

COLOMBIA

COUNTRY STRATEGY PAPER

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SUMMARY

Colombia's population is estimated at 42 million, the third largest in Latin America after Brazil and Mexico. It occupies an area of just over 1.3 million square kilometres. About one-quarter of the population lives in rural areas. Natural resources are

plentiful, and include agricultural land, water for irrigation, energy resources (oil, natural gas, and coal), and minerals such as nickel, gold, and emeralds.

Despite the existence of strong social inequalities and the armed struggle of the guerrillas, Colombia managed to keep a relative political, economic and social stability in the period 1960-1980 in relation with other countries in the region. From 1980 onwards, uncontrolled and generalised violence throughout the country dramatically increased insecurity. This decade also saw the rise of the powerful drug cartels. Political and common violence added to the other historical and fundamental problems of the country: social inequality, injustice, corruption, impunity and poverty. The cancer spread progressively and generalised to such a point that the role of the State and its institutions has been dramatically reduced. This has further increased social injustice together with corruption and impunity already latent at all levels of the State and civil society.

As a result of the economic crisis, the gains made in the area of poverty reduction have been eroded over the past two years, and today, approximately 8.5 million Colombians have incomes below a nutritionally-defined subsistence level. At the same time, the unemployment rate has increased to 20 % of the work force.

Violence (politically motivated or not) today generates over 30,000 dead per year, 10 kidnappings per day, two million displaced people during the last decade and around two million living, studying or working abroad

The **objective** of EC Co-operation is to help Colombia in its search for Peace, a pre-requisite to any form of sustainable development.

The Commission's response to the challenges outlined in the CSP is:

the support of on-going Colombian activities in the search for Peace.
targeting of the roots and causes of the conflict.

- providing humanitarian assistance to the victims of the conflict.

The EC has made a commitment to support the Colombian Peace Process within an overall EU Aid Package to Colombia which was announced at the III meeting of the Support Group to the Colombian Peace Process held in Brussels on 30th April 2001.

1. EC CO-OPERATION OBJECTIVES

Article 177 of the *EC Treaty* sets out the three broad objectives for Community development co-operation. These are:

- fostering of sustainable economic and social development,
- the smooth and gradual integration of the developing countries into the world economy and,
- the fight against poverty.

Article 177 also states that Community policy should contribute to the general objective of developing and consolidating democracy and the rule of law and encouraging the respect of human rights and fundamental freedoms. This article becomes of particular importance for Colombia since the country has been suffering for the last forty years from important violations of Human Rights and International Humanitarian Law.

In the November 2000 Statement, the Council and the Commission explained that the EU intends to concentrate its development co-operation efforts on six areas: the link between trade and development, regional integration and co-operation, support for macroeconomic policies and the promotion of equitable access to social services, transport infrastructure, food security and sustainable rural development, and institutional capacity building.

Council Regulation (EEC) N° 443/92 of 25 February 1992 on financial and technical assistance to, and economic co-operation with, the developing countries in Asia and Latin America (the so-called *ALA Regulation*) applies to Colombia.

The Commission has also issued three *Communications*¹ concerning Latin America. The objectives proposed in these Communications can be summarised in the following elements:

1. **Development of an strategic alliance** based on the identification of themes and convergent positions as well as the re-enforcement of the negotiating capacity of both partners at international level. This alliance should allow progress in the fields of conflict prevention, global and regional security, in the application of measures in risk areas as well as in the reply to be given to certain global threats such as drug trafficking, terrorism, international crime, environment deterioration and the uncontrolled exploitation of natural resources.
2. **Consolidation of the Rule of Law and Democracy** guaranteeing the democratic process irreversibility at institutional level as well as Human Rights protection and promotion.
3. **Promotion of diversified models of Sustainable Development**, favouring economic reforms and increasing the international competitiveness level while responding to the “social debt” and attacking the poverty and inequalities problems.

¹ COM (95) 495, COM (99) 105 and COM (2000) 670

4. **Promotion of Regional Integration** searching also a harmonious articulation of the sub-regional groupings.
5. **Encouragement of the political dialogue between civil society from both regions.**

The Rio Summit (June 1999), the first of its kind, between the Heads of State of the Latin American and Caribbean Region and the EU leaders, provided a new impetus for the strategic bi-regional partnership in its political, economic, social, environmental, educational, cultural, technical and scientific dimensions.

Furthermore, co-operation is based on the *Framework Agreement* on Co-operation between the European Economic Community and the Cartagena Agreement and its member countries, namely the Republic of Bolivia, the Republic of Colombia, the Republic of Ecuador, the Republic of Peru and the Republic of Venezuela².

The EU's main policy objective towards Colombia is to support the Peace Process in order to be able to contribute to the stability of the region and allow the achievement of any of the objectives outlined above. The EU has in numerous occasions confirmed its political support to the Colombian Peace Process. "There is no alternative to the Peace Process. There is no military solution which could lead to a lasting peace".³ Following the Communication from Commissioners Patten and Nielson endorsed by the Commission on 17.10.00⁴, the EC will concentrate on the following four sectors: social and economic development and combating poverty, alternative development, support for the reform of the judiciary sector, support and promotion of Human Rights.

2. COLOMBIAN GOVERNMENT POLICY AGENDA

The President of Colombia, Andrés Pastrana Arango was elected in 1998 for a four year mandate until 7 August 2002. Therefore, the present Government is on its last few months in power. He was elected with a clear mandate to negotiate with the guerrillas. A twelve point agenda was agreed upon with the FARC⁵ and it was meant to be the base for the peace negotiations. This agenda resembles a development programme for Colombia (see annex 1) but no progress has so far being made on any of the points. At the same time, President Pastrana presented a national development plan entitled "Change to construct peace".

2.1. National Development Plan

The primary aim of the national development plan (NDP) is to ensure sustainable growth through social cohesion. The idea is based on the belief that developing short, medium and long-term strategies to bring about a more even distribution of wealth, reduce unemployment, and eliminate poverty, would lead to greater social justice.

The NDP can be broken down into four key strategies.

² OJ L 127 of 29.4.98, p.11

³ Presidency Declaration on 24.10.00

⁴ "Multiannual support programme for Colombia", SEC (2000) 1647/5

⁵ Fuerzas Armadas Revolucionarias de Colombia, Main guerrilla group, founded in 1964 (pro-soviet at the time) with over 15,000 members.

The first strategy addresses the need to sufficiently alter the political environment in order to establish a “**participative**” State. Political reforms focus on making institutions more transparent and encouraging good-governance and will strengthen democracy. A redefinition and modernisation of the public service must be carried out. Decentralisation will increase State efficiency and reduce corruption, public expenditure and the country's fiscal deficit (which had quadrupled during the term of President Pastrana's predecessor).

The second strategy is to **repair and strengthen social structures** by tackling the most disruptive social imbalances such as unemployment, poverty and human rights violations. In more general terms, a major cultural research project is foreseen which should contribute to the creation of a new ethos for social subsistence.

The third strategy highlights the direct effect of **peace on development**. Sustainable development will remain unattainable until the rebel forces have been reintegrated into society and the situation for those areas most affected by violence has been improved via a strengthened civil society with agricultural and environmental improvements.

The fourth strategy is to **increase exports**. This will target immediate results in employment by redirecting production resources, by fostering a macroeconomic policy that guarantees stable exchange rates, and it will also encompass science and technology via a long-term approach involving improvements in education.

In parallel to the National Development Plan, President Pastrana centred his political programme on fighting corruption, "cleaning-up" public expenditure, reinvigorating economic growth, increasing rural investment, improving social justice, accompanied by improving public education, health and employment. He also envisaged the strengthening of democracy (including Good Governance and the rule of Law), the increase of exports and the modernisation of industry.

2.2. Peace Process

With regard to peace, the government structured its action, on the one hand, on seeking dialogue and a negotiated political solution to the armed conflict and, on the other hand, on increasing social investments and improving infrastructures. To this end, the government planned three sources of financing the Colombian government itself; international contributions; 'peace bonds'.

Finally, the government's peace strategy was developed into the so-called "Plan Colombia". This plan was drawn up with the intention of creating conditions favourable to the building of a sustainable peace. This objective is to be achieved on the basis of four components: social and economic recovery, the process of negotiation of armed conflict, drug trafficking fighting strategy and institutional strengthening and social development.

This multi-sectorial initiative is supported by the United States with a strong military component and social and development scheme for the regions of the country most affected by coca farming. This Plan is not directly related to the peace process and it has been justified in terms of need to eradicate illegal crops and reinforce the logistic

and operational capacity of the Colombian army. Potential consequences of the implementation are complex, and will affect big drug producers as well as small peasants currently involved in cultivation of illegal crops.

The cost of this plan has been estimated at \$ 7.5 billion and it is composed of a military as well as a social development component. This plan has been developed in close collaboration with the USA which contributes \$ 1.3 billion (85 % in military aid). The social component is to be financed by the international community, with \$ 1.7 billion as well as the Colombian government and the private sector with \$ 4.5 billion.

3. ANALYSIS OF THE POLITICAL, ECONOMIC AND SOCIAL SITUATION.

3.1. Analysis of the Colombian political situation.

The present situation can only be understood against the background of developments of the later part of the XX century. Colombia is the oldest democracy in the Latin American continent. Since the 1957 military dictatorship, all presidents have been democratically elected. Between 1958 and 1974 the two main political parties, conservative and liberal, had an agreement to alternate the Presidency (the so-called “National Front”). After the dissolution of the agreement, the two parties have disputed the Presidency. The independent parties are less powerful and less representative and do not seem to have real possibilities to reach the Presidency although they are represented in Parliament.

Since 1948 Colombia has experienced **internal violence** caused by political infighting between political parties and deprived farmers opposed to the agricultural policies of the government. Other root causes of the conflict include social inequalities, injustice, corruption, impunity and poverty. This situation led to the appearance of the **FARC** and the **ELN**⁶ in 1964. The FARC and the ELN are the main guerrilla groups that remain active in Colombia today. Other guerrilla movements include the M-19 and the EPL, both of which gave-up the armed struggle during the 1990s.

