

PLAN COLOMBIA/ANDEAN COUNTERDRUG INITIATIVE
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 2002 IN SUPPORT OF PLAN COLOMBIA



SEPTEMBER 25, 2002.—Message and accompanying papers referred 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 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 first two quarters of Fiscal Year 2002 in support of Plan Colombia.

GEORGE W. BUSH.

THE WHITE HOUSE, *September 23, 2002.*

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

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



1st & 2nd Quarters, FY 2002

Office of National Drug Control Policy

**Plan Colombia Semi-Annual Obligation Report
& Andean Counterdrug Initiative Report**
1st and 2nd Quarters, Fiscal Year 2002

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 (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 first and second 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 \$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 for Plan Colombia, \$1.1 billion, or 83 percent, had been subobligated as of March 31, 2002. Overall, this subobligation rate measures solid progress in implementing this initiative. Also, beginning with this reporting period, obligations incurred against the ACI account will be reported.

Funds Appropriated to State:

Of the \$1.018 billion appropriated to the Department of State for Plan Colombia, \$823.7 million had been subobligated as of March 31, 2002. In one area, Support for Human Rights and Judicial Reform, subobligations during the first half of FY 2002 continue to fall below the average rate of subobligations for other activities in support of Plan Colombia. Through March 31, \$59.9 million, or 49 percent of the funding allocated for projects relating to Support for Human Rights and Judicial Reform had been subobligated. Of the \$74.8 million being executed by the Department of Justice (DOJ) through a transfer or allocation agreement with the Department of State, only \$28.8 million had been obligated as of March 31, 2002. As originally planned, the Justice Sector Reform Program funds administered by DOJ will be obligated over a two year period. The total obligated balance for the reporting period (\$28.8 million) should increase significantly by the end of the next reporting period (9/30/02). As of June 30, 2002, total obligations have increased by approximately \$11 million. The total obligated balance should increase further as a result of multi-million dollar procurement actions that are expected to be awarded in the Witness Protection/Judicial Security area. In addition, as a result of the successful completion of a thorough review and analysis of the Automated Fingerprint Identification System component in the Human Rights area, DOJ is in a position to move forward to full implementation and fielding of this important multi-million dollar project.

For some Plan Colombia line items, subobligation figures may not be consistent with prior reports. For example, the United States Agency for International Development's (USAID) financial management system records data at the strategic objective level, not at the level of the individual lines of the supplemental appropriations. USAID has developed a methodology to disaggregate subobligations tracked in its accounting system to the line item level of detail associated with individual Plan Colombia projects. This manual process may produce minor inconsistencies by line item across reporting periods. Further, for projects implemented by the Department of State, tracking subobligations by quarter is also a manual process and may produce minor inconsistencies by line item across reporting periods. The data included in this report for all agencies represent the best approximation of subobligations by line item that is available.

As of March 31, 2002, the Department of State and United States Agency for International Development had obligated \$7.2 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.

Funds Appropriated to Defense:

Of the \$300.6 million appropriated to the DoD under Division B of Public Law 106-246, \$270.5 million had been obligated as of March 31, 2002. Included in this report is a realignment of \$580,000 of excess funding from the initial training of the CD Battalions to the Schweitzer Aircraft Contract Logistics Support.

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: (1st and 2nd Qtrs, FY 2002)	Total BA Enacted	This Period Obligations	Cumulative Obligations
Program Elements			
Push into Southern Colombia			
Train/Equip CNBNs	7.000	0.359	7.000
Army Counternarcotics UH-1N Program	60.000	11.518	59.439
Army CN Battalion Huey II Program	60.000	2.699	54.205
Army CN Battalion UH-60 Blackhawk Program	208.000	0.103	207.991
Sustain Army CN Battalions	6.000	0.063	4.590
Forward Infrastructure Development	3.000	0.000	3.000
Force Protection Enhancements	4.000	0.134	3.775
Logistical Support	4.400	-0.013	3.678
Army Counternarcotics Battalion Organic Intelligence	9.000	0.000	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	0.231	9.574
Temporary Emergency Resettlement and Employment	15.000	1.245	14.906
Subtotal:	390.500	16.339	381.108
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	7.336	33.826
Support for Colombian Air Interdiction Program	19.500	0.644	19.500
Support for Colombian Riverine Interdiction Program	12.000	0.000	7.084
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	0.595	1.142
Subtotal:	129.400	8.575	82.951
Support for the Colombian National Police			
Secure Communications	3.000	0.620	2.000
Weapons and Ammunition	3.000	3.000	3.000
UH-60 Black Hawk Procurement and Support	26.000	0.000	26.000
Enhance Logistical Support/Operating Costs	2.000	1.756	1.990
CNP Forward Operating Capability & Force Protection	5.000	0.000	1.648
CNP Border Bases Construction	5.000	0.000	0.000
Additional CNP Airmobile Unit	2.000	-0.133	1.867

Italicized program elements are executed solely by USAID.

