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*Andean Regional Initiative (ARI): FY2003 Supplemental and  
FY2004 Assistance for Columbia and Neighbors*

K. Larry Storrs and Connie Veillette, Foreign Affairs, Defense, and Trade Division

Updated January 30, 2004

**Abstract.** In 2003, Congress is considering President Bush's requests for FY2003 supplemental and FY2004 funding for Colombia and six regional neighbors in a continuation of the Andean Regional Initiative that was launched in 2001. The region has been viewed as important primarily because it produces virtually all of the world's cocaine and increasing amounts of heroin. Moreover, the stability of Colombia and the region is threatened by Colombia's longstanding guerrilla insurgency and rightist paramilitary groups, which are both believed to be largely funded by taxes on illegal narcotics cultivation and trade.

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## **Andean Regional Initiative (ARI): FY2003 Supplemental and FY2004 Assistance for Colombia and Neighbors**

**Updated January 31, 2004**

**K. Larry Storrs**  
Specialist in Latin American Affairs  
Foreign Affairs, Defense, and Trade Division

**Connie Veillette**  
Analyst in Latin American Affairs  
Foreign Affairs, Defense, and Trade Division

# Andean Regional Initiative (ARI): FY2003 Supplemental and FY2004 Assistance for Colombia and Neighbors

## Summary

In 2003, Congress considered President Bush's requests for FY2004 and FY2003 supplemental assistance for Colombia and six regional neighbors in a continuation of the Andean Regional Initiative (ARI) launched in 2001. ARI was proposed as an expansion of support for Plan Colombia, under the Clinton Administration, with more funding for social and economic development programs for Colombia and its neighbors, who are affected by Colombia's struggle against guerrillas and drug traffickers. From FY2000 through FY2003, Colombia and other ARI recipients have received more than \$3 billion in U.S. funding.

In early 2003, an FY2003 Emergency Wartime Supplemental bill (H.Rept. 108-76/P.L. 108-11) provided \$105 million in additional assistance for the Andean Counterdrug Initiative and related programs. This included \$34 million for the State Department's International Narcotics Control and Law Enforcement account, \$34 million for the Department of Defense's Drug Interdiction and Counter-Drug Activities account, and \$37.1 million in Foreign Military Financing Program funds.

The President submitted his FY2004 budget request to Congress on February 3, 2003, including \$990.7 million for countries comprising the Andean Regional Initiative, including military funding for Colombia. Of the \$990.7 million requested, \$731 million is for the Andean Counterdrug Initiative, \$133.5 million for the Foreign Military Financing Program, with the remainder of the overall figure in development, economic, and health programs.

The House passed H.R. 2800, (H.Rept. 108-222) the FY2004 Foreign Operations Appropriations Bill, on July 23, 2003, fully funding the President's request for \$731 million for ACI. The Senate passed S. 1426 (S.Rept.108-106) on October 24, 2003, providing \$660 million for ACI, with authority to transfer an additional \$37 million from the State Department's International Narcotics Control and Law Enforcement (INCLE) account to ACI. The conference report (H.R. 2673/H.Rept. 108-401), passed by the House on December 8, 2003, and the Senate on January 22, 2004, provides \$731 million. (P.L. 108-199 signed January 23, 2004.)

Both the House and Senate passed the FY2003-FY2004 Foreign Relations Authorization Act (H.R. 1950/S. 925), with provisions relating to Colombia and drug interdiction programs in the Andean region. The Senate Foreign Relations Committee reported out the FY2004 Foreign Assistance Authorization Act (S. 1161/S.Rept.108-56) with several modifications on assistance to Colombia and the Andean region. Congress completed the FY2004 National Defense Authorization Act, (P.L. 108-136) providing authorization for drug interdiction and counterdrug activities for DOD programs. It also passed the FY2004 Intelligence Authorization Act (P.L. 108-177) authorizing continuing counterdrug and counterterrorism activities. This report will not be updated.

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# Andean Regional Initiative (ARI): FY2003 Supplemental and FY2004 Assistance for Colombia and Neighbors

In 2003,<sup>1</sup> Congress considered President Bush's requests for FY2003 supplemental and FY2004 funding for Colombia and six regional neighbors in a continuation of the Andean Regional Initiative that was launched in 2001.<sup>2</sup> The region has been viewed as important primarily because it produces virtually all of the world's cocaine and increasing amounts of heroin. Moreover, the stability of Colombia and the region is threatened by Colombia's longstanding guerrilla insurgency and rightist paramilitary groups, which are both believed to be largely funded by their participation in illegal narcotics cultivation and trade.

## President Bush's Andean Regional Initiative

### Past Requests and Congressional Action

**FY2002 Request.** The Andean Regional Initiative (ARI) was launched in April 2001, when the Bush Administration requested \$882.29 million in FY2002 economic and counternarcotics assistance, as well as an extension of trade preferences and other measures, for Colombia and six regional neighbors (Peru, Bolivia, Ecuador, Brazil, Panama, and Venezuela). Of this amount, \$731 million was designated as International Narcotics Control and Law Enforcement (INCLE) assistance in a line item in the budget request known as the Andean Counterdrug Initiative (ACI). A central element of the program was the training and equipping of counternarcotics battalions in Colombia.

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<sup>1</sup> This report on 2003 action draws heavily from CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Nina M. Serafino, which covers congressional action in 2002. See also CRS Report RL31016, *Andean Regional Initiative (ARI): FY2002 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Nina M. Serafino, which provides more background on the ARI and covers congressional action in 2001.

<sup>2</sup> The U.S. program to provide anti-narcotics assistance to Colombia and its neighbors was called the Andean Regional Initiative (ARI) from 2001 until 2003. ARI encompassed the previous "Andean Counterdrug Initiative" (ACI) as well as other assistance programs such as development assistance, child survival and health, economic support funds, and Foreign Military Financing. For FY2004, the budget request returned to the usage of Andean Counterdrug Initiative, with other funding that previously was part of ARI requested from their regular accounts.

According to the Administration, the distinctive features of the program, compared to Plan Colombia assistance approved in 2000,<sup>3</sup> were that a larger portion of the assistance was directed at economic and social programs, and that more than half of the assistance was directed at regional countries experiencing the spill-over effects of illicit drug and insurgency activities.

In a mid-May 2001 briefing on the Andean Regional Initiative, Administration spokesmen set out three overarching goals for the region that could be called the three D's — democracy, development, and drugs. The first goal was to promote democracy and democratic institutions by supporting judicial reform, anti-corruption measures, human rights improvement, and the peace process in Colombia. The second was to foster sustainable economic development and trade liberalization through alternative economic development, environmental protection, and renewal of the Andean Trade Preference Act (ATPA). The third was to significantly reduce the supply of illegal drugs to the United States from the source through eradication, interdiction and other efforts.<sup>4</sup> Under consideration by the Congress in 2001, critics of the initiative argued that it overemphasized military and counter-drug assistance, and provided inadequate support for human rights and the peace process in Colombia. Supporters argued that it continued needed assistance to Colombia, while providing more support for regional neighbors and social and economic programs.

By the end of 2001, the FY2002 Foreign Operations Appropriation Act (H.R. 2506/P.L. 107-115) provided a total of \$782.82 million for the ARI of which \$625 million was designated for the ACI, a reduction of \$106 million from the President's request. It further allowed for the transfer of an additional \$35 million from the State Department's International Narcotics Control and Law Enforcement account to the ACI.<sup>5</sup>

**FY2002 Emergency Supplemental Request.** On March 21, 2002, the Administration proposed an Emergency FY2002 Supplemental for counter-terrorism purposes that included a request for \$4 million of State Department international narcotics control (INCLE) funding for Colombia police post support, \$6 million of FMF funding for Colombia and \$3 million for Ecuador for counter-terrorism

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<sup>3</sup> "Plan Colombia" refers to the \$1.3 billion in FY2000 emergency supplemental appropriations approved by the 106<sup>th</sup> Congress in the FY2001 Military Construction Appropriations bill (H.R. 4425/P.L. 106-246) for counternarcotics and related efforts in Colombia and neighboring countries. There was no limitation on the fiscal year in which the funding could be obligated or spent; see Appendix C for a chart on the obligation of this and other funding to Colombia in FY2000 and FY2001. For more detail, see CRS Report RL30541, *Colombia: Plan Colombia Legislation and Assistance (FY2000-FY2001)*. For the latest figures on aid to Colombia, as well as past assistance, see CRS Report RS21213, *Colombia: Summary and Tables on U.S. Assistance, FY1989-FY2003*.

<sup>4</sup> See U.S. Department of State International Information Programs Washington File, Fact Sheet: U.S. Policy Toward the Andean Region, and Transcript: State Department Briefing on Andean Regional Initiative, May 17, 2001, also available online at the following website: [<http://usinfo.state.gov/regional/ar/colombia/>].

<sup>5</sup> For more detail, see CRS Report RL31016, *Andean Regional Initiative (ARI): FY2002 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Nina M. Serafino.

equipment and training, and \$25 million for counter-kidnapping training in Colombia. Also included in the submission were requests to broaden the authorities of the Defense and State Departments to utilize FY2002 and FY2003 assistance and unexpended Plan Colombia assistance to support the Colombian government's "unified campaign against narcotics trafficking, terrorist activities, and other threats to its national security." Congress fully funded the President's request for Colombia, with various human rights conditions, and it granted broader authority to pursue new activities in Colombia, but with modifications that blended the House and Senate provisions. The measure provided identical authority for the use of INCLE and Department of Defense (DOD) funds, including prior year funds, to support "a unified campaign against narcotics trafficking, against activities by organizations designated as terrorist organizations" such as the FARC, ELN, and AUC, "and to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations." Legislators approved the FY2002 Emergency Supplemental Appropriations Act (H.R. 4775) in late July 2002, and the President signed it into law (P.L. 107-206) on August 2, 2002.<sup>6</sup>

**Extension of Andean Trade Preference Act.** In April 2001, President Bush requested the extension and broadening of the Andean Trade Preferences Act (ATPA) expiring in December 2001, that would give duty free or reduced-rate treatment to the products of Bolivia, Peru, Ecuador and Colombia. Following committee action in late 2001 in both houses, and extensive negotiations in mid-2002, Congress completed action on the President's request. Following lengthy debate in July 2002, the Trade Act of 2002 was signed into law (P.L. 107-210) on August 6, 2002. Title XXXI of the act, entitled the Andean Trade Promotion and Drug Eradication Act, extended preferential tariff treatment to designated Andean countries through December 31, 2006, and broadened coverage to include products previously excluded.<sup>7</sup>

**FY2003 Request.** On February 4, 2002, President Bush submitted a FY2003 budget request of \$979.8 million for the Andean Regional Initiative (ARI), with \$731 million in counternarcotics assistance under the Andean Counterdrug Initiative (ACI). This request included \$537 million in ARI funding for Colombia, with \$439 million in ACI funding and \$98 million in Foreign Military Financing (FMF) to train and equip a Colombian army brigade to protect an oil pipeline in northeastern Colombia.

By the end of 2002, both the House and Senate Appropriations Committees reported their versions of an FY2003 Foreign Operations Appropriation bill, but this and other appropriations bills had not been enacted. Congress incorporated the 11 unfinished bills into an omnibus spending package, H.J.Res. 2 (for continuing appropriations). The House passed H.J.Res 2 on January 8, 2003, and the Senate followed suit on January 28, 2003. Both chambers approved the conference report

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<sup>6</sup> For more detail, see CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Nina M. Serafino.

<sup>7</sup> For more information, see CRS Report RL30790, *The Andean Trade Preference Act: Background and Issues for Reauthorization*, by J. F. Hornbeck.



(H.Rept. 108-10) on February 13, 2003, and the measure was signed into law (P.L. 108-7) on February 20, 2003.<sup>8</sup>

Provisions relating to the Andean Regional Initiative and Colombia included both funding and reporting requirements. Overall ARI funding totaled \$835.5 million. Of that amount, Congress provided \$700 million for the Andean Counterdrug Initiative, a reduction of \$31 million from the President's request. However, the conference agreement allowed for the authority to transfer up to \$31 million from the State Department's International Narcotics Control and Law Enforcement account to the Andean Counterdrug Initiative. The conference agreement provided that up to \$93 million in Foreign Military Financing funds may be transferred to the Andean Counterdrug Initiative for helicopters, training and other assistance for the Colombian Armed Forces for security of the Caño Limón Coveñas pipeline, a reduction of \$5 million from the President's request. The agreement also included a number of conditions and reporting requirements.

- **Expanded Authorities.** Following the pattern of the FY2002 supplemental, Congress provided authority for a unified campaign against narcotics trafficking, terrorist organizations and to take actions to protect health and human welfare. This was done, the Conference Report notes, in recognition that “the narcotics industry is linked to the terrorist groups, including the paramilitary organizations in Colombia.” However, the Conference Report also warned that this authority “is not a signal...for the United States to become more deeply involved in assisting the Colombian Armed Forces in fighting the terrorist groups, especially not at the expense of the counternarcotics program, but to provide the means for more effective intelligence gathering and fusion, and to provide the flexibility to the Department of State when the distinction between counternarcotics and counterterrorism is not clear cut.” Expanded authorities would end if the Secretary of State has credible evidence that the Colombian military is not “conducting vigorous operations to restore government authority and human rights in areas under the effective control of paramilitary and guerrilla organizations.” The Report also calls for the Secretary of State to report, within 90 days of enactment, the changes in policy, including new procedures and operations, as a result of implementing expanded authorities.
- **Caps on Personnel.** Congress maintained the existing caps on military personnel and civilian contractors that can be assigned to duty in Colombia at 400 each, with exceptions for search and rescue operations. This cap applies to U.S. personnel in Colombia “in support of Plan Colombia,” but does not include U.S. personnel assigned as part of their regular duties to the U.S. Embassy. As of late November, there were 278 temporary and permanent U.S.

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<sup>8</sup> For more detail, see CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Nina M. Serafino, which tracks the legislative activity and the provisions of this act.

military personnel and 373 U.S. citizen civilian contractors in Colombia in support of Plan Colombia. These numbers vary as programs are begun, expanded, or completed. During 2003, they have varied between 208 and 396 military personnel and 247 to 400 civilian contractors. The U.S. civilian contractor number was 400 on November 18 but was reduced to 373 the following day due to departures. During November, there were about 600 foreign national contractors present in Colombia who are not covered by the personnel caps, most of whom were Colombian nationals.