The FARC was founded by their historical and present leader Mr. Manuel Marulanda. It today controls and disputes extensive areas of Colombia. It received some assistance from the Soviet bloc during the Cold War, but today the FARC finances itself mainly through kidnapping for ransom, extortion and involvement in Colombia’s drug trade. They have over 15,000 members.

The ELN was founded by a group of Colombian pro-Castro students and thus, followed the Cuban model of rural rebellion. It attracted many students and priests inspired by the Theology of Liberation. Today, it counts with between 3,500 and 5,000 members. They rely more heavily on kidnapping and extortion and less on the drug trade for financing. Quite often it focuses its attacks on Colombia’s oil sector which it regards as dominated by foreign interests.

Despite the existence of strong social inequalities and the armed struggle of the guerrillas, Colombia managed to keep a relative political, economic and social

⁶ Ejercito de Liberación Nacional, the second largest guerrilla group in Colombia

stability in the period 1960-1980 in relation with other countries in the region. From 1980 onwards, uncontrolled and generalised violence throughout the country dramatically increased insecurity. This decade also saw the rise of the powerful drug cartels. Political and common violence added to the other historical and fundamental problems of the country: social inequality, injustice, corruption, impunity and poverty. The cancer spread progressively and generalised to such a point that the role of the State and its institutions has been dramatically reduced. This has further increased social injustice together with corruption and impunity already latent at all levels of the State and civil society.

The **war against drugs** has been fought with the support of the USA. The big cartels of Medellin and Cali were dismantled in the 1990s and the heads of the cartels were extradited and brought to Court in the USA. The disappearance of the large cartels led to the appearance of smaller groups more difficult to control. Thus, drug production continued to expand and diversify in Colombia. The cultivation of Cannabis has been complemented by large production of cocaine (around 80 % of world production) and heroin (expanding). Moreover, a new phenomenon occurred: the new drug traffickers began to create illegal associations with the FARC and the ELN.

In the light of direct reaction to the activities of the guerrillas, drug traffickers and large land owners then started to finance private defence groups, the MAS (“Movimiento Muerte a Secuestradores”). These groups were at the origin of the AUC (“Autodefensas”) or **paramilitary groups**. They gained strength during the 1980s and their tactics include: selective assassinations, forced disappearances, massacres and forced displacement of entire populations. They appear now to be directly involved in processing and exporting cocaine. With this new financing, they have grown spectacularly during the 1990s (specially in the last few years) counting now with more than 8,000 members. They are currently responsible for around 80 % of the killings associated with the armed conflict.

During the first peace process - which even brought a cease-fire - the FARC set up a political party, the Patriotic Union, as a vehicle for an eventual entry into non-violent participation in politics. But between the Patriotic Union's founding in 1985 and the early 1990s, at least 3,000 of the party's congress members, mayors, candidates and activists were killed by remaining guerrillas, paramilitaries, drug cartels and, allegedly, elements of the security forces. The slaughter of the Patriotic Union seriously undermined further peace efforts and toughened the FARC's conditions for resuming negotiations. Nevertheless, the M-19, the EPL and several smaller guerrilla groups were incorporated into a peace process during the late 1980s and participated in the national assembly that elaborated the new constitution of 1991.

In the light of the failure of various peace initiatives between the government and the guerrillas (in 1984-87, 1991, and 1992 Presidents Betancur, Barco and Gaviria made unsuccessful attempts to achieve a peace settlement with all the guerrilla groups) violence continued to increase through the 1990s. There were and are victims as a result of the war against drugs, of common violence and of armed confrontations among the Armed Forces, the guerrillas and the paramilitaries.

From 1998, the **strategies of the conflict** have evolved: attacks and massive assassinations of civilians in the countryside, hostage taking for lucrative and/or

political purposes, establishment by the guerrillas of a “feudal system” based on fear over the peasants, villages or even regions. According to the FARC, the cities (where the majority of the population lives) will be the next target. Violence generates over 30,000 dead per year, 10 kidnappings per day, two million displaced people during the last decade and around two million living, studying or working abroad.

President Pastrana’s political mandate was based on a peace strategy involving the guerrillas, FARC (“Fuerzas Armadas Revolucionarias de Colombia) and ELN (“Ejército de Liberación Nacional”). From the start of his mandate, President Pastrana opened peace negotiations with the FARC. As a result of these negotiations, the FARC obtained since 1998, without giving anything in exchange, a “Distension Zone” in the Caguán Region. This territory is as large as Switzerland and it was meant to be a negotiating zone for the Peace Process. After three years no agreement has been reached on any of the twelve points.

The announcement of the so-called “Plan Colombia” in May 2000 had the immediate effect of increasing the recruitment efforts of the guerrillas (there are serious allegations against the FARC concerning the recruitment of children under 15 years of age) and thus, their numbers have almost doubled within a year. During the present administration, the State has continued to be weakened and Colombia is today a desolate country that, however, is miraculously still on its feet maintaining a per capita GDP of almost \$ 2000.

The **short-term peace perspectives** remain uncertain. Agreements with the FARC and the ELN are announced one day and denounced the day after. The two guerrillas take advantage of the “political life” of the State to consolidate and enhance their military capabilities. The guerrillas have also quickly learned to benefit from the new political dimension that they have got from the President via the internalisation of the conflict.

The year 2002 is an **electoral year** in Colombia. The next presidential elections are to be held on May 26 (first round) and June 16 (second round). These elections will be preceded by parliamentary elections on March 10.

In the short term, the consequences in Colombia of the events of **September 11th** could also change the nature of the problem. Undoubtedly, the guerrilla is getting ready for a lengthy war. As we are writing this (December 2001), the ELN has just returned to talks with the Government after a few months with no contacts (since August). After having announced an end to the talks with the present administration, they decided to get back to the table during this “transition period”. The FARC are also keeping their contacts with the current administration which has to decide, once again, on the time extension of the “Distension Zone”. Nevertheless, everything seems to indicate that both groups are waiting to negotiate with the future administration. The paramilitaries, on their side, who are not part to the peace negotiations, are expanding their military presence in new areas and creating new combat fronts with both the ELN and the FARC in order to control more territory.

Allegations of military-paramilitary collaboration remain widespread and very well documented by human rights groups (notably in a recent report by Human Rights Watch) as well as by the UN.

Some analysts see the need for a higher **role for the UN** in Colombia to avoid a further worsening of the situation in view of the extreme complexity of the conflict.

3.1.1. Human Rights

The internal armed conflict continues to create **serious violations** of human rights and international humanitarian Law. According to the Colombian Commission of Jurists, the figure of ten deaths per day in 1988 has gone up to 19 per day in the period April-September 2000. The average daily number of forced disappearances has gone from one to more than two. Some 79.5 % of the violations have been attributed to the State and to paramilitary groups and 20.5 % to armed dissidents (according to the Inter-American Commission on Human Rights from the Organisation of American States, the Colombian State has not challenged these figures).

The Annual Defence Ministry's report for 2000 states that armed dissidents are blamed for the killings of 1,863 people and the abduction of over 3,000 civilians (including mayors, civil servants in the judiciary, humanitarian workers, journalists and foreign citizens). NGO sources (Fundación País Libre) claim that 165 hostages died in captivity. At the same time, armed dissidents also use gas canisters and car bombs in their attacks on civilian populations. The FARC have also continued the practice of enlisting children under the age of 15.

The Ministry of Defence has indicated that the paramilitary forces (AUC) have over 8,000 members, an increase of 81 % over the last two years. They are active now in more than 400 municipalities in 40 % of the territory. The AUC continue to conduct "sweeps" and "cleansing" against the civilian population. Despite the recognition of the problem and some action by the Colombian authorities, the Inter-American Commission on Human Rights states in its latest report (in agreement with several other analysts and observers): "The impunity which paramilitary groups continue to operate throughout much of the country, despite the Army's presence, and the ever escalating violence that continues to cause forced displacement of the civilian population, suggest that these groups continue to operate with the collaboration and acquiescence of agents of the State".

Forced displacements of civilians have continued to be used during the year as a military control strategy in the armed conflict. The "Red de Solidaridad Social" (State institution) estimated the number of displaced people during the year 2000 at 128,843. Other estimates (CODHES) go as high as 319,000. The "Red de Solidaridad Social" estimates that the AUC caused 58.09 % of the forced displacements, armed dissident groups caused 11.26 %, armed State agents caused 0.13 % and the remaining 30.51 % were caused by more than one of them. The increase in violence experienced during 2001 has also increased the numbers of displaced people (see also social developments section). The Social Solidarity Network is the responsible institution for co-ordinating and executing policies in the field of displaced people as foreseen in Law 387/97. The Inter-American Commission on Human Rights (OAS) questions the effectiveness of the mechanisms created by the regulatory decree.

Another major concern in the area of Human Rights is the question of **impunity**. According to the latest report from the OAS' Inter-American Commission on Human Rights, the main problems being faced in the administration of Justice are: the

security conditions of officers of the courts, insufficient resources, particularly for the Office of the Attorney General and its Human Rights Unit, the weakening of the institutions of justice and the lack of access to courts in various regions of the country. There is also the problem of jurisdiction and the use of military courts. A new Code of Military Justice came into effect on August 12, 2000. This code still considers that military judges should, in principle, prosecute crimes committed by the military and the police.

Last August 2001, President Pastrana sanctioned the Law 684, the Security and National Defence Bill. This bill gives the armed forces judicial police powers in certain circumstances and restricts the ability of the “Procuraduría General de la Nación” to investigate the security forces for human rights violations. However, the bill has been contested by a private lawyer who has brought the case to the Constitutional Court. The bill is still valid but the Constitutional Court must give a ruling before the end of the year.

A final concern is the **prison system**, which has a problem of overcrowding and violence (including murder). The Inter-American Commission for Human Rights (OAS) wrote a report in 1999 in which the main problems were highlighted, among them: an average of 142 % of overcrowding (going as high as 332% in one establishment), almost half the prisoners are waiting for trial, there are numerous violations of basic human rights (deficiencies in visiting rights, insufficient health care, etc.), insufficient number of prison guards as well as an unacceptable level of violence inside prisons. Most of the efforts made by the Colombian authorities are addressed to improving the conditions of the high security centres while the highest proportion of prisoners remains in regular prisons.

