombian government in strengthening state presence in rural areas of Colombia through the construction of 10 new regional Justice Houses in rural, post conflict areas.

Since the beginning of 2007, USAID and Defense have committed $28.5 million for two programs that support Colombia’s “Clear, Hold and Consolidate” strategy: (1) the Regional Governance Consolidation Program and (2) the Initial Governance Response Program. Both programs directly support the Coordination Center for Integrated Government Action (CCAI), which was created in 2004 to integrate several military, police, and civil agencies and to coordinate national-level efforts to reestablish governance in areas that previously had little or no government presence. USAID works to increase the operational capacity of CCAI by providing direct planning and strategic assistance; for example, USAID hired a consulting firm to develop a detailed operational plan for CCAI’s activities in Meta. USAID also assists CCAI with projects designed to reinforce stability in areas formerly controlled by insurgents and

66The 5-year Regional Governance Consolidation Program supports the Coordination Center for Integrated Government Action (CCAI) in 26 municipalities, which the Colombian military regained control of from the FARC more than 2 years ago, where CCAI works to provide both security and services for the local population in order to consolidate military gains. USAID assists CCAI in building the capacity of local institutions (such as mayors’ offices and city councils) to implement good governance practices and improve the delivery of services.

67The Initial Governance Response Program supports CCAI in high-priority municipalities in areas traditionally held by the FARC, which are major producers of coca, and also the location of ongoing military operations of the Colombian military. The program supports a Colombian government project to combine military, police, and civilian efforts to simultaneously support the different components of the “clear, hold, and consolidate” strategy.

68USAID is also supporting CCAI on the development of a second consolidation plan for four municipalities in the departments of Sucre and Bolivar.
quickly build trust between the government and local communities in Meta—such as La Macarena.

USAID officials said Colombia’s consolidation strategy may serve as a model for future program activities throughout Colombia; however, CCAI faces challenges that could limit its success. CCAI does not have its own budget and relies on support, funding, and personnel from other agencies within the Colombian government. While Defense officials estimate that CCAI spent over $100 million from Colombian government agencies in 2007, it often faced delays in receiving the funding. Also, security remains a primary concern for CCAI because it operates in areas where illegal armed groups are present. For example, CCAI representatives in La Macarena do not travel outside of a 5-kilometer radius of the city center due to security concerns.

<table>
<thead>
<tr>
<th>Justice Support for Rule of Law</th>
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</thead>
<tbody>
<tr>
<td>Justice has provided over $114 million in fiscal years 2000 through 2007 for programs intended to improve the rule of law in Colombia, primarily for the transition to a new criminal justice system and training and related assistance for investigating human rights crimes and crimes confessed to by former combatants during the AUC demobilization.</td>
</tr>
<tr>
<td>About $42 million was for training, technical assistance, and equipment to support the implementation of a new accusatory criminal justice system. In 2004, Colombia enacted a new Criminal Procedure Code, which began the implementation of an oral accusatory system involving the presentation and confrontation of evidence at oral public trials, similar to the system used in the United States. Justice training has included simulated crime scenes and court proceedings to develop the necessary legal and practical understanding of the oral accusatory system. Justice reports it has trained over 40,000 judges, prosecutors, police investigators, and forensic experts in preparation for their new roles.</td>
</tr>
<tr>
<td>According to Justice, the new accusatory system has improved the resolution of criminal cases in Colombia. Under the old system, trials took an average of 5 years; this has been reduced to 1 year under the current system. According to Justice, the new system has led to an increase in the</td>
</tr>
</tbody>
</table>

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69The oral accusatory system was implemented in four geographic phases between 2005 and January 2008. The Colombian constitution requires that criminal cases be processed under either the old written system or the new oral accusatory system, depending on when the alleged crime occurred.
conviction rate of 60 to 80 percent, with Colombia reporting 48,000 convictions in the first 2 years of implementation. Furthermore, the number of complainants and witnesses increased since implementation, which suggests a greater public confidence in the new system.

Justice also provided about $10 million for fiscal years 2005 to 2007 to both the Fiscalia’s Justice and Peace Unit and Human Rights Unit to support the AUC demobilization under the Justice and Peace Process. The Justice and Peace Unit oversees the process through which demobilized paramilitaries give depositions that detail their knowledge of the paramilitary structure and of crimes such as mass killings or human rights abuses. Justice has provided more than $2 million in equipment, including video recording technology, to aid in the processing of approximately 5,000 depositions at the Justice and Peace offices in Bogotá, Medellín, and Barranquilla. The unit also collects and processes complaints filed by victims of paramilitary violence. The Human Rights Unit is tasked with the investigation and prosecution of human rights violations, such as attacks on union leaders, forced disappearances, and mass graves, as well as the investigation and prosecution of demobilized paramilitary members suspected of human rights violations.

According to Colombian officials, depositions have led to the confession of over 1,400 crimes that the government had no prior knowledge of, as well as the locations of an estimated 10,000 murder victims in 3,500 grave sites. Over 1,200 victims’ remains have been recovered through exhumations, and the human identification labs continue to work on the identification of the remains using DNA testing. According to Justice, the depositions of 25 paramilitary leaders have been initiated and, in May 2008, 15 leaders were extradited to the United States. The Justice and Peace Unit has received over 130,000 victims’ claims.

Justice also provided about $10 million from fiscal years 2005 to 2007 to increase the capacity for the Colombian government to investigate criminal cases. Justice provided vehicles and funds for investigators to travel to crime scenes and collect evidence; specialized forensic training and equipment for Colombian exhumation teams that unearth victims’ remains based on information uncovered in depositions; and training, technical assistance, and DNA processing kits to Colombian human identification labs to streamline and improve DNA identification efficiency. Justice is also funding a project to collect DNA samples from 10,000 demobilized AUC members and enter the data into a DNA identification database, which could later be compared with DNA found at crime scenes. Additionally, funds were allocated to contract 30 attorneys
to assist with the analysis and processing of thousands of complaints from paramilitary victims. Finally, Justice provided specialized criminal training in the areas of money laundering and anticorruption.

**Figure 17: Justice Training on Mass Grave Exhumation at Fiscalía Headquarters**

Despite U.S. assistance toward improving Colombian investigative and prosecutorial capabilities, Colombian officials expressed concern that they lack the capacity to pursue criminal cases due to a lack of personnel, air mobility, and security, particularly given that most of the paramilitary killings and other AUC crimes occurred in rural areas too dangerous or too difficult to reach by road. In particular:

- Fiscalía and Justice officials said neither the Justice and Peace Unit nor the Human Rights Unit have enough investigators and prosecutors to fully execute their missions. For example, 45 prosecutors from the Human Rights Unit have to cover more than 4,000 assigned cases. From 2002 to 2007, the unit produced less than 400 convictions. Further, thousands of depositions and victim complaints, which Colombian officials say are likely to reveal additional crimes, have yet to be processed by the Fiscalía. As of October 2007, over 3,000 known grave sites had not been exhumed and less than half of the recovered human remains had been identified. Justice has provided assistance to expand the unit, including regional units in 7 cities outside of Bogotá. Moreover, Justice reported in September 2008 that the Human Rights Unit has received an additional 72 prosecutors and 110 investigators, but noted that more investigators are needed.

- According to Colombian and U.S. officials, criminal and human rights investigations and exhumation of graves often require hours and
sometimes days to complete. The investigators often have to go to conflictive areas that are impossible to access without sufficient transportation resources. For example, in remote areas investigators often need army or police helicopters. The Colombian National Police have programmed over 15,600 flying hours for their helicopters for 2008; however, police officials stated that none of these hours were allocated for Fiscalia investigations. U.S. officials confirmed Fiscalia’s need for additional transportation resources, including funding for commercial transportation as well as assets provided by Colombian security forces.

**U.S. Efforts to Transfer Program Operations and Funding Responsibilities to Colombia Have Had Mixed Results**

From the outset of Plan Colombia, Congress made clear that it expects all U.S. support programs would eventually transition to Colombia. With the completion of Plan Colombia and the start-up of its second phase, Congress reiterated this guidance and called on State and other affected agencies to increase the pace of nationalization with a focus on the major aviation programs under Plan Colombia that are largely funded by State. In response to this guidance and budget cuts to fiscal year 2008 military assistance to Colombia instituted by Congress, State and Defense have accelerated efforts to nationalize or partly nationalize the five major Colombian military and National Police aviation programs supported by the United States. Apart from these efforts, State has taken action to nationalize portions of its nonaviation program support, and State and Defense are seeking to transfer a portion of the assistance Defense manages in other program areas to the Colombians by 2010. Justice and USAID view their efforts as extending over a longer period than U.S. support to the Colombian military and have not yet developed specific nationalization plans; however, each agency is seeking to provide its Colombian counterparts with the technical capabilities needed to manage program operations on their own. U.S. nationalization efforts collectively face the challenges of uncertain funding levels and questions pertaining to Colombia’s near-term ability to assume additional funding responsibilities.

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**Footnotes:**

70These programs are the Army's Aviation Brigade and Infrastructure Security Strategy, the Air Force's Air Bridge Denial Program, and the National Police’s Air Service and Aerial Eradication Program.

71State noted that it will seek to maintain pre-Plan Colombia support levels, adjusted for inflation, to main “high impact” programs such as the National Police’s air service and aerial eradication program, rural police support, and maritime interdiction efforts.
State has initiated the transfer of program funding and operations for the Army Aviation Brigade to the Colombians—by far the largest aviation program funded by State. Nationalization efforts have centered on a contractor reduction plan created by State in 2004 to eliminate the Colombians’ reliance on U.S. contract pilots and mechanics (see fig. 18). This process, however, will not be completed until at least 2012 when State expects the Colombians will have enough trained pilots and mechanics to operate the brigade on their own. Contract pilot and mechanic totals provided by State indicate that the plan is on track. U.S. officials added that the transfer of U.S. titled aircraft and the termination of U.S. support for other costs, such as parts and supplies, will occur by 2012 as part of this plan.