- **Human Rights.** Section 564 allows for the distribution of 75% of the funds for Colombia's military, after which the Secretary of State must certify that Colombian members of the armed forces alleged to have committed human rights violations are being suspended, prosecuted, and punished, and that the Colombian military is severing ties with and apprehending leaders of paramilitary organizations. Such a certification by the Secretary would release 12.5% of assistance to the Colombian military. The remaining 12.5% would be available after July 31, 2003, if the Secretary certifies that the Colombian military is continuing to meet its obligations required in the first certification and trying to gain authority and protect human rights in areas under control of paramilitary and guerrilla organizations. On July 8, 2003, the Secretary issued the first certification which released approximately \$30 million. As of November, the second certification was reported to be near completion. Congress also maintained a prohibition on the issuance of visas to any alien who the Secretary of State determines has willfully provided support to the FARC, ELN, or AUC, or has participated or ordered the commission of gross violations of human rights.
- **Aerial Fumigation.** The Secretary of State is required to certify that aerial fumigation of drug crops is occurring within a series of guidelines for health, environment, compensation for those unjustly sprayed, and availability of alternative development programs "where security permits." Until such a report is issued, 80% of funding for herbicides is withheld. The conference report (H.Rept. 108-10) states that Congress expects that "every reasonable precaution will be taken in the aerial fumigation program to ensure that the exposure to humans and the environment in Colombia meets Environmental Protection Agency standards for comparable use in the United States." According to the State Department, this report will be issued soon.
- **Helicopters.** Language is also maintained from previous legislation which requires the return of any helicopters procured with ACI funds that are used to aid or abet the operations of any illegal self-defense organizations.

- **Air-Bridge Denial Program.** Following the shooting down of an airplane in Peru on April 20, 2001, which was found not to be associated with drug trafficking and which resulted in the deaths of several individuals, including two American missionaries, Congress maintained language prohibiting the resumption of U.S. support for a Peruvian air interdiction program. In order to resume U.S. support, the Secretary of State and the Director of Central Intelligence must certify to Congress, 30 days prior to any resumption of U.S. involvement, that the ability of the Peruvian Air Force to shoot down aircraft will include enhanced safeguards and procedures to prevent similar accidents. The United States and Colombia announced the resumption of the program in August of this year after an agreement was reached on protocols to ensure against accidental shootdowns.

## Administration Requests in 2003

**FY2003 Emergency Wartime Supplemental Aid.** On March 25, 2003, the Bush Administration requested some \$75 billion to provide funds to “cover military operations, relief and reconstruction activities in Iraq, ongoing operations in the global war on terrorism, enhancements to the safety of U.S. diplomats and citizens abroad, support for U.S. allies in the war, and homeland security protection and response measures.” Of the total amount, the Administration requested \$34 million for the Andean Counterdrug Initiative, \$34 million in Department of Defense Drug Interdiction and Counter-drug Activities in Colombia, and an unspecified portion of \$2.059 billion in Foreign Military Financing for 19 countries, one being Colombia.

**FY2004 Funding Request.** On February 3, 2003, President Bush requested \$990.7 million for the Andean Regional Initiative countries in the accounts comprising ARI funding, including military funding for Colombia. The Administration made its request under the title of “Andean Counterdrug Initiative” (ACI) with no reference to Andean Regional Initiative (ARI). ACI funding forms part of the State Department’s International Narcotics Control and Law Enforcement (INCLE) account while ARI has included ACI plus development aid, child survival and health aid, and foreign military financing. For comparative purposes, a distinction between ACI and ARI is maintained in this report. For ACI, \$731 million was requested, to be distributed as follows in descending order:

- Colombia: \$463 million, consisting of \$150 million for alternative development, humanitarian assistance and institution building, and \$313 million for narcotics interdiction and eradication programs. The overall request also includes \$110 million in FMF funding, and \$1.6 million in International Military Education and Training (IMET) funds.
- Peru: \$116 million, consisting of \$50 million for alternative development, humanitarian assistance and institution building, and \$66 million for narcotics interdiction and eradication programs. The overall request also includes \$2.5 million in FMF funding, and \$700,000 in IMET funds.

- Bolivia: \$91 million, consisting of \$42 million for alternative development, humanitarian assistance and institution building, and \$49 million for narcotics interdiction and eradication programs. The overall request also includes \$4 million in FMF funding, and \$900,000 in IMET funds.
- Ecuador: \$35 million, consisting of \$15 million for alternative development, humanitarian assistance and institution building, and \$20 million for narcotics interdiction and eradication programs. The overall request also includes \$15 million in FMF funding, and \$650,000 in IMET funds.
- Brazil: \$12 million, all in narcotics interdiction and law enforcement programs, and \$500,000 in IMET funds.
- Panama: \$9 million, all in narcotics interdiction and law enforcement programs. The overall request also includes \$2.5 million in FMF funding, and \$200,000 in IMET funds.
- Venezuela: \$5 million, all in narcotics interdiction and law enforcement programs, and \$700,000 in IMET funds.

FMF for Colombia is intended to “support counter-terrorism operations and protect key infrastructure such as the oil pipeline,” according to the request. The funding is proposed to provide training, weapons, and night vision goggles and communications equipment to the Army’s elite mobile brigades and the Special Forces brigade, as well as to support the Colombian Navy and Air Force, including the provision of interdiction boats, training and infrastructure improvements, the purchase of two additional AC-47 gunships and a C-130 support plan that will procure four C-130e aircraft and maintenance support. The request also noted that FY2004 FMF funding will continue to provide munitions, equipment, and training for the 5<sup>th</sup> and 18<sup>th</sup> Colombian Army Brigades, tasked with protecting the Caño-Limón Coveñas oil pipeline.

Other requested assistance included \$47.8 million in Development Aid for Bolivia, Brazil, Ecuador, Panama, and Peru, \$43.4 million in Child Survival and Health programs for Bolivia, Brazil, Ecuador, and Peru, and \$35 million in Economic Support funds for democratic institution building and economic growth programs in, Bolivia, Ecuador, Panama, Peru, and Venezuela. The request also included \$21 million for Migration and Refugee Assistance for the Western Hemisphere, an unspecified portion of which is assistance for Internally Displaced Persons (IDP) in Colombia. Further, the State Department estimates that it will spend some \$45 million in Colombia from the central State Department Air Wing Account.

In addition to International Affairs accounts, the Administration requested \$817.4 million in Department of Defense (DOD) counternarcotics funds for worldwide programs. The Defense Department does not provide country breakdowns of the requested amount. As in previous years, it requested a lump sum for all counternarcotic programs worldwide under Sections 1004 and 1033, and under Section 124, which provides DOD with the lead role in detection and monitoring programs. The Defense Department can reallocate these funds throughout the year in accordance with changing needs. In FY2000, DOD allocated \$128.5 million in addition to the \$300 million appropriated under Plan Colombia legislation (P.L. 106-

246). In FY2001, DOD allocated 190.2 million, \$119.1 million in FY2002, \$165 million in FY2003, and is proposing to spend \$122 million in FY2004.

## Situation in Colombia and Neighboring Countries

The Andean Regional Initiative was designed to provide assistance to seven countries in the broadly defined Andean region<sup>9</sup>: Bolivia, Brazil, Colombia, Ecuador, Panama, Peru, and Venezuela. The ARI built on the Clinton Administration's 2000 "Plan Colombia" legislation, which sought to address the increasing cultivation of coca and heroin crops in Colombia through the creation of a Colombian Army counternarcotics brigade, and sharply increased assistance for eradication and alternative development programs in the country's two southern provinces of Putumayo and Caquetá, the region where illegal coca production and a leftist guerrilla presence was expanding most rapidly. The ARI expanded assistance to help counter possible spill-over effects in six nearby countries: Peru and Bolivia, where past successes in reducing cocaine production could be threatened by expected progress in eradicating crops in Colombia; Ecuador, the most exposed neighbor because of its border with Colombia's Putumayo province; and Brazil, Venezuela and Panama, where the threat is primarily confined to common border areas with Colombia.

The region is important to the United States because it includes the three major drug producing countries (Colombia, Bolivia, and Peru) where virtually all the world's cocaine and 60% of the heroin seized in the United States are produced. It also includes two major oil producing countries (Venezuela and Ecuador), members of the Organization of Petroleum Exporting Countries (OPEC), which supply significant quantities of oil to the United States. While the designated countries have diverse trading relationships, the United States is the major trading partner by far for all of them. For the five traditional Andean countries (Colombia, Venezuela, Ecuador, Peru, and Bolivia), the Andes mountain range that runs through South America poses geographical obstacles to intra-state and inter-state integration, but the countries are linked together in the Andean Community economic integration pact. The ARI countries are some of the most heavily populated in Latin America, including the first (Brazil), third (Colombia), fifth (Peru), sixth (Venezuela), and eighth (Ecuador) most populous. Although Colombia and Venezuela have largely European-Indian mixed race (mestizo) populations, Bolivia, Peru, and Ecuador have significant Amerindian indigenous populations.

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<sup>9</sup> Panama and Brazil are not normally considered to be part of the Andean region; Bolivia is an Andean country but it does not share a border with Colombia.

## Colombia

Colombia's spacious and rugged territory, whose western half is transversed by three parallel mountain ranges, provides ample isolated terrain for drug cultivation and processing, and contributes to the government's difficulty in exerting control throughout the nation. With a population of 41 million, Colombia is the third most populous country in Latin America after Brazil and Mexico. It is known for a long tradition of democracy, but also for continuing violence, including a guerrilla insurgency dating back to the 1960s, and persistent drug trafficking activity. Recent administrations have had to deal with a complicated mix of leftist guerrillas, rightist paramilitary (or "self-defense" forces), both associated with many groups of independent drug traffickers. The two main leftist guerrilla groups are the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) both of whom regularly kidnap individuals for ransoms, and reap profit from their participation in the drug trade. The rightist paramilitaries are coordinated by the United Self-Defense Forces of Colombia (AUC) which has been accused of gross human rights abuses and collusion with the Colombian Armed Forces in fighting the FARC and ELN. The AUC has also been accused of participating in narcotics trafficking. There are additional paramilitaries not under the AUC umbrella, such as Metro Block, a former AUC faction that withdrew from peace negotiations with the government in late 2002.

**Pastrana Administration.** During the presidency of Andres Pastrana (August 1998-2002), U.S. involvement in Colombia deepened. Pastrana was elected largely on the basis of pledges to bring peace to the country by negotiating with the guerrillas, strengthening the Colombian military and counternarcotics forces, and seeking international support for these efforts and other reforms to address the country's unusually serious economic difficulties. Months after Pastrana's inauguration, he initiated peace talks with the country's largest guerrilla group, the FARC, and later with representatives from the smaller ELN. In 1999, in cooperation with the United States, Pastrana developed a \$7.5 billion plan called "Plan Colombia," with \$4 billion to come from Colombia and \$3.5 billion from international donors, although funding from Colombia and the international community has fallen far short of these goals.

To support Plan Colombia<sup>10</sup>, the Clinton Administration developed, and the U.S. Congress approved, a \$1.3 billion package of assistance in 2000. Most of the funding was to support programs in Colombia, with \$416.9 million for helicopters, training, and other assistance to three Colombian Army counternarcotics battalions. The focus of most of the funding, while incorporating alternative development and governance programs, was to support counternarcotics objectives.

Pastrana's efforts were largely frustrated by a variety of factors, including, according to a variety of analysts, the lack of a consistent negotiation strategy, the poor implementation of elements of Plan Colombia, and a lack of interest by the

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<sup>10</sup> For information on U.S. "Plan Colombia" assistance in FY2000-FY2001, including all Congressional action and congressionally imposed conditions, see CRS Report RL30541, *Colombia: Plan Colombia Legislation and Assistance (FY2000-FY2001)*, by Nina Serafino.

guerrillas in negotiating peace. An early Pastrana concession to the FARC was the creation of a sanctuary area (“despaje”) for the FARC as an incentive to enter into negotiations. The outcome, however, was the consolidation of FARC forces in the area after the withdrawal of government security forces. Prompted by an intensification of guerrilla activities, President Pastrana decided in February 2002 to terminate peace talks with the FARC, and ordered the military to retake the despaje. Days later, the FARC kidnaped Senator Ingrid Betancourt, a presidential candidate with a small following. She remains a captive to this day. By the end of Pastrana’s term, there was a strong perception that peace talks had failed, guerrilla activity (fed by the drug trade) had increased, and the security situation in major cities had deteriorated.

**Uribe Administration.**<sup>11</sup> Alvaro Uribe ran for the presidency on a platform focusing on defeating the guerrilla insurgents, eliminating the paramilitaries, and ending narcotics trafficking. He won 53% of the vote in an eleven-candidate field in the May 26, 2002 presidential elections. He is the first president since the 1991 Constitution to win by an outright majority, thus avoiding a run-off election. Upon taking office on August 7, 2002, he announced a hard-line approach to negotiations, declaring that the government would only negotiate with those groups who are willing to “give up terrorism and agree to a cease-fire,” including paramilitary groups, with whom President Pastrana had refused to negotiate. The FARC increased its armed activities by threatening with death all mayors who did not resign their posts, and conducting relatively large armed confrontations with rightist paramilitary groups, resulting in massacres of civilians in several locations. FARC also was responsible for bombings in urban areas of Medellín and Cartagena, as well as a deadly mortar attack in Bogotá close to the Congress building where Uribe was being sworn in. These attacks signaled FARC’s new-found, and long-threatened, ability to take their fight to the cities.

In order to address the complex problems facing Colombia, Uribe took a number of steps, some of which have proven to be controversial. He promulgated a decree invoking emergency powers, allowing the security forces to make arrests without warrants and imposing controls on movements in war-torn parts of the country. Under Colombia’s 1991 Constitution, states of emergency may be declared for 90 days, and then can be renewed for two additional 90-day periods. The country’s constitutional court has, on several occasions, ruled components of the state of emergency unconstitutional that give security forces increased powers. In response, the Uribe Administration introduced legislation in April of 2003 to change the Constitution to give security forces permanent powers to tap phones and to search homes without warrants in all parts of the country.