3.2. Economic and social situation

Colombia's population is estimated at 42 million, the third largest in Latin America after Brazil and Mexico. It occupies an area of just over 1.3 million square kilometres. About one-quarter of the population lives in rural areas. Natural resources are plentiful, and include agricultural land, water for irrigation, energy resources (oil, natural gas, and coal), and minerals such as nickel, gold, and emeralds. Colombia has a significant advantage in terms of its location: it is close to North America with coasts on both the Pacific and Atlantic Oceans. The Andes mountains are divided into three chains : western, central and eastern and traverse it from north to south. Sixty percent of the country is located east of the Eastern chain. Mountainous terrain, however, makes internal transportation costly and slows physical and social integration. Relevant socio-economic indicators are shown in Annex 2. Colombia has an enormous amount of ecosystems: forests (over 64 million hectares of natural forests), aquatic (over 3000 kms of coast in two oceans and islands) and terrestrial (another 32 million hectares). In terms of bio-diversity, Colombia is one of the most important countries in the world.

3.2.1. Economic situation, structure and performance

A wealth of physical resources, a literate and dependable work force, a robust private sector, competent macroeconomic management, and relative political stability despite the level of violence, are major factors that have explained Colombia's good record of economic development and social improvements over the last 30 years. Nevertheless, the growth of the illegal drug industry in Colombia, the presence of active insurgent

groups and the pressure of external shocks, have had an increasingly negative impact on the overall economic performance of the country which has led to the present situation.

The **structure** of Colombia's GDP reflects the degree of development as well as the concentration of the population in the cities: 69.2 % services, 18.7 % Industry, 12.1 % Agriculture.

The Colombian economy has deteriorated significantly over the past four years, with a particularly sharp recession affecting the country in 1999. GDP fell by about 4.5% percent in 1999⁷ as compared to the previous year, while the fiscal accounts of the non-financial public sector, roughly balanced in the early 1990s, showed a deficit of 5.5 percent of GDP. The economic decline has been accompanied by a rapid increase in unemployment, which at the end of 2001 was estimated at 18 %. Underemployment remains above 30%.

In addition to a gradual worsening of its **fiscal** accounts that began in the mid-1990s, external events played a role in the deterioration of the Colombian economy. The country suffered a severe negative shock, estimated at 1.5 percent of GDP, due to the fall in the world prices of oil and coffee. Simultaneously, events in international credit markets increased the cost of borrowing and decreased the availability of external finance for both the public and private sectors. Colombian authorities had to turn to the domestic market for the financing of a growing fiscal gap, putting added pressure on already high domestic interest rates. Real interest rates of near 20% stifled economic activity and weakened the financial sector.

Adverse external shocks and the deterioration of domestic macroeconomic and security conditions thus led to an increase in Colombia's **country risk**. Combined with the deterioration of public sector and external accounts, this led in 1999 to the downgrading of the country's investment grade status by three major credit rating companies, complicating external financing plans. The weakening of Colombia's economy and the wish to enhance the credibility of its policies prompted the Pastrana Administration to formally request a \$2.7 billion Extended Fund Facility (EFF) from the IMF. The Fund program supports the Government's agenda of fiscal consolidation and structural reforms, and includes a plan to address the difficulties faced by the financial sector. The IMF considers that considerable macroeconomic stabilisation has taken place since 1999 when Colombia adopted the present stabilisation plan.

The Pastrana government has taken several measures to deal with the fiscal problem, including a stringent budget policy, the cutting of the operational costs of the central government, as well as measures to fight tax evasion, smuggling, and to improve tax collection. These stabilisation measures are to be complemented with structural reforms in various areas of public finance. The objective of the government is to end its 4-year term in 2002 with a fiscal deficit of 1.5 percent of GDP. On the external account side, the forecast is for a current account deficit of about 1.5 percent of GDP for 2000, rising gradually to 2.5% by 2002.

While the **slowdown of economic activity** has been longer and deeper than expected,

⁷ See Annex 2b

lower interest rates and a more competitive exchange rate should pave the way for a recovery led by an expansion of private investment and exports. This will depend on the continuation of stabilisation and adjustment measures, and on a stable external environment (quite unlikely given the present regional and international economic situation). As reactivation proceeds, however, inflationary pressures – which have dramatically declined, with inflation rates falling from their historical levels of near 20 percent to 8.7 percent end 2000 are likely to increase again.

As far as the structure of **trade** is concerned, oil remains the main product, accounting for one third of total exports followed by coffee (over 8%) and coal (over 6 %). The USA remains the first market for Colombian products representing almost 50 % of total Colombian exports. The other two main markets are the Andean Community (over 16 %) and the EU (over 12 %). Concerning Colombian imports, the two main categories are metallic products (a third of total imports) and chemicals (over 27 %). The main supplier for the Colombian market are the USA with almost 40 % of total imports followed by the EU with over 14 % and the other Andean countries with over 12 %. (All data from “Banco de la Republica” Economic indicators 2000). Colombia was quite active in the preparations for the WTO meeting in Doha and supports the launching of the new round of negotiations. As a member of the CAIRNS group, Colombia advocates for an elimination of agricultural subsidies.

In 2000, after two years of negative variations, **foreign investment** began to grow again so as to reach the same average level maintained during previous years before 1998. Direct investment grew at a 97% annual rate. The explanation for this growth is an increase of 62% for investments destined to areas other than the oil sector. Portfolio investment increased by 74% thanks to a dynamic long-term investing growth of 67% (see annex 3).

The growth of the **illegal drugs** industry in Colombia and the pressure of active armed groups are issues of major international concern. Illegal crops production has emerged as a worrying trend. Colombia is the largest source of supply of coca, and cultivation of opium poppy and cannabis are increasing. The amount of land devoted to coca cultivation increased 11% in 2000 to 136,200 hectares. The potential coca leaf production in 2000 increased to 538,000 metric tons, enough to potentially produce 580 metric tones of pure cocaine.

3.2.2. Social developments

According to the World Bank, the incidence of extreme poverty, which had continued its decline until 1997 to levels of fewer than 18 percent, rose by over two percentage points to 20 percent in 1998. Conditions in rural areas have deteriorated more than they have in the cities: the incidence of poverty in the countryside began to increase in 1996, and has risen by nearly seven percentage points between 1996 and 1998, reversing the gains achieved during the 1980s. The fact that the armed conflict takes place mainly in rural areas is probably the key to explain these developments and probably this situation has also made the conflict in those areas worse.

Moreover while rising unemployment has affected most Colombians, the poor, and in particular women and young people, have suffered more. The poorest 20 % of the population have an unemployment level of 25 %, more than three times higher than that affecting the top 20 %. The rate of unemployment among the youth between 15-

19 years old is now 44.3 % and among women 23.2 %. The loss of employment has placed increased stress on the incomes of the poor, resulting in deferred health care and higher school dropout rates.

In response to the problems of these vulnerable groups, the government is designing programs with the support of the World Bank and the Inter-American Development Bank to provide them with basic social services. Funding for this social safety net would amount to 0.3 percent of GDP (about \$300 million) annually over the next three years.

A National Health System was introduced in 1974 and several government plans have tried to improve it since then. There are various government institutions dealing with Health issues. This has led often to considerable institutional overlap. Moreover, the private sector has also taken functions in relation to health care (the Family Compensation Funds or even the National Federation of Colombian Coffee Growers). The Health sector does not appear to have been a priority sector for the national Government. The literacy rate is over 90%. Education has been a priority sector for the national government. However, despite considerable progress, major disparities in education quality continue among social classes and regions, as well as between the public and private sectors and between rural and urban areas.

The deterioration of the public sector accounts resulted largely from the steep increase in total expenditures, particularly in transfers to local governments, pensions and interest payments. The current account deficit, which in 1998 was in the 5-7 % of GDP range for the fourth year, reflects to a large extent the imbalance in the fiscal accounts and the real appreciation of the currency.

Most national and international agencies now rate Colombia among the countries with the largest **displaced population** in the world. Although accurate estimates of the internally displaced people (IDP) do not exist, CODHES, a local NGO, estimates the number of IDPs between 1995 and 2000 at 1,438,000. In the last years an estimated 200,000 people have been displaced each year. The current displaced population is characterised by the large proportion of boys, girls and women, its low income level, its rural origin and the disproportionate number of indigenous and Afro-Colombian ethnic minorities. The situation of IDP's is further characterised by a low level of schooling for displaced children, the lack of access to health care and the very precarious position on the labour market. Women frequently have to assume the economic burden for supporting the family.

Another illustration of the increasing level of violence is the problem being created by anti-personal **mines**. At least 168 of Colombia's 1,092 municipalities in twenty-seven of the country's thirty-two departments are mine-infected. The number of mines in Colombia is estimated at over 100,000. Although estimates on the number of victims vary according to the sources, official figures for the year 2000 bring the number of victims to over 700.

3.2.3. Assessment of the reform process

The present administration has made a serious effort to adjust public finances. However, despite the cuts in public investment and general expenditure during the

first two years, progress in structural adjustment has been slow. Nevertheless, the consolidated fiscal deficit went down from 5.4 % of GNP in 1999 to 3.4 % at the end of 2000.

Reviewing the principal and more relevant issues for the future of the Colombian economy, the government has identified three important challenges: strengthen the income of the government, modify the "Rule of Transfers"⁸ from the central government to the local regions and finally, obtain the reform of the General System of Pensions. However, these actions must be accompanied by an adequate fiscal policy, a continuation of the fiscal adjustment, the implementation of a Law concerning the fiscal responsibility, carrying out a well-designed financial policy and building a policy to restructure and stabilise the financial system.

Restoring fiscal discipline is crucial for the successful implementation of the Government's peace strategy, as fiscal resources would be needed to mitigate the social costs of war and to finance the cost of reconstruction. Public resources would also be needed for the resolution of the financial sector problems.

The economic and financial reforms have not had the expected results, the social and economic structures have been reduced but continue to work due to an active private sector, the currency has lost half of its value, unemployment has increased together with insecurity, most Institutions continue to work poorly and migration abroad has included the Colombian "forces vives". Today, public opinion polls indicate that over two thirds of the population consider that the President has not achieved his goals.

