

PLAN COLOMBIA/ANDEAN COUNTERDRUG INITIATIVE
SEMI-ANNUAL OBLIGATION REPORT

COMMUNICATION

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 2002 IN SUPPORT OF PLAN COLOMBIA, PURSUANT TO PUB. L. 106-246, SEC. 3204(e) (114 STAT. 576)



FEBRUARY 5, 2003.—Referred jointly to the Committees on International Relations and Appropriations, and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the Congress of the United States:

Pursuant to Public Law 106–246, section 3204(e), 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 2002 in support of Plan Colombia.

GEORGE W. BUSH.

THE WHITE HOUSE, *February 4, 2003.*

**Plan Colombia/Andean Counterdrug Initiative
Semi-Annual Obligation Report**

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



3rd & 4th Quarters, FY 2002

Office of National Drug Control Policy

**Plan Colombia Semi-Annual Obligation Report
& Andean Counterdrug Initiative Report**
3rd and 4th Quarters, Fiscal Year 2002

In Division B of the Military Construction Appropriations Act, 2001 (P.L. 106-246) (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 (DoD). Section 3204(e) 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. Further, Public Law (P.L.) 107-115 provided \$625 million in FY 2002 to the Department of State for the Andean Counterdrug Initiative (ACI), along with up to \$35 million authorized to be transferred to the ACI account from appropriations provided for International Narcotics Control and Law Enforcement. These resources principally provided follow-on support to Plan Colombia activities initiated with FY 2000 emergency appropriations. P.L. 106-246 requires the accounting of all funding being spent in support of Plan Colombia. Pursuant to this statutory requirement, the Office of National Drug Control Policy (ONDCP) has prepared this *Plan Colombia Semi-Annual Obligation Report*, and *Andean Counterdrug Initiative Report* covering the third and fourth quarters of FY 2002.

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 input for 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 for Plan Colombia, all except \$8.9 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 for Plan Colombia, \$1.2 billion, or 90 percent, had been subobligated as of September 30, 2002. 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 for Plan Colombia, \$913.9 million had been subobligated as of September 30, 2002. One area, Support for Human Rights and Judicial Reform, has seen a rise in subobligations during the second half of FY 2002. From March 31, 2002 to September 30, 2002, subobligations in this area have increased by \$23 million.

Similar to the Plan Colombia expenditures, ACI accounting will use the term "subobligation" meaning funds were not only obligated in bilateral agreements, but also committed in contracts, grants, and other procurement actions. As of September 30, 2002, the Department of State and United States Agency for International Development had subobligated \$222.4 million of the \$645 million provided to the ACI account for Fiscal Year 2002. Given the timing of appropriation action, funding was not available for obligation until mid-March of this year for the ACI account. As a result, most of these subobligations occurred during the third and fourth quarters of FY 2002.

Funds Appropriated to Defense:

Of the \$300.6 million appropriated to the DoD under Division B of Public Law 106-246, \$275.5 million, or 91.7 percent, had been obligated as of September 30, 2002.

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 DoD for military construction be provided for three Forward Operating Locations (FOLs) in Ecuador, Aruba, and Curacao. In October 2001, the Dutch Parliament (Upper House) voted to approve the Aruba/Curacao Forward Operation Location package. However, the FY 2002 Military Construction Appropriations Act (P.L. 107-64) rescinded the FY 2000 emergency funding that the DoD had planned to use for the FOL in Aruba, and the National Defense Authorization Act for FY 2002 (P.L. 107-107, section 2408) clearly identified that none of the FY 2000 emergency funding may be used by Secretary of Defense to develop any Forward Operation Location on the island of Aruba. The Administration continues to consider the operational impacts of this decision and whether to request authorization and appropriations from Congress to complete the FOL construction.