President Uribe also announced plans to increase the size of the military and police, largely through a one-time 1.2% war tax on wealthy individuals and businesses, and to create of a “civilian informers” program. This effort also entails the augmentation of Colombia’s regular armed forces with “peasant soldiers” who receive less training than regular troops, and are based near their own hometowns.

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<sup>11</sup> For more information on Uribe, see CRS Report RS21242, *Colombia: The Uribe Administration and Congressional Concerns*.

The Uribe Administration has inducted 10,000 peasant soldiers, each serving for two years, with plans to have a total force of 20,000. Further, Uribe authorized the widespread aerial fumigation of coca crops, that under the Pastrana administration, had been limited to small plots of growers who had signed eradication pledges. On June 26, 2003, a Colombian court ruled that the Colombian government should immediately suspend its aerial fumigation program until the Environment Ministry charts an Environment Management Plan. Officials of the Uribe Administration have stated that fumigation will continue while it appeals the decision. Two previous appeals have been won by the government.

Uribe has also received approval from the Constitutional Court for a referendum to cut government spending and pension payments, to prohibit the re-election of corrupt officials, and to restructure the Colombian Congress by reducing the number of representatives, restricting its budgetary powers, and allowing it to be dissolved by popular vote. The referendum was scheduled for October 25, 2003, to coincide with mayoral and gubernatorial elections slated for the following day. In the weeks leading up to the elections, the FARC threatened to kill all candidates and their families for the October 26 municipal elections. In total, 25 candidates were killed and 160 withdrew their names from the balloting.<sup>12</sup> In order for the referendum to succeed, the law required 25% (6.3 million) of Colombian voters to participate. Not having received sufficient turnout, the referendum items failed even though all received majority support by those voting. President Uribe has since taken some of the same issues to the Colombian Congress for support, especially those relating to the budget.

In late December 2002, Uribe appointed a commission to explore the possibility of a dialogue with the AUC. This initiative grew out of an October 2002 meeting of Colombia's High Commissioner for Peace and five Roman Catholic bishops with the AUC leadership, after which the AUC declared an indefinite cessation of hostilities, in part because of Uribe's more forceful stance against the guerrillas. The Bush Administration, which on September 25, 2002, requested the extradition of two top AUC leaders, Carlos Castaño and Salvador Mancuso, announced on January 8, 2003, that it would not withdraw the request. On July 15, 2003, the Uribe Administration announced that an agreement had been reached with leaders of the AUC that would result in their demobilization by the end of 2005. It is estimated that there are between 10,000 and 13,000 members of the AUC operating in the country. Formed in the 1980s by wealthy cattle ranchers to fight leftist guerrilla groups, the AUC is a loose coordinating body, leading some observers to question whether negotiations with the AUC will result in the demobilization of self-defense groups not under the AUC umbrella. It is estimated that as many as 6,500 fighters operate outside of the AUC,<sup>13</sup> some of whom are negotiating separately with the government, and others who are not participating at all. Related to this effort is a controversial legislative proposal by the Uribe administration to grant conditional amnesties to illegal combatants in exchange for their demobilization and reparations to victims.

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<sup>12</sup> Jeremy McDermott, "Uribe Gains the Upper Hand in Colombia's Guerrilla War," *Jane's Intelligence Review*, December 2003.

<sup>13</sup> Phil Stewart, "Colombia Mulls Fate of Paramilitary Outlaws", Reuters, July 19, 2003. "Colombia No Longer Needs Paramilitaries," Reuters, July 20, 2003.



**Coca Cultivation and Eradication.** Colombia is the source for 80% of the world's cocaine hydrochloride (HCl), and significant quantities of high quality heroin entering the United States. While noting the ill effects of the drug trade on the lives of Colombians, President Uribe linked the drug trade and the guerrilla insurgency as intertwined problems that must be addressed in a coordinated fashion. Reflecting this sentiment, the United States began, in 2002, providing Colombia with the flexibility to use U.S. counterdrug funds for a unified campaign to fight drug trafficking and terrorist organizations. (The State Department has designated the FARC, ELN, and AUC as terrorist organizations.)

Upon taking office, Uribe announced that aerial eradication and alternative development would form a significant basis of the government's efforts. The Plan Colombia eradication spraying program began in December 2000 with operations by the U.S. funded counternarcotics brigade in Putumayo.<sup>14</sup> Despite early indications that coca cultivation had increased by 25% in 2001 even though a reported 22,200 acres had been sprayed, Colombian and U.S. officials have reported decreases of 15% in 2002. During 2002, acres devoted to coca cultivation decreased from nearly 420,000 acres in 2001 to 357,000 acres in 2002. Colombia reported that an additional 160,000 acres had been sprayed in the first five months of 2003. Similarly, cultivation of opium poppy declined by 24% in 2002, with an additional 4,000 acres sprayed in the first five months of 2003.

Aerial fumigation has been controversial.<sup>15</sup> Critics charge that it has unknown environmental and health effects, and that it deprives farmers of their livelihood, particularly in light of a lack of coordination with alternative development programs. The alternative development program, in which farmers can get assistance to grow substitute crops after agreeing to the eradication of their illicit crops, has been plagued with delays. A U.S. General Accounting Office (GAO) report attributed the program's obstacles to inadequate security in coca-growing areas, where the Colombian government lacks control, and to the government's limited ability to carry out sustained interdiction operations. The State Department's annual International Narcotics Control Strategy Report for 2002 claims that since the inception of the Alternative Development program in December 2000, 20,128 families have benefitted and nearly 39,000 acres of licit crops have been planted in previous coca and poppy areas. The Colombian government reported that 38,000 families in 33 municipalities signed voluntary eradication pacts. As of early 2002, media reports noted that less than a third of those families have received any compensation and many were still growing coca.<sup>16</sup>

Proponents argue that both eradication and alternative development programs need time to work. In its response to the GAO report, AID argued that alternative development programs do not achieve drug crop reduction on their own, and that the

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<sup>14</sup> The two Army counternarcotics battalions funded by Plan Colombia were trained and operating by the spring of 2001. The first commenced operations in December 2000.

<sup>15</sup> See CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarrete-Frias.

<sup>16</sup> Susannah A. Nesmith, "Anti-drug Crop Plan in Doubt, Study Says Cocaine Growers in Colombia Seen with Few Choices," *The Boston Globe*, April 4, 2002.

Colombia program was designed to support the aerial eradication program and to build “the political support needed for aerial eradication efforts to take place.” At the start of his Administration, Uribe announced that increased Colombian resources would be devoted to alternative development.

With regard to environmental and health consequences, the Secretary of State certified in 2002, as required by Congress, that the herbicide, glyphosate, is not considered to pose unreasonable health or safety risks to humans or the environment. In the certification, the U.S. Environmental Protection Agency confirmed that application rates of the aerial fumigation program in Colombia are within the parameters listed on U.S. glyphosate labels. (A certification required under the FY2003 Consolidated Appropriations Bill has not yet been released.) However, press reports indicate that many Colombians believe the health consequences of aerial fumigation are grave.<sup>17</sup> Furthermore, Ecuador, neighboring Colombia, has complained that the fumigation program is damaging Ecuadorean crops, rivers, soil and people’s health, according to its Foreign Minister, Nina Pacari.<sup>18</sup>

**U.S. Policy Debate.** The U.S. policy debate has focused on a number of related issues, such as the effectiveness and implementation of the program in general, respect for human rights, the expansion of U.S. support to address what many consider to be a purely civil conflict, and the level of resources that Colombia, and other countries are willing to contribute. Supporters argue that Colombia is a friendly democracy under siege by powerful armed forces of the left and right fueled by drug money. In the context of the global war on terrorism, and with the growing recognition of the relationship between drug trafficking and the guerrilla insurgency, proponents argue that Colombia and its neighbors should be supported with counterterrorism assistance before the situation deteriorates further. They favored expanding the scope of military assistance to strengthen the ability of Colombian security forces to combat the leftist guerrillas and to expand their control throughout rural areas, thereby undercutting the rationale and support for paramilitary groups.

Opponents of U.S. policy argue that the counterdrug program uses a repressive and military approach to curbing drug production. They argue for halting aerial fumigation of coca crops and aid to the Colombian military, believing that coca farmers cannot be expected to abandon coca farming voluntarily until adequate economic alternatives are in place. They fear that forcing such farmers to give up coca growing will only drive many to the ranks of the armed groups, or to become displaced persons dependent on the state.<sup>19</sup> Instead, they support a policy that focuses largely on economic and social aid to combat the conflict’s root causes, curbs the still rampant human rights abuses by paramilitary groups, provides vigorous support for a negotiated end to the fighting, and emphasizes illicit drug demand reduction in the

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<sup>17</sup> “Coca Harvester Killed by Fumigation in Colombia,” *EFE News Service*, July 5, 2003.

<sup>18</sup> “Foreign Minister Says Colombian Fumigation Affects Ecuador,” *Associated Press Newswires*, July 16, 2003.

<sup>19</sup> Nancy San Martin, “U.S. Antinarcotics Plan for Colombia Is Failing, Report Concludes,” *Knight Ridder Tribune News Service*, July 10, 2003.

United States. They also argue that assisting Colombia to fight its leftist guerrillas will involve the United States in a major guerrilla conflict of indeterminate duration.

Others, some of whom support current U.S. policy, argue for a “Colombianization” of the program in that they believe that Colombians should be conducting the aerial spraying and other counternarcotics activities, not U.S. government contractors, and for Colombia itself to do more to fight its own war against terrorism and drug trafficking. They have argued that any expansion of U.S. involvement should await a greater commitment by Colombia’s government and elites to the war effort, including a larger budget for the Colombian military. Still others argue that assistance to Colombia should have the effect of improving its economy and providing employment for Colombians, maintaining that the current implementation in which U.S. contractors are hired does not contribute to the economy or employment.

Debate in the United States has also focused on allegations of human rights abuses by the Colombian Armed Forces, the FARC and ELN, and the paramilitary groups. The Colombian security forces have often turned a blind eye to paramilitary activities, considering these groups as augmenting their fight against the FARC and ELN, despite a record of human rights abuses. Many policymakers, both supporters and opponents of U.S. policy, have worked to break the ties between the Colombian military and the AUC, and President Uribe has vowed that paramilitary activities will not be tolerated. U.S. policy has supported the creation and assistance for a Human Rights Unit within the Attorney General’s office. Some non-governmental groups have claimed that the unit is ineffective and has poor leadership.<sup>20</sup> They argue for full enforcement of legislative conditions that require concrete steps to prosecute members of the armed forces who commit human rights violations, or who tolerate activities of paramilitary organizations. Requirements for the U.S. Secretary of State to certify that the Colombian military is prosecuting human rights violators, and breaking ties with the paramilitaries, are longstanding provisions in legislation. These certifications, one issued on July 8, 2003, and the latest issued on January 21, 2004, are criticized by human rights organizations as not adequately reflecting the human rights situation.<sup>21</sup>

Concerns in the United States have also been fueled by several incidents in which U.S. citizens have been killed or kidnaped in the region. On April 20, 2001, a private aircraft flying over Peru and carrying American missionaries was shot down, killing two, after the Peruvian military, working with U.S. support, identified it as a possible drug trafficking flight. As a result, the so-called “Air-Bridge Denial Program” was halted in both Peru and Colombia, until the Secretary of State certified that a renewed program would incorporate safety enhancements. This determination was made on August 18, 2003. Having reached an agreement with Colombian authorities on operational aspects that would provide greater safeguards against

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<sup>20</sup> “A Wrong Turn: The Record of the Colombian Attorney General’s Office,” *Human Rights Watch*, November 2002.

<sup>21</sup> “U.S. Misses an Opportunity: Certification Not Based On Facts,” *Human Rights Watch*, July 8, 2003, and “Colombia: Flawed Certification Squanders U.S. Leverage,” *Human Rights Watch*, January 23, 2004.

accidental shootdowns, the program was operationally capable of resuming as of August 22. Concern also heightened that greater U.S. involvement will result in a protracted commitment in a civil conflict occurred in response to the loss of five U.S. civilian contractors and aircraft operating in Colombia since February 2003. In the first incident, in February, a Cessna 208 aircraft carrying both U.S. and Colombian personnel crashed in a FARC controlled region. One American and a Colombian were killed, and three are being held by the FARC. Another Cessna 208, with U.S. civilian contractors, crash landed in March during a subsequent search and rescue operation, killing three Americans. A fifth American contractor was killed on April 7 when his T-65 air tractor crashed during a spraying operation. While these flights were considered crashes, fumigation flights have been fired on, and since August 2003, two planes have been downed by hostile fire. On August 25, a spray aircraft piloted by a U.S. citizen was shot down, injuring the pilot. An OV Bronco aircraft was downed on September 21, reportedly by hostile fire, killing its pilot which in some press reports was identified as a naturalized American citizen from Costa Rica.

A further concern of policymakers has centered on current U.S. policy opposing the application of jurisdiction of the International Criminal Court to U.S. citizens. Countries who had not agreed to sign so-called "article 98 agreements" referring to Article 98 of the Rome Treaty on the International Criminal Court, preventing the ICC from proceeding with a request for surrender of U.S. personnel present in the country, are subject to a cutoff of U.S. military assistance. On August 8, 2003, an article 98 agreement was signed with Colombia. This action was required under the American Service Members Protection Act of 2002, which was incorporated as Title II of H.R. 4775, the FY2002 Supplemental Appropriations Bill (P.L. 107-206).

### **Funding and Requests for Colombia.**

- Under the P.L. 106-246 Plan Colombia funding, Colombia received \$860.3 million. Of that, \$424.9 was State Department funding and \$91.8 was Department of Defense funding to assist Colombian military anti-drug efforts through interdiction support and the training and equipping of the Colombian counternarcotics battalions. The remaining \$435.4 was State Department funding for assistance to the Colombian police, economic and alternative development assistance, assistance for displaced persons, human rights, administration of justice and other governance programs.
- Under ARI allocations for FY2002, Colombia received \$379.9 million in ACI funding, with \$243.50 million in counternarcotics assistance, and \$137 million in economic and social programs.
- Under the Emergency FY2002 Supplemental, the Administration requested \$4 million of International Narcotics Control and Law Enforcement (INCLE) funding for police post support in areas of weak government control, \$6 million of FMF funding (which Congress directed to be transferred to the INCLE account) for counter-terrorism equipment and training, and \$25 million of Nonproliferation, Anti-Terrorism and Demining (NATD) funding for counter-kidnapping training. The enacted legislation specifically

provided \$6 million for infrastructure protection for the Cano-Limón Coveñas oil pipeline, and fully funded the other accounts.