Achieving peace is also indispensable for sustainable economic growth and macro-economic equilibrium.

3.2.4. External environment, including regional co-operation agreements

Colombia is a member of the Andean Free Trade Area, which comprises over 111 million inhabitants in a 4.700.00 square kilometres surface. Its GDP increased to USD 272 billion, in 1999. The analysis of results since the creation of a Free Trade Area in 1992 and the Common External Tariff, in effect as of 1995, underline the achievements attained during the 31 years of integration. Between 1990 and 2000, trade among Andean Community member countries gained importance despite the "imperfections" of the FTA. Intra-sales in the Andean Community have quadruplicated from 1.329 million dollars, in 1990, to over 5 000 million dollars in 2000, with a 14 percent annual growth rate.

In order to expand and diversify export markets, Colombia has negotiated, and is negotiating several agreements in the hemisphere. To mention the more relevant ones, in the framework of the Latin American Integration Association (LAIA), Partial Scope Economic Complementation Agreements with Brazil and Argentina, Economic Complementation Agreement with Chile, Partial Scope Agreements with Paraguay and Uruguay. The future development of relations with Mercosur are determined by the Brasilia Declaration, signed by the Presidents of South America, which establishes the commitment to have, as soon as possible, a Free Trade Area between Mercosur and the Andean Community (see Annex 4). Nevertheless, some Andean countries are

⁸ Ley de Transferencias

pursuing direct bilateral contacts with Mercosur. This appears to indicate some degree of scepticism as far as the bi-regional contacts are concerned.

Colombia receives Tariff Preferences from the United States, Canada and the European Union.

The Generalised System of Preferences (GSP) plays a major role in the Colombia-European Community (EC) trade relations. Last figures available show that, due to MFN and the GSP scheme, 64% of Colombia's exports to the EC were exempt from custom duties. In 1999, Colombia's exports to the EC were valued at 2,038 Million €, whereas its imports from the EC amounted to 1,567 Million €. In other words, 32% of EC imports from the Andean Community came from Colombia, whereas Colombia received 27% of EC exports to the Andean Community. Colombia has a positive trade balance of 471 million €. Provisional data from 2000 indicate that Colombia's exports to the EC increased by 10.8% and its imports by 13.7% since 1999 (Source: EUROSTAT).

The intensification of the armed conflict in Colombia is expected to result in persistently high levels of forced displacement in the near future. The conflict is already affecting the whole country, and displacement is also a geographically widespread phenomenon. There is also considerable concern throughout the continent and particularly in neighbouring countries which are experiencing cross-border tension over the prospect of population movements caused by the Colombian conflict. The implementation of Plan Colombia has increased concern in neighbouring countries, especially in Ecuador, and territorial struggles between armed groups in border regions have already provoked cross-border movements.

3.3. Sustainability of current policies and medium term challenges

Whoever the winner of the upcoming elections is, the next President will have to face major challenges: the search for peace, the improvement of the living conditions of the population together with the necessary economic and fiscal reforms.

The present policy emphasises economic and social investment mainly in the critical conflict areas, i.e. those which due to the continued presence of armed actors have experienced delays in their development, the zones with illicit crops, the immediate vulnerable regions due to IDP's (Internally Displaced People), the regions with environmental conflict generated by the expansion of crops and the indigenous and afro-Colombian territories. The challenge for policies to be successful in these territories is enormous and their sustainability will very much depend on the evolution of the armed conflict.

Restoring peace has been identified as the most significant developmental priority for Colombia through a peace plan that intends to address the socio-economic determinants of violence by promoting development in rural areas that have been devastated by violent activity or with high levels of conflict, and by offering development alternatives for peasant communities involved in illicit crops, enlisting the participation and support of the insurgent groups. In addition, the government is also working on specific initiatives to reduce the level of conflict and violence in urban areas, and to mitigate the high social, economic and human cost endured by populations that have been displaced as a result of the conflict.

Although the Colombian authorities have adopted legislation relative to **displaced people** which contains measures to provide attention, protection and socio-economic consolidation and stabilisation to internally displaced people and to prevent forced displacement, its implementation is poor. Constraints to improve the government's capacity are diverse : the process of internal reforms, including downsizing of the State, economic structural adjustments and corruption in the assistance for IDP's. The Red de Solidaridad Social, the governmental body in charge of IDP's, has shown little capacity until now to provide effective assistance. The FARC, particularly, are extremely critical and adverse to Solidaridad Social.

The growth of the **illegal drug industry** in Colombia appears as a destabilising force on the environment (both drug production and aerial fumigation), has an increasing negative impact on the overall performance of the country and causes the decrease of international investment. At the same time it is becoming a source of growing income of the armed groups. Clearly, this issue represents one of the greatest challenges to be faced by Colombia.

In the past decade the scale and intensity of **violence** has changed from marginal conflict to generalised violence that now dominates the daily lives of most citizens. Today, the government and civil society alike recognise that violence is a key constraint on development, as it affects the country's macro and micro-economic growth and productivity, and weakens the government's capacity to tackle the poverty, inequality and exclusion experienced by the majority of its rural and urban population.

A firm action on various fronts is necessary: illegal drug industry eradication, employment generation, human rights protection and a negotiated solution to the armed conflict with the guerrillas. The present policy makes peace a priority. The related activities are mainly directed to give support to rural communities, permanent victims of the armed conflict and to combat the effects of the illegal drugs industry. The economic strategy is complemented with alternative development offering incentives to reduce illegal crops, creating opportunities for farmers and their families.

The present Colombian government, and previous governments as well, have developed policies trying to face these challenges. The deterioration of the situation in the armed conflict and the worsening of the drug problem are the main illustrations of the limited impact of those policies. It is clear that Colombia needs the continuous support of the international community to respond effectively to those challenges.

4. CO-OPERATION OVERVIEW

4.1. Past and ongoing EC Co-operation: results analysis, lessons and experience

- *The Past (before 1998)*

From its initial support to NGO Projects, EU Co-operation moved during the 90's to Technical and Financial Co-operation aimed mainly at poverty reduction. The main

programmes in Colombia focused on integrated rural development, mainly along the Pacific Coast (Cauca valley and Cauca department). In this sector, the Commission supported the implementation of the projects "Pequeños Proyectos Productivos Costa Pacífico" and "Desarrollo Serícola".

Concerning economic co-operation, several projects focused on technology transfer and investment promotion as well as technical assistance to the following sectors: leather, textiles, tourism, rubber and energy. Colombia also actively participated in the Horizontal Programmes for LA: Al-Invest, Urbal, Alure, Alfa and Synergy (see Annex 5).

Colombia benefited substantially under the co-financing of NGOs budget line under which an EC contribution of over € 21 million was made available to the country from 1976 to 1998.

Following the intensification of the domestic conflict, Colombia became eligible for Humanitarian Aid in 1997. This aid focussed on the needs of Internally Displaced People. Colombia received € 4.5 million in 1997 and € 6.5 million in 1998.

Joint research co-operation under the INCO-DC programme between 1994 and 1998 focused on three broad areas: natural resource management, agriculture and health with the overall objective of contributing to sustainable development. Colombia received an amount of € 14.6 million.

- *The Present (1998-2000)* (see Annex 6 list of on-going projects)

In the last years, the Community has focused on the following key areas:

The **Financial and Technical Co-operation** budget line has increasingly been focussed on addressing the root causes of conflict: Tackling poverty and social exclusion via a relatively wide range of schemes (rural development, institutional building), aimed mainly at rural and isolated areas but also at a number of target groups in urban areas.

At the Third meeting of the **Support Group for the peace process in Colombia** in Brussels on 30th April 2001, the Commission announced substantial aid to Colombia in support of the peace process. Over the period 2000-2006, an amount of **€ 105 Million, in programmable aid**, was announced. In fact, this amount corresponds to **all programmable aid** for the period.

The first programme has already been identified and the financial commitments have been made. This programme is the Peace Laboratory in the Magdalena Medio. The EC financial contribution is € 34.8 million and is foreseen to be implemented in two phases: a first phase of three years (€ 14.8 million) and a second one of five years (€ 20 million). The programme includes four components: peace culture and integral rights, productive activities, productive and social infrastructures and Institutional re-enforcement.

Economic co-operation has mostly taken the form of technology transfers in given areas and the promotion of Colombian products in Europe. There are three on-going bilateral projects in this area: Creation of a Design Laboratory for the development of SMEs (€ 950,000), an “Incubator” for technology based SMEs (€ 970,000) and “Europe 2000” a small project (€ 200,000) to disseminate information about Europe addressed to the private sector, media and academia. Colombia has also continued to benefit from the Horizontal Programmes.

Colombia also benefits from funding under other budget lines:

Budget line B7 –6000, **NGOs**: during this period, EC co-financing amounted to over € 5 million.

Human Rights issues (budget line B7-703): the state of the country has made Colombia one of the main Latin American beneficiaries of Community schemes in this area, almost all of which have been carried out by local NGOs and involved training or educating civil society in this field; one exception has been the funding for the office of the High Commissioner for Human Rights in Bogota.

Protecting the **environment** (budget line B7-6200) and natural resources and specially the country's forests (budget line B7-6201), reconciling the demands of conservation with the needs of inhabitants, and in particular indigenous, communities living in the areas conformed.

Humanitarian assistance (provided by ECHO) to internally displaced people (IDPs) as a result of the armed conflict focussed on: emergency assistance during and immediately following the displacement, post-emergency assistance including shelter, health care, sanitation, psychosocial support and specific support to return and resettlement processes. ECHO provided € 6.5 million in 1999, another € 6.5 million in 2000 and € 10 million in 2001 to IDPs in Colombia. Additionally, ECHO provided also € 3.4 million in favour of the victims of the earthquake in 1999 and Colombia is amongst the countries benefiting from ECHO's disaster preparedness programme (DIPECHO).

Joint **Research** continued with a new INCO-DEV programme covering the period 1999-2002 expanding the topics covered to include also policy research for development, an interdisciplinary area covering natural resource use and economic production: adaptation to globalisation and ensuring harmony with the environment, the design of policies for sustainable settlement patterns and policies for meeting basic needs. In the first two calls for proposals Colombia was awarded 8 projects worth € 7.88 million.