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

Reporting Period: (3rd and 4th Qtrs, FY 2002)	Total BA Enacted	This Period Obligations	Cumulative Obligations
Program Elements			
Push into Southern Colombia			
Train/Equip CNBNs	\$ 7.000	\$ 0.000	\$ 7.000
Army Counternarcotics UH-1N Program	60.000	0.315	59.754
Army CN Battalion Huey II Program	60.000	5.730	59.935
Army CN Battalion UH-60 Blackhawk Program	208.000	-0.003	207.988
Sustain Army CN Battalions	6.000	1.405	5.995
Forward Infrastructure Development	3.000	0.000	3.000
Force Protection Enhancements	4.000	0.080	3.855
Logistical Support	4.400	-0.356	3.322
Army Counternarcotics Battalion Organic Intelligence	9.000	0.150	9.000
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	0.297	9.871
Temporary Emergency Resettlement and Employment	15.000	0.004	14.910
Subtotal:	390.500	\$ 7.622	388.730
Support for Interdiction Efforts			
Upgrade Colombian Air Force OV-10	\$ 15.000	\$ 0.000	\$ 15.000
Upgrade Aircraft for Night Operations	1.900	0.000	1.900
Airfield Upgrades	8.000	0.000	1.500
Upgrade U.S. Customs Service P-3 Radar Programs	68.000	30.968	64.794
Support for Colombian Air Interdiction Program	19.500	0.000	19.500
Support for Colombian Riverine Interdiction Program	12.000	-0.003	7.081
Ammunition for Colombian Riverine Interdiction Program	2.000	0.000	1.999
Colombian Navy Operations Infrastructure Support	1.000	0.000	1.000
OFAC Sanctions Support	2.000	0.643	1.785
Subtotal:	129.400	31.668	114.559
Support for the Colombian National Police			
Secure Communications	\$ 3.000	\$ 0.963	\$ 2.963
Weapons and Ammunition	3.000	0.000	3.000
UH-60 Black Hawk Procurement and Support	26.000	0.000	26.000
Enhance Logistical Support/Operating Costs	2.000	-0.086	1.904
CNP Forward Operating Capability & Force Protection	5.000	2.975	4.623
CNP Border Bases Construction	5.000	0.000	0.000
Additional CNP Airmobile Unit	2.000	0.000	1.867

Italicized program elements are executed solely by USAID.

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

Reporting Period: (3rd and 4th Qtrs, FY 2002)	Total		
Program Elements	BA	This Period	Cumulative
	Enacted	Obligations	Obligations
Upgrade CNP Aviation Facilities	8.000	1.268	8.000
Additional Spray Aircraft	20.000	-0.002	19.533
Upgrade Existing CNP Airplanes (including FLIR)	5.000	-0.270	2.134
Upgrade UH-1H Helos to Huey II Configuration	20.600	0.000	17.339
Sustainment and Operations	5.000	0.044	4.992
Training for Pilots and Mechanics	2.000	0.000	2.000
Airfield Security	2.000	0.674	0.772
Enhanced Eradication	4.000	0.000	3.990
Spare Parts	3.000	0.000	3.000
Subtotal:	115.600	5.566	102.117
Support for Alternative & Economic Development in Colombia			
<i>Environmental Programs</i>	\$ 2.500	\$ 0.074	\$ 2.467
<i>Voluntary Eradication Programs</i>	30.000	0.891	29.612
<i>Assistance to Local Governments</i>	12.000	0.031	11.057
<i>Assistance for Internally Displaced Persons</i>	22.500	0.007	22.212
<i>AID Operating Expenses in Colombia</i>	4.000	0.041	3.973
<i>Community-Level Alternative Development</i>	10.000	0.026	9.214
Subtotal:	81.000	1.070	78.535
Support for Human Rights and Judicial Reform in Colombia			
<i>Protection of Human Rights Workers</i>	\$ 4.000	\$ 0.010	\$ 3.685
<i>Strengthen Human Rights Institutions</i>	7.000	0.018	6.450
<i>Establish CNP/Fiscalia Human Rights Units</i>	25.000	3.623	17.204
<i>Judicial System Policy Reform</i>	1.000	0.003	0.922
<i>Criminal Code Reform</i>	1.500	-0.103	0.955
<i>Prosecutor Training</i>	4.000	0.506	2.303
<i>Judges Training</i>	3.500	0.009	3.225
<i>Casa de Justicia Judicial Training</i>	1.000	0.003	0.922
<i>Public Defender Program</i>	2.000	0.005	1.843
<i>Asset Forfeiture-Money-Laundering Task Force</i>	15.000	6.293	11.980
<i>Anti-Kidnapping Strategy</i>	1.000	0.266	0.737
<i>Judicial Police Training Program</i>	3.000	1.385	1.939
<i>Witness and Judicial Security</i>	5.000	0.342	2.010
<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