State has defined nationalization plans for the Army Aviation Brigade and plans to provide ongoing support for National Police Aviation Programs.

In 2004, the NAS and the Office of Aviation in Bogotá brought key staff together to discuss and develop a formal contractor reduction plan for the Army Aviation Brigade centered on replacing contract pilots and mechanics with Colombian Army personnel trained to Office of Aviation standards. The working group defined “nationalization” as a sustained capability within the Colombian Army Aviation Brigade to support its operations using trained and equipped soldiers able to (1) safely and successfully execute assigned missions while operating and maintaining assigned aircraft to State’s Office of Aviation standards, and (2) operate with minimal U.S. government oversight while the government of Colombia incrementally assumes funding responsibility.

As of June 2008, 43 out of 336 pilots and 87 out of 283 mechanics were contract personnel.
In contrast to the Army Aviation Brigade, State has not developed contractor reduction plans for the National Police’s Air Service or Aerial Eradication Program—the second and third largest aviation programs supported by State, which work together to address U.S. and Colombian counternarcotics objectives. U.S. Embassy and State program officials explained that State’s assistance to the police is expected to continue for the indefinite future, subject to congressional funding decisions, to sustain a partnership with the police which predates Plan Colombia. However, State has taken certain steps, such as training Colombian mechanics to replace contract personnel, to reduce the Colombian’s dependence on U.S. assistance. As of June 2008, only 3 of the Colombian National Police’s Air Service 233 pilots were contract personnel, while 61 out of 422 mechanics were contractors. For the Colombian National Police’s Aerial Eradication Program, as of June 2008, 61 out of 76 pilots were contract personnel, while 166 out of 172 mechanics were contract staff. NAS plans to institute
a series of efforts, including the training of spray plane mechanics, to increase the ability of the Colombians to assume a greater share of total program costs.

Fiscal Year 2008 Budget Cuts Accelerated Nationalization Efforts

U.S. nationalization efforts were accelerated in the wake of the fiscal year 2008 budget cuts instituted by Congress but remain focused on State funded aviation programs. Based on discussions with the Colombians beginning in 2007, the United States identified six key elements of NAS aviation programs as a starting point for accelerated nationalization efforts, which supplement the steps described above. As show in table 4, these six areas cut across U.S. supported aviation programs in Colombia. U.S. Embassy Bogotá officials estimated that these actions could result in nearly $70 million in annual program savings. NAS is currently seeking to identify additional budget savings by reducing its aerial spray program and through a wide assortment of “efficiencies” they expect to implement. State officials noted that these reductions and efficiencies will lead to diminished eradication and interdiction results.

Table 4: Aviation Program Nationalization Efforts Supported by State

<table>
<thead>
<tr>
<th>Assets/program</th>
<th>Nationalization date (actual or expected)</th>
<th>Estimated annual recurring savings to the United States*</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Security Strategy</td>
<td>November 2007</td>
<td>$3</td>
<td>Nine helicopters devoted to the ISS project were transferred to Colombia in November 2007. All related support costs were also transferred at that time.</td>
</tr>
<tr>
<td>K-Max</td>
<td>February 2008</td>
<td>$5</td>
<td>These helicopters were not highly valued by the Colombians given their limited utility to support drug eradication or interdiction efforts. The helicopters were removed from the country.</td>
</tr>
<tr>
<td>Colombian National Police titled aircraft</td>
<td>March 2008</td>
<td>$2</td>
<td>Transition of support responsibility for 13 ARAVI aircraft took place in March 2008.</td>
</tr>
<tr>
<td>18 UH1Ns</td>
<td>July 2008</td>
<td>$29</td>
<td>The Colombian Army Aviation Brigade has assumed operating responsibility for these aircraft under a loan agreement with the United States, which runs through December 2009.</td>
</tr>
<tr>
<td>Fuel costs</td>
<td>October 2008</td>
<td>$14-18</td>
<td>The transfer of fuel costs to the Colombians took place on October 1, 2008.</td>
</tr>
<tr>
<td>Assets/program</td>
<td>Nationalization date (actual or expected)</td>
<td>Estimated annual recurring savings to the United States*</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------------------------------</td>
<td>--------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Air Bridge Denial</td>
<td>January 2010</td>
<td>$10</td>
<td>Transition of the Air Bridge Denial program is under way, with a signed letter of agreement and aircraft titles transferred to the Colombians. The next step will be a 2-year transition of maintenance responsibilities to the Colombian Air Force.</td>
</tr>
</tbody>
</table>

Source: NAS Bogotá.

*All savings are estimates. Actual savings will not be known until all contracts are renegotiated to reflect changes due to nationalization.

State has made significant progress in nationalizing nonaviation programs, including support for interdiction efforts (seaport, airport security, base security and roads, and Junglas operations) and programs designed to extend the Colombian government’s presence throughout the country (mainly, reestablishing a National Police presence in all municipalities); and an individual deserter program, which supplements the formal demobilization and re-integration programs managed by USAID. NAS largely describes all of these programs, with regards to U.S. funded employee or contractor involvement, as being fully nationalized or nearly nationalized with only limited U.S. oversight or technical assistance being provided.

Defense and State are Working on a Transition Strategy

Defense nationalization efforts are managed by the U.S. military group in Bogotá. A senior military group official noted that Defense’s nationalization efforts are based on limited draw downs in Defense managed funds which include both State FMF funds and Defense’s counternarcotics budget. The U.S. government is seeking to establish a strategic partnership with Colombia by 2010 whereby the Colombian Ministry of Defense will accelerate its efforts to assume increased funding and management responsibilities for programs currently supported with U.S. military assistance. The same official noted that the Military Group has closely coordinated this nationalization strategy with the Colombian military at all levels since November 2007.

According to Defense officials, the 2008 cuts in FMF and Defense funding led to a reexamination of plans to transition some program funding and
implementation responsibilities to the Colombians. In line with this reexamination, the U.S. Military Group in Bogotá and State’s Bureau for Political and Military Affairs are developing a report to Congress which will detail their strategy to reduce FMF and Defense counternarcotics support over the next several years with an initial focus on 2010 when it is hoped the Colombians will reach a point of “irreversibility” with regards to security advances against the FARC and other illegal armed groups.

### USAID and Justice Efforts Focus on Sustainability and Will Take Years to Implement

USAID and Justice are focusing on the sustainability of projects and providing the Colombians with the technical capabilities to manage their own programs; however, neither agency has developed comprehensive transition plans. USAID and Justice efforts to transfer program and funding responsibilities differ significantly from State and Defense since, with limited exceptions, they do not have physical assets to turn over to the Colombians. Rather, their efforts center on training and capacity building to allow the Colombians to ultimately manage their own programs.

USAID efforts focus on developing sustainable nonmilitary assistance programs, increasing the capacity of the government of Colombia to design and manage similar projects, and transferring any support activities, as warranted. USAID is seeking to create sustainable projects, in part, by increasing financial participation by the Colombian government, private sector, and project beneficiaries. For example, USAID alternative development projects are funded 70 percent to 90 percent by outside groups, on average, and have over $500 million in public and private funds.

USAID is also seeking to increase the Colombians’ ability to design and manage their own assistance programs by involving relevant government of Colombia staff in project design and implementation activities. For example, USAID provides technical assistance to the government of Colombia.

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74According to the U.S. Military Group, it identified 20 programs it considers vital to achieving “irreversibility” and maintaining a strategic partnership with Colombia while still absorbing mandated budget cuts. These programs are divided into eight program categories ranked by funding priority as follows: rotary wing operations, ground operations, riverine operations, fixed wing operations, joint initiatives, naval interdiction, governability, and intelligence and communication.

75In 2003 and 2004, we recommended that U.S. agencies develop plans to guide future U.S. assistance to the Colombian military, National Police, and civilian agencies. See GAO-03-783 and GAO-04-726.
Colombia on financial policy reforms that seek to expand financial services to underserved groups and isolated regions. USAID also provides training to Colombian banks, credit unions, and nongovernmental organizations to establish and expand financial services for these groups. USAID has made efforts to transfer specific program operations and funding responsibilities for several projects. For example, USAID is transferring the Human Rights Early Warning System, which was originally funded entirely by USAID. Under an agreement, the government of Colombia currently funds 30 percent of this program and is supposed to assume full operational and financial responsibilities of this program in 2011. In addition, USAID will now contribute no more than 50 percent toward the construction of Justice Houses, which were initially constructed entirely with USAID funds.

Justice efforts focus on building the capacity of the Colombian government in several areas, such as increasing the ability of the government to investigate and prosecute crimes, as well as provide protection to witnesses and legal personnel. Justice officials describe the process as one of creating an enduring partnership with the Colombian government through the provision of training and technical assistance. Justice conducts many “train the trainers” programs designed to enhance the ability of the Colombian government to continuously build institutional knowledge in certain program areas.

**Uncertain U.S. Assistance Levels and Government of Colombia Funding Complicate Nationalization Efforts**

Both U.S. and Colombian officials said the congressionally mandated cuts to military assistance in 2008 and uncertainty over future years’ funding complicate the process of planning and implementing nationalization efforts. In addition, while Colombia’s economic outlook has improved in recent years, its ability to appropriate funds quickly or reallocate funds already approved is limited.

**U.S. Congressionally Mandated Spending Cuts Altered Nationalization Plans**

State noted in its April 2008 multiyear strategy report to Congress that the fiscal year 2008 budget significantly changed the mix of U.S. assistance to Colombia by reducing eradication, interdiction, and FMF programs and increasing support for economic development, rule of law, human rights, and humanitarian assistance. The report notes agreement with Congress on the importance of increasing support for nonmilitary programs, but State expressed concern regarding Colombia’s ability to use this assistance without the security that air mobility assets provide. The report also notes State’s concern about the need to “ensure a smooth and coordinated transition of financial and operational responsibilities to the
government of Colombia for interdiction, eradication, and counterterrorism programs.”