4.2 Evaluations and lessons learnt

There are mid-term Evaluations of all EC main Programmes and in some cases there are ex-post evaluations, carried out by external consultants. These evaluations refer to the so-called horizontal programmes (LA level) or they are sector-based. However, no country-specific evaluations have been carried out in Colombia. Most evaluations point out that EC Co-operation usually fulfils the objectives of the Financing Agreements in the different sectors / areas of intervention, with little or no conditionally attached to the aid granted to Colombia. Nevertheless, it has been

pointed out that EC co-operation with Colombia has been too dispersed both in sectors covered and in the number of actions.

Several projects in Colombia have faced delays and problems in implementation that have been due to several reasons, among them: problems in the identification phase caused often by the complexity of the situation on the ground and in particular, the degree of violence. The rapid changes in the situation on the ground also make it difficult to identify the programmes correctly since the actual situation at the beginning of the project may largely differ from the one when the project was identified. The frequent changes in the political scenario (and also in the security situation on the ground) make programming in Colombia particularly difficult. Therefore, the Commission should pay particular attention to the identification phase.

4.3 Information on EU Member States Co-operation Programmes

Colombia receives development aid both from bilateral and multilateral Donors. Some EU Member States have important bilateral aid programmes that are summarised in Annex 7. There are great differences as to the level of engagement in co-operation activities in Colombia among MS. Several MS channel all aid to Colombia through NGOs.

Almost all sectors are covered by EU aid. The main priorities covered by MS in Colombia are: France (education, public administration, S & T, agriculture, health, justice and local management); United Kingdom (human rights, environment, support to the peace process); Spain (institution building, education, training, S & T, culture and support to the peace process); Netherlands (environment, human rights and good governance); Germany (de-centralisation and local government, modernisation of public administration, environment protection and support to the peace process); Sweden (human rights, support to the peace process and strengthening of civil society); Austria (indigenous people, women and support to the peace process); Italy (rural development, infrastructures, environment)

4.4 Information on Co-operation Programmes of other donors

Multilateral and other Donors active in Colombia are the Inter-American Development Bank (IDB), the World Bank, the Corporación Andina de Fomento (CAF), UN Agencies, US Aid, Japan, Canada and Switzerland (Annex 8).

The IDB delivered over \$ 12 million of funds to Colombia in 2000. The main sector covered by the IDB is Reform and Modernisation of the State representing 24 % of the IDB funds to Colombia. Furthermore, the IDB plans to increase their contribution to this sector in the next years (up to 2005) with over \$ 800 million in pipeline projects (30 % of their total contribution).

The World Bank focuses on the following priorities: poverty reduction and social development (including support to the peace process, rural development and human resources development) and sustainable growth (including infrastructure improvement).

According to the Colombian Agency for International Co-operation (ACCI), international donors support the following main areas: Environment, Peace/Justice and Social Development.

5. EC RESPONSE STRATEGY

5.1. Principles and Objectives for Co-operation

The EC's main objective is to support Colombia's search for Peace. In this area, fighting against the main root-causes of the conflict such as marginality, inequality, social exclusion and extreme poverty are a priority. These problems are common to many Latin American countries. However, the evolution in Colombia has been unique and it has to do with the extreme weakness of the state: Colombia has never succeeded in completing the construction of a strong modern State. The Commission's response to challenges outlined above is:

- the support of on-going Colombian activities in the search for Peace.
- targeting of the roots and causes of the conflict.
- providing humanitarian assistance to the victims of the conflict.

At the III Meeting of the Support Group to the Colombian Peace Process that took place in Brussels last 30th of April, the EU announced an aid package of more than € 330 million (of which M€ 140 from the EC, M€ 105 in programmable aid B7-310 and B7-311 and M€ 35 from other lines, see section 5.2 below).

In the case of Colombia, an innovative programme-based multi-sector approach will be adopted. Moving to a sector-wide approach is not yet possible in Colombia since the basic conditions for such a move (sound policy framework, effective institutions, monitoring and evaluation systems indicators) are not in place. As shown above, it is precisely the weakness of the State, and even its total absence in large parts of the country that the EC co-operation wants to address. An approach has to be chosen that allow us to support on-going efforts by Colombian civil society and institutional re-enforcement. The Peace Laboratory concept (see below) builds on this and it contains elements from the four different policy areas identified as priorities.

The Commission is planning to move the implementation of its development co-operation activities towards programmes under the responsibility of local counterparts, if and when there are effective institutions that ensure appropriate management. There are already some programmes (notably the Peace Laboratory in the Magdalena Medio) where this is already foreseen.

Finally, in the framework of the recent Dooha WTO Ministerial Conference Colombia has stressed the need for assistance in the trade area to enable it better to participate in the WTO system and improve its economic growth. In this respect, the Commission will explore with the Colombian authorities how best to support it in its efforts to build its institutional, judicial, and regulatory capacities in trade related fields, notably through technical assistance to build capacity in the areas of trade facilitation (customs administration and valuation, import, export and transit procedures, trade statistics, etc.), the improvement of the domestic competition policy framework, assistance in the analysis of tariff and non tariff priorities and needs, and support for

the further development of Colombia's foreign direct investment regime (increasing its capacity to attract and benefit from FDI, human and institutional development).

5.2 Other instruments / Budget Lines

- **NGO Co-financing:** The Commission will support NGO projects in sectors consistent with actions directed to reduce/eliminate the armed conflict. To shield rural populations from the consequences of war and to prevent that the conflict will develop roots in those communities is a clear priority. In general, European NGOs should also strengthen local / municipal institutions, both public and private ones.
- **Uprooted people:** this budget line aims at providing the chronically displaced population with ways to insert and integrate into society, socially and economically. The alarming figures of annual displaced people (over 200,000) make this budget line particularly relevant. The fact that the most vulnerable sections of the population (women, children and indigenous people) are the most affected by displacement also enhances the need for EC intervention. Therefore, the Commission intends to make Colombia the main beneficiary of this budget line in Latin America.
- **Humanitarian Aid:** ECHO will continue to provide assistance to internally displaced populations in the near future. However, considering that funds will also be available from the Uprooted People Regulation, good co-ordination will be needed to ease the transition from humanitarian aid to rehabilitation and, if possible, development.
- **Human Rights:** This budget line will be used in particular to support civil society in their work promoting and defending human rights, to support local peace initiatives and to support the Colombian Control Agencies and Institutions (Ombudsman/Personería, Procuraduría, Defensoría, etc.). Special attention will be given to women's, children's and indigenous people's rights. Colombia has been selected as a "focus" country in the Human Rights budget line (B7-703) for the period 2002-2004. In 2002, a budget of € 2.5 million has been allocated.
- **Environment / Tropical Forests:** The Commission places great emphasis on strategies through which poverty reduction and enhanced environmental sustainability can mutually reinforce each other. The EC will continue to support innovative pilot activities and strategic studies that address the problems affecting forest and negative environmental trends while contributing to the overall objective of poverty reduction.
- **Science and Technology (S&T):** This Budget Line will support research into areas / subjects that are in line with the main Co-operation activities of the Commission in Colombia.
- **Regional Programmes:** Colombia will benefit from a number of actions developed at the level of the CAN. In addition to disaster prevention, these address in particular civil society involvement in the regional integration process, statistics

and TRTA to follow-up on the joint study on EU-CAN trade related as well as air safety.

- Horizontal Programmes (AL-Invest, ALFA, URB-AL, @LIS, Synergie, etc.). These programmes of economic co-operation will be important for Colombia since bilateral economic co-operation for Colombia will be limited during the next few years given the priority being given to the support to the Peace Process and the effects of violence in the country.

5.3 Coherence

The primary aim of the Colombian national development plan (NDP) is to ensure sustainable growth through social cohesion. This will be done through strengthening the democracy and encourage good governance, it also includes rebuilding the social structures, promote peace and increase exports to boost growth.

The EC response strategy is emphasising support to the peace process, primarily by giving support to social and economic development, administrative and judicial reform and promotion of human rights. The programme is therefore considered coherent with the national plan (as shown in chapter 1 and 2) and also coherent with what other donors and NGOs are doing (see following paragraph).

The situation in Colombia is unstable and will continue to be so in the near future. Therefore urgent needs may surge and the EC may want to be able to respond rapidly to these needs. One way of ensuring the right policy mix of short term and long term instruments is to make use of the Rapid Reaction Mechanism (RRM). In addition, humanitarian assistance will be provided through ECHO, NGOs and the Up-rooted people budget lines. These actions by the EC are also in line with the priorities of the Colombian government and with EC's development objectives in its co-operation with Colombia (see section 5.5).

A destabilising factor in Colombia and the Andean region more widely is narco-trafficking. One key concept of EC policy in this respect, supported by our trade regime, see below, is that of alternative development to allow coca-farmers to find a substitute source of income. The EC is devoting considerable resources to alternative development programs in the Andean countries. As regard Colombia, the proposed Peace Laboratories contain the concept of voluntary manual eradication and alternative development. This policy is supported by the specialised dialogue on Drugs between the EC and the Andean countries, the world's only region with which the EC conducts such exchanges. The dialogue recognises the co-responsibility of both partners for the drug problem and allows them to raise all issues of common concern, including a mutual review of the EC's co-operation projects and the Andean countries' own efforts to fight drug production and trafficking. The EC is also very active in the fight against precursors and has concluded agreements on chemical precursors with each of the Andean countries. The Commission has recently joined the Steering Committee of Operation Purple of which Colombia also is a member. This international tracking operation run by the International Narcotics Control Board provides a particularly effective mechanism for tracking drug precursors. Other actions in the fight against drugs in the fields of money laundering and small arms contribute directly to the attempts to target the root causes of the Colombian conflict.

The Generalised System of Preferences (GSP) and more specifically the GSP “drugs” is a key element in trade relations between EU and Colombia. As a result, due to the application of either MFN or GSP tariff rates, most exports from Colombia are exempted from custom duties. In this manner, trade policy contributes to the achievement of the EC development co-operation objective of promoting economic growth. The special SPG “drugs”, from which the Andean countries benefit, facilitates access to European markets notably of alternative development products (main example: coffee), hence providing a marketing perspective for these products. To the extent that rural poverty is one of the root-causes of conflict, the EC trade policy vis-à-vis Colombia hence also contributes to fighting the root causes of conflict.