Italicized program elements are executed solely by USAID.

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

Reporting Period: (3rd and 4th Qtrs, FY 2002)	Total BA Enacted	This Period Obligations	Cumulative Obligations
Program Elements			
Training for Customs Police	2.000	0.058	0.176
Maritime Enforcement & Port Security	2.500	0.940	1.252
Multilateral Case Initiative	3.000	1.455	2.320
Prison Security Program	4.500	0.660	2.054
Banking Supervision Assistance	1.000	0.136	0.510
Revenue Enhancement Assistance	0.500	0.072	0.484
Customs Training Assistance	1.000	0.194	0.316
<i>Conflict Management and Peace Process</i>	3.000	0.008	2.764
U.N. Office of Human Rights	1.000	0.000	1.000
U.S. Government Monitoring	1.500	0.000	0.288
Organized Financial Crime	14.000	0.988	6.411
<i>Rehabilitation of Child Soldiers</i>	2.500	0.001	2.472
Witness/Judicial Security Human Rights Cases	10.000	6.155	6.252
Subtotal:	122.000	23.027	82.974
Regional			
KMAX Helicopters	\$ 32.000	\$ 2.808	\$ 23.881
Bolivia--Development & Interdiction	110.000	13.252	94.220
Ecuador--Development & Interdiction	20.000	-0.495	16.554
Venezuela	3.500	0.783	0.862
Brazil	3.500	2.565	3.500
Panama	4.000	0.278	1.701
Costa Rica	1.900	0.303	1.497
El Salvador	3.000	1.869	2.714
Trinidad & Tobago	2.100	0.000	2.100
Subtotal:	180.000	21.363	147.029
Total, Funding Appropriated to State:	1,018.500	90.256	913.944

Notes on State Funding Report:

1. Information on total obligations is reported in a different manner from total obligations reported in other reporting under FACTS II and the ONDCP Circular, Drug Control Accounting. This report on Plan Colombia contains subobligations by the Department of State of funds for individual program elements relating to 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 the host governments.

Italicized program elements are executed solely by USAID.

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

Reporting Period: <u>(3rd and 4th Qtrs, FY 2002)</u>	Total BA Enacted	Approved Program	This Period Obligations	Cumulative Obligations
Program Elements				
Stand Up & Support CN BNs				
Train & Equip CN BNs	21.200	15.420	0.183	15.416
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	0.000	19.800
CN BN Airborne Intel Support	5.000	5.000	0.440	5.000
Military Reform	6.000	0.900	0.000	0.900
Senior Scout	5.000	2.500	0.000	2.500
Subtotal:	51.400	57.820	0.623	57.816
Air Interdiction				
Tracker Aircraft	10.000	10.580	0.580	10.580
AC-47 FLIR	7.400	7.400	0.000	7.400
Ground Based Radars	13.000	13.000	0.477	12.990
Radar Command & Control System	5.000	5.000	0.872	4.996
Andean Ridge Intel Collection	7.000	2.000	2.000	2.000
Classified Program ¹	55.259	55.259	---	55.259
Manta FOL Upgrade	61.273	61.273	1.655	58.205
Aruba FOL	10.250	10.250	0.000	0.000
Curacao FOL	43.900	43.900	-1.240	32.121
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	239.762	4.344	214.651
Ground Interdiction				
Road Interdiction Ops	5.000	3.000	0.000	3.000
Total, Funding Appropriated to DoD:	300.582	300.582	4.967	275.467
Plan Colombia Summary				
Funding Appropriated to State	1,018.500	1,018.500	90.255716	913.944
Funding Appropriated to DoD	300.582	300.582	4.967	275.467
Total:	1,319.082	1,319.082	95.223	1,189.411