The Colombian Vice Minister of Defense stressed that the budget cuts mandated by Congress could not be fully absorbed within Colombia’s current budget cycle and added that the Ministry of Defense is severely restricted in its ability to reprogram funds or request emergency spending from the central government. He also said that unplanned cuts of this magnitude put major programs at risk, in particular programs aimed at providing the Colombians with air mobility capabilities needed to support drug reduction, enhanced state presence, and a range of social and economic programs.

Both U.S. and Colombian officials are working on a detailed nationalization agreement that would outline next steps, transition plans, key players and responsibilities, and potential funding sources. In line with this objective, the Colombians have formed an Office of Special Projects to head up all nationalization efforts involving the Ministry of Defense. The office Director told us that, while all prior attempts at nationalization planning have not been implemented, the government of Colombia has begun a serious effort to plan for nationalization. According to the Director, this effort includes (1) developing an inventory of all U.S. assistance provided to Colombia in order to identify potential candidates for nationalization, (2) prioritizing the list and working with the Ministry of Financing and the National Planning Department to ensure that adequate funds will be made available to finance these priority items, and (3) discussing the prioritized list with U.S. representatives.

Despite an improving economy and growth in public-sector resources, the Colombians have issued a call for international assistance to help fund a portion of PCCP from 2007 through 2013 noting that even a “single year without international support would force a retreat on the important advances that have been made so far.” The call for assistance is similar to that issued by the Colombians at the outset of Plan Colombia, when internal security concerns and poor economic conditions limited the Colombian government’s ability to fund its counternarcotics and counterterrorism objectives. The PCCP plan calls for spending by

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76 State declined to provide a copy of this strategy to us citing its deliberative nature but claimed it substantially reflects congressional concerns and will be made available to us and Congress as soon as possible.
Colombia to total almost $44 billion from 2007 through 2013, with $6 billion of this total devoted to counternarcotics and counterterrorism operations and the balance devoted to social, economic, and rule of law efforts.\(^\text{77}\)

When Plan Colombia was first announced in 1999, a combination of domestic and foreign events limited Colombia’s economic growth and its ability to fully fund the costs of its plan. As noted in a November 2007 assessment by the Center for Strategic and International Studies (CSIS),\(^\text{78}\) Colombia’s financial system experienced a period of stress, during the late 1990s, characterized by the failure of several banks and other financial institutions, as well as by the severe deterioration of the system’s financial health. The situation was exacerbated by violent conflict and, in 1999, the country’s gross domestic product fell by 4.2 percent, the first contraction in output since the 1930s. In 2003, we reported that Colombia’s ability to provide additional funding to sustain the counternarcotics programs without a greatly improved economy was limited.\(^\text{79}\)

Improvements in Colombia’s security environment and economy have allowed the government to significantly increase spending levels in a number of areas. Colombia’s $130 billion economy grew at 6.8 percent in 2006, the highest rate in 28 years and two points faster than the Latin American average. Colombia has reduced its inflation rate from 16.7 percent in 1998 to 4.5 percent in 2006. According to the CSIS report, Colombia has improved its economy through a combination of fiscal reforms, public debt management, reduction of inflation, and strengthening of the financial system—policies that, along with three successive International Monetary Fund arrangements, have placed the country on a path of sustainable growth while reducing poverty and unemployment.

Conclusions

While Plan Colombia’s drug reduction goals were not fully met, U.S. assistance has helped stabilize Colombia’s internal security situation by weakening the power of illegal armed groups to hold disputed areas that

\(^{77}\)Proposals developed by State, call for total military and nonmilitary assistance of about $4 billion (fiscal years 2007 through 2013).


\(^{79}\)GAO-03-783.
largely correlate to the major coca growing regions in the country. State anticipates that billions of dollars in additional aid will need to be provided to Colombia through at least 2013 to help achieve a desired end-state where drug, security, social and economic welfare, and civil society problems reach manageable levels.

One principal challenge is determining which combination of military and nonmilitary programs will have the greatest affect on combating the drug trade in Colombia. Program activities in the past have relied heavily on the use of aerial spraying as a key tool for driving down coca cultivation levels, and the vast bulk of U.S. counternarcotics assistance has gone to eradication and interdiction efforts. However, coca cultivation reduction goals were not met. As a result, Congress directed a decreased emphasis on aerial eradication, while directing that more be spent on alternative development and in other nonmilitary program areas. However, USAID does not currently measure the effect alternative development has on this goal or the extent to which its programs are self-sustaining.

Congress has renewed its call for accelerated nationalization efforts on the part of State and other U.S. agencies operating in Colombia. Both State and Defense are engaged in reducing assistance for military and police programs. USAID and Justice officials agree that sustainable nonmilitary programs will take years to develop, however, both agencies have begun to nationalize some portions of their assistance. While high-level planning for nationalization has taken place and several discrete planning efforts are in place or are under development, U.S. nationalization efforts are not guided by an integrated plan that fully addresses the complex mix of agency programs, differing agency goals, and varying timetables for nationalization. Such a plan should include key milestones and future funding requirements that take into account the government of Colombia’s ability to assume program costs supported by the United States.

**Recommendations for Executive Action**

We recommend that the Secretary of State, in conjunction with the Secretary of Defense, Attorney General, and Administrator of USAID, and in coordination with the government of Colombia, develop an integrated nationalization plan that details plans for turning over operational and funding responsibilities for U.S.-supported programs to Colombia. This plan should define U.S. roles and responsibilities for all U.S.-supported military and non-military programs. Other key plan elements should include future funding requirements; a detailed assessment of Colombia’s fiscal situation, spending priorities, and ability to assume additional...
funding responsibilities; and specific milestones for completing the transition to the Colombians.

We also recommend that the Director of Foreign Assistance and Administrator of USAID develop performance measurements that will help USAID (1) assess whether alternative development assistance is reducing the production of illicit narcotics, and (2) determine to what extent the agency’s alternative development projects are self-sustaining.

Agency Comments and Evaluation

We provided a draft of this report to the departments of Defense, Homeland Security, Justice, and State; ONDCP; and USAID for their comments. Defense, State, ONDCP, and USAID provided written comments, which are reproduced in appendixes IV through VII. All except Homeland Security provided technical comments and updates, which we incorporated in the report, as appropriate.

In commenting on our recommendation to the Secretary of State, State agreed that it should continue to improve the coordination of nationalization efforts among Defense, other executive branch agencies, and the government of Colombia. State noted that its annual multiyear strategy report (which it first provided to Congress in 2006) offers the most useful format to address our recommendation. While State’s annual report is useful, it does not incorporate and rationalize the complex mix of agency programs, funding plans and schedules, differing agency goals, and varying timetables for nationalization as we recommend. State did not address how it intends to address these more detailed elements with Defense, Justice, and USAID. We continue to believe that an integrated plan addressing these elements would benefit the interagency and the Congress alike, as future assistance for Colombia is considered.

In commenting on our recommendation to the Administrator of USAID, USAID stated that the measures it has are sufficient to gauge progress towards its strategic goals. However, USAID went on to say that better measures/indicators to assess alternative development projects could be developed. The USAID mission in Colombia noted that it is working with the USAID missions in Bolivia and Peru, which also manage alternative

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80The Department of Homeland Security concluded our report did not deal with any programs or projects under its control. As a result, they offered no comments on the report’s contents, findings, or recommendations.
development programs, to identify new indicators to help measure progress. The USAID/Colombia mission also stated that USAID/Washington should lead an effort, in conjunction with the field and other interested agencies, to develop common indicators that would enhance USAID’s ability to measure alternative development performance. We concur. In making our recommendation, we concluded that USAID’s measures were largely output indicators that did not directly address reducing illicit drug activities or the long-term sustainability of USAID’s efforts. An overall review such as USAID/Colombia suggests may help address this shortcoming.

ONDCP and State commented that our draft report left the impression that little or no progress had been made with regards to Plan Colombia’s counternarcotics goal. In response, we modified the report title and specific references in the report to better reflect that some progress was made; primarily, opium poppy cultivation and heroin production were reduced by about 50 percent. However, coca cultivation and cocaine production have been the focus of Colombian and U.S. drug reduction efforts since 2000. Neither was reduced; rather, both coca cultivation and cocaine production rose from 2000 to 2006. However, at ONDCP’s suggestion, we added current information that suggests cocaine productivity (cocaine yield per hectare of coca) in Colombia has declined in recent years.

Finally, ONDCP also commented that the report did not adequately address the full range of program goals associated with Plan Colombia and the progress made towards achieving these goals. We disagree. In characterizing and summarizing Plan Colombia’s goals and U.S. programs, we reviewed reports prepared by State as well as our prior reports, and discussed the goals and associated programs with U.S. officials both in Washington, D.C., and the U.S. Embassy in Bogotá, and with numerous government of Colombia officials. We addressed U.S. assistance provided for nine specific Colombian military and National Police programs to increase their operational capacity, as well as numerous State, Justice, and USAID efforts to promote social and economic justice, including alternative development, and to promote the rule of law, including judicial reform and capacity building. We also note that State, USAID, and Defense did not raise similar concerns.
As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to interested congressional committees; the Secretaries of Defense and State; the Attorney General; the Director of Foreign Assistance and USAID Administrator; and the Director of ONDCP. We will also make copies available to others upon request. In addition, this report will be available at no charge on the GAO web site at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-4268 or FordJ@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

Sincerely yours,

Jess T. Ford, Director
International Affairs and Trade
Appendix I: Scope and Methodology

We examined U.S. assistance efforts since 2000 when funding for Plan Colombia was first approved. Specifically, we examined (1) the progress made toward Plan Colombia’s drug reduction and enhanced security objectives; (2) program support provided to the Colombian military and National Police, including specific results and related challenges; (3) nonmilitary program support provided to Colombia, including specific results and related challenges; and (4) the status of U.S. and Colombian efforts to nationalize U.S. assistance and the challenges, if any, these efforts face.

