

PLAN COLOMBIA SEMI-ANNUAL OBLIGATION REPORT

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT DETAILING THE PROGRESS OF SPENDING BY THE EXECUTIVE BRANCH DURING THE LAST TWO QUARTERS OF FISCAL YEAR 2001 IN SUPPORT OF PLAN COLOMBIA, PURSUANT TO PUB. L. 106-246, SEC. 3204(e)



APRIL 10, 2002.—Message and accompanying papers referred to the Committees on Appropriations and International Relations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the Congress of the United States:

Pursuant to section 3204(e), of Public Law 106-246, I am providing a report prepared by my Administration detailing the progress of spending by the executive branch during the last two quarters of Fiscal Year 2001 in support of Plan Colombia.

GEORGE W. BUSH.

THE WHITE HOUSE, *April 9, 2002.*

**Plan Colombia
Semi-Annual Obligation Report**

**Prepared Pursuant to
P.L. 106-246 § 3204(e)**



3rd & 4th Quarters, FY 2001

Office of National Drug Control Policy

Plan Colombia Semi-Annual Obligation Report
3rd and 4th Quarters, Fiscal Year 2001

In Division B of the Military Construction Appropriations Act, 2001 (P.L. 106-429) (the "Emergency Supplemental Act, 2000"), Congress appropriated \$1.3 billion in FY 2000 emergency supplemental funding to support counternarcotics activities associated with Plan Colombia. This funding included \$1.018 billion appropriated to the Department of State and \$300.6 million appropriated to the Department of Defense. Section 3204(c) of Public Law 106-246 requires the President to provide Congress with a semi-annual report setting forth an accounting of any costs incurred by any department, agency, or other entity of the Executive Branch during the two previous fiscal quarters in support of Plan Colombia. Pursuant to this statutory provision, the Office of National Drug Control Policy (ONDCP) prepared this *Plan Colombia Semi-Annual Obligation Report*, covering the third and fourth quarters of FY 2001.

In order to fulfill this reporting requirement, ONDCP has worked closely with the Departments of State and Defense, as well as the Office of Management and Budget, to develop an accounting report on spending in support of Plan Colombia. ONDCP's guidance to agencies for preparing this report carefully defines how obligations are displayed, in order to present Congress with the most accurate accounting of how budget resources have been executed. Of note is the convention employed to present spending data for the Department of State. Of the \$1.018 billion appropriated to State, all except \$10.977 million has been obligated in bilateral agreements with host governments, including the Government of Colombia. Some program elements supported with funds obligated under these bilateral agreements are being executed by the Department of State, through the "subobligation" (through actual commitments of funds in contracts, grants, and other procurement actions) of these funds. Other program elements supported with funds obligated under these bilateral agreements are being executed by other U.S. agencies, such as the Justice Department, under interagency transfer or allocation agreements with State. Accordingly, this report provides information on subobligations incurred by State for program elements directly executed by State, as well as amounts reported as subobligated by other agencies that received resources from State. As the accompanying report indicates, of the \$1.3 billion initially appropriated, \$930 million, or 71 percent, had been subobligated as of September 30, 2001. Overall, this subobligation rate measures solid progress in implementing this initiative.

Funds Appropriated to State:

Of the \$1.018 billion appropriated to the Department of State, \$703.7 million had been subobligated as of September 30, 2001. In one area, Support for Human Rights and Judicial Reform, subobligations during the second half of FY 2001 continued to fall below the average rate of subobligations for other activities in support of Plan Colombia. Through September 30, \$45.2 million, or 37 percent of the funding allocated for projects relating to Support for Human Rights and Judicial Reform had been subobligated. The Joint Explanatory Statement accompanying the Conference Report to Public Law 106-246 (H.R. Conf Rept. 106-710), recommended that \$122 million of the funds

appropriated to the Department of State in support of Plan Colombia be allocated for human rights, judicial reform, and other programs. Of the \$122 million, \$88 million for the Justice Sector Reform program is being executed by the Department of Justice, in collaboration with the Department of Treasury, through transfer or allocation agreements with the Department of State. The Department of State's transfer or allocation of funds with Justice and Treasury was finalized during FY 2001, and funds were released for project implementation under these interagency agreements in April and July 2001. Plans for the implementation of the Justice Sector Reform program span two years. Further progress is expected during FY 2002.