Notes on DoD Funding Report:

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

Department of State Semi-Annual Obligation Report
Andean Counterdrug Initiative (ACI) Account
or Other Supplemental Funding
(\$ in millions)

Reporting Period: (3rd and 4th Qtrs. FY 2002)			
ACI Account	Annual	This Period	Cumulative
Program Elements	Financial Plan	Obligations	Obligations
Bolivia - Interdiction/Eradication²			
National Police Rural Mobile Patrol Unit	\$ 4.555	\$ 0.036	\$ 0.036
Drug Detection Canine Unit	1.085	0.001	0.001
Controlled Substances Prosecutors Program	1.811	0.006	0.006
Vice-Ministry for Social Defense	0.427	0.000	0.000
Special Intelligence and Operations Group	1.383	0.014	0.014
Red Devil Task Force	7.260	3.014	3.014
Blue Devil Task Force	1.741	0.017	0.017
C-130B Program	4.200	0.215	0.215
Special Force for the Fight Against narcotics	1.229	0.014	0.014
Financial Analysis and Intelligence Group	0.429	0.006	0.006
Ecological Police	1.250	0.141	0.141
Chemical Investigations Group	1.058	0.026	0.026
Special Communications Group	0.934	0.000	0.000
Green Devil Task Force	2.085	0.002	0.002
International Anti-Narcotics Training Center	1.572	0.019	0.019
Field Support Program	3.859	0.137	0.137
Office of Agricultural Reconversion and Coca Crop	2.815	0.006	0.006
Directorate General for the Control of Coca	1.000	0.014	0.014
FAS Support Project (Drug Awareness/Prevention)	1.042	0.006	0.006
Directorate of Seized Assets	0.800	0.000	0.000
Joint Eradication Task Force	4.250	1.152	1.152
Office of Professional Responsibility	0.399	0.000	0.000
Program Development and Support	2.816	1.700	2.816
Subtotal:	48.000	6.526	7.642
Colombia - Interdiction/Eradication			
Colombian Army Counternarcotics Brigades	\$ 9.650	\$ 0.685	\$ 0.685
Colombian Army Aviation Brigade	69.000	37.513	37.513
Colombian Air Force	14.000	4.322	4.322
Colombian Navy	11.350	0.088	0.088
Colombian National Police	134.100	40.845	40.845
Program Development and Support	5.400	2.987	5.400
Subtotal:	\$ 243.500	\$ 86.440	\$ 88.853
Colombia - Alternative Development/Institution Building			
Promote the Rule of Law ³	\$ 18.500	\$ 6.484	\$ 6.484
Internally Displaced Persons	10.000	6.172	6.172
Subtotal:	\$ 28.500	\$ 12.656	\$ 12.656

Department of State Semi-Annual Obligation Report
Andean Counterdrug Initiative (ACI) Account
or Other Supplemental Funding
(\$ in millions)