Drugs Reduction and Enhanced Security

To address the progress made toward Plan Colombia’s drug reduction and enhanced security objectives, we reviewed various U.S. and Colombian government reports and met with cognizant officials to discuss trends and the nature of the data. For trends in drug cultivation, production, and flow we relied primarily on U.S. agencies’ information and officials. For trends in security data on government territorial control, homicides, kidnappings, and ridership on Colombian roads, we relied on data reported by the Colombian Ministry of Defense and other Colombian government ministries.

Drug Reduction

To evaluate trends in Colombian drug cultivation and trafficking since calendar year 2000, we reviewed various studies, such as the National Drug Threat Assessment produced each year by the National Drug Intelligence Center. We reviewed various strategy documents produced by the United States that are the basis for overall drug control efforts, such as the Office of National Drug Control Policy’s (ONDCP) annual National Drug Control Strategy, and the Department of State’s (State) annual International Narcotics Control Strategy Report (INCSR).

- To track changes in coca cultivation and cocaine production trends in Colombia we relied on the Interagency Assessment of Cocaine Movement (IACM), an annual interagency study designed to advise policymakers and resource analysts whose responsibilities include detection, monitoring, and interdicting illegal drug shipments.

- To track changes in the combined amount of cocaine flowing towards the United States from Bolivia, Colombia, and Peru, we relied on IACM.

- Because no similar interagency flow assessments are done for heroin, we obtained estimates of production and seizures from State’s INCSR and the National Drug Threat Assessments.
Appendix I: Scope and Methodology

To understand how these estimates were developed, we discussed the studies and overall trends in the illicit drug threat from Colombia with officials from the Defense Intelligence Agency in Arlington, Virginia; the Drug Enforcement Administration in Arlington, Virginia; the Central Intelligence Agency’s Crime and Narcotics Center (CNC), Langley, Virginia; the Joint Interagency Task Force-South, Key West, Florida; and the Narcotics Affairs Section and the U.S. Military Group, U.S. Embassy, Bogotá, Colombia. We also met with and discussed these overall trends with Colombian officials in the Ministries of Defense, including the Deputy Minister of Defense. In addition, we compared the patterns and trends for the cultivation, production, and movement of cocaine and the cultivation and production of opium and noted that they were broadly consistent.

We determined cultivation, production, and illicit narcotics flow data have some limitations, due in part to the illegal nature of the drug trade and the time lag inherent in collecting meaningful data. With regard to estimates of coca cultivation and cocaine production levels in Colombia, we noted that CNC expanded the number of hectares surveyed for coca cultivation beginning in 2005 in response to concerns that coca farmers were moving their operations to avoid aerial spray operations. Between 2004 and 2006, CNC’s survey area rose from 10.9 million hectares to 23.6 million hectares. This change complicates the process of comparing pre-2005 cultivation levels with later year estimates. In addition, because of methodological concerns, the IACM began reporting in 2004 its estimated flow of cocaine as a range rather than a point estimate. Notwithstanding these limitations, we determined that these data were sufficiently reliable to provide an overall indication of the relative magnitude of, and general trends in, Colombia’s illicit drug trade since 2000.

Security

To evaluate security trends, we used data provided primarily by the government of Colombia. To assess its reliability, we interviewed knowledgeable officials at the U.S. Embassy Bogotá and compared general patterns across data sets. We met with and discussed these overall trends with Colombian officials in the Ministries of Defense (including the Deputy Minister of Defense) and Justice (including the Colombian Attorney General). Some civil society representatives expressed concern that Colombian officials may be pressured to present favorable statistics, and that some information may be exaggerated. Nonetheless, U.S. officials, both in Washington, D.C., and Bogotá expressed confidence that the data illustrate overall trends that are widely accepted as accurate. U.S. officials added that while specific checks on the validity of these data are not conducted, data provided by Colombia are consistent with independent...
Appendix I: Scope and Methodology

U.S. Embassy Bogotá reporting on Colombia’s political, military, and economic environment. As a result, we determined that the data were sufficiently reliable to indicate general trends in government territorial control, homicides, kidnappings, and ridership between 2000 and 2006.

U.S. Assistance to the Colombian Military and National Police

To assess program support provided to the Colombian military and National Police since 2000, including results and related challenges, we reviewed and analyzed congressional budget presentations, program and project status reports, our prior reports, and related information. We also reviewed program and budgetary data from the various departments and agencies in Washington, D.C., that manage these programs and met with officials responsible for these programs, including officials from State and Defense, as well as the Office of National Drug Control Policy. We met with cognizant U.S. officials at the U.S. Southern Command headquarters, Miami, Florida; State’s Office of Aviation Programs headquarters, Patrick Air Force Base, Florida; and the Joint Interagency Task Force-South, Key West, Florida. At the U.S. Embassy in Bogotá, Colombia, we met with U.S. officials with the Narcotics Affairs Section, the U.S. Military Group, and the Drug Enforcement Administration, as well as U.S.-funded contractor representatives assisting with the Colombian Army Aviation Brigade, the National Police Air Service, and the police aerial eradication program. In Bogotá, we also met with Colombian Ministry of Defense military and police commanders and other officials, including the Deputy Minister of Defense. We visited facilities and met with Colombian Army commanders at the Army’s Aviation Brigade headquarters in Tolemaida, the Counternarcotics Brigade headquarters in Larandia, and Task Force-Omega’s operating base in La Macarena; and Colombian Marine commanders at their operating base in Tumaco. We also visited facilities and met with Colombian National Police commanders and other officials at its main base in Guaymaral (near Bogotá) and a police operating base in Tumaco, where we observed an aerial eradication mission in southern Nariño.

To evaluate the reliability of funding and performance data (beyond the drug cultivation, production, and flow, as well as security indicators discussed above) provided by U.S. and Colombian officials, we analyzed relevant U.S. and Colombian data sources and interviewed cognizant officials to determine the basis for reported information. We performed cross-checks of the data by comparing internal and external budget reports (such as State and Defense Congressional Budget Justifications), agency performance reports, and classified information sources. We
Appendix I: Scope and Methodology

determined that the cost and performance data provided were sufficiently reliable for the purposes of our report.

U.S. Assistance for Nonmilitary Programs

To assess nonmilitary program support provided since 2000, including results and related challenges, we reviewed our prior reports along with pertinent planning, implementation, strategic, and related documents and met with cognizant U.S. officials at State and Justice and the U.S. Agency for International Development (USAID) in Washington, D.C., and the U.S. Embassy in Bogotá, Colombia. To review the progress of alternative development programs, we met USAID officials and contractors in Washington, D.C., and in Colombia. We reviewed pertinent planning documentation including USAID strategic plans for 2000-2005 and 2006-2007, as well as progress reports produced by USAID’s prime contractor. We observed alternative development programs in the departments of Bolivar, Huila, Popayán, and Santander. To review efforts on internally displaced persons and demobilization, we met with officials from USAID, Justice, and State’s Population Refugee and Migration Bureau in Washington, D.C., and in Colombia. We interviewed government of Colombia officials from Acción Social, the National Commission on Reconciliation and Reparations, the Ministry of Interior and Justice, the Fiscalia, the Superior Council for the Judiciary, Inspector General’s Office, the Public Defenders Directorate, the Ministry of Agriculture, and the Ministry of Labor and Social Protection. We also met with the High Commissioner for Reconciliation and Reintegration in Colombia, and with civil society and private-sector representatives both in Washington, D.C., and Colombia regarding human rights issues. We observed programs in the cities of Bogotá, Cartagena, and Medellin.

To evaluate the reliability of funding and performance data provided by U.S. and Colombian officials, we analyzed relevant U.S. and Colombian data sources and interviewed cognizant officials to determine the basis for reported information. We performed cross-checks of provided data against internal agency budget documents and external U.S. budget reports (such as State, USAID, and Justice Congressional Budget Justifications), agency performance reports, and Colombian reports and studies. We determined that the cost data provided by U.S. agencies was sufficiently reliable for our purposes.

We did note certain limitations with regard to the performance data we received from U.S. agencies. Because of the difficult security situation in Colombia, U.S. agencies must often rely on third parties to document performance data. In particular, the USAID Office of Inspector General
Appendix I: Scope and Methodology

raised some concerns in May 2007 regarding the consistency with which alternative development performance goals had been defined, but was nevertheless able to use the data to determine whether overall goals had been met. Consequently, we determined that the data on families that have benefited from alternative development assistance, infrastructure projects completed, hectares of licit agricultural crops developed, and private-sector funds leveraged by USAID activities were sufficiently reliable to allow for broad comparisons of actual performance in 2007 against the goals that had been set, but that these data could not be used for very precise comparisons.

Efforts to Nationalize

To determine the status of U.S. and Colombian efforts to nationalize U.S. assistance, we reviewed planning and strategic documents related to nationalization, including a memorandum of understanding between the United States and Colombia regarding the transfer of programs. We met with State and Defense officials in Washington, D.C.; State’s Office of Aviation Programs at Patrick Air Force Base; and U.S. Southern Command in Florida. We met with a special consultant to State who was conducting a strategic review of State programs in Colombia. In Colombia, we met with designated U.S. Embassy Bogotá officials responsible for managing U.S. nationalization efforts, along with an ambassador appointed by State to lead negotiations with Colombia regarding current and planned steps in the nationalization process. We discussed the implications of nationalization with Colombian government officials from the National Planning Department, the Ministry of Defense (in particular, the Office of Special Projects charged with leading the ministry’s nationalization efforts), the Colombian Army and National Police, the Ministry of Interior and Justice, and Acción Social.

Finally, the information and observations on foreign law in this report do not reflect our independent legal analysis but are based on interviews with cognizant officials and secondary sources.
State and Defense officials told us that the Army Aviation Brigade has been provided with essential support services needed to manage a modern combat aviation service, including infrastructure and maintenance support; contract pilots and mechanics; assistance to train pilots and mechanics; flight planning, safety, and quality control standards and procedures; and a logistics system. Table 5 describes these support services in more detail.