- For FY2003, the Administration requested \$537 million in ARI funding for Colombia, including \$439 million in ACI funding, and \$98 million in FMF funding to train and equip a Colombian army brigade to protect an oil pipeline in the country. Congress reduced this request by \$5 million, providing \$93 million in FMF funds for the oil pipeline, as well as \$433 million in ACI funding.
- In the FY2003 Emergency Wartime Supplemental, the President requested additional funding for Colombia. Congress approved \$105.1 million, consisting of \$34 million of State Department for the Andean Counterdrug Initiative, \$34 million of DOD funds for Drug Interdiction and Counter-Drug Activities, and fully funded the Foreign Military Financing Program, out of which it provided that \$20 million could be transferred to the ACI account. The Administration advised Congress that it had designated another \$17.1 million in FMF funds for Colombia.
- For FY2004, the Administration requested a total of \$573 million of which \$463 million is for the ACI, consisting of \$150 million for alternative development, humanitarian assistance and institution building, and \$313 million for narcotics interdiction and eradication programs. The overall request also included \$110 million in FMF funding. In addition, the Administration proposed \$1.6 million in International Military Education and Training (IMET) funds. Congress provided \$731 million for the ACI in the FY2004 Consolidated Appropriations Bill (H.R. 2673/H.Rept. 108-401), passed by the House on December 8, 2003, and still pending in the Senate.

## Peru

Peru, which shares its northern border with Colombia, is the fifth most populous country in Latin America, with 27.5 million inhabitants. President Alejandro Toledo was elected on June 3, 2001, with 53% of the vote, against former left-leaning President Alan Garcia with 47%. A longtime opposition leader to previous President Alberto Fujimori who fled the country on corruption charges, Toledo was inaugurated as President on July 28, 2001.<sup>22</sup> President Toledo promised to end corruption and to stabilize the economy through orthodox policies, but observers have worried that tangible results will not meet the expectations of the populace, especially poor, indigenous groups. The President has had to deal with many strikes and protests, his party fared poorly in the November 2002 elections for new regional governments, and his popularity reached new lows in 2003.<sup>23</sup> President Toledo labeled drug trafficking a national security problem for Peru and established a drug czar for the country to better coordinate counternarcotics initiatives. When President Bush visited Peru on March 23, 2002, the two Presidents agreed to enhance cooperation on counternarcotics and counter-terrorism issues. However, U.S. military aid to Peru was suspended on July 1, 2003, because Peru had not signed an agreement exempting U.S. citizens from the jurisdiction of the International Criminal Court, which would result in the loss of \$2.7 million in military equipment and training requested for FY2004.<sup>24</sup>

Representatives of Peru and the United States launched an investigation into the circumstances and procedures leading to an incident on April 20, 2001, in which a Peruvian military plane shot down a small plane, killing an American missionary woman and her infant daughter, after a CIA surveillance plane had indicated that the small craft might be involved in drug trafficking activities. As a result of this accident, U.S. surveillance of drug-related flights in Peru and Colombia was suspended pending clarification of procedures. The State Department released a report of the U.S.-Peruvian investigative team on August 2, 2001, concluding that “communications systems overload” and “cumbersome procedures” played a role in the accident. President Bush indicated during his March 2002 trip to Peru that talks were continuing between the countries on appropriate procedures before the renewal of the anti-drug surveillance flights. Current U.S. law requires the Secretary of State to notify Congress 30 days prior to resuming U.S. support for the air interdiction program and to provide assurances that greater safety enhancements are in place. When the White House announced the resumption of the aerial interdiction program with Colombia on August 19, 2003, Administration spokesmen stated that

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<sup>22</sup> For more details, see CRS Report RL30918, *Peru: Recovery from Crisis*, by Maureen Taft-Morales.

<sup>23</sup> See Scott Wilson, Peruvian President Gets Mixed Reviews, *Washington Post*, March 31, 2003, p. A9.

<sup>24</sup> See The International Criminal Court and U.S. Military Assistance, by Jennifer Elsea and Larry Nowels, on the CRS website on Foreign Operations Appropriations at [<http://www.congress.gov/brbk/html/apfor40.html>].

arrangements with Peru had not been completed and that the proposed program with Peru would be more limited.<sup>25</sup>

Peru is the second largest cocaine producer in the world and exports high purity cocaine and cocaine base to markets in South America, Mexico, Europe, and the United States. Nevertheless, it has been viewed as a success story in counternarcotics efforts because six years of joint U.S.-Peru air and riverine interdiction operations, aggressive eradication efforts, and alternative development programs have significantly reduced coca production. However, while coca production remained constant in 2001, the State Department's International Narcotics Control Strategy Report noted an 8% increase in production during 2002, although this level is still 36,000 hectares (88,956 acres) below 1995 levels. Facing mounting protests, the Peruvian government temporarily suspended the drug eradication program in the Upper Huallaga Valley in early July 2002, but resumed the program in September 2002 once concerns were addressed, in part to be eligible for Andean Trade Preference Act benefits.

Peruvian spokesmen have worried about spillover effects of illicit drug activities from Colombia into Peru, and the increase in coca production. They have denounced illicit plantings of coca and poppies in Peru, and international trafficking of arms through Peru to FARC guerrillas in Colombia. Responding to press reports that FARC forces have penetrated into Peruvian territory, Peruvian officials stated in early 2002 that there are no permanent FARC forces in Peru, but they conceded that they may cross temporarily into border areas. Because of these threats, Peru has moved military bases from its border with traditional rival Ecuador, where tensions have diminished, to the border with Colombia. The March 20, 2002 bombing of a shopping center near the U.S. Embassy in Lima, three days before President Bush's visit to Peru, raised fears of a resurgence of guerrilla groups.

### **Funding and Requests for Peru.**

- As part of the FY2000 Plan Colombia emergency supplemental funding, Peru received \$25 million for KMAX helicopters for the Peruvian National Police, and benefitted from regional interdiction funding.
- Under ARI allocations for FY2002, Peru received \$142.5 million in ACI funds, with \$75 million in counternarcotics aid and \$67.5 million for alternative development. In addition, Peru received \$23.7 million in Child Survival and Health funds, \$15 million in Development Assistance, and \$14.5 million in Economic Security Funds. No funds were requested for Peru in the FY2002 supplemental.

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<sup>25</sup> See "U.S. Says Aerial Drug Interdiction Program to Resume in Colombia," on State Department website [<http://usinfo.state.gov/gi/Archive/2003/Aug/20-661332.html>], August 20, 2003; and "U.S. Resumes Aid for Drug Patrols, Colombian Safeguards Cited," *International Herald Tribune*, August 21, 2003, p. 2.

- Under the ARI allocation for FY2003, Peru is to receive \$128.1 million in ACI funds, with \$59.5 million in counternarcotics aid and \$68.6 million for alternative development. In addition, it would receive nearly \$22 million in Child Survival and Health funds, \$16.3 million in Development Assistance, and \$9 million in Economic Support Funds.
- For FY2004, the Administration requested \$116 million in ACI funds, with \$66 million in counternarcotics aid and \$50 million for alternative development. In addition, the Administration proposed \$16.7 million in Child Survival and Health funds, \$15.3 million in Development Assistance, and \$9 million in Economic Security Funds.

## Bolivia

Landlocked Bolivia shares no border with Colombia, but Bolivia's significant gains in reducing illegal coca production could be threatened by any successes in controlling production in Colombia. Once the world's foremost producer of coca leaf, Bolivia made great strides in reducing coca cultivation under the Banzer-Quiroga administration (1997-2002).<sup>26</sup> However, forcible eradication of coca has become a source of social discontent, exacerbating tensions over class and ethnicity that may foment political instability in Latin America's poorest country.

With a population of 8.3 million, Bolivia is the eleventh most populous country in Latin America. Despite a long past history of instability, Bolivia has, since the mid-1980s, experienced a period of unprecedented political stability as a series of elected governments instituted extraordinary political changes and economic liberalization, and peacefully transferred power to their successors. Beginning in the mid-1990s, governments have carried out major privatization programs and reforms that were heralded as putting the country on a sound macroeconomic footing, but have also led to significant social dislocations. Economically, it is tied to the region through two organizations: the Andean Community and as an associate member of the Southern Common Market (Mercosur) formed by Brazil, Argentina, Paraguay and Uruguay.

President Gonzalo Sánchez de Losada, of the National Revolutionary Movement (MNR) a 72-year old wealthy businessman who had served once before as president (1993-1997), began his five-year term on August 6, 2002, with only 22% of the vote in an eleven candidate field. Evo Morales, a 42-year old Aymara, who is head of the Movement Towards Socialism (MAS) party and leader of the Bolivian coca growers union, ran a close second. Under the Bolivian constitution, the lack of a majority victory sent the election to the Bolivian Congress, where Members of the upper and lower chambers (27 senators and 130 representatives) selected between the two top vote getters. To secure the presidency, the MNR formed a coalition with the

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<sup>26</sup> President Jorge Quiroga assumed the presidency on August 7, 2001, when President Hugo Banzer, whom he had served as vice president, resigned because of illness. Quiroga could not, by law, subsequently run for election.



Movement of the Revolutionary Left (MIR), led by fourth place winner Jaime Paz Zamora, Sánchez de Lozada's traditional adversary and also a former president (1989-1993). During his first year in office, President Losada had to deal with numerous protests and demonstrations.

Shortly after Sánchez de Lozada's inauguration, his Interior Minister announced the government would resume the eradication efforts of the previous government. Perhaps foreshadowing challenges to come, both domestically and in relations with the United States, confrontations erupted the next day between peasants and police in the coca-growing Chapare and Yungas regions. More recent political unrest led to the resignation of Sánchez de Lozada on October 17, 2003, just fifteen months after he was elected. Succeeding him as President is his former Vice President, Carlos Mesa, a popular former television journalist, historian, and political independent. This change in leadership came about after months of protests led by indigenous and workers groups who carried out strikes and road blockages that paralyzed most of the country and resulted in up to 80 deaths. The focus of the protests was the continued economic marginalization of the poorer segments of society especially in response to government plans to export natural gas via a port in Chile, an historic adversary of Bolivia. The new President faces many difficulties in governing a politically fractured society, one of the poorest nations in the hemisphere, within the context of a highly mobilized indigenous community, and the uncertainty of obtaining consensus on natural gas exports as a basis for the country's future economic development.

For some 20 years, U.S. relations with Bolivia have centered largely on controlling the production of coca leaf and coca paste, which was usually shipped to Colombia to be processed into cocaine. In support of Bolivia's counternarcotics efforts, the United States has provided significant interdiction and alternative development assistance, and it has forgiven all of Bolivia's debt for development assistance projects, and most of the debt for food assistance. Not until President Hugo Banzer set a goal in his "Dignity Plan" of eliminating illegal coca cultivation and narco-trafficking by the end of his five-year term in 2002 was there much success. Bolivia, like Peru, has been viewed by many as a counternarcotics success story, with joint air and riverine interdiction operations, successful eradication efforts, and effective alternative development programs reducing illegal coca cultivation to the lowest level in five years, with a net reduction of approximately 70% between 1996 and 2001. Others, however, view the forced eradication as a social and political disaster: in places it was implemented regardless of the availability of alternative development programs funding, and in some places the Dignity Plan's mandated use of the military to carry out the eradications has generated charges of human rights abuses.<sup>27</sup>

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<sup>27</sup> Kathryn Ledebur. *Coca and Conflict in the Chapare*. Drug War Monitor Briefing Series. Washington Office on Latin America. July 2002. pp 6-7. According to recent reports, alleged abuses committed by members of the U.S. funded Expeditionary Task Force, a unit of 1,500 armed ex-soldiers based in the Chapare region, have included at least five killings and 50 cases this year of beatings and theft. See Anthony Faiola. "U.S. Role in Coca War Draws Fire." *Washington Post*. July 23, 2002. pp A1-A23.

According to the State Department's International Narcotics Control Strategy Report, coca cultivation increased 23% in 2002. Nearly 12,000 hectares (29,652 acres) was eradicated, but the authorities have had little success in preventing replantings. Yet, Bolivia's coca cultivation is about half of its 1995 levels. It should also be noted that Bolivian law allows up to 12,000 hectares of coca cultivation for traditional use. Although President Jorge Quiroga had promised to carry out the Dignity Plan program, he relented after violent protests by coca growers in the Yungas and the Chapare regions. The latter was once the country's primary illegal coca-growing region. Much of the illegal commercial crop had been eliminated there, but some has been replanted.

Bolivia has signed an article 98 agreement exempting U.S. citizens from the jurisdiction of the International Criminal Court. The agreement is pending consideration before the Bolivian Congress. In July 2003, and previous to an agreement being signed, the Bush Administration had waived the withholding of U.S. military aid from the country.

### **Funding and Requests for Bolivia.**

- As part of the FY2000 Plan Colombia emergency supplemental funding, Bolivia received \$25 million for regional interdiction assistance and \$85 million in alternative development assistance.
- Under ARI allocations for FY2002, Bolivia received \$87.6 million in ACI funds, consisting of \$52 million in drug interdiction and eradication, and \$35.6 million in alternative development. In addition, Bolivia received \$19.7 million in Child Survival and Health funds, \$12.9 million in Development Assistance, \$10 million in Economic Support Funds, and \$500,000 in Foreign Military Financing.
- Under the FY2003 ARI allocation, Bolivia is to receive nearly \$91 million in ACI funding, consisting of \$49 million in interdiction and eradication, and \$41.7 million in alternative development. In addition, Bolivia would receive \$18.5 million in Child Survival and Health funds, \$12.2 million in Development Assistance, \$10 million in Economic Support Funds, and \$2 million in Foreign Military Financing.
- For FY2004, the Administration requested \$91 million in ACI funds, consisting of \$52.5 million in interdiction and eradication, and \$38.5 million in alternative development. In addition, the Administration proposed \$14.4 million in Child Survival and Health funds, \$11.4 million in Development Assistance, \$8 million in Economic Support Funds, and \$4 million in Foreign Military Financing.