Of the total funding appropriated to the Department of State for activities in support of Plan Colombia, \$211.5 million is being administered through the United States Agency for International Development (USAID). For USAID program activities, cumulative subobligations in this report cannot be compared with data provided in the initial Plan Colombia accounting report covering the first half of FY 2001 submitted pursuant to section 3204(c). USAID is able to report subobligation data based on the following broad Plan Colombia program categories: Democracy, Alternative Development, Internally Displaced Persons, and Operating Expenses. However, USAID does not disaggregate in its accounting system of record Plan Colombia subobligations by all of the discrete program elements identified in this report. Subobligations displayed by program element are estimates. Also, subobligations for some program elements displayed in the first accounting report for the first and second quarters of FY 2001 were overstated. In an attempt to improve reporting reliability, USAID refined the methodology used to estimate subobligations by program element since the initial report for the first half of FY 2001. With this change in methodology, line-by-line comparisons by program element are not possible between the first and second half of FY 2001. The Department of State and ONDCP will continue to work with USAID to ensure the reliability, accuracy, and consistency of future reporting.

Funds Appropriated to Defense:

Of the \$300.6 million appropriated to the Department of Defense under Division B of Public Law 106-246, \$226.6 million had been obligated as of September 30, 2001. This report reflects the Department of Defense's transfer of funds in support of training not specifically detailed under Public Law 106-246. Accordingly, the Under Secretary of Defense (Comptroller) notified the Committees on Appropriations of these modifications on February 5, 2001. The Department determined that training must be provided to Colombian military personnel to operate adequately and maintain the helicopters being provided for counterdrug operations. For this reason, the Department transferred up to \$19.8 million of the FY 2000 supplemental funding appropriated under Division B of Public Law 106-246 to support helicopter-related training for the Colombian military to ensure that the aircraft can be quickly placed into service once they are delivered. Offsets for this additional requirement have been made from other programs financed with funds appropriated under Division B of Public Law 106-246. The offsets did not result in cancellation of any of these programs; however, the scope of some initiatives has been reduced. The accompanying table highlights these changes to the Department of Defense-funded programs.

The Joint Explanatory Statement accompanying the Conference Report to Public Law 106-246 (H.R. Conf. Rept. 106-710), recommended that \$116.523 million appropriated to the Department of Defense for military construction be provided for three Forward Operating Locations (FOLs) in Ecuador, Aruba, and Curacao. However, the FY 2002 Armed Services House Committee Report (107-194) prohibits the expenditure of funds in the FOL facility in Aruba, Netherlands Antilles, and the FY 2002 Military Construction Appropriations Act (P.L. 107-207) rescinded the FY 2000 emergency funding that the Department of Defense had planned to use for the FOL in Aruba. In October 2001, the Dutch Parliament (Upper House) voted to approve the Aruba/Curacao Forward Operation Location package. The Administration continues to consider the operational impacts of this decision and whether to close off the option of completing the FOL construction in the future. Although a FOL in Aruba is on hold, obligations for Curacao are anticipated in FY 2002.

The accompanying tables provide a detailed display of obligations and subobligations across 99 specific program elements associated with U.S. support for Plan Colombia. By June 1, 2002, the third report pursuant to section 3204(e) will be forwarded to Congress and will highlight obligation and subobligation data through the first two quarters of FY 2002. The Administration is committed to providing accurate information on the implementation of this important drug control initiative.

Plan Colombia Semi-Annual Obligation Report
Department of State (DOS)
(\$ in millions)

Reporting Period: (3rd and 4th Qtrs, FY 2001)	Total BA Enacted	This Period Obligations ¹	Cumulative Obligations ²
Program Elements			
Push into Southern Colombia			
Train/Equip CNBNs	7.000	0.272	6.641
Army Counternarcotics UH-1N Program	60.000	1.749	47.266
Army CN Battalion Huey II Program	60.000	11.627	51.506
Army CN Battalion UH-60 Blackhawk Program	208.000	-0.113	207.887
Sustain Army CN Battalions	6.000	4.244	4.501
Forward Infrastructure Development	3.000	0.000	3.000
Force Protection Enhancements	4.000	2.681	3.641
Logistical Support	4.400	1.458	3.691
Army Counternarcotics Battalion Organic Intelligence	9.000	0.014	8.850
Training for Senior Commanders	1.100	0.000	1.100
Army Counternarcotics Battalion Communications	3.000	0.000	3.000
<i>Provide Alternative Development in Southern Colombia</i>	10.000	10.000	10.000
<i>Temporary Emergency Resettlement and Employment</i>	15.000	4.300	13.800
Subtotal:	390.500	36.232	364.883
Support for Interdiction Efforts			
Upgrade Colombian Air Force OV-10	15.000	0.000	15.000
Upgrade Aircraft for Night Operations	1.900	1.900	1.900
Airfield Upgrades	8.000	-6.500	1.500
Upgrade U.S. Customs Service P-3 Radar Programs	68.000	9.223	26.490
Support for Colombian Air Interdiction Program	19.500	7.051	18.856
Support for Colombian Riverine Interdiction Program	12.000	0.006	7.084
Ammunition for Colombian Riverine Interdiction Program	2.000	1.999	1.999
Colombian Navy Operations Infrastructure Support	1.000	0.000	1.000
OFAC Sanctions Support	2.000	0.542	0.542
Subtotal:	129.400	14.221	74.376

Italicized program elements are executed all or in part by USAID.