Despite the generous tariff treatment, Colombia does not always succeed in realising exports to Europe to the degree the country aspires to as EU sanitary and phytosanitary standards have to be met. These can constitute a barrier to Colombian exports, but since they reflect a level of protection required by the European consumer, the EU has no flexibility to lower them or grant Colombian exporter exemptions. Colombia will thus have to make an effort to meet the EU food / product safety standards, an effort which would benefit Colombian consumers at the same time. As regards the Common Agricultural Policy (CAP), there is only little overlap between products falling under a CAP regime and those exported by Colombia. In this respect it should be noted that the CAP has undergone significant changes during the 90s and will continue to be reformed. A key element of the changes already introduced is a process of lowering EU support prices to world market prices as a result of which the competitiveness of third country products on the EU market will increase.

Lastly, the EC seeks to support the economic growth objective of our development policy via regional programmes like AL-INVEST which promotes investments of EU companies in Latin America and provides for a for business-to-business encounters.

Humanitarian assistance provided through ECHO, NGOs and Up-rooted people budget lines follows the line to assist the victims of the armed conflict, one of the main objectives of the EC strategy with Colombia (see section 5.5).

Sustainable development has also been the target of EC co-operation in the environment and tropical forests fields.

5.4 Complementarity within the EU and with other Donors

The EU Aid package has been a first step in trying to achieve greater complementarity with other donors and, in particular, with Member States (see section 5.1 for structure of the EU aid package). The Commission actively participated in the three meetings of the Support Group for the Colombian Peace Process in which all major donors took part.

Another example of co-operation with other donors is the EC contribution to the funding of the office of the High Commissioner for Human Rights in Bogotá.

The Delegation and the EU Member States Embassies in Colombia have established a co-ordination system at Development Counsellor/Ambassador level and are

advancing towards closer links along the whole of the Programme / Project Cycle, sharing information on the identification and implementation of their respective Programmes.

The Framework Agreement signed between Colombia and the EC concerning the implementation of EC aid identifies the Colombian International Co-operation Agency (ACCI) as its counterpart. This agency co-ordinates most of the international aid received by Colombia.

6. INDICATIVE PROGRAMME

6.1. Financial Instruments

As seen in the preceding section (Response Strategy), the EC response will need to use all instruments at its disposal. The main contribution will be made from the budget lines for technical and financial co-operation as well as economic co-operation (B7-310 and B7-311). Nevertheless, other budget lines will also be extensively used. The total indicative amount for the period 2001 – 2006 is **€ 105** (B7-310 and B7-311). The first programme (“Peace Laboratory in the Magdalena Medio”) has already been committed amounting to € 34.8 million (see section on on-going co-operation). Therefore, the total amount available for the period 2002-2006 is **€ 70.2 million**.

The indicative work programme is dependent on the availability of the annual budgetary resources. The final selection of projects and corresponding amounts will be made according to the results of identification and detailed preparation work managed by the Commission.

6.2. Sectors of co-operation

The Communication adopted by the Commission in 2000 allocated the following amounts to each of the following four sectors: **social/economic development and poverty reduction** (€ 40 million), **alternative development** (€ 30 million), **support to administrative and judicial reform** (€ 25 million) and **support/promotion of human rights** (€ 10 million). These four sectors should remain as priorities for EC co-operation with Colombia since they are consistent with the priorities explained above: the support of on-going Colombian activities in the search for Peace and targeting the roots and causes of the conflict. Nevertheless, an approach by sectors is not proposed for Colombia (see section 5.1). The suggested line of action is based mainly on programmes (Peace Laboratories) with several components from the mentioned sectors, complemented by actions aiming at re-enforcing the State (Administrative and judicial reform) and helping the victims of the conflict (Land Mines).

6.3. Technical and financial Co-operation

6.3.1. Peace Laboratories

Following the commitment for the first peace laboratory in the Magdalena Medio, other Peace Laboratories will be identified in regions of Colombia when and where the conditions on the ground will allow it. In this identification, the experience made with the first Peace Laboratory, to the extent available, will be taken into account.

Global objective:

When announcing the EC contribution to the Colombian peace process, Commissioner Patten outlined the three objectives of the Peace Laboratories: first, to support, in the field, the implementation of the specific agreements entered into by the conflicting parties; second, to build up zones of peaceful coexistence for the inhabitants by reinforcing local institutions, and supporting civilian actors engaged in promoting peace; and third, to foster economic and social development, including when possible, support to alternative development. This concept involves *all the social processes of participation and institutional strengthening which, at local and regional level and in the midst of conflict, aim at economic, social, cultural and political transformations with a view on collectively building the conditions of lasting peace based on life with dignity for all the inhabitants.*

Actions:

These Peace Laboratories will contain actions related to the four above mentioned sectors as it has been the case in the first programme already approved. More specifically, the laboratories should have four basic components:

- Culture of peace and integral rights: education/training, creation/support of civil society networks, etc.
- Productive activities: support to sustainable rural development proposals.
- Social and productive infrastructures: basic infrastructures such as sanitation, schools, etc.
- Institutional strengthening: particularly of local institutions with emphasis in planning and programming, health, etc.

Conditionalities:

The continuation, despite the difficulties, of the search for a negotiated peace with the various groups in conflict.

A particular effort on the part of the Colombian Government to guarantee minimum conditions of safety in the area of the Laboratory.

Indicators:

Given the innovative character of the programme and the seriousness of the situation on the ground, it will be difficult to measure progress. Nevertheless, the first programme has already identified the following overall indicators: decrease in the number of deaths and in the level of violent actions by the armed groups, increase in the number of viable economic development actions, participation by public institutions in pilot projects in support of peace, agreements to put forward joint development projects and peace initiatives by conflicting parties, stabilisation of the regional economy and finally, an increase in the revenues of the inhabitants.

Financial envelope: 40 % of available funds.

6.3.2. Administrative and judicial reform

Global objective:

To contribute to the strengthening of the State by addressing some of its structural weaknesses. The judicial system has been identified by numerous analysts as one of the weak points of the Colombian State: it is not present all over the territory, it needs training and seems to be perceived by the population as inefficient or even unjust. Since the Peace Laboratories will not address these issues directly, a programme covering the judicial sector will be identified.

Actions

Training and institutional strengthening will be prioritised. The issue of “impunity” needs also to be addressed. Several institutions, such as the “Fiscalía” (responsible for public persecution) and the “Procuraduría” (responsible for overlooking the different public institutions) and/or the prison system will be targets for co-operation.

Indicators

The population’s perception of the justice and the judiciary system, mainly their access to justice and its credibility.

Financial envelope: 15 % of total allocated.

6.3.3. Land Mines

Information collected by the Colombian Campaign Against Landmines indicates that at least 168 of Colombia’s 1,092 municipalities in twenty-seven of the country’s thirty-two departments are mine-affected. There are mined areas in all five regions of Colombia: Amazonian (five mine-affected departments), Andean (nine mine-affected departments), Caribbean (six mine-affected departments), Orinoquia (four mine-affected departments), and Pacific (three mine-affected departments).

In May 2001 the Colombian Government asked the United Nation Mine Action Strategy (UNMAS) for an exploratory mission. This has resulted in a UN’s decision to insert Colombia in its portfolio of LOIS (Level One Impact Survey) in the 2001-2005 UN mine strategy.

General Objective

The purpose of a Level One-Impact Survey is to gather, evaluate, analyse and make available information regarding the landmine and unexploded ordnance [UXO] threat. It collects base-line data and complements them with comprehensive and reliable socio-economic data regarding the impacts that mined areas have upon local communities. Furthermore it stores this data in the Information Management System for Mine Action [IMSMA] database, which along with accompanying analysis forms the basis for a true results-orientated management structure.

Expected results

Landmine Impact Survey results clearly define a country's landmine problem in measurable terms that can then be used to support critical functions such as strategic national planning, program design, resource allocations, task prioritisation and performance evaluation. Expected output : operational survey capacity in Colombia; Landmine Impact Survey to community level; survey process and outputs certified by UN Survey Certification Committee; and, national capacity of trained data-collectors & data processing staff developed.

Indicators

Performance and result indicators will be the UN certification of respect of the UN Protocol for LOIS.

Financial envelope

For the LOIS: 7 % of available funds.

Conditionality

In this case, LOIS does not face conditionalities, however, if a second phase for training/removal is developed, this will have to be clearly linked to positive developments in the peace process.

6.3.4. Other programmes

Approximately 38 % of the total funds allocated to Colombia in the period 2002-2006 will be allocated in a revision of this strategy. This amount has been set aside to allow the EC to respond to the evolution of the Peace Process which will be crucial for identifying specific actions. This could be the case in areas such as support to agricultural reform, fiscal reform, small arms or even the funding of re-insertion programmes for former combatants if concrete agreements with the armed groups were to be reached providing the necessary window of opportunity to implement such programmes. A further possibility, depending on our experience with the Peace Laboratories concept, would be to support a third such programme, which could be located, for example, on the coastal regions.

6.4. Economic co-operation

In the light of the engagement made by the EC to support the peace process no bilateral programmes are foreseen. However, this may have to be revised in view of Colombia's request for trade-related technical assistance/capacity building. Nevertheless, Colombia will benefit from the Horizontal Programmes: AL-Invest, ALFA, URB-AL, @LIS, SYNERGY and regional CAN programmes.

6.5. Other budget lines

An estimated € 35 million in non-programmable aid is included in the aid package in support of the peace process. See also section 5.2

6.6. Cross-cutting issues

The impact on the environment, gender and the respect for cultural diversity (and especially the rights of indigenous people) will be mainstreamed into the actions included in this strategy. Moreover, "disaster preparedness" will also be considered a

crosscutting issue. All these issues will be taken into consideration at all stages from identification to evaluation of the envisaged programmes.