## Ecuador

On Colombia's southern border, Ecuador is the most exposed of Colombia's neighbors because it is situated adjacent to areas in southern Colombia that are guerrilla strongholds and heavy drug producing areas. With a population of 13.2 million, Ecuador is the eighth most populous country in Latin America. President Lucio Gutierrez, a retired colonel and a leader of the January 2000 uprising which toppled the previously elected President, Gustavo Noboa, was elected on November 20, 2002, and inaugurated on January 15, 2003. He has embarked upon a very ambitious program to cut government expenditures, and in March 2003, he obtained a \$205 million stand-by arrangement from the International Monetary Fund and the extension of repayments on past obligations to help the country deal with its debt problems.

According to press reports, Colombian guerrillas pass into Ecuadoran territory for rest, recuperation, and medical treatment, and there are reports that Colombians are buying ranches and farms in the Ecuadoran border region, possibly for drug cultivation. Ecuadoran officials say they have uncovered and destroyed several small cocaine processing labs in the area. The Ecuadoran border region is experiencing a constant flow of Colombian refugees into the poor areas, and fighters with Colombian paramilitary organizations have been arrested for running extortion rings in Ecuadorian border regions. The FARC has been accused of kidnaping people in Ecuador, although the FARC denies the allegations. Ecuador reinforced its northern border with Colombia in early 2002 as Colombian anti-guerrilla operations intensified following the breakdown of the peace talks, and Ecuador was said to be seeking additional international assistance.<sup>28</sup> President Gutierrez has said that the armed conflict in Colombia is having an adverse affect on Ecuadoran peasants in border areas, and he has claimed that the aerial fumigation in Colombia is harming the Ecuadoran environment and negatively affecting Ecuadorans' health.<sup>29</sup> Colombian President Uribe thanked Ecuadoran for taking in Colombians fleeing violence when he visited Ecuador, on August 22, 2003, and he promised to eradicate terrorism in Colombia so that it would not spread to Ecuador.<sup>30</sup>

As a major transit country for cocaine and heroin from Colombia and Peru, Ecuador cooperates extensively with the United States in counternarcotics efforts. In November 1999, the United States signed a 10-year agreement with Ecuador for a forward operating location (FOL) in Manta, on the Pacific Coast, for U.S. aerial counterdrug detection and monitoring operations. Although the agreement is solely for the detection of drug trafficking flights in the region, some human rights groups and politicians in Ecuador fear that the facility could be used to support operations against guerrillas in neighboring Colombia.

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<sup>28</sup> See "Ecuador Wants Money to Strengthen Border; Guerrilla Infiltration Concern Grows After Military Action Against FARC," *Financial Times*, March 8, 2002, p. 10.

<sup>29</sup> See "Ecuador's Gutierrez Says Colombian Conflict Moving Beyond Its Borders," *BBC Monitoring Americas Report*, June 30, 2003.

<sup>30</sup> See "Colombia's Uribe in Ecuador Thanks President Gutierrez for Help, Support," *BBC Monitoring Americas Report*, August 24, 2003.

Ecuador has not signed an agreement to exempt U.S. citizens from the jurisdiction of the International Criminal Court, and it became subject to U.S. sanctions on July 1, 2003, with the possible loss of \$15.7 million in FMF funding and IMET education in FY2004. Press reports at the time of the announcement of the cutoff of military aid quoted some Ecuadoran officials as saying they might reexamine the military relationship with the United States, including the Manta facility.

### **Funding and Requests for Ecuador.**

- As part of the FY2000 Plan Colombia emergency supplemental funding Ecuador received \$20 million in U.S. assistance, of which \$12 million was to support drug interdiction efforts, and \$8 million was for alternative development assistance. Another \$61.3 million has been allocated for the construction of a Forward Operating Location in Manta, Ecuador for counternarcotics aerial surveillance.
- Under ARI allocations for FY2002, Ecuador received \$25 million in ACI funding, consisting of \$15 million in interdiction and law enforcement programs, and \$10 million in alternative development. In addition, Ecuador received \$6.9 million in Development Assistance, \$15 million in Economic Support Funds.
- Under the Emergency FY2002 Supplemental request, Ecuador received \$3 million in FMF funding.
- Under the FY2003 ARI allocations, Ecuador is to receive nearly \$30.9 million in ACI funding, consisting of \$15 million for interdiction and law enforcement programs, and \$15.9 million for alternative development. In addition, Ecuador would receive \$7.1 million in Development Assistance, \$15.5 million in Economic Support Funds, and \$1 million in Foreign Military Financing.
- For FY2004, the Administration requested \$35 million in ACI funding, consisting of \$20 million for interdiction and law enforcement, and \$15 million for alternative development. In addition, Ecuador would receive \$300,000 in Child Survival and Health funds, \$7.1 million in Development Assistance, \$14 million in Economic Support Funds, and \$15 million in Foreign Military Financing.

## Brazil

Brazil's isolated Amazon region, populated largely by indigenous groups, forms Colombia's southeastern border. With a population of 174.5 million, Brazil is the largest and most populous country in Latin America, with most of its inhabitants concentrated in the more developed southeastern areas of the country and along the Atlantic coast. Luiz Inacio Lula da Silva of the leftist Workers Party was inaugurated as President on January 1, 2003, after decisively winning the second round presidential election in October 2002, with support from a wide range of parties. He has promised to follow sound economic policies, while putting priority on the elimination of hunger in the country. He is seeking to create a strong South American bloc that would merge the Southern Common Market (Mercosur), composed of Argentina, Paraguay and Uruguay (with Bolivia and Chile as associate members) with the Andean Community, composed of Venezuela, Colombia, Ecuador, Peru and Bolivia. President Lula da Silva visited Peru on August 25, 2003, and Peruvian President Toledo signed a free trade agreement between Peru and Mercosur, and talks for a broader free trade agreement between Mercosur and the Andean Community are scheduled to conclude by December 2003. Brazil views these integration efforts as facilitating more advantageous negotiations with the United States in the talks to conclude a Free Trade Area of the Americas (FTAA) by January 2005.

In efforts to strengthen ties with the United States, on June 20, 2003, President Lula da Silva made an official visit to Washington, D.C. and he and President Bush resolved "to create a closer and qualitatively stronger [bilateral] relationship." Leaders agreed on a framework for regular high-level discussions on a wide range of issues, including agreements to enhance cooperation in science and nuclear energy; to jointly promote HIV/AIDS treatment in the Portuguese-speaking African countries of Mozambique and Angola; and to establish an energy partnership for cooperation on alternative energy sources. Brazil has not agreed to exempt U.S. citizens from the jurisdiction of the International Criminal Court, and in July 2003 it became subject to sanctions that could result in the loss of \$500,000 in IMET military education and training funds in FY2004.

Brazil is not a significant drug-producing country, but it is a conduit for the transit of cocaine base and cocaine HCl from Colombia to Europe and the United States. With increasing drug use within the country, a major action in 2002 was the passage of an omnibus Brazilian federal counter-narcotics law.

Brazilians have long been concerned about the sparsely populated territory in the huge Amazon region, and they have been fearful historically of foreign designs and intervention in this territory. In an effort to exercise control over this vast territory Brazil has constructed a \$1.4 billion sensor and radar project called the Amazon Vigilance System, or SIVAM from its acronym in Portuguese, and it has offered to share data from this system with neighbors and the United States. It has established a military base at Tabatinga, with 25,000 soldiers and policemen, with air force and navy support, and has launched Operation Cobra with heightened vigilance to deal with spillover effects from Colombia.

Press accounts suggest evidence of Colombian drug traffickers encouraging indigenous communities in Brazil to plant coca, Brazilian drug traffickers linked to Colombian traffickers, and FARC incursions along the border. In one example in late 1998, the FARC captured a city on the Colombian border, forcing Colombian troops to withdraw into Brazilian territory, before recapturing the city. In another example, a plane from Suriname with arms for FARC guerrillas was discovered when it was forced to make an emergency landing in Brazil. In another more recent example, FARC forces crossed into Brazil in early March 2002 and exchanged gunfire with Brazilian military forces.<sup>31</sup> In late June 2003, Brazil announced that it would increase the number of troops in states that share a border with Colombia. In another strange incident, it was reported in August 2003 that French officials landed a C-130 plane in Brazilian territory in mid-July 2003, without informing Brazilian authorities, in an effort to rescue Ingrid Betancourt, a former Colombian presidential candidate who is also a French citizen, who has been held captive by FARC guerrillas.<sup>32</sup>

### **Funding and Requests for Brazil.**

- Brazil received only a small amount of Plan Colombia assistance, but under ARI allocations for FY2002 Brazil received \$6 million in ACI funds, nearly all in law enforcement funding. Brazil also received \$9.2 million in Child Survival and Health funds, and \$4.8 million in Development Assistance.
- Under the FY2003 ARI allocation, Brazil is to receive \$6 million in ACI funds, nearly all in law enforcement funding. In addition, Brazil is to receive \$9.8 million in Child Survival and Health funds, and \$6.4 million in Development Assistance.
- FY2004, the Administration requested \$12 million in ACI funding, nearly all in law enforcement funding. In addition, the Administration proposed \$12 million in Child Survival and Health funds, and \$8.2 million in Development Assistance.

### **Venezuela**

Venezuela, Colombia's eastern neighbor, is now the fourth largest supplier of crude oil to the United States. With a population of 24 million, Venezuela is the sixth most populous country in Latin America. The country is presently led by President Hugo Chavez, a populist and leader of an unsuccessful military coup in the early 1990s, who was initially elected in 1998 on a campaign to rewrite the constitution, rid the country of corruption, and more adequately meet the needs of the people. Under President Chavez, Venezuela has undergone enormous political changes, with a new constitution and revamped political institutions.

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<sup>31</sup> See "Brazil: Incidents with FARC on Border with Colombia Viewed," BBC Monitoring Americas, March 9, 2002.

<sup>32</sup> "French Rescue Effort Sets Off Diplomatic Spat with Brazil," *Washington Post*, August 3, 2003, p. A19.

Although Chavez remained widely popular until mid-2001, his popularity subsequently eroded significantly after that, especially among the middle class, because of his perceived ineffectiveness in improving living conditions and concerns that he was imposing a leftist agenda on the country. Following massive anti-Chavez protests in April 2002, the Venezuelan military took Chavez into custody and business leader Pedro Carmona declared himself interim President, but Chavez was restored to power in days with the support of the military. From December 2002 until February 2003, the opposition orchestrated a general strike that disrupted the economy but was unsuccessful in getting President Chavez to agree to early elections or a non-binding referendum on his rule. After months of negotiations facilitated by OAS Secretary General Cesar Gaviria, President Chavez and the opposition signed an agreement on May 29, 2003, to resolve the political crisis. Implementation of the accord, which could lead to a recall referendum for President Chavez, will not necessarily be easy, but observers emphasize that it is an important first step for achieving political stability.<sup>33</sup>

Under the Chavez government, there has been friction at times in U.S.-Venezuelan relations, and Chavez has at times used anti-U.S. rhetoric. He denounced Plan Colombia as a U.S.-dominated military strategy, and denied the United States overflight rights over Venezuela territory for drug interdiction. Following the September 2001 terrorist attacks on the United States, Chavez criticized U.S. military action in Afghanistan, and he visited Libya, Iran, and Iraq, prompting President Bush to exclude him from his March 2002 meeting with Andean leaders in Peru.<sup>34</sup> Venezuelan officials have refused to exempt U.S. citizens from the jurisdiction of the International Criminal Court, and in July 2003, the country became subject to sanctions that could lead to the loss of \$700,000 in military education and training funds in FY2004.

There has been increasing concern about the guerrilla conflict in Colombia spreading to Venezuela. At times, Colombian guerrillas and paramilitaries have entered Venezuela territory causing frictions in Colombian-Venezuelan relations. In April 2003, Venezuela's military exchanged fire with Colombian paramilitaries that had crossed the border pursuing FARC guerrillas; a subsequent meeting between Chavez and Colombian President Alvaro Uribe eased tensions and led to Venezuelan promises to increase border patrols in order to prevent incursions by armed Colombian groups. There also have been long-held suspicions that President Chavez has supported the Colombian guerrillas, but President Chavez denies such support. The Senate Foreign Operations Bill for FY2004 contains a provision denying Venezuela assistance if the Secretary of State certifies that Venezuela is assisting, harboring, or providing sanctuary to Colombian terrorist organizations.

Venezuela is a major transit route for cocaine and heroin from neighboring Colombia to the United States and Europe. In 2001, some coca fields were located and eradicated, and processing labs were detected and destroyed. There were no

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<sup>33</sup> For more details, see CRS Report RL32488, *Venezuela: Political Conditions and U.S. Policy*, by Mark P. Sullivan.

<sup>34</sup> See Peter Slevin, Political Crisis in Venezuela Worries White House, *Washington Post*, February 23, 2002, p. A18.

eradication efforts in 2002. Despite various policy disagreements with the United States, the Chavez government has cooperated with the United States in counternarcotics efforts.

### **Funding and Requests for Venezuela.**

- While Venezuela received only a small amount of Plan Colombia assistance, under the final ARI allocations for FY2002, Venezuela received \$5 million in ACI funding, consisting of law enforcement and administration of justice programs. Venezuela also received \$500,000 in Economic Support Funds.
- Under FY2003 ARI allocations, Venezuela would receive \$2.1 million in ACI funding, consisting of law enforcement and administration of justice programs. Venezuela would also receive \$500,000 in Economic Support Funds.
- For FY2004, the Administration requested \$5 million in ACI funding, consisting of law enforcement and administration of justice programs. The Administration also proposed \$500,000 in Economic Support Funds.

### **Panama**

Panama is separated from Colombia along its southern border by the difficult and environmentally sensitive wetlands and rain forest of the “Darien Gap.” Here, the 16,000 mile Pan American highway (stretching from Alaska to the tip of southern Chile) is interrupted for a 60 mile stretch. A part of Colombia until 1903, Panama is now the twentieth most populous country in Latin America, with a population of 2.8 million.