ONDCP

Plan Colombia Semi-Annual Obligation Report
Department of State (DOS)
(\$ in millions)

Reporting Period: (3rd and 4th Qtrs, FY 2001)	Total BA Enacted	This Period Obligations ¹	Cumulative Obligations ²
Program Elements			
Support for the Colombian National Police			
Secure Communications	3.000	1.381	1.381
Weapons and Ammunition	3.000	0.000	0.000
UH-60 Black Hawk Procurement and Support	26.000	0.000	26.000
Enhance Logistical Support/Operating Costs	2.000	0.018	0.234
CNP Forward Operating Capability & Force Protection	5.000	1.648	1.648
CNP Border Bases Construction	5.000	0.000	0.000
Additional CNP Airmobile Unit	2.000	2.000	2.000
Upgrade CNP Aviation Facilities	8.000	3.181	3.181
Additional Spray Aircraft ³	20.000	-5.807	6.793
Upgrade Existing CNP Airplanes (including FLIR)	5.000	1.379	1.379
Upgrade UH-1H Helos to Huey II Configuration	20.600	0.000	17.339
Sustainment and Operations	5.000	-1.333	1.214
Training for Pilots and Mechanics	2.000	0.000	0.000
Airfield Security	2.000	0.098	0.098
Enhanced Eradication	4.000	0.000	3.721
Spare Parts	3.000	1.795	3.000
Subtotal:	115.600	4.360	67.988
Support for Alternative & Economic Development in Colombia			
<i>Environmental Programs</i>	2.500	2.100	2.100
<i>Voluntary Eradication Programs</i>	30.000	27.600	27.600
<i>Assistance to Local Governments</i>	12.000	0.800	3.100
<i>Assistance for Internally Displaced Persons</i>	22.500	1.694	20.394
<i>AID Operating Expenses in Colombia</i>	4.000	1.200	2.700
<i>Community-Level Alternative Development</i>	10.000	1.500	2.700
Subtotal:	81.000	34.894	58.594

Italicized program elements are executed all or in part by USAID.

Plan Colombia Semi-Annual Obligation Report
Department of State (DOS)
(\$ in millions)

Reporting Period: (3rd and 4th Qtrs, FY 2001)	Total BA Enacted	This Period Obligations ¹	Cumulative Obligations ²
Program Elements			
Support for Human Rights and Judicial Reform in Colombia			
<i>Protection of Human Rights Workers</i>	4.000	0.000	4.000
<i>Strengthen Human Rights Institutions</i>	7.000	5.800	6.800
<i>Establish CNP/Fiscalia Human Rights Units</i>	25.000	5.108	5.593
<i>Judicial System Policy Reform</i>	1.000	0.000	1.000
<i>Criminal Code Reform</i>	1.500	0.194	0.699
<i>Prosecutor Training</i>	4.000	0.132	0.156
<i>Judges Training</i>	3.500	0.000	3.500
<i>Casa de Justicia Judicial Training</i>	1.000	1.000	1.000
<i>Public Defender Program</i>	2.000	1.800	1.800
<i>Asset Forfeiture-Money-Laundering Task Force</i>	15.000	3.933	4.243
<i>Anti-Kidnapping Strategy</i>	1.000	0.002	0.011
<i>Judicial Police Training Program</i>	3.000	0.411	0.442
<i>Witness and Judicial Security</i>	5.000	0.484	0.477
<i>Armed Forces Human Rights and Legal Reform</i>	1.500	0.000	1.500
<i>Army JAG School</i>	1.000	0.000	1.000
<i>Training for Customs Police</i>	2.000	0.003	0.003
<i>Maritime Enforcement & Port Security</i>	2.500	0.080	0.085
<i>Multilateral Case Initiative</i>	3.000	0.176	0.226
<i>Prison Security Program</i>	4.500	0.564	0.564
<i>Banking Supervision Assistance</i>	1.000	0.221	0.307
<i>Revenue Enhancement Assistance</i>	0.500	0.165	0.239
<i>Customs Training Assistance</i>	1.000	0.034	0.034
<i>Conflict Management and Peace Process</i>	3.000	2.900	2.900
<i>U.N. Office of Human Rights</i>	1.000	0.000	1.000
<i>U.S. Government Monitoring</i>	1.500	0.137	0.202
<i>Organized Financial Crime</i>	14.000	4.026	4.026
<i>Rehabilitation of Child Soldiers</i>	2.500	0.000	2.500
<i>Witness/Judicial Security Human Rights Cases</i>	10.000	0.900	0.920
Subtotal:	122.000	28.070	45.227

Italicized program elements are executed all or in part by USAID.