Table 5: U.S. Support Services Provided to the Army Aviation Brigade

<table>
<thead>
<tr>
<th>Agency</th>
<th>Location</th>
<th>Description</th>
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<tbody>
<tr>
<td>State and Defense</td>
<td>Tolemaida and 12 operating locations throughout Colombia</td>
<td><strong>Infrastructure and maintenance support:</strong> State funded construction of helipads, hangars, warehouses, offices, training facilities, and other infrastructure. Defense funded the construction of a new aviation brigade headquarters, base operations offices, and hanger facilities. Defense also funded a Technical Assistance Field Team, based at Tolemaida, to support the Aviation Brigade’s maintenance and logistics requirements and oversee contractor-provided maintenance support for Colombia’s FMS UH-60s. Tolemaida serves as the Aviation Brigade’s principal headquarters and maintenance center and is where most of the maintenance on PCHP and FMS helicopters is performed.</td>
</tr>
<tr>
<td>State</td>
<td>Tolemaida and 12 operating locations</td>
<td><strong>Contract pilots and mechanics:</strong> A State contractor provides pilots and mechanics to ensure that the brigade has adequate personnel to fly and maintain PCHP aircraft.</td>
</tr>
<tr>
<td>State and Defense</td>
<td>Tolemaida and 12 operating bases</td>
<td><strong>Logistics support:</strong> A State contractor provides an array of logistics services for the PCHP, including the provision of parts and supplies. The Colombians make their own arrangements for FMS fleet logistics requirements.</td>
</tr>
<tr>
<td>State and Defense</td>
<td>Tolemaida, Melgar, and U.S. locations</td>
<td><strong>Pilot training:</strong> State and Defense fund entry-level and advanced pilot training (classroom, simulated flight, hands-on, and on-the-job) to Colombian Army personnel through a combination of training offered at the Joint Initial Entry Rotary Wing School in Melgar, Colombia; Tolemaida; and at U.S.-based training facilities including Fort Rucker in Alabama. Defense assistance helped establish and support the Joint Initial Entry Rotary Wing School within the Colombian Air Force in 2001. The school trains entry-level pilots from all three Colombian military services, including pilots flying the Army Aviation Brigade’s PCHP and FMS helicopters. Defense assistance to the school included the provision of training helicopters, two helicopter simulators, spare parts, fuel, computers, and other equipment. Entry-level training provides the basis for pilots to become, with additional training and experience, co-pilots and, eventually, pilots-in-command. Pilot training is geared for the specific aircraft they intend to fly and normally takes 2 to 3 years to complete. The police can also send trainees to the Joint Initial Entry Rotary Wing School, but have relied almost entirely on their own initial entry rotary wing flight school located in Mariquita to train their own pilots. U.S. officials have encouraged the Ministry of Defense to combine the two schools into a single operation located at either Melgar or Mariquita to save expenses. Ministry officials told us they will determine which of the two schools to close by the end of 2008.</td>
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### Appendix II: U.S. Support Provided to the Army Aviation Brigade and Police Air Service

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<th>Agency</th>
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<tr>
<td>State and Defense</td>
<td>Tolemaida</td>
<td><em>Mechanics training:</em> State and Defense provide training through a combination of in-country and U.S.-based training resources. This training combines both classroom and intensive on-the-job training provided by State and Defense contractors. Mechanics progress through three separate training phases—rising from journeyman to master mechanics—a process that can take as long as 5 years.</td>
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<tr>
<td>State and Defense</td>
<td>Tolemaida and 10 operating bases</td>
<td><em>Flight safety and operating standards:</em> U.S. assistance has helped the Colombians incorporate U.S. aviation flight planning, safety, and quality procedures into their own standards. For instance, the Colombian Army’s flying regulations are based on the U.S. Army standards, which require a formal flight hour program, safety procedures and checklists, and a host of other requirements.</td>
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<tr>
<td>Defense</td>
<td>Madrid Air Base outside Bogotá</td>
<td><em>Infrastructure and maintenance support:</em> Defense is supporting a limited aviation depot to conduct major repairs in-country. At present, the Colombian military and police do not have the capacity to perform major, depot-level repairs of helicopters, requiring the Colombians to send engines, rotor blades, and other major parts to the United States for costly repairs. When completed in 2009, this facility will increase the capacity of the military and police to perform major engine and rotor blade repairs for both the UH-IIs and Blackhaws. According to an analysis of cost data prepared by the U.S. Southern Command, a limited aviation depot should allow the Colombians to save over $10 million each year in repair costs once the facility becomes fully operational.</td>
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<tr>
<td>Defense</td>
<td>Bogotá</td>
<td><em>Logistics support:</em> Defense is funding the establishment of a Logistics Command and Control System. The three services and the police all operate and maintain U.S.-built helicopters, but they have no easy way to identify what spare parts each service has available and where the parts are located. They also do not have a means of exchanging funding information to pay for these parts. When completed in 2010, the system will provide the military and police with an integrated, software-based logistics network to manage five critical functions: maintenance, warehouse, supply, finance, and human resources. For instance, the system will enable each service to determine inventory levels in real time, track service and supply requisitions, and exchange funding data.</td>
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Similar to the Army Aviation Brigade, State has provided key program support elements to the Colombian National Police’s Air Service. These elements include contract mechanics; mechanics training; the construction of helipads and hangers; and funding for spare parts, fuel, and other expenses. Table 6 describes these support services in more detail.
### Table 6: U.S. Support Services Provided to National Police Air Service

<table>
<thead>
<tr>
<th>Agency</th>
<th>Location</th>
<th>Description</th>
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<tr>
<td>State</td>
<td>Guaymaral and 4 operating locations throughout Colombia</td>
<td><em>Infrastructure and maintenance support:</em> State funds, hangars, warehouses, offices, training facilities and other infrastructure. Guaymaral serves as the Police Air Service’s (ARAVI) principal headquarters and maintenance center and is where most of the maintenance on U.S. and ARAVI-owned helicopters is performed.</td>
</tr>
<tr>
<td>State</td>
<td>Guaymaral and 4 operating locations throughout Colombia</td>
<td><em>Contract mechanics:</em> State funds contract mechanics to ensure ARAVI has adequate support to maintain NAS-supported aircraft.</td>
</tr>
<tr>
<td>State</td>
<td>Guaymaral, and 4 operating locations throughout Colombia</td>
<td><em>Logistics support:</em> A State contractor provides an array of logistics services for the NAS-supported ARAVI fleet, including the provision of parts and supplies.</td>
</tr>
<tr>
<td>State</td>
<td>Mariquita and U.S. locations</td>
<td><em>Pilot training:</em> State provides funding for entry level rotary wing training at Mariquita as well as for UH-60 training in the United States.</td>
</tr>
<tr>
<td>State</td>
<td>Guaymaral and other operating locations</td>
<td><em>Mechanics training:</em> A State contractor provides intensive on-the-job training provided.</td>
</tr>
<tr>
<td>State</td>
<td>Bogotá and other locations</td>
<td><em>Search and rescue:</em> NAS funded training to enable 13 ARAVI personnel to become search and rescue paramedics, enabling them to substitute in part for contract paramedics.</td>
</tr>
<tr>
<td>State</td>
<td>Guaymaral and other locations</td>
<td><em>Flight safety and operating procedures:</em> State assistance has helped the Colombians incorporate U.S. aviation flight planning, safety and quality procedures into their own standards. In June 2003, we reported on the results of a 2002 Aviation Resource Management Survey conducted by State’s Office of Aviation. The survey found numerous deficiencies. For instance, ARAVI did not have a formal flying hour program, and its safety program did not have formal risk management practices. According to State officials, a more recent Aviation Resource Management Survey, conducted in January 2008, found that ARAVI had essentially resolved most of these problems and was incorporating U.S. standards into its operating procedures.</td>
</tr>
</tbody>
</table>

Source: U.S. Embassy, Bogotá, Narcotics Affairs Section
Appendix III: Estimated Coca Cultivation and Cocaine Production in Bolivia, Colombia, and Peru, 2000–2007

As illustrated in figure 19, the estimated number of hectares of coca under cultivation in Bolivia, Colombia, and Peru has varied since 2000 from an estimated 187,500 hectares to 233,000 hectares in 2007, and averaged about 200,000 hectares since 2000. As noted in our report, these changes were due, at least in part, to the Crime and Narcotics Center’s decision to increase the size of the coca cultivation survey areas in Colombia from 2004 to 2006.

Figure 19: Coca Cultivation in Bolivia, Colombia and Peru, 2000–2007

Thousands of hectares

Source: 2006 and 2007 (interim) IACM and ONDCP.

Note: Coca cultivation estimates are produced by the Central Intelligence Agency’s Crime and Narcotics Center (CNC).

The U.S. interagency counternarcotics community uses the number of hectares of coca under cultivation to help estimate the amount of 100 percent pure cocaine that can be produced in each country. Essentially, the community calculates production efficiency rates for turning coca leaf into cocaine and applies it to the total number of hectares under cultivation. As illustrated in figure 20, the total amount of estimated pure cocaine produced in Bolivia, Colombia, and Peru has fluctuated since 2000.
but has risen from 770 metric tons in 2000 to 865 metric tons in 2007, and averaged about 860 metric tons per year since 2000.