Panama’s history has been heavily influenced by its strategic location and the transit of commerce through the Panama Canal in the center of the country, where the major cities are located. It is led by President Mireya Moscoso, elected and inaugurated in 1999, who has been dealing with economic difficulties in Panama, and with Panama’s new responsibilities for the Panama Canal since the U.S. withdrawal on the last day of 1999. Despite considerable effort in the period leading up to the U.S. withdrawal, Panama was unwilling to allow the United States to retain a formal military presence in Panama for counternarcotics surveillance purposes.<sup>35</sup> This forced the United States to develop the Forward Operating Locations (FOLs) in El Salvador, Aruba/Curacao and Ecuador as substitute locations for such activities. U.S.-Panama relations have been very friendly, however, and Panama did agree to exempt U.S. citizens from the jurisdiction of the International Criminal Court shortly before President Moscoso’s late June 2003 official visit to Washington, D.C.

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<sup>35</sup> For more detail, see CRS Report RL30981, *Panama: Political and Economic Conditions and U.S. Relations*, by Mark P. Sullivan.



Panama has been the scene of cross-border incursions by Colombian guerrillas and paramilitary groups. There is some evidence that paramilitary groups are being founded in Panama, with support from Colombian groups, because of the perception that the Panamanian government has left some areas unprotected. Shipments of small arms for the Colombian guerrillas have been seized in Panamanian territory as well.

Panama is not an illicit drug producing country, but it is a major transshipment point for illicit drugs, especially cocaine, smuggled from South America, and it is a major site for money-laundering activity. In recent years, Panama has cooperated with the United States in bilateral counternarcotics efforts, seizing significant amounts of illicit drugs and enforcing recently passed anti-money laundering legislation. In early 2002, a comprehensive U.S.-Panama maritime anti-drug agreement entered into force.

### **Funding and Requests for Panama.**

- While Panama received only a small amount of Plan Colombia assistance, under allocations for FY2002, Panama received \$5 million in ACI funding, consisting largely of border control and law enforcement funds. Panama also received \$4.5 million in Development Assistance and \$4.2 million in Economic Support Funds.
- For FY2003, Panama is to receive \$4.5 million in ACI funds, consisting largely of border control and law enforcement funds. In addition, Panama is to receive \$4.9 million in Development Assistance, \$3 million in Economic Support Funds, and \$1 million in Foreign Military Financing.
- For FY2004, the Administration requested \$9 million in ACI funds, consisting largely of border control and law enforcement funds. In addition, the Administration proposed \$5.7 million in Development Assistance, \$3.5 million in Economic Support Funds, and \$2.5 million in Foreign Military Financing.

## Major Legislative Activity in 2003 on Andean Regional Initiative Issues

In 2003, Congress has acted on a variety of appropriation and authorization measures related to the Andean region that are cited below. In April 2003, the Congress passed an FY2003 Emergency Wartime Supplemental, to fund continuing operations in Iraq, that also included funding for the Andean Counterdrug Initiative. On December 8, 2003, the House passed the FY2004 Consolidated Appropriations Bill (H.R. 2673/H.Rept. 108-401), which combined a number of individual appropriations measures that had not yet been approved. The bill passed the Senate on January 22, 2004, and was signed into law the next day (P.L. 108-199).

### FY2003 Foreign Operations Appropriations

By the end of 2002, both the House and Senate Appropriations Committees had reported their versions of an FY2003 Foreign Operations Appropriation bill, but this and other appropriations bills had not been enacted. As a result, Congress incorporated the 11 unfinished bills into an omnibus spending package, H.J.Res. 2 (for continuing appropriations). The House passed H.J.Res. 2 on January 8, 2003, and the Senate followed suit on January 28, 2003. Both chambers approved the conference report (H.Rept. 108-10) on February 13, 2003, and the measure was signed into law (P.L. 108-7) on February 20, 2003.<sup>36</sup> In the omnibus bill, Congress provided \$835.5 million for the Andean Regional Initiative, of which \$700 million was provided for the Andean Counterdrug Initiative. It further allowed the transfer of \$31 million from the State Department's International Narcotics Control and Law Enforcement (INCLE) account to the ACI.

### FY2003 Emergency Wartime Supplemental

On March 25, 2003, President Bush requested \$74.7 billion in additional funding for military operations and reconstruction activities in Iraq, and for ongoing operations in the global war on terrorism. It also included requests for counterdrug and military funding for Colombia.

**House Action.** The House Appropriations Committee marked up H.R. 1559 on April 2, 2003, providing the President with most of his request. The House passed the measure on April 3, 2003, by a vote of 414-12. During floor consideration, an amendment offered by Representative Jim McGovern was defeated by a vote of 209-216. The amendment would have decreased by \$61 million funding for Interdiction and Counterdrug Activities and the Andean Counterdrug Initiative for Colombia, and would have increased funding for the Office of Domestic Preparedness by \$34 million.

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<sup>36</sup> See CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Nina M. Serafino, which tracks the legislative activity and the provisions of this act.

**Senate Action.** The Senate passed H.R. 1559 on April 7, 2003, by a vote of 93-0, after it struck all after the enacting clause and inserted the text of S. 762, the Emergency Wartime Supplemental, reported out by the Senate Appropriations Committee on April 1.

**Conference Report.** The conference agreement passed both the House and the Senate on April 12, 2003, and was signed into law on April 16, 2003 (P.L. 108-11). With regard to the Andean Counterdrug Initiative and Colombia, it provided \$34 million for the ACI of which \$5 million is to assist persons who have been displaced as a result of the armed conflict in Colombia. Further, it provided that up to \$20 million in Foreign Military Financing (FMF) funds could be transferred to the ACI for aircraft, training, and other assistance for the Colombian Armed Forces. Overall FMF funding totaled \$2.059 billion, of which the Administration subsequently allocated an additional \$17.1 million for Colombia. The Department of Defense was provided with an additional \$34 million for its Drug Interdiction and Counter-Drug Activities to fund “increased operational tempo in Colombia’s unified campaign against narcotics trafficking and terrorist activities.” Report language directed the Secretary of Defense to submit a report to Congress within 30 days of enactment detailing how these funds are to be obligated in support of the U.S. Southern Command’s Colombia initiative.

## FY2004 Foreign Operations Appropriations

**House Action.** The House Foreign Operations Appropriations Subcommittee marked up the FY2004 bill (H.R. 2800/H.Rept. 108-222) on July 10, 2003, which was followed by full committee consideration on July 16, 2003. The Committee approved the President’s request of \$731 million for the Andean Counterdrug Initiative, and included a number of conditions and reporting requirements. The Committee does not earmark funds by country from the Child Survival and Health programs, Development Assistance, Foreign Military Financing, and Economic Security Funds (with some exceptions), which comprise components of the Andean Regional Initiative. However, the Committee provided additional funding over FY2003 levels for the Child Survival and Health Program, and moderate increases for the Economic Support Fund, and Foreign Military Financing programs. Development Assistance was cut slightly.

As in previous years, the Committee included a number of funding conditions and reporting requirements. These provisions include the following:

- Expanded authority for a unified campaign against narcotics trafficking, activities of terrorist organizations, and to take actions to protect human health and welfare in emergency situations, including rescue operations. The Committee Report notes, as it has in previous years, that this authority is not a signal for the United States to become more deeply involved in assisting the Colombian military in fighting its terrorist groups, and especially not at the expense of counternarcotics programs. Expanded authority is meant to provide “more effective intelligence gathering and fusion, and to provide the flexibility to the Department of State when the

distinction between counternarcotics and counterterrorism are [sic] not clear cut.”

- Expanded authority shall cease if the Secretary of State determines that the Colombian Armed Forces are not conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations. This is similar language to previous years.
- If any helicopters procured with ACI funds are used to aid or abet the operations of paramilitaries, the helicopters shall be immediately returned to the United States. This is similar language to previous years.
- Support for a Peruvian air interdiction program is denied until the Secretary of State and Director of Central Intelligence certify to Congress, 30 days prior to any resumption, that such a program will include enhanced safeguards and procedures to prevent any similar occurrence to the April 20, 2001 incident in which two American missionaries were killed after a plane in which they were flying was shot down.
- It requires a report from the State Department and Agency for International Development within 45 days of the bill’s enactment on the proposed uses of all ACI funds on a country-by-country basis for each proposed program, project, or activity.
- It allows for the obligation of 75% of ACI funds without prior certification from the Secretary of State with regard to human rights. To release the remaining 25%, the Secretary must certify that 1) the Colombian Armed Forces are suspending those who have been credibly alleged to have committed gross violations of human rights, or to have aided paramilitary organizations; 2) the Colombian government is prosecuting military personnel accused of human rights abuses; 3) the Colombian military is cooperating with civilian prosecutors and judicial authorities in such cases; 4) the Colombian military is severing links with paramilitary organizations; and 5) the Colombian military is executing orders for the capture of paramilitary leaders. The Committee directs the Secretary to meet with internationally recognized human rights organizations prior to making the certification.
- It directs the Secretary of State to deny visas to any alien who has provided support to the FARC, ELN, or AUC or has committed or abetted the commission of gross violations of human rights.
- The report recommends \$1 million for the Naval Post Graduate School (N.S.) to strengthen public engagement and democratic control of national security in Colombia.

- The report states the Committee's support for USAID's continuing alternative development strategy, and for the so-called "carabineros" police program to establish a law enforcement presence in rural and remote areas.
- The report states the Committee's concern that U.S. assistance is not adequately reaching the substantial Afro-Colombian population, which has been significantly affected by the conflict.
- The report states the Committee's concern with the increase in Colombian heroin and directs the State Department to consult with the Committee on its strategy for heroin eradication.

During full committee consideration, Chairman Jim Kolbe accepted an amendment proposed by Representative Sam Farr to require the State Department to submit a report no later than 60 days from enactment that describes detailed plans and programs to train Colombian nationals for the purpose of assuming responsibilities for programs currently being executed by U.S. contractors with funds provided in the bill.

H.R. 2800 passed the House on July 23, 2003. During its consideration, the House defeated by a 195-226 margin an amendment by Representative Jim McGovern and Representative Ike Skeleton to cut \$40 million from the Andean Counterdrug Initiative and \$35 million from Foreign Military Financing funds, and to transfer this \$75 million to Child Survival and Health programs.

**Senate Action.** The Senate Committee on Appropriations reported out their bill (S. 1426/S.Rept. 108-106) on July 17, 2003, providing \$660 million of the President's ACI request, with the authority to transfer an additional \$37 million from the State Department's INCLE account to ACI. Of this total of \$697 million, the Committee directed that not less than \$250 million be allocated directly to USAID for alternative development and institution building programs, including judicial reform. Of the \$250 million, \$165 million is directed to these types of programs in Colombia. In addition, the Committee earmarked funding for certain programs in Colombia: \$2.5 million to protect human rights defenders; \$2.5 million for the United Nations Office of the High Commissioner for Human Rights in Colombia; \$10 million for assistance to the Colombian Attorney General's Human Rights Unit; and \$2.5 million for assistance to the human rights office of the Colombian Procuraduria. (During Senate floor consideration, this amount was increased to \$3.5 million by an amendment offered by Senator Leahy.) The Senate took up H.R. 2800 on October 24, substituting the text of S. 1426, passing the bill on October 30 by voice vote.

Like the House bill, it includes a number of reporting requirements.

- It provides expanded authority for a unified campaign against narcotics trafficking, activities of terrorist organizations, and to take actions to protect human health and welfare in emergency situations, including rescue operations.

- Expanded authority shall cease if the Secretary of State determines that the Colombian Armed Forces are not conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of the paramilitary and guerrilla organizations.
- If any helicopters procured with ACI funds are used to aid or abet the operations of any illegal self-defense group or illegal security cooperative, the helicopters shall be immediately returned to the United States.
- It requires a report from the State Department, in consultation with USAID, within 45 days of the bill's enactment, on the proposed uses of all ACI funds on a country-by-country basis for each proposed program, project or activity.
- Section 664 allows for the obligation of 50% of ACI funds prior to a certification from the Secretary of State with regard to human rights. The release of the remaining 50% would be in two installments: the first after such a certification; the second after July 31, 2004, with an additional certification. Specifically, the Secretary must certify that (1) the Colombian Armed Forces are suspending personnel who have been credibly alleged to have committed gross violations of human rights, including extra-judicial killings, or to have aided or abetted paramilitary organizations; (2) the Colombian government is investigating and prosecuting members of the Colombian Armed Forces who have been credibly alleged to have committed gross violations of human rights; (3) the Colombian Armed Forces are cooperating with civilian prosecutors and judicial authorities in such cases; (4) the Colombian Armed Forces are severing links with paramilitary organizations; and 5) the Colombian Armed Forces are dismantling paramilitary leadership and financial networks by arresting commanders and financial backers. The Committee directs the Secretary of State to meet with internationally recognized human rights organizations at least 10 days prior to making these certifications.
- Section 665 directs the Secretary of State to deny visas to any alien who has provided support to the FARC, ELN, or AUC, or has committed or abetted the commission of gross violations of human rights.
- It continues previously enacted provisions that would prohibit not more than 20% of funds to be used for the procurement of chemicals for aerial coca and poppy fumigation unless the Secretary of State, in consultation with the Administrator of the Environmental Protection Agency, certifies that (1) the herbicide mixture is being used in accordance with EPA label requirements for comparable use in the United States and with the Colombian Environmental Management Plan; (2) the herbicide mixture, in the manner it is

being used, does not pose unreasonable risks or adverse effects to humans or the environment; and (3) complaints of harm to health or licit crops caused by fumigation are evaluated and fair compensation is being paid for meritorious claims. It also states that these funds may not be used unless programs are being implemented by USAID, the government of Colombia, or other organizations, to provide alternative sources of income in areas where security permits for small-acreage farmers whose illicit crops are targeted for fumigation.