Plan Colombia Semi-Annual Obligation Report
Department of State (DOS)
(\$ in millions)

Reporting Period: (3rd and 4th Qtrs, FY 2001)	Total BA Enacted	This Period Obligations ¹	Cumulative Obligations ²
Program Elements			
Regional			
KMAX Helicopters	32.000	0.000	21.023
<i>Bolivia—Development & Interdiction</i>	110.000	26.021	59.521
<i>Ecuador—Development & Interdiction</i>	20.000	0.733	8.633
Venezuela ⁴	3.500	0.000	0.000
Brazil	3.500	0.000	0.000
Panama	4.000	0.044	0.044
Costa Rica	1.900	0.865	0.865
El Salvador	3.000	0.424	0.424
Trinidad & Tobago	2.100	2.100	2.100
Subtotal:	180.000	30.187	92.610
Total, Funding Appropriated to State:	1,018.500	147.964	703.678

The information on expenditures provided by the Department of Justice for this period reflects "subobligations" incurred by Justice against resources obligated by the Department of State under bilateral agreements with host governments. The Department of State and the Department of Justice have entered into interagency allocation or transfer agreements relating to the implementation by Justice of certain activities in support of Plan Colombia. To support these activities, the Department of State has allocated or transferred to Justice a portion of the funds that were obligated through bilateral agreements with host governments. The information on subobligations provided by the Department of Justice in this report differs from the information provided in the first report, which reflected some program elements as more fully subobligated based on signed agreements between State and Justice. Therefore, the initial report overstates DOJ program execution activities by \$3.0 million.

1. Information on total obligations is reported in a different manner from total obligations reported in other reporting under FACTS II (SF 133 Budget Execution Reports) and the ONDCP Circular, *Annual Accounting of Drug Control Funds*. This report sets forth subobligations by the Department of State of funds for individual program elements relating the U.S. Support for Plan Colombia. The Department of State has obligated these funds under bilateral agreements with the host governments. This report does not provide information on those initial obligations. Ultimately, subobligations for each program element will be equal to the overall amount of funds obligated under bilateral agreements with host governments.
2. The cumulative subobligations as of September 30, 2001 also reflect some adjustments made to total subobligations for the Department of State program elements. Generally, these adjustments are considered minor.
3. This deobligation is associated with a change in contractor. The original contractor filed for bankruptcy, and its assets were sold. A new contract was awarded to a different company for three aircraft with an option to purchase up to six additional aircraft. The option will be exercised in the near future for five aircraft.
4. In the previous report, the "obligations for this period" should have been zero, rather than the \$0.400 million.

Italicized program elements are executed all or in part by USAID.

Plan Colombia Semi-Annual Obligation Report
Department of Defense (DoD)
(\$ in millions)

Reporting Period: (3rd and 4th Qtrs, FY 2001)	Total BA Enacted	Approved Program	This Period Obligations	Cumulative Obligations
Program Elements				
Stand Up & Support CN BNs				
Train & Equip CN BNs	21.200	16.000	4.558	15.233
Create 1 CN Brigade HQ	1.000	1.000	0.000	1.000
Army Aviation Support Infrastructure	13.200	13.200	0.000	13.200
Helo Training	0.000	19.800	11.060	11.060
CN BN Airborne Intel Support	5.000	5.000	4.560	4.560
Military Reform	6.000	0.900	0.066	0.900
Senior Scout	5.000	2.500	2.500	2.500
Subtotal:	51.400	58.400	22.744	48.453
Air Interdiction				
Tracker Aircraft	10.000	10.000	1.581	9.595
AC-47 FLIR	7.400	7.400	0.784	7.400
Ground Based Radars	13.000	13.000	6.268	12.318
Radar Command & Control System	5.000	5.000	4.106	4.106
Andean Ridge Intel Collection	7.000	2.000	0.000	0.000
Classified Program ⁵	55.259	55.259	---	55.259
Manta FOL Upgrade	61.273	61.273	3.624	55.333
Aruba FOL	10.250	10.250	0.000	0.000
Curacao FOL	43.900	43.900	0.000	0.000
FOL Planning & Design	1.100	1.100	0.000	1.100
Airborne Recon. Low (ARL) Aircraft	30.000	30.000	0.000	30.000
Subtotal:	244.182	239.182	16.363	175.111
Ground Interdiction				
Road Interdiction Ops	5.000	3.000	3.000	3.000
Total, Funding Appropriated to DoD:	300.582	300.582	42.107	226.564
Plan Colombia Summary				
Funding Appropriated to State	1,018.500		147.964	703.678
Funding Appropriated to DoD	300.582		42.107	226.564
Total:	1,319.082		190.071	930.242

5. All resources were transferred from the DoD Central Transfer Account to the Intelligence Community.