ANNEX 1 – AGENDA FARC

AGENDA COMUN ENTRE EL GOBIERNO Y LAS FARC-EP

La Machaca, Caquetá, 6 mayo 1999

El siguiente es el texto de la agenda común acordada hoy entre los voceros del Gobierno Nacional y de las FARC-EP:

"AGENDA COMUN POR EL CAMBIO HACIA UNA NUEVA COLOMBIA"

1.- SOLUCION POLITICA NEGOCIADA.

Se buscará una solución política al grave conflicto social y armado que conduzca hacia una nueva Colombia, por medio de las transformaciones políticas, económicas y sociales que permitan consensos para la construcción de un nuevo Estado fundamentado en la justicia social, conservando la unidad nacional.

En la medida en que se avance en la negociación, se producirán hechos de paz. De ahí, el compromiso que debemos asumir todos los colombianos con la construcción de la paz, sin distinción departidos, intereses económicos, sociales o religiosos.

2.- PROTECCION DE LOS DERECHOS HUMANOS COMO RESPONSABILIDAD DEL ESTADO.

2.1.- Derechos fundamentales.

2.2.- Derechos económicos, sociales, culturales y del ambiente.

2.3.- Tratados internacionales sobre Derechos Humanos.

3.- POLITICA AGRARIA INTEGRAL.

3.1.- Democratización del crédito, asistencia técnica, mercadeo.

3.2.- Redistribución de la tierra improductiva.

3.3.- Recuperación y distribución de la tierra adquirida a través del narcotráfico y/o enriquecimiento ilícito.

3.4.- Estímulos a la producción.

3.5.- Ordenamiento territorial integral.

3.6.- Sustitución de cultivos ilícitos y desarrollo alternativo.

4.- EXPLOTACION Y CONSERVACION DE LOS RECURSOS NATURALES.

4.1.- Recursos naturales y su distribución.

4.2.- Tratados internacionales.

4.3.- Protección del ambiente sobre la base del desarrollo sostenible.

5.- ESTRUCTURA ECONOMICA Y SOCIAL.

5.1.- Revisión del modelo de desarrollo económico.

5.2.- Políticas de redistribución del ingreso.

5.3.- Ampliación de mercados internos y externos.

5.4.- Estímulos a la producción a través de la pequeña, mediana y gran empresa privada.

5.5.- Apoyo a la economía solidaria y cooperativa.

5.6.- Estímulo a la inversión extranjera que beneficie a la Nación.

5.7.- Participación social en la planeación.

5.8.- Inversiones en bienestar social, educación e investigación científica.

6.- REFORMAS A LA JUSTICIA, LUCHA CONTRA LA CORRUPCION Y EL NARCOTRAFICO.

- 6.1.- Sistema judicial.
- 6.2.- Organos de control.
- 6.3.- Instrumentos de lucha contra la corrupción.
- 6.4.- Narcotráfico.

7.- REFORMA POLITICA PARA LA AMPLIACION DE LA DEMOCRACIA.

- 7.1.- Reformas a los partidos y movimientos políticos.
- 7.2.- Reformas electorales.
- 7.3.- Garantías a la oposición.
- 7.4.- Garantías para las minorías.
- 7.5.- Mecanismos de participación ciudadana.

8.- REFORMAS DEL ESTADO.

- 8.1.- Reformas al Congreso.
- 8.2.- Reforma administrativa para lograr una mayor eficiencia de la Administración Pública.
- 8.3.- Descentralización y fortalecimiento del poder local.
- 8.4.- Servicios públicos.
- 8.5.- Sectores estratégicos.

9.- ACUERDOS SOBRE DERECHO INTERNACIONAL HUMANITARIO.

- 9.1.- Desvinculación de los niños al conflicto armado.
- 9.2.- Minas antipersonales.
- 9.3.- Respeto a la población civil.
- 9.4.- Vigencia de las normas internacionales.

10.- FUERZAS MILITARES.

- 10.1- Defensa de la soberanía.
- 10.2- Protección de los Derechos Humanos.
- 10.3- Combate a los grupos de autodefensa.
- 10.4- Tratados internacionales.

11.- RELACIONES INTERNACIONALES.

- 11.1- Respeto a la libre autodeterminación y a la no intervención.
- 11.2- Integración regional latinoamericana.
- 11.3- Deuda externa.
- 11.4- Tratados y convenios internacionales del Estado.

12.- FORMALIZACION DE LOS ACUERDOS.

- 12.1- Instrumentos democráticos para legitimar los acuerdos.

Por el Gobierno Nacional

VICTOR G. RICARDO

FABIO VALENCIA COSSIO.

MARIA EMMA MEJIA.

NICANOR RESTREPO SANTAMARIA.

Por las FARC- EP

RAUL REYES

JOAQUIN GOMEZ

FABIAN RAMIREZ

RODOLFO ESPINOSA MEOLA.

La Machaca, mayo 6 de 1999".

ANNEX 2 a

Social Indicators

People	1995	1998	1999
Population, total million	38.6	40.8	41.5
Population density (people per sq km)	37.1	39.3	40.0
Population growth (annual %)	2.0	1.9	1.8
Life expectancy at birth, total (years)	69.8	..	70.3
Fertility rate, total (births per women)	2.9	..	2.7
Mortality rate, infant (per 1.000 live births)	25.6	..	22.8
Malnutrition prevalence (% of children under 5)	8.4
Urban population (% of total)	71.8	73.1	73.5
Population density, rural (people per sq km)	563.7	528.7	..
Illiteracy rate, adult males (% of males 15 +)	9.5	8.7	8.5
Illiteracy rate, adult females (% of males 15 +)	9.8	8.8	8.5
Source: World Development Indicators database, July 2000			

Note:

* Estimate reported in GoB (2001) Poverty Reduction Strategy Paper based on World Bank Bolivia Poverty Diagnostic.

Annex 2 b – Economic Data

Statistical Appendix											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999p	2000c
Real Gross Domestic Product (GDP)											
GDP per capita in USD		1,371	1,436	1,619	2,137	2,420	2,487	2,672	2,436	2,068	1,951
Growth in % p.a.	4.3	2.0	4.0	5.4	5.8	5.2	2.1	3.4	0.4	-4.3	3.0
Unemployment (in % of the labor force, urban, average)											
Unemployment		10.2	10.2	8.6	8.9	8.8	11.2	12.4	15.2	19.4	20.3
Prices, Salaries and Terms of Trade (Average Annual Growth Rates)											
Consumer Prices	29.2	30.4	27.0	22.6	23.8	21.0	20.2	18.9	20.4	11.2	9.5
Balance of Payments (Millions of Dollars)											
Trade Balance	1,971	2,959	1,234	-1,657	-2,240	-2,639	-2,140	-2,715	-2,511	1,734	2,763
Exports of Goods (FOB)	7,079	7,507	7,263	7,429	9,058	10,528	10,952	12,059	11,494	12,046	14,004
Imports of Goods (FOB)	5,108	4,548	6,029	9,086	11,298	13,167	13,092	14,774	14,006	10,311	11,241
Capital and Financial Account Balance	-2	-777	183	2,702	3,421	4,687	6,707	7,095	4,529	370	878

* Inter American Development Bank *

ANNEX 2 C

TRADE : EU/COLOMBIA (mio Ecu/Euro)

	1980	1990	2000
IMPORTS	1.402	1.614	2.324
EXPORTS	735	887	1.907
BALANCE	- 667	- 727	- 417

Source : Eurostat

ANNEX 3

Foreign Investment in Colombia

	USD Millions				As a GDP Percentage			
	94-97 (P)	1998	1999	2000	94-97 (P)	1998	1999	2000
Direct / 1	2,791	2,932	1,326	2,615	3.2	3.0	1.5	3.2
Other Sectors	2,430	2,841	2,057	3,328	2.8	2.9	2.4	4.0
Oil	362	91	-732	-713	0.4	0.1	-0.8	-0.9
Portafolio / 2	1,687	969	751	1,310	2.0	1.0	0.9	1.6
Long -Term	1,305	1,229	774	1,292	1.6	1.2	0.9	1.6
Short -Term	382	-260	-23	17	0.5	-0.3	0.0	0.0

Source: Balanza de Pagos Banco de la República, junio 2001

(P) Corresponds to an average

1/ Includes new investment plus re-investment of profits minus reimbursement of capital

2/ Balance of the disbursements minus the amortisation

NET EU DIRECT INVESTMENT IN COLOMBIA*

	1998	1999	2000
EUROSTAT	4.862.683	1.149.279	528.651

* Excluding portfolio & oil in thousand US \$

Source : EC Delegation based on data from Banco de la Republica

ANNEX 4

Regional Trade Agreements

Country	Agreement	Population (millions)
Ecuador, Bolivia, Peru, Venezuela	Free Trade Area /Andean Community / Progressive Access	111
Venezuela, Mexico	Free Trade Treaty G-3	100.3
Chile	Economic Complementation Agreement	15.1
Brazil	Partial Scope Economic Complementation Agreement	172.8
Argentina	Partial Scope Economic Complementation Agreement	36.9
Paraguay	Partial Scope Agreement	5.5
Uruguay	Partial Scope Agreement	3.3
Cuba	Partial Scope Economic Complementation Agreement	11.1
CARICOM	Partial Scope Agreement	13.4
TOTAL		469.4

Source: Andean Community, CIA World Factbook.