- It prohibits any U.S. Armed Forces personnel or U.S. civilian contractors employed by the United States from participating in any combat operation in Colombia.
- It commends the commitment of Colombian President Uribe in tackling the threats of terrorism and narcotics in Colombia.
- It includes language maintaining the existing caps on U.S. personnel in Colombia at 400 for military and 400 for civilian contractors in support of Plan Colombia.
- It commends the Colombian National Police for reasserting its presence throughout the country and provides \$17 million in FMF funds for three DC-3 aircraft to increase their mobility. The Committee report notes that it sees “the Colombian military as a particularly weak link in the fight against terrorism and narcotics.”
- It requires a report from the Secretary of State, not less than 90 days from enactment, that describes (1) the budgetary impact for fiscal years 2004 through 2007 of State Department and other relevant agencies of Plan Colombia and Andean Counterdrug Initiative activities, including the projected cost per year of maintaining and operating equipment, including aircraft, that the United States has provided to Colombia; (2) the progress, to date, that the United States has made in turning over management and implementation of Plan Colombia and the Andean Counterdrug Initiative programs from U.S. personnel to the Colombian government; and (3) the exit strategy that would transfer such programs and activities to the Colombian government.
- It continues the so-called “Leahy Amendment” that prohibits funding for any units of security forces if the Secretary of State has credible evidence that such unit has committed gross violations of human rights.
- It makes U.S. assistance to the Bolivian police or military contingent on a report from the Secretary of State that (1) the Bolivian government is vigorously investigating and prosecuting members of the military and police who have been credibly alleged to have committed gross violations of human rights and is punishing those found to have committed such violations; and (2) the Bolivian

military and police are cooperating with such investigations and prosecutions.

- It prohibits assistance to Venezuela if the Secretary of State certifies that the government of Venezuela is assisting, harboring, or providing sanctuary to Colombian terrorist organizations. It exempts \$5 million in Economic Support Funds for democracy and rule of law programs.

**Conference Report.** The House and Senate Foreign Operations Appropriations Bills were included in the FY2004 Consolidated Appropriations Bill (H.R. 2673/H.Rept. 108-401). The measure passed the House on December 8, 2003, and the Senate on January 22, 2004 (P.L. 108-199). The conference report provides \$731 million for the Andean Counterdrug Initiative, the same as the President's request. It also provides a total of \$4.294 billion in Foreign Military Financing, of which the Administration proposed spending \$133.5 million in the Andean nations. The conference report included a number of provisions relating to the Andean Region.

- It maintains language authorizing support for a unified campaign against narcotics trafficking and activities by organizations designated as terrorist organizations. Report language notes that counternarcotics, alternative development, and judicial reform should remain the principal focus of U.S. policy in Colombia.
- This authority shall cease if the Secretary of State has credible evidence that the Colombian Armed Forces are not vigorously attempting to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations.
- It maintains the current cap on the number of U.S. military and U.S. civilian contractors at 400 each, in support of Plan Colombia.
- It maintains language requiring that if any helicopter procured with ACI funds is used to aid or abet the operations of any illegal self-defense group or illegal security cooperative, the helicopter shall be immediately returned to the United States.
- It requires that the Secretary of State, in consultation with the Administrator of USAID, provide to the Committees on Appropriations a report within 45 days of enactment and prior to the initial obligation of funds on the proposed uses of all ACI funds on a country-by-country basis for each proposed program, project, or activity.
- It requires that not less than \$257 million of ACI funds be made available for alternative development and institution



building, of which \$229.2 million shall be allocated to USAID.

- It requires that not less than \$25 million be made available for justice and rule of law programs in Colombia.
- It requires that not less than \$13 million, in addition to the \$25 million referred to above, be made available for organizations and programs to protect human rights. Accompanying report language states that these funds are to be allocated as follows: \$2.5 million for protecting human rights defenders in Colombia; \$2.5 million for the U.N. Office of the High Commissioner for Human Rights in Colombia; \$6.5 million for the Colombian Attorney General's Human Rights Unit; and \$1.5 million for the human rights unit of the Colombian Procuraduria.
- It requires that not more than 20% of funds used for the procurement of chemicals for aerial coca and poppy fumigation be made available unless the Secretary of State, in consultation with the Administrator of the Environmental Protection Agency (EPA) certifies that 1) the herbicide mixture is in accordance with EPA label requirements for comparable use in the United States and any additional controls recommended by the EPA; and 2) the herbicide mixture does not pose unreasonable risks or adverse effects to humans or the environment. Further, the Secretary of State must certify that complaints of harm to health or licit crops caused by fumigation are evaluated and fair compensation is being paid for meritorious claims. These funds may not be made available unless programs are being implemented by USAID, the Colombian government, or other organizations, and in consultation with local communities, to provide alternative sources of income in areas where security permits for small-acreage growers whose illicit crops are targeted for fumigation.
- It requires that not less than \$2.5 million be made available for training, equipment, and other assistance for the Colombian National Park Service. It also provides that funds may be used for aerial fumigation in Colombia's national parks or reserves if the Secretary of State determines that it is in accordance with Colombian laws and that there are no effective alternatives to reduce drug cultivation in these areas.
- It prohibits any U.S. military personnel or U.S. civilian contractors from participating in any combat operations in Colombia.
- It allows the obligation of 75% of assistance to the Colombian Armed Forces without a determination and certification from

the Secretary of State regarding respect for human rights and severing ties with paramilitary groups. The remaining 25% can be released in two installments of 12.5% each. The first installment can be made provided that the Secretary of State certifies that 1) the Commander General of the Colombian Armed Forces is suspending members who have been credibly alleged to have committed gross violations of human rights or to have aided or abetted paramilitary organizations; 2) the Colombian government is vigorously investigating and prosecuting members of the military who have been credibly alleged to have committed gross violations of human rights or to have aided or abetted paramilitary organizations; 3) the Colombian Armed Forces have made substantial progress in cooperating with civilian prosecutors and judicial authorities in such cases; 4) the Colombian Armed Forces have made substantial progress in severing links to paramilitary organizations; and 5) the Colombian Armed Forces are dismantling paramilitary leadership and financial networks by arresting commanders and financial backers. The last installment can be made after July 31, 2004, if the Secretary of State certifies that the Colombian Armed Forces are continuing to meet the above conditions and are conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations. It also requires that not later than 60 days after enactment, and every 90 days thereafter, the Secretary of State shall consult with internationally recognized human rights organizations regarding progress in meeting these conditions.

- It denies visas to anyone who the Secretary of State determines willfully provided any support to the FARC, ELN, or AUC, or has participated in the commission of gross violations of human rights in Colombia.
- None of the funds can be used to support a Peruvian air interdiction program until the Secretary of State and the Director of Central Intelligence certify to Congress 30 days prior to resuming the program that enhanced safeguards and procedures have been developed.
- It requires a report by the Secretary of State that the Bolivian military and police are respecting human rights and cooperating with investigations and prosecutions of alleged violations of human rights before ACI funding for Bolivia can be spent.
- It provides that \$17 million in FMF funds may be transferred to and merged with ACI funds, and made available for aircraft and related assistance for the Colombian National Police.

## FY2004-FY2005 Foreign Relations Authorization

**House Action.** Reflecting continuing concern with the persistent and complex conflict in Colombia, the spill-over of guerrilla and drug trafficking activities into neighboring countries, and the ongoing involvement of the United States (including the kidnaping and killing of American citizens), the House International Relations Committee reported out H.R. 1950, (H.Rept. 108-105, Part 1) on May 16, 2003, with three reporting requirements similar to provisions in the Foreign Relations Authorization for FY2003 (H.R. 1646/P.L. 107-228), and with the provision of additional authority related to the interdiction of illicit arms trafficking.

Section 703 of the bill as reported by the House International Relations Committee would require the Secretary of State, after consulting with internationally recognized human rights organizations, to make a very detailed report to Congress, not later than 30 days after enactment and every 180 days thereafter, on the specific measures that the Colombian authorities are taking to apprehend and prosecute leaders of paramilitary organizations and other terrorist organizations. The Committee report expressed concern about the illegal activities not only of two leftist guerrilla groups, the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), but also of the rightist paramilitary groups, specifically the United Self Defense Forces of Colombia (AUC), that are reported to be responsible for at least half of all non-combatant killings, torture, and disappearances. Noting that the State Department's March 2003 human rights report found some continuing collusion with the AUC by members of the Colombian security forces, the Committee report stated that Colombia's government has not committed at every level to confront the paramilitaries and to protect civilians from paramilitary abuses.

Section 709 would require the Secretary of State to submit a report on the impact of the U.S. assistance plan known as Plan Colombia on Ecuador and Colombia's neighboring countries to appropriate congressional committees not later than 30 days after enactment. This report is to set forth a comprehensive strategy for United States activities in Colombia, with specific reference to the impact of U.S. assistance on Ecuador and other adjacent countries, and it is to provide the reasons for the failure to submit a report on this subject as required by the Foreign Relations Authorization Act for FY2003. Stating that a State Department report of March 4, 2003, was inadequate, the Committee report expressed the expectation that a new report "will address in detail not only the counter-drug repercussions of Plan Colombia and its successor programs on Ecuador and other adjacent countries, but also the humanitarian and economic development implications of increased eradication efforts for these countries."

Section 1801 would provide specific authority for U.S. counter-drug assistance which is being used to support the interdiction of aerial trafficking of illicit narcotics to be used to support the interdiction of illicit arms in connection with illicit drug trafficking. The Committee report notes that "this provision ensures that any and all illegal arms brought into Colombia by aerial means that are in any way trafficked in connection with the illicit drug trade, are also clearly eligible for U.S. assistance in interdicting."

Section 1802 would require the Secretary of State, acting through the Department of State's Narcotics Affairs Section (NAS) in Bogotá, Colombia, to ensure, not later than 180 days after enactment, "that all pilots participating in the United States opium eradication program in Colombia are Colombians and are fully trained, qualified and experienced pilots, with preference provided to individuals who are members of the Colombian National Police." The Committee report states that local Colombian police anti-drug pilots are more familiar with the terrain and can be more effective in locating crops, thereby enhancing efforts to eradicate the small but potent opium crop that makes up nearly two-thirds of U.S. heroin use, according to recent United States estimates, while promoting the Colombianization of the programs and reducing the involvement of U.S. private contractors.

On July 16, 2003, the House passed H.R. 1950 by a vote of 382-42.

**Senate Action.** On April 24, 2003, the Senate Foreign Relations Committee reported out S. 925 (S.Rept. 108-39), the Foreign Relations Authorization Act of 2004, with one provision related to Colombia and the Andean region. Responding to a request from the Executive Branch, Section 801 of the bill would repeal the requirement in the Emergency Supplemental Appropriation Act for FY2000 (P.L. 106-246) that the State Department report semi-annually on the extradition of narcotics traffickers from Andean countries. In floor action on S. 925 on July 10, 2003, the Senate approved two amendments related to Colombia and Andean region assistance, both by voice vote.

Amendment 1162, proposed by Chairman Luger, added Section 815, which would modify the reporting requirements on U.S. personnel involved in the anti-narcotics campaign in Colombia by changing the frequency of the reports from bimonthly to quarterly, and by clarifying that the reports were to be provided to appropriate committees of Congress.

Amendment 1194, proposed by Majority Leader Frist, added Section 2522, which would commend the leadership and people of Colombia for the progress made against illicit drug traffickers and terrorists, and which supported the efforts of President Uribe and the government and the people of Colombia to preserve and strengthen democracy, human rights, and economic opportunity in Colombia.

## **FY2004 Foreign Assistance Authorization**

**Senate Action.** On May 29, 2003, the Senate Foreign Relations Committee reported out S. 1161, the Foreign Assistance Authorization Act of 2004 (S.Rept. 108-56), with several provisions on assistance to Colombia and the Andean region.

Section 122 would authorize \$700 million (rather than the \$731 million requested) for the Andean Counterdrug Initiative. It provides that assistance for Colombia for FY2004 and previous years may be used to support a unified campaign against narcotics trafficking and terrorist activities; and to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations. It further provides that U.S. personnel providing such assistance shall be subject to the personnel caps in the Emergency Supplemental Act for 2000, shall not participate in any combat operation in connection with such assistance; and shall be

subject to the condition that Colombia is fulfilling its commitment to the United States with respect to its human rights practices, including specific conditions set forth in the Foreign Operations Appropriations for FY2003.

Section 502 provides that information on the extent of involvement of U.S. businesses in counter-narcotics activities under State or Defense Department contracts, required by the previous Foreign Relations Authorization, may be reported in the annual report detailing the counter-narcotics performance of drug producing and drug transit countries.

## FY2004 National Defense Authorization

**House Action.** On April 4, 2003, Representative Duncan Hunter introduced H.R. 1588, authorizing appropriations for FY2004 for the Department of Defense. The Committee on Armed Services reported the bill on May 16, 2003, with provisions relating to Colombia (H.Rept. 108-106). The House considered H.R. 1588 on May 20, and 21, with final passage on May 22. With regard to Colombia, Section 1208 of the bill would increase the cap on the number of U.S. military personnel in Colombia to 500, from 400 in existing law. It would provide an exemption from the limitation for any members of the armed forces in Colombia to rescue or retrieve U.S. military or civilian personnel. This limitation could not be exceeded for a period longer than 30 days. The provision also exempts from the cap (1) military personnel assigned to the U.S. Embassy in Colombia as attaches, as part of the security assistance office, with the Marine Corps security contingent, (2) personnel participating in natural disaster relief operations, and (3) those involved in non-operational transit through Colombia. The Secretary of Defense is provided with authority to waive these limitations if he deems it in the national security interests of the United States, and with notification to congressional defense committees within 15 days.

Section 1047 of the bill would provide authorization for drug interdiction and counterdrug activities to provide assistance to Colombia to support a unified campaign against drug trafficking and activities by organizations designated as terrorist organizations.

**Senate Action.** On May 13, 2003, Senator John Warner introduced S. 1050, the National Defense Authorization Act of FY2004. On June 4, 2003, the Senate took up H.R. 1588, striking all after the enacting clause and inserting the text of S. 1050. The measure passed the Senate by voice vote the same day and conference committee consideration is pending. With regard to Colombia and the Andean region, Section 1207 of the bill extends the authority of Section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105-84) which authorizes DOD counternarcotics programs. It also would renew authority to support counterdrug activities in Peru which had expired at the end of FY2002. The section also authorizes counternarcotics support through the end of FY2006 for seven additional countries, including Bolivia and Ecuador, among others, with \$40 million for each authorized in any fiscal year. The bill directs the Secretary of Defense to provide a comprehensive report on how counterdrug funds are spent in each of these nine countries within 60 days following the end of each fiscal year for which the program is authorized.