Figure 20: Cocaine Production in Bolivia, Colombia, and Peru, 2000–2007

In 2008, the interagency counternarcotics community reduced Colombia’s estimated cocaine production efficiency rate for the years 2003 through 2007. The community attributed the reduced efficiency to Colombia’s efforts to eradicate coca. However, according to Drug Enforcement Administration officials, the interagency had also raised the production efficiency rate in Peru for 2002 through 2005 due to better processing techniques, which offset much of the reduction in Colombia. The Drug Enforcement Administration also noted that it has not reassessed the cocaine production efficiency rate in Bolivia since 1993, but expects that Bolivia has improved its processing techniques and is producing more pure cocaine than the interagency has estimated.
Appendix IV: Comments from the Department of Defense

ASSISTANT SECRETARY OF DEFENSE
2900 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2900

Mr. Jess T. Ford
Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Ford:


Thank you for the opportunity to review and comment on the draft report, which represents a generally accurate assessment of DoD support to Colombia. The enclosed DoD comments are provided for incorporation, along with this letter, as an appendix to the final report.

Should you have any questions concerning this response, please do not hesitate to contact Mr. Edward Frothingham, Principal Director for Transnational Threats, in the Office of the Deputy Assistant Secretary of Defense for Counternarcotics, Counter-proliferation and Global Threats, at (703) 697-7202.

Sincerely,

[Signature]

Enclosure:
As stated

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Appendix IV: Comments from the Department of Defense

GAO DRAFT REPORT DATED AUGUST 15, 2008
GAO-08-1077 (GAO CODE 320521)

“PLAN COLOMBIA: Drug Reduction Goal Was Not Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance”

DEPARTMENT OF DEFENSE COMMENTS TO THE GAO REPORT

Colombia’s Security Improvements

DoD agrees that Colombia has made dramatic security gains since 2000. It is important to emphasize, however, that it is vital to continue to help Colombia consolidate gains made against narcoterrorists and other criminals until security improvements become irreversible.

DoD Efforts to Transfer Program Responsibility

DoD partially agrees that efforts to transfer program responsibility have had mixed results. The report however, fails to note progress made in DoD’s model nationalization program - Ground Based Radars. Since March 31, 2008, the Colombian Air Force has operated and maintained five U.S. Air Force radars. DoD has initiated the Excess Defense Articles process for the transfer of this property, currently scheduled for 2010.

DoD disagrees with a statement on page 64 of the draft report, which states that “Defense officials noted that a comparable strategy to guide an anticipated drawdown in Defense’s counternarcotics support to Colombia has not been developed.” In fact, the U.S. Military Group in Colombia briefed GAO on DoD’s Strategic Partner Transition Plan, which specifically addresses lower levels of DoD Counternarcotics funding over the next several years.

See comment 1.

See comment 2.
Following are GAO’s comments on the Department of Defense’s comment letter dated September 17, 2008.

1. The transfer of these assets was not highlighted as a significant example of nationalization during the course of our review when we met with Defense officials in Washington, D.C., or the U.S. Military Group in Bogotá. Nonetheless, we added a statement to report progress in this area.

2. We incorporated Defense’s observation that the Strategic Partner Transition Plan addresses both Foreign Military Financing and Defense counternarcotics funding. As noted in our report, however, State’s Political-Military Bureau declined to provide us a copy of the plan until it is formally released to Congress. As a result, we were not able to independently assess the plan’s content and scope.
Appendix V: Comments from the Department of State

United States Department of State
Assistant Secretary for Resource Management
and Chief Financial Officer
Washington, D.C. 20520

Ms. Jacquelyn Williams-Bridgers
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, “PLAN COLOMBIA: Drug Reduction Goal Was Not Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance,” GAO Job Code 320521.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Stuart Lippe, Senior Analyst, Bureau of Western Hemisphere Affairs at (202) 647-4208.

Sincerely,

Bradford R. Higgins

cc: GAO – Al Huntington
    WHA – Thomas Shannon
    INL – David Johnson
    State/OIG – Mark Duda
Department of State Comments on GAO Draft Report

**PLAN COLOMBIA: Drug Reduction Goal Was Not Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance**

(GAO-08-1077, GAO Code 320521)

The Department of State welcomes the opportunity to review GAO’s draft report “Plan Colombia: Drug Reduction Goal Was Not Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance.” Separately, the Department of State has provided a number of technical comments for the factual content in the report, as you had requested.

The Department further appreciates the wide consultations your staff undertook in Washington and Bogota during the preparation of this assessment. In particular, the report’s finding that the security climate has improved and resulted in significant public safety progress is very welcome as this was a key result in our support to Plan Colombia and its follow-on programs.

The Department acknowledges the accuracy of the GAO’s finding that one of the original goals for Plan Colombia – the reduction of coca cultivation by 50 percent -- has not been reached. However, we believe the report could have been strengthened by emphasizing that there had been a rapid, more than three-fold increase in the area of coca under cultivation during the late 1990’s, and that this was brought to a halt under Plan Colombia. Cultivation went from 50,000 hectares in 1995 to 169,000 hectares in 2001. By 2003, it had decreased to 113,000 hectares after intensive aerial spraying began, but grew to 157,000 in 2006.

Cultivation of coca is, of course, only one measure for evaluating progress in achieving counternarcotics objectives. The report did include the eradication and interdiction programs that keep cocaine from reaching the U.S. market, and alternative development programs that provide new crop opportunities for farmers, but we believe that it would have been strengthened had these programs been highlighted. Moreover, declines in production potential because there is a reduced yield for new plantings merited being taken into account.

One of our most important counternarcotics goals is to reduce the supply of cocaine reaching the United States. In 2007, the Colombian government reported that it had interdicted more than 190 metric tons of cocaine and coca base and nearly 1,000 metric tons since 2000. At the same time, aerial and manual eradication has removed additional hundreds of tons of coca from production each year. Production potential has been reduced as growers migrated from Putumayo,
Guaviare and Caqueta to more marginal areas, planting less productive coca. Pure cocaine potential production because of reduced yields dropped from an estimated 700 metric tons in 2001 to 610 metric tons in 2006.

Information that was announced by the Office of National Drug Control Policy (ONDCP) on September 10, 2008, and which we regret was not available when the report was being drafted, indicates that new productivity data shows that in 2007 Colombia’s maximum production potential dropped to about 535 metric tons of pure cocaine. Applying this productivity information against cultivation data from previous years, the past year estimates of cocaine production are also being revised downward. Thus, ONDCP’s 2006 estimate falls from 610 metric tons to 550 metric tons. While ONDCP estimates that there were 167,000 hectares of coca fields in 2007, the actual production potential of cocaine has declined by a significant 24 percent since 2001.

Reduction in coca cultivation and potential production, improved eradication and interdiction capacity, and alternative development growth were among a number of Plan Colombia goals sought by the U.S. and Colombia. In fact, there are a wide range of additional measurements that also demonstrate significant successes for U.S. assistance, including Colombia’s transition to a new accusatorial system of justice and the extension of a police and other government agencies’ presence throughout the country. These Plan Colombia programs and the increased security they have brought about, as the report accurately noted, have helped reduce kidnapping and homicide rates, and strengthened the capacity of the Colombian military and police to address long-standing threats from narcotics trafficking and terrorist organizations. Increased security also aided the Colombian government’s efforts to strengthen its economy, reduce poverty, improve human rights and deliver humanitarian and social assistance. While the report describes these achievements, we believe their significance warrants this additional stressing.

In many ways, Colombian programs and U.S. support have evolved from our original, more narrow focus into a comprehensive strategy that can now serve as a model to inform efforts in other challenged or failing states. The Department believes the report could have noted how this evolution in the approach to Plan Colombia’s goals and objectives reflected an important flexibility as implementation progressed and the new opportunities that were presented.

As World Bank President Robert Zoellick noted in his August 22
Washington Post op-ed, “Colombia’s experience has shown that a legitimate state cannot coexist with a thriving narcotics industry, which will corrode the
government, businesses and legal systems as well as fund enemies.” The broad strengthening of the Colombian state and the re-energized vigor of its democracy will allow for continued progress.

Demand for illegal drugs in the United States and Europe is by definition beyond the scope of the report, but we find that it cannot be overlooked in any consideration of the results of counternarcotics programs, even if only mentioned here as a cautionary note for further attention.

In turning to the report’s recommendation that U.S. agencies develop an integrated nationalization plan, we note “Plan Colombia” and its follow-on “Strategy to Strengthen Democracy and Promote Social Development,” both represent comprehensive Colombian strategy statements. The United States, as well as others in the international community, support separate elements of that strategy. The Colombian government’s plans for its future funding and programs are far larger than the envisioned U.S. contributions, and one of Colombia’s goals is to reduce the need for international support over time. This Colombian strategy, as described in our April 2007 and April 2008 reports to Congress, represents a well thought-out plan that the United States supports in cooperation with the Colombian government.

We agree that the Departments of State and Defense should continue to improve coordination of nationalization plans between themselves and with the Colombian government in managing the transition of our military support programs. As the report states, significant steps are already underway, and we appreciate this recognition.

The report also describes U.S. intentions to maintain support, albeit at lesser levels, for the Colombian National Police’s Aerial Eradication Program and Aviation Service in order to address continuing U.S. and Colombian counternarcotics objectives. Assistance for these police programs was in place before the beginning of Plan Colombia and will remain necessary in the future as we work with Colombian partners to strengthen police eradication programs and rural police forces, and maritime interdiction capabilities.

The U.S. Agency for International Development (USAID) has developed sector-specific nationalization plans that involve the transfer of program responsibilities to Colombia. As the report noted, these programs do not have substantial physical assets to transfer. Instead, nationalization plans have focused on the Colombian government assuming responsibility for the leadership of Plan
Colombia and follow-on programs initiatives that are also a high priority for the United States.

The Department of Justice does not have a nationalization plan, as such. Its programs provide support, technical training and capacity building for justice sector and law enforcement programs that are managed by Colombia. Justice is, however, increasingly focused on “training the trainers” and, as the report also described in the case of USAID, its programs do not involve the “turn over” of substantial physical assets.

While there is presently strong Congressional funding support for these social, economic development and rule of law programs, State, Justice and USAID also agree on the need to improve coordination and promote potential efficiencies to better transfer operations and funding responsibilities to Colombia.