ANNEX 5

SECTOR DE COOPERAC.	AREA GEOGRAF.	NOMBRE PROYECTO	CONTRAPARTE COLOMBIANA	TIPO FINAN*	APORTE C.E.	OTROS APORTES	TOTAL	FECHA DE INICIO	FECHA DE FINALIZ.
LÍNEA B7-210	AYUDA HUMANITARIA ECHO				10.000.000		10.000.000		
AYUDA HUMANITARIA DESPLAZADOS	NACIONAL	ECHO/EC/B7-210/99; PLAN GLOBAL DE AYUDA A POBLACIONES DESPLAZADAS-ECHO	15 ONGs EUROPEAS	S	10.000.000		10.000.000	April 2001	April 2002
LÍNEA B7-703	DERECHOS HUMANOS				3.850.000	700.000	4.550.000		
DERECHOS HUMANOS	NACIONAL	DEM/COL/B7-703/98/01; 100 MUNICIPIOS DE PAZ EN COLOMBIA	REDEPAZ	S	850.000		850.000	2000	2001

DERECHOS HUMANOS	REGIONAL	AML/B7-703/IB/99/075; PROGRAMA PLURIANUAL DEMOCRACIA Y DDHH DE LA CAN - PROGRAMA DDHH PARA COLOMBIA	SEPAS SECRETARIADO PASTORAL SOCIAL	S	3.000.000	700.000	3.700.000	2001	2004
					28.507.150	14.317.865	42.825.015		
LÍNEA B7-310	COOPERA. FINANCIERA Y TÉCNICA								
DESARROLLO RURAL	MUNICIPIO DE PAEZ E INZA	COL/96/156 : PROGRAMA DE DESARROLLO RURAL REGIÓN TIERRADENTRO	ASOCIACIÓN NASA C'HACHA/CABILDOS INDÍGENAS	S	8.000.000	2.900.000	10.900.000	2000	2004
DESARROLLO SOCIAL	BOGOTÁ	COL/93/117 : DESARROLLO INSTITUCIONAL Y COMUNITARIO EN CIUDAD BOLIVAR	ALCALDÍA BOGOTA/ CONSEJO POLÍTICA SOCIAL	S	6.471.150	2.596.154	9.067.304	1997	2001
FORTALECIMIENTO INSTITUCIONAL	NACIONAL	COL/B7-310/98/257 : CONSOLIDACIÓN SISTEMA CARTOGRAFÍCO COLOMBIA	MINISTERIO DE JUSTICIA	S	8.000.000	2.700.000	10.700.000	2000	2004

FORTAL ECIMIEN TO INSTITU CIONAL	NACIONAL	COL/95/158 : SISTEMA NACIONAL DE CAPACITACIÓN MUNICIPAL	ESAP, FEDERACIÓN COLOMBIANA MUNICIPIOS/AL CALDÍA BOGOTÁ	S	6.036.000	6.121.711	12.157.711	2000	2004
H:\jesus\colombia\cooperacion\strategy\Country Strategy Paper\ANNEX 6.xls									
LÍNEA B7-311	COOPERACIÓN ECONÓMICA				2.120.000	5.256.478	7.376.478		
FORTAL ECIMIEN TO INSTITU CIONAL	NACIONAL	COL/97/377: CREACIÓN DEL LABORATORIO COLOMBIANO DE DISEÑO PARA EL DESARROLLO DE LA ARTESANIA Y PYMES	MINDESARROLL O ARTESANIAS DE COLOMBIA	S	950.000	662.478	1.612.478	2000	2003
FORTAL ECIMIEN TO INSTITU CIONAL	NACIONAL	COL/B7-3011/94/42 : INCUBADORA DE EMPRESAS BASE TECNOLÓGICA PILOTO EN BOGOTÁ. INNOVAR 2002	MINISTERIO DE DESARROLLO	S	970.000	4.554.000	5.524.000	2000	2002
FORTAL ECIMIEN TO INSTITU CIONAL	NACIONAL	COL/B7-311/98/272 : PROFUNDIZACIÓN DE LAS RELACIONES COLOMBIA - UNIÓN EUROPEA	MINISTERIO DE RELACIONES EXTERIORES	S	200.000	40.000	240.000	2000	2002

LÍNEA B7-6200	MEDIO AMBIENTE				970.000	359.680	1.329.680		
MEDIO AMBIENTE	GUAJIRA, BOLIVAR Y MAGDALENA	COL/B7-6200/IB/98/0670 : PROLAGUNAS, RECUPERACION AMBIENTAL	CORPOGUAJIRA	S	970.000	359.680	1.329.680	1999	2002
LÍNEA B7-6201	BOSQUE TROPICAL				3.497.017	1.327.746	4.824.763		
MEDIO AMBIENTE	SIERRA NEVADA DE STA. MARTA	B7-6200/95/28 : DESARROLLO SOSTENIBLE SIERRA NEVADA DE STA. MARTA	MINISTERIO DE MEDIO AMBIENTE	S	1.736.700	750.750	2.487.450	2000	2002
MEDIO AMBIENTE	ANTIOQUIA	B7-6201/98/0401 : HACIA UN MODELO DE DESARROLLO SOSTENIBLE EN LA SERRANIA DE ABIBE	PENCA DE SABILA	S	897.871	484.596	1.382.467	1999	2002
MEDIO AMBIENTE	AMAZONIA COLOMBIANA	B7-6201/98/0518 : CONSERVACION Y PLAN MANEJO DEL PARQUE NACIONAL DE CHIRIBIQUETE	FUNDACION PUERTO RASTROJO	S	862.446	92.400	954.846	1999	2002
TOTAL C.E.				S	48.944.167	21.961.769	70.905.936		

TOTAL COOPERACIÓN COMISIÓN EUROPEA EN COLOMBIA - 2000/2001									
				APORTE C.E.	OTROS APORTES		TOTAL		
COOP. BILATERAL				48.944.167	21.961.769		70.905.936		
TOTAL C.E.				48.944.167	21.961.769		70.905.936		

ANNEX 6	
TOTAL COOPERATION UE-COLOMBIA 1999-2000	
GERMANY	32.851.360
AUSTRIA	962.898
SPAIN	16.322.372
FRANCE	3.567.600
ITALY	2.063.274
THE NETHERLANDS	32.675.376
UNITED KINGDOM	11.219.280
SWEDEN	4.198.451
E.C.	90.468.676
TOTAL EU	194.329.287
* in Euros	

ANNEX 7

VARIACION DESEMBOLSOS COOPERACION INTERNACIONAL					
	1999	%	2000	%	% variacion
AID	1.389.500	2,50%	3.851.021	5,80%	64%
GERMANY	13.960.026	25,20%	15.437.368	23,10%	10%
CANADA	2.035.586	3,70%	2.646.089	4,00%	23%
SPAIN	7.750.961	14,00%	6.479.598	9,70%	-20%
FRANCE	1.047.000	1,90%	5.709.147	8,50%	82%
JAPAN ²	10.000.000	18,00%	14.000.000	20,90%	29%
THE NETHERLANDS ²	8.536.818	15,40%	8.000.000	12,00%	-7%
UNITED KINGDOM ²	5.500.000	9,90%	4.000.000	6,00%	-38%
SWEDEN	5.250.000	9,50%	6.820.000	10,20%	23%
SUBTOTAL BILATERAL	55.469.891	69,20%	66.943.223	64,20%	17%
IBD	645.600	2,60%	12.400.000	33,30%	95%
WB ¹	1.697.970	6,90%	1.254.199	3,40%	-35%
CAF	919.129	3,70%	1.136.185	3,00%	19%
FAO	1.607.812	6,50%	1.793.991	4,80%	10%
OEI		0,00%	607.000	1,60%	100%
OPS/OMS ²	2.380.752	9,70%	2.400.000	6,40%	1%
PMA ²	1.081.396	4,40%	1.000.000	2,70%	-8%
UNPD ¹	709.100	2,90%	710.000	1,90%	0%
PNUMA ²		0,00%	150.000	0,40%	100%
UNDCP ²	4.440.000	18,00%	4.500.000	12,10%	1%
UNFPA	400.000	1,60%	574.014	1,50%	30%
EUROPEAN UNION	10.768.939	43,70%	10.751.172	28,80%	0%
SUBTOTAL MULTILATERAL	24.650.698	30,80%	37.276.561	35,80%	34%
TOTAL	80.120.589		104.219.784		
(1) including GEF funds					
(2) cifras aproximadas segun proyectos					
Tasas : end of december 1999-2000 in US \$					
Source : ACCI					

ANNEX 8				
COMPROMISOS - MATRIX - EU COOPERATION COLOMBIA APOYO AL PROCESO DE PAZ				
ESTADOS MIEMBROS (2001- 2003)				
País	Sector	Cobertura Geográfica	Monto - Euros	Comentarios
ITALIA	Apoyo al Programa de Emergencia	Nacional	1.121.068	2001/2002
	Programa ONG (Social	Nacional	1.678.541	
	Educación	Cartagena	940.928	2001/2004
	Salud	Cartagena	1.362.092	2001/2004
	Medio Ambiente	Guajira	694.252	2001/2004
	Formación	Nacional	694.694	2001/2004
BELGICA	D.D.H.H.,Prevención Conflic., paz	Nacional	503.825	Cooperación vía ONG
	Salud, Mujer, Niñez, Medio ambiente	Nacional	815.263	Cooperación vía ONG y UNFPA
	Educación	Nacional	1.513.145	Cooperación vía universidades
	Formación	Ibagué, Palmira, Cali	1.700.470	Cooperación vía ONG
ESPAÑA	Construcción de la paz	Zona de encuentro (ELN)		
		Zona de distensión (FARC)	540.911	2001/2006
	Medio Ambiente	Nacional	456.781	2001/2006
	Descentralización Administrativa	Nacional	619.042	2001/2006
	Derechos Humanos	Nacional	462.010	2001/2006
	Cultura de Paz	Nacional	705.143	2001/2006
	Apoyo Desplazados	Nacional	1.568.420	2001/2006
	Apoyo Jóvenes	Nacional	2.837.080	2001/2006
	Desarrollo Rural	Chocó, Cauca	462.066	2001/2006
	Desarrollo Integral	Santa Marta	276.466	2001/2006

	Apoyo Población Indígena	Nacional	453.289	2001/2006
	Educación, Becas	Nacional	1.923.239	2001/2006
	Programa de Microcréditos	Nacional	13.835.278	Reembolsable
	Programa Fondo Ayuda al Desarrollo	Nacional	81.000.000	Reembolsable
PAISES BAJOS	Medio Ambiente	Nacional	7.498.827	2001/2003
	Derechos Humanos	Nacional	3.021.819	2001/2004
	Paz/Democracia y Buen Gobierno	Nacional	1.343.091	2001/2004
	Mujer y Género	Nacional	831.818	2001/2004
	Recursos Humanos - Habitat Humano	Medellín	841.364	2001
	Infraestructuras	Cartagena	9.995.880	2001
	Agricultura	Costa Atlántica	3.591.502	2001/2002
PORTUGAL	-	-	-	-