Section 1208 of the bill would extend for two additional years the expanded authority to use DOD funds to support a unified campaign against narcotics cultivation and trafficking, and against terrorist organizations in Colombia.

**Conference Report.** The conference report (H.Rept. 108-354) was agreed to by the House on November 7 and by the Senate on November 12, 2003, and signed by President Bush on November 24, 2003 (P.L. 108-136). Section 1021 provides authority for the Defense Department to provide support for counterdrug activities by extending authority in Section 1033 of the National Defense Authorization Act for FY1998 (P.L. 105-84) for counterdrug support to Colombia and Peru. Section 1022 authorizes the Department of Defense joint task forces to provide for counterterrorism activities to law enforcement agencies, as it does for counterdrug activities. Section 1023 extends for an additional two years expanded authority to use Defense Department counterdrug funds to support a unified campaign against narcotics cultivation and trafficking and against associated terrorist organizations in Colombia.

## FY2004 Intelligence Authorization

**House Action.** On June 11, 2003, Representative Porter Goss introduced H.R. 2417, the Intelligence Authorization Bill for FY2004. It was reported (H.Rept. 108-163) from the Committee on Intelligence on June 17, 2003, and approved by the House on June 27, 2003, by a vote of 410-9. In regard to Colombia, Section 501 authorizes funds for counterdrug and counterterrorism activities, with provisions similar to the Senate bill regarding a unified campaign, a prohibition on participation of U.S. military and contract employees, and caps on U.S. military and contract personnel. (See below.) The report accompanying the bill notes the Committee's concern with regard to the level of resources and personnel allocated to narcotics trafficking, transnational organized crime, and terrorist activity in Colombia, as well as Afghanistan, and North Korea. It states the expectation that the FY2005 budget request will include "a reinvigorated strategy to combat narcotics trafficking and other transnational organized crime — with appropriate funding and personnel levels for the Director of Central Intelligence's Crime and Narcotics Center (CEC)."

**Senate Action.** On May 8, 2003, Senator Pat Roberts introduced S. 1025, to authorize appropriations for FY2004 for intelligence and intelligence-related activities, including provisions relating to Colombia. The Committee on Intelligence reported the bill the same day (S.Rept. 108-44) while the Committee on Armed Services reported the bill (S.Rept. 108-80) on June 26, 2003. Section 313 of the bill authorizes the use of funds for a unified campaign against narcotics trafficking and activities of designated terrorist organizations such as the FARC, ELN, and AUC. This authority shall cease "if the Secretary of Defense has credible evidence that the Colombian military is not conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations." Section 313 also maintains caps of 400 each on U.S. military and contractor personnel stationed in Colombia, and prohibits the participation of U.S. military personnel or civilian contractors in any combat operations except for the purposes of self defense or search and rescue operations of U.S. Armed Forces personnel, U.S. civilian employees, or civilian contractors

employed by the United States. On July 31, 2003, the Senate took up H.R. 2417, inserting the text of S. 1025, and passing it the same day.

**Conference Report.** The conference report (H.Rept. 108-381) passed the House on November 20, 2003, and the Senate the following day. It was signed into law on December 13, 2003 (P.L. 108-177). Section 502 of the agreement authorizes the use of intelligence funds for a unified campaign against drug trafficking and terrorism in Colombia. It also maintains the prohibition on U.S. military or civilian contractors from participating in combat operations in Colombia.

## Temporary Protected Status Legislation

Several bills were introduced to designate Colombian and Peruvian citizens under section 244 of the Immigration and Nationality Act as eligible for temporary protected status (TPS). H.R. 2843, introduced on July 24, 2003, would grant TPS to both Colombians and Peruvians. H.R. 2853, introduced the same day, would grant TPS to just Colombians. Both bills have been referred to the House Judiciary Committee. In the Senate, S. 986 would designate Colombians as eligible for TPS. The bill has been referred to the Senate Judiciary Committee.<sup>37</sup>

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<sup>37</sup> For more information, see CRS Report RS20844, *Temporary Protected Status: Current Immigration Policy and Issues*, by Ruth Ellen Wasem and Karma Ester.

## Appendix A. Map Showing Andean Regional Initiative Countries



Source: Map Resources. Adapted by CRS. (09/02 M.Chin)



## Appendix B. FY2002 Andean Regional Initiative

### FY2002 Request and FY2002 Allocations by Purpose and by Functional Accounts (\$ millions)

| Country          | Total ARI<br>FY2002<br>Request | Total<br>ARI<br>FY2002<br>Actual | ACI FY2002 Actual<br>By Purpose    |                                       | ARI FY2002 Actual<br>By Account   |                         |                                      |                             |                                  |
|------------------|--------------------------------|----------------------------------|------------------------------------|---------------------------------------|---|-------------------------|--------------------------------------|-----------------------------|----------------------------------|
|                  |                                |                                  | Economic/<br>Social/<br>Governance | Counter-<br>narcotics and<br>Security | International<br>Narcotics Control<br>(Andean<br>Counterdrug<br>Initiative) | Develop-<br>ment<br>Aid | Child<br>Survival<br>and<br>Diseases | Economic<br>Support<br>Fund | Foreign<br>Military<br>Financing |
| <b>Colombia</b>  | 399.90                         | 373.90                           | 130.40                             | 243.50                                | 373.90  | 0                       | 0                                    | 0                           | 0                                |
| <b>Bolivia</b>   | 143.88                         | 130.70                           | 39.60                              | 48.00                                 | 87.60   | 12.90                   | 19.70                                | 10.00                       | 0.5*                             |
| <b>Brazil</b>    | 26.48                          | 20.00                            | 0                                  | 6.00                                  | 6.00  | 4.80                    | 9.20                                 | 0                           | 0                                |
| <b>Ecuador</b>   | 76.88                          | 46.86                            | 10.00                              | 15.00                                 | 25.00   | 6.86                    | 0                                    | 15.00                       | 0                                |
| <b>Panama</b>    | 20.00                          | 13.70                            | 0                                  | 5.00                                  | 5.00  | 4.50                    | 0                                    | 4.20                        | 0                                |
| <b>Peru</b>      | 206.15                         | 195.70                           | 67.50                              | 75.00                                 | 142.50  | 15.00                   | 23.70                                | 14.50                       | 0                                |
| <b>Venezuela</b> | 10.50                          | 5.5                              | 0                                  | 5.00                                  | 5.00  | 0                       | 0                                    | 0.50                        | 0                                |
| <b>Totals</b>    | <b>882.29</b>                  | <b>786.40</b>                    | <b>247.50</b>                      | <b>397.50</b>                         | <b>645.00</b>   | <b>44.06</b>            | <b>52.60</b>                         | <b>43.70</b>                | <b>0.50</b>                      |

**Source:** Office of the Secretary of State. International Affairs Function 150 Fiscal Year 2003 Budget Request Summary and Highlights. These data include funding from accounts that comprise the Andean Regional Initiative: International Narcotics Control and Law Enforcement (INCLE.), Andean Counterdrug Initiative, development aid, child survival and health aid, and foreign military financing. The ARI has not included (and consequently these figures do not include) International Military Education and Training funds, food aid, peace corps funds, or Department of Defense counternarcotics funds. Prepared by Nina M. Serafino and Connie Veillette, Updated July 17, 2003. Totals may not add due to rounding.

The ARI for FY2002 also did not include Foreign Military Finance Funding (FMF). The small amount for Bolivia is included here, even though it was not specifically for counternarcotics purposes, in order to facilitate comparisons with the FY2003 request, which includes FMF for Andean Regional Initiative countries. Amounts for Colombia do not include funds from the FY2002 Supplemental: \$4 million for ACI; \$25 million in counter-kidnaping training; and \$6 million to protect the Cano-Limon oil pipeline. Similarly, amounts for Ecuador do not include \$3 million in FMF funds.

## Appendix C. FY2003 Andean Regional Initiative

### FY2003 Request and FY2003 Allocations by Purpose and by Functional Accounts (\$ millions)

| Country          | Total ARI FY2003 Request | Total ARI FY2003 Allocations | ACI FY2003 Allocations By Purpose |                                | ARI FY2003 Allocations By Account                                |                 |                             |                       |                            |
|------------------|--------------------------|------------------------------|-----------------------------------|--------------------------------|--|-----------------|-----------------------------|-----------------------|----------------------------|
|                  |                          |                              | Economic/Social/Governance        | Counter-narcotics and Security | International Narcotics Control (Andean Counter-drug Initiative) | Development Aid | Child Survival and Diseases | Economic Support Fund | Foreign Military Financing |
| <b>Colombia</b>  | 37.0                     | 597.3                        | 149.2                             | 318.0                          | 467.2  | 0               | 0                           | 0                     | 130.1                      |
| <b>Bolivia</b>   | 32.6                     | 133.4                        | 41.7                              | 49.0                           | 90.7   | 12.2            | 18.5                        | 10.0                  | 2.0                        |
| <b>Brazil</b>    | 29.5                     | 22.2                         | 0                                 | 6.0                            | 6.0  | 6.4             | 9.8                         | 0                     | 0                          |
| <b>Ecuador</b>   | 65.1                     | 54.5                         | 15.9                              | 15.0                           | 30.9   | 7.1             | 0                           | 15.5                  | 1.0                        |
| <b>Panama</b>    | 20.5                     | 13.4                         | 0                                 | 4.5                            | 4.5  | 4.9             | 0                           | 3.0                   | 1.0                        |
| <b>Peru</b>      | 186.6                    | 176.2                        | 68.6                              | 59.5                           | 128.1  | 16.3            | 21.7                        | 9.0                   | 1.0                        |
| <b>Venezuela</b> | 8.5                      | 2.6                          | 0                                 | 2.1                            | 2.1  | 0               | 0                           | .5                    | 0                          |
| <b>Totals</b>    | <b>979.8</b>             | <b>999.6</b>                 | <b>275.4</b>                      | <b>454.1</b>                   | <b>729.5</b>   | <b>46.9</b>     | <b>50.0</b>                 | <b>38.0</b>           | <b>135.1</b>               |

**Source:** Office of the Secretary of State. International Affairs Function 150 Fiscal Year 2004 Budget Request Summary and Highlights. February 2003. Estimates for FY2003 were provided to CRS by the Department of State. These data include funding from accounts that comprise the Andean Regional Initiative: International Narcotics Control and Law Enforcement (INCLE), Andean Counterdrug Initiative, development aid, child survival and health aid, and foreign military financing. The ARI has not included (and consequently these figures do not include) International Military Education and Training funds, food aid, peace corps funds, or Department of Defense counternarcotics funds. Totals may not add due to rounding.

**Note:** Amounts for Colombia include the FY2003 Emergency Wartime Supplemental. Not included here, because it is not part of the ARI, is \$34 million from DOD's counternarcotics program. Prepared by Connie Veillette, Analyst in Latin American Affairs, July 17, 2003.

## Appendix D. FY2004 Andean Regional Initiative

### FY2004 Request by Purpose and Functional Accounts (\$ millions)

| Country          | Total ARI<br>FY2004<br>Request | ARI FY2004 Request by<br>Purpose                  |  | ARI FY2004 Request by Account            |   |                   |                    |  |                             |                                  |
|------------------|--------------------------------|---|--|--|---|-------------------|--------------------|--|-----------------------------|----------------------------------|
|                  |                                | <i>Economic/<br/>Social/<br/>Govern-<br/>ance</i> | <i>Counter-<br/>narcotics and<br/>Security</i> | International Narcotics Control<br>(ACI) |   |                   | Development<br>Aid | Child<br>Survival<br>and<br>Health<br>Programs<br>Fund | Economic<br>Support<br>Fund | Foreign<br>Military<br>Financing |
|                  |                                |   |  | TOTAL<br>ACI                             | Alternative<br>Develop-<br>ment/<br>Institution<br>Building | Inter-<br>diction |                    |  |                             |                                  |
| <b>Colombia</b>  | 579.0                          | 150.0   | 423.0  | 463.0                                    | 150.0   | 313.0             | 0                  | 0  | 0                           | 110.0                            |
| <b>Bolivia</b>   | 128.8                          | 75.8  | 53.0   | 91.0                                     | 42.0  | 49.0              | 11.4               | 14.4   | 8.0                         | 4.0                              |
| <b>Brazil</b>    | 32.2                           | 20.2  | 12   | 12.0                                     | 0   | 12                | 8.2                | 12.0   | 0                           | 0                                |
| <b>Ecuador</b>   | 71.4                           | 36.4  | 30.0   | 35.0                                     | 15.0  | 20.0              | 7.1                | 0.3  | 14.0                        | 15.0                             |
| <b>Panama</b>    | 20.8                           | 9.3   | 11.5   | 9.0                                      | 0   | 9                 | 5.8                | 0  | 3.5                         | 2.5                              |
| <b>Peru</b>      | 159.0                          | 91.0  | 68.0   | 116.0                                    | 50.0  | 66.0              | 15.3               | 16.7   | 9.0                         | 2.0                              |
| <b>Venezuela</b> | 5.5                            | .5  | 5.0  | 5.0                                      | 0   | 5                 | 0                  | 0  | 0.5                         | 0                                |
| <b>Totals</b>    | <b>990.7</b>                   | <b>383.2</b>                                      | <b>602.5</b>                                   | <b>731.0</b>                             | <b>257.0</b>  | <b>474.0</b>      | <b>47.8</b>        | <b>43.4</b>  | <b>35.0</b>                 | <b>133.5</b>                     |

**Source:** Office of the Secretary of State, Resources, Plans and Policy. International Affairs Function 150 Summary and Highlights, Fiscal Year 2004 Budget Request. Prepared by Nina M. Serafino, Specialist in International Security Affairs, and Connie Veillette, Analyst in Latin American Affairs, updated July 17, 2003.

**Note:** The Budget documents submitted by the Administration make reference to the Andean Counterdrug Initiative only. It does not reference the Andean Regional Initiative, which has since its inception, included funding for development assistance, children survival and health, and economic support fund programs. For purposes of this report, both are included for comparative purposes with previous years' funding levels.