Finally, because so many of the “moving parts” of our assistance to Colombia are quite different, the Department will consult with Congressional Members and staff to keep them informed of the plans to achieve U.S. policy goals and our efforts to incorporate and address Congressional concerns in those plans. Improved coordination within the Executive Branch as well as with the Congress is desirable. In particular, the report on our multiyear strategy for assistance to Colombia, which the Department of State has provided to Congress annually since 2006, offers the most useful planning format through which to further address the recommendations and concerns GAO has described. This report can be expected soon after approval of the FY 2009 budget and will include more detailed information on the transition of our assistance, in particular our military support programs.

We appreciate your consideration of these comments, which have been coordinated with the appropriate officials at the U.S. Departments of State, Defense and Justice, the U.S. Agency for International Development and the Office of National Drug Control Policy.
Following are GAO's comments on the State Department's comment letter dated September 17, 2008.

1. We included additional information on coca cultivation and cocaine production patterns in the final report. We also note that 2007 coca cultivation and cocaine production data did not become available until after this report was released for agency comments, and we have added it, as appropriate.
Appendix VI: Comments from the Office of National Drug Control Policy

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503
September 17, 2008

Mr. Jess T. Ford
Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548-0001

Dear Mr. Ford:

We welcome the opportunity to review GAO’s draft report “Plan Colombia: Drug Reduction Goal Was Not Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance” (GAO 08-1077). We also request incorporation of the following response as an appendix. In a separate document, as per your request, we have provided comments on some of the factual content in the report.

ONDCP acknowledges your finding that one of the ten original goals for the Colombian Government’s Plan Colombia—a 50 percent reduction in the growth, production, and distribution of illicit drugs within six years—was not completely met. However, the report title gives the false impression GAO addressed all ten goals of Plan Colombia, and that there was limited or no success in drug reduction. We submit that Colombia’s achievement in reducing, with U.S. support, illicit drug production in heroin and cocaine should be acknowledged at the very least as a partial success. Cocaine potential production decreased by 24 percent, while heroin-reduction efforts actually exceeded the 50 percent goal. We would also underscore the fact that the other nine goals for Plan Colombia were substantially met and/or exceeded.

Your report accurately demonstrates that maintaining security is crucial to achieving all ten goals. In this regard, Plan Colombia has fully succeeded. Nowhere is this more evident than on the drug-reduction front. As you indicate, funding for Plan Colombia from 2000 through 2007 allowed for the development and implementation of programs sufficiently robust to advance security and reduce the production of illicit drugs. But the report does not take into account the dramatic shift in funding that occurred in 2008 just as drug control programs were beginning to bear fruit. Reduced, current-year funding has adversely affected the employment of eradication assets. Eradication goals slipped from 160,000 hectares in 2007 to 130,000 hectares in 2008 (nearly 20 percent) and will drop further to 100,000 hectares in 2009. Spray aircraft have been reduced from 23 in 2007 to just 13 in 2008, and the number of spray bases will decrease by 33 percent.

Today, we are seeing historic changes in the U.S. drug market. Heroin purity continues on a downward trajectory. Between January 2007 and June 2008, the price per pure gram of cocaine increased 27 percent and cocaine retail purity fell nearly 16 percent. These supply reduction indicators are complemented by signs of reduced demand that together give evidence
Appendix VI: Comments from the Office of National Drug Control Policy

Page Two – Mr. Jess T. Ford
Director, International Affairs and Trade

of a sustained, historic decrease in drug availability. Without adequate funding, however, future success is in jeopardy.

We appreciate the opportunity to review the report and ask that you consider placing greater emphasis on recent successes in combating illicit drug production. We also propose altering the report’s title to suggest a broader view of Plan Colombia objectives – “Plan Colombia Yields Substantially Improved Security; Drug Reduction Goals Partially Achieved,” for example – and adding a section that articulates the challenges created by changes in the funding stream.

Sincerely,

John P. Walters
Director

Page 95
Following are GAO’s comments on the Office of National Drug Control Policy’s comment letter dated September 17, 2008.

GAO Comments

1. We disagree. In characterizing and summarizing Plan Colombia’s goals and U.S. programs, we reviewed reports prepared by State as well as our prior reports, and discussed the goals and associated programs with U.S. officials both in Washington, D.C., and the U.S. Embassy in Bogotá, and with numerous government of Colombia officials. We addressed U.S. assistance provided for nine specific Colombian military and National Police programs to increase their operational capacity, as well as, numerous State, Justice, and USAID efforts to promote social and economic justice, including alternative development, and to promote the rule of law, including judicial reform and capacity building. We also note that State, USAID, and Defense did not raise similar concerns.

2. The drop in potential cocaine production that ONDCP cites compares 2001 (when coca cultivation and production peaked) to 2007. Our report compares 2000 (when U.S. funding for Plan Colombia was first approved) to 2006 (Plan Colombia’s drug reduction goal was tied to 6-year time period). We also note that 2007 coca cultivation and cocaine production data did not become available until after this report was released for agency comments, and we have added it, as appropriate.
Appendix VII: Comments from the U.S. Agency for International Development

September 11, 2008

Ms. Jacquelyn Williams-Bridgers
Managing Director
International Affairs and Trade Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington D.C. 20548

Dear Ms. Williams-Bridgers:

I am pleased to provide the U.S. Agency for International Development’s (USAID) response on the draft GAO report entitled “PLAN COLOMBIA: Drug Reduction Goal Was Not Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance” (GAO-08-1077). Separately, we have provided a number of technical comments on the factual content of the report, as you requested.

We find the report’s analysis of USAID assistance to be less thorough than the State and Military sections, with several generalizations requiring more analysis, which we have attempted to outline. There are a few areas of clarification which we have detailed in the enclosed commentary for your consideration. The report outlines several constraints affecting our development efforts in Colombia. USAID agrees with other USG agencies that we can improve coordination within the Executive Branch as well as with the Congress. However, we continue to rely on the Colombian government’s strategies for its own development as outlined in “Plan Colombia” and its follow-on “Strategy to Strengthen Democracy and Promote Social Development,” to serve as the overarching framework for our support. In Colombia, USAID works very closely with State Department offices involved in the assistance effort and in close partnership with the Government of Colombia. As you will see in the attached, USAID is working hard to promote nationalization of the programs it is supporting. Regarding the report’s recommendation on developing better indicators, we believe it would be helpful for USAID/Washington, in coordination with its field missions and the interagency group, to develop common indicators that would enhance USAID’s ability to measure AD performance.

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
www.usaid.gov
Appendix VII: Comments from the U.S. Agency for International Development

Thank you for the opportunity to respond to the draft GAO report and for the courtesies extended by your staff in the conduct of this review.

Sincerely,

Sean R. Mulvaney
Assistant Administrator
Bureau for Management

Enclosure: a/s
USAID Response to GAO Report

“PLAN COLOMBIA: Drug Reduction Goal Was Not Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance”
(GAO-08-1077) August 2008

Recommendation #1:

Joint Nationalization Plan: The GAO recommends that Secretary of State, Secretary of Defense, Attorney General and the USAID Administrator, in coordination with the government of Colombia, develop an integrated nationalization plan that details plans for turning over operational and funding responsibilities for U.S. supported programs to Colombia.

Response: In the draft report, the GAO team concludes that “Justice and USAID have not yet developed detailed strategies and plans to guide their nationalization efforts…” As discussed and presented to the GAO team, USAID has developed nationalization or “Colombianization” strategies for each of our programs. These strategies differ depending upon the sector, but they focus on increasing Government of Colombia (GOC) or private sector support and investment in activities concurrent with decreasing USAID resources, particularly budget support for salaries. An equally important component of nationalization is expanding Colombian operational control and management of programs, and USAID has been very successful in achieving this objective.

For example, with USAID/Colombia's Democracy and Governance (DG) program, USAID has signed four agreements with key GOC partner ministries to document political and financial commitments from GOC stakeholders on actions they will take to achieve short and long term program goals. For example, in USAID’s Justice Program, USAID has decreased its financial commitment from funding 100 percent of the cost of a justice house to 40 percent. This is a direct result of USAID’s nationalization strategy and the agreement signed with the Ministry of Interior and Justice. The GOC is picking up a large share of this burden; of the 10 new regional justice houses that are being constructed in rural post-conflict areas, USAID investments total $4 million, compared to $6 million invested by the GOC. Thus, the GOC is clearly moving to fund the majority of investments in this

See comment 1.
program. This trend is also reflected through USAID’s support to Colombian public defenders. Whereas USAID’s justice program previously funded the salaries of 35 defenders at a cost of approximately $361,000, the GOC is now paying 100 percent of the salaries of more than 1,600 public defenders with a GOC investment of more than $31 million.

A detailed nationalization strategy also guides USAID’s Human Rights Program. As mentioned above, USAID signed “Letters of Understanding” with key GOC counterparts clearly outlining the GOC’s financial and political commitments. These efforts have already resulted in notable progress toward nationalization; the GOC now assumes 100 percent of the costs of the Communities at Risk Program and the Human Rights Observatory. There have been similar results with the GOC’s Protection Program and Early Warning System; USAID now only supports 1.5 percent of Protection Program’s total costs ($676,000), compared to 18 percent six years ago. Similar accomplishments are underway under the Early Warning System. In 2003 USAID funded 100 percent of Early Warning System annual costs ($532,000) and by 2009 USAID will be funding only 50 percent.

Under the Alternative Development (AD) program, private as well as public sector resources are fundamental to nationalization. USAID-supported AD projects are funded between 70 to 90 percent by outside groups on average, and have leveraged over $700 million in 18 months to support AD initiatives. USAID is currently assisting the GOC to establish a government-wide policy, definition and budget for alternative development and how it should be implemented and managed by the GOC and other stakeholders. In anticipation of this new policy, USAID made a formal request to the GOC to create an “Alternative Development budget” across all implementing ministries and agencies in the government. Currently, the GOC does not have such a budget, and many ministries’/agencies’ policies and programs are not coordinated with each other. The creation of a government-wide AD budget is a critical step to ensuring that the USG has a coordinated set of entities with financial resources to which the AD program can be turned over during the next several years.