Ecuador - Interdiction/Eradication			
Police Facilities Construction	\$ 2.100	\$ 0.000	\$ 0.000
Police Operations	4.675	0.175	0.175
Anti-Drug Training	1.000	0.000	0.000
Military Mobility	3.000	0.000	0.000
Military Communications	2.000	0.000	0.000
Military Coastal Control	0.750	0.000	0.000
Military Training and Technical Assistance	0.250	0.250	0.250
Chemical and Money Laundering Control	0.050	0.000	0.000
Public Information	0.075	0.000	0.000
Cacao Research Project	0.500	0.000	0.000
Program Development and Support	0.600	0.520	0.600
Subtotal:	15.000	0.945	1.025
Peru - Interdiction/Eradication			
Eradication	\$ 5.500	\$ 1.557	\$ 1.557
Counternarcotics Law Enforcement	11.100	0.010	0.010
Aviation	34.950	16.181	16.181
Customs Interdiction	0.250	0.000	0.000
Narcotics Prosecutions	0.200	0.000	0.000
Demand Reduction	1.250	0.367	0.367
Counternarcotics Policy Development	0.700	0.000	0.000
Armed Forces Counternarcotics Support	11.150	0.000	0.000
Measuring and Monitoring	4.600	0.504	0.504
Riverine Support	2.300	0.000	0.000
Program Development and Support	3.000	1.838	2.954
Subtotal:	75.000	20.457	21.573
Brazil - Interdiction/Eradication	\$ 6.000	\$ 0.172	\$ 0.425
Panama - Interdiction/Eradication	\$ 5.000	\$ 0.350	\$ 0.516
Venezuela - Interdiction/Eradication	\$ 5.000	\$ 0.408	\$ 0.622
Subtotal:	16.000	0.930	1.563
Total, Funding Appropriated to State:	426.000	127.954	133.312

Notes on State Funding Report:

- Information on total obligations is reported in a different manner from total obligations reported in other reporting under FACTS II and the ONDCP Circular, *Drug Control Accounting*. This report on the Andean Counterdrug Initiative contains subobligations by the Department of State of funds for individual program elements relating to 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 the host governments.
- There have been some minor adjustments in the Bolivia account in order to better utilize funds. Specifically, There have been increases to the Blue Devil Task Force (+\$5 million), the C-130B Program (+\$5 million) and the Field Support Program (+\$0.04 million). There has been a corresponding decrease of -\$1.04 million to the Green Devil Task Force.
- \$4 million dollars of the amount previously reported was directly apportioned to USAID for implementation and should be reflected in its submission.

US AID Semi-Annual Obligation Report
Andean Counterdrug Initiative (ACI) Account
or Other Supplemental Funding
(\$ in millions)

Reporting Period: (3rd and 4th Qtrs. FY 2002)			
ACI Account	Annual	This Period	Cumulative
Program Elements	Financial Plan	Obligations	Obligations
Bolivia			
Increased Citizen Support for Democratic System	4.000	1.500	1.500
Illegal and Excess Coca Eliminated	29.000	11.809	11.809
Operating Expenses	<u>0.776</u>	<u>0.367</u>	<u>0.776</u>
Subtotal:	33.776	13.676	14.085
Colombia			
Promote More Responsive, Participatory, & Accountable Democracy ¹	28.000	12.100	12.100
Provide Economic & Social Alternatives to Illicit Crop Production	52.000	6.869	6.869
Provide Economic & Social Opportunities for Vulnerable Groups	24.000	22.800	22.800
Operating Expenses ²	<u>1.904</u>	<u>0.002</u>	<u>1.904</u>
Subtotal:	105.904	41.771	43.673
Ecuador			
Improved Quality of Life Living Along the Northern Border	10.000	10.000	10.000
Operating Expenses	<u>0.235</u>	<u>0.235</u>	<u>0.235</u>
Subtotal:	10.235	10.235	10.235
Peru			
Reduced Illicit Coca Production in Targeted Areas of Peru	67.500	19.533	19.533
Operating Expenses ³	<u>1.585</u>	<u>1.128</u>	<u>1.585</u>
Subtotal:	69.085	20.661	21.118
Total:	219.000	86.342	89.110

Notes on USAID Funding Report:

1. Includes \$4 million of additional funds transferred from the State Department.
2. Annual financial plan has an increased by \$2K due to internal reprogramming within USAID. Obligations for 1st and 2nd quarters have increased by \$900K due to internal adjustment.
3. Operating expenses for Peru have decreased by \$2K due to internal adjustment.