USAID’s nationalization strategy for the Internally Displaced Persons (IDP) program has led to the leveraging of significant amounts of funding from the GOC. Since 2000 USAID investments have remained relatively static while GOC resources have skyrocketed. In 2003 the GOC’s budget for IDP assistance was
Appendix VII: Comments from the U.S. Agency for International Development

approximately $67 million, while USAID's was $41.5 million. In 2008, the GOC's budget is approximately $528 million and USAID's budget was reduced to $35 million. The GOC has entered into separate agreements with USAID partners with its own financing, demonstrating the catalytic role our assistance plays.

With regards to the Demobilization and Reintegration (DR) program, during the GAO team's visit, they heard first-hand how USAID was a catalyst during the initial years of 2004-05 when the GOC was just developing the DR program. Over the past several years GOC funding significantly increased and USG funding has been less than 25 percent of GOC resources. The GOC's projected budget for 2009-2011 is between $130-145 million per year compared to USAID's projected levels of approximately $16 million. USG assistance has always been complementary to the GOC work, providing specific technical assistance in critical areas. A new High Commissioner for Reintegration is now in place providing the leadership needed to sustain this effort.

USAID is playing an important role in supporting the growth of the Colombian economy to allow the GOC to increase spending levels and decrease reliance on U.S. assistance. Colombia's economic takeoff after 2003 did not happen by chance. In the Trade Capacity Building Group of the Free Trade Agreement (FTA) negotiations that started in 2004, the U.S. and Colombian governments agreed on an ambitious agenda including 52 areas of economic reform needed for Colombia to better participate in and benefit from the FTA. USAID provided technical assistance to the GOC to help it design and implement policies ranging from fiscal reform to financial sector strengthening to improving the environment for small business, and many others. This effort has paid off, and should be noted in the report. The World Bank's 2008 Doing Business report ranked Colombia among the top ten reformers worldwide, citing Colombian efforts supported by USAID. This reform agenda jump-started the business environment: Colombia's $130 billion economy grew at 6.8 percent in 2006, the highest rate in 28 years and two points faster than the Latin American average. Colombia has reduced its inflation rate from 16.7 percent in 1998 to 4.5 percent in 2006.

In addition, regarding microfinance, USAID doesn't just advise on existing policies or "involve relevant Colombian staff in project design activities."
paragraph), but is supporting the GOC’s leadership in its efforts to reform the financial system and develop the microfinance industry.

Another element of USAID’s nationalization strategy has been the initiation of consultative group meetings with its primary GOC counterpart, Acción Social. Thematic consultative groups, made up of USAID, GOC and USAID contractor personnel, meet on a regular basis, reviewing implementation and progress towards agreed upon goals. A high level consultative group made up of Acción Social and USAID senior officers also meets regularly, fostering GOC ownership and voice in management of programs.

Finally, USAID developed and presented a “Colombianization” strategy in 2006 as part of an inter-agency effort. While USAID’s nationalization effort is different than the Department of State’s International Narcotics and Law Enforcement Bureau (INL) and the Department of Defense (DOD), which are responsible for the transfer of assets, USAID’s focus is on reducing the dependence of the national government on salary support and transferring of leadership to Colombian entities in the four key sectors that are priorities for the U.S. government. As demonstrated above in numbers, USAID has already been very successful in “nationalizing” many of its programs.

**Recommendation #2:**

Performance Measurement: The GAO recommends that the Administrator of USAID develop performance measurements to help USAID (1) assess whether alternative development assistance is reducing the production of illegal narcotics and (2) determine to what extent the agency’s alternative development projects are self-sustaining.

1) Reducing the production of illegal narcotics: Alternative development (AD) assistance is one part of the USG’s three prong counternarcotics strategy, (the others being eradication and interdiction and security assistance), which is not reflected in the report. In this sense, AD programs are not social programs as labeled in the draft report. Four criteria guide AD programming: economic development potential, existence of illicit crops, existence of violence/conflict, and local government buy-in. The report states that the “majority” of coca is grown outside of areas where AD programs are in place. It is important to highlight that
Appendix VII: Comments from the U.S. Agency for International Development

USAID programs are active in difficult areas as characterized by coca cultivation such as Norte Santander, Bolivar, Putumayo, parts of Antioquia, Meta and other areas. AD is also a medium- to long-term initiative. Preliminary results may be seen with one growing season, but initiatives to achieve sustainable eradication of illicit crops may take years to realize, as we have seen in areas such as Tiba, Norte de Santander, Magdalena Medio, and Sur de Bolivar. Reducing or redeploying scarce resources prematurely in order to relocate to other areas – “chasing the coca” – could destabilize these fragile areas still vulnerable to coca cultivation.

USAID supported AD programs are designed to have the greatest impact in places where there are people, which is why programs cover half of the geographic territory of the country where 80-85 percent of Colombians live. Further, USAID is working in areas directly affected by the drug industry. In the 75 municipalities covered under the ADAM program, there was presence of coca or poppy in 2001-07 in 73 percent of them, with the remaining municipalities directly bordering those with presence. In the case of the 545 MIDAS supported municipalities, coca or poppy is present in 31 percent, and 21 percent of municipalities are bordering areas with growth. Another 12 percent are “at risk” areas and the remainder is in zones “vulnerable” to the illicit economy. It is also worth noting that the United Nation (UN)’s verification of the coca free status1 of the townships in which USAID’s AD programs are located indicate that the United States Government has helped establish coca-free bulwarks in 688 well-defined areas where coca was either present or threatening. This is impressive because it contributes to the sustainable eradication of illicit crops. These municipalities are in departments of: Nariño, Putumayo, Cauca, Antioquia, Bolivar, Santander, and Norte de Santander. Another independent source indicates that, as a reflection of families affected by the Colombian drug trade, USAID programs are positively impacting social and economic development of 94 percent of families (361,000 out of 382,600 families total) involved in the drug industry in those communities. Primary coca cultivation areas do in fact lie within the MIDAS/ADAM corridors.

Indicators: We believe USAID’s AD efforts do not lack formal measures/indicators to gauge whether AD initiatives contribute to our stated strategic goals. However, it is true that these indicators are not reported to

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1 During the UN’s 734 verification missions since November of 2007, only 28 townships (4 percent) did not pass because of the presence of illicit crops and eight verification missions (1 percent) could not be undertaken because of security issues.
Washington (Andean Counternarcotics Initiative (ACI) indicators). A common complaint from field missions regarding AD programs is that Washington stakeholders prefer output oriented indicators, which is why the mandatory indicators under AD projects are focused on the output-based ACI indicators. Also, since AD is but one part of the three-legged counternarcotics programming stool, the issue of appropriate measures/indicators is not related solely to alternative development. That said, USAID’s MIDAS and ADAM programs include indicators that assess impact at the community level, i.e., changes in coca cultivation in municipalities where programs are in place, political and social stabilization, among others.

To improve it’s monitoring and evaluation system, USAID/Colombia is working with the USAID/Peru and Bolivia missions to identify new indicators to help measure progress toward strategic goals. We believe, however, that USAID Washington should lead an effort, in conjunction with the field and the interagency group, to develop common indicators that would enhance USAID’s ability to measure AD performance.

The report fails to link key indicators such as organizations strengthened, increased gross market value and families benefited (from technical assistance in productive activities) to sustainable impact at the family and farm level. Thus, there appears to be no recognition of the link between a permanent increase in productive capacity leading to a permanent increase in income generating capacity, complemented by strengthened associations more capable of advocating for members in the marketplace, and sustainability.

Self-sustaining: As noted in the previous section, all of USAID’s alternative development projects receive at a minimum 70 percent support from outside sources. As a result, all of these activities will continue after USAID support ends.
Following are GAO’s comments on the U. S. Agency for International Development’s comment letter dated September 11, 2008.

**1.** We modified the report to note USAID has initiated nationalization efforts for each of its major program areas and several major projects. However, we note that USAID’s nationalization efforts are program and project specific and are not integrated with the range of other U.S. government efforts, as we recommend should be done.

**2.** We believe we fairly characterized USAID’s assistance role in the counternarcotics strategy for Colombia. However, we did not intend to imply that USAID alternative development programs are social programs. We intended to note that USAID’s assistance supports social infrastructure, such as schools and other community projects. We clarified the text where appropriate.

**3.** We only intended to note that most coca growing areas do not receive USAID assistance for various reasons, including restrictions by the government of Colombia. USAID resources are scarce and must be deployed to the areas most likely to achieve sustainable results. We added text to note that the majority of the Colombian population lives within the geographic areas where USAID operates. However, the fact that the majority of coca is cultivated outside of USAID’s economic corridors poses challenges for USAID’s strategic goal of reducing the production of illegal drugs.

**4.** We endorse and commend USAID/Colombia’s attempt to work at both the mission level and with USAID/Washington to develop common indicators which would enhance USAID’s ability to assess the performance of alternative development projects.

**5.** We recognize key indicators such as increased gross market value and number of families benefited are useful in determining the impact of USAID programs at a family or farm level. However, these indicators do not measure the sustainability of the projects, such as whether families or businesses have continued in legal productive activities after USAID assistance has ended.

**6.** We agree that outside support for USAID alternative development projects is a key component of creating self-sustaining projects. However, this point does not address the fact that USAID does not currently collect and report data on whether USAID supported activities continue after its involvement ends.
Appendix VIII: GAO Contact and Staff Acknowledgment

GAO Contact

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Staff

In addition to the above named individual, A.H. Huntington, III, Assistant Director; Joseph Carney, Jonathan Fremont, Emily Gupta, Jose Peña, and Michael ten Kate made key contributions to this report. Technical assistance was provided by Joyce Evans, Jena Sinkfield, and Cynthia Taylor.


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