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

Reporting Period: (1st and 2nd Qtrs, FY 2002)	Total BA Enacted	This Period Obligations	Cumulative Obligations
Program Elements			
Upgrade CNP Aviation Facilities	8.000	3.551	6.732
Additional Spray Aircraft	20.000	12.742	19.535
Upgrade Existing CNP Airplanes (including FLIR)	5.000	1.024	2.404
Upgrade UH-1H Helos to Huey II Configuration	20.600	0.000	17.339
Sustainment and Operations	5.000	3.734	4.948
Training for Pilots and Mechanics	2.000	2.000	2.000
Airfield Security	2.000	0.000	0.098
Enhanced Eradication	4.000	0.269	3.990
Spare Parts	3.000	0.095	3.000
Subtotal:	115.600	28.658	96.551
Support for Alternative & Economic Development in Colombia			
<i>Environmental Programs</i>	2.500	0.058	2.393
<i>Voluntary Eradication Programs</i>	30.000	0.693	28.721
<i>Assistance to Local Governments</i>	12.000	3.263	11.026
<i>Assistance for Internally Displaced Persons</i>	22.500	0.205	22.205
<i>AID Operating Expenses in Colombia</i>	4.000	1.283	3.932
<i>Community-Level Alternative Development</i>	10.000	2.719	9.188
Subtotal:	81.000	8.221	77.465
Support for Human Rights and Judicial Reform in Colombia			
<i>Protection of Human Rights Workers</i>	4.000	1.088	3.675
<i>Strengthen Human Rights Institutions</i>	7.000	1.904	6.432
<i>Establish CNP/Fiscalia Human Rights Units</i>	25.000	7.989	13.581
<i>Judicial System Policy Reform</i>	1.000	0.272	0.919
<i>Criminal Code Reform</i>	1.500	0.536	1.058
<i>Prosecutor Training</i>	4.000	1.641	1.797
<i>Judges Training</i>	3.500	0.952	3.216
<i>Casa de Justicia Judicial Training</i>	1.000	0.272	0.919
<i>Public Defender Program</i>	2.000	0.544	1.838
<i>Asset Forfeiture-Money-Laundering Task Force</i>	15.000	2.504	5.687
<i>Anti-Kidnapping Strategy</i>	1.000	0.460	0.471
<i>Judicial Police Training Program</i>	3.000	0.112	0.554
<i>Witness and Judicial Security</i>	5.000	1.319	1.668
<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.

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

Reporting Period: (1st and 2nd Qtrs, FY 2002)	Total BA Enacted	This Period Obligations	Cumulative Obligations
Program Elements			
Training for Customs Police	2.000	0.108	0.118
Maritime Enforcement & Port Security	2.500	0.226	0.311
Multilateral Case Initiative	3.000	0.639	0.865
Prison Security Program	4.500	0.830	1.394
Banking Supervision Assistance	1.000	0.067	0.374
Revenue Enhancement Assistance	0.500	0.173	0.412
Customs Training Assistance	1.000	0.093	0.122
<i>Conflict Management and Peace Process</i>	3.000	0.816	2.756
U.N. Office of Human Rights	1.000	0.000	1.000
U.S. Government Monitoring	1.500	0.086	0.288
Organized Financial Crime	14.000	1.396	5.422
<i>Rehabilitation of Child Soldiers</i>	2.500	0.014	2.471
Witness/Judicial Security Human Rights Cases	10.000	0.048	0.097
Subtotal:	122.000	24.089	59.945
Regional			
KMAX Helicopters	32.000	0.050	21.073
Bolivia--Development & Interdiction	110.000	21.756	80.969
Ecuador--Development & Interdiction	20.000	8.415	17.048
Venezuela	3.500	0.079	0.079
Brazil	3.500	0.935	0.935
Panama	4.000	1.378	1.423
Costa Rica	1.900	0.378	1.194
El Salvador	3.000	0.421	0.845
Trinidad & Tobago	2.100	0.000	2.100
Subtotal:	180.000	33.412	125.666
Total, Funding Appropriated to State:	1,018.500	119.294	823.686

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, *Annual Accounting of Drug Control Funds*. 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.

2. The following programs include adjustments to obligations to correct the prior reporting period: Protection of Human Rights; Strengthen Human Rights Institutions; Criminal Code Reform; Judges Training; Casa de Justicia Judicial Training; Public Defender Program; Asset Forfeiture-Money-Laundering Task Force; Conflict Management and Peace Process; Rehabilitation of Child Soldiers; Community-Level Alternative Development; Assistance to Local Governments; and Assistance for Internally Displaced Persons. Adjustments reflect actual signed contracts by the United States Agency for International Development as opposed to obligations into strategic objective agreements.

Italicized program elements are executed solely by USAID.

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

Reporting Period: (1st and 2nd Qtrs, FY 2002)	Total BA Enacted	Approved Program	This Period Obligations	Cumulative Obligations
Program Elements				
Stand Up & Support CN BNs				
Train & Equip CN BNs	21.200	15.416	0.000	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	8.740	19.800
CN BN Airborne Intel Support	5.000	5.000	0.000	4.560
Military Reform	6.000	0.900	0.000	0.900
Senior Scout	5.000	2.500	0.000	2.500
Subtotal:	51.400	57.816	8.740	57.193
Air Interdiction				
Tracker Aircraft	10.000	10.580	0.405	10.000
AC-47 FLIR	7.400	7.400	0.000	7.400
Ground Based Radars	13.000	13.000	0.195	12.513
Radar Command & Control System	5.000	5.000	0.018	4.124
Andean Ridge Intel Collection	7.000	2.000	0.000	0.000
Classified Program ¹	55.259	55.259	---	55.259
Manta FOL Upgrade	61.273	61.273	1.217	56.550
Aruba FOL	10.250	10.250	0.000	0.000
Curacao FOL	43.900	43.900	33.361	33.361
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	35.196	210.307
Ground Interdiction				
Road Interdiction Ops	5.000	3.000	0.000	3.000
Total, Funding Appropriated to DoD:	300.582	300.578	43.936	270.500
Plan Colombia Summary				
Funding Appropriated to State	1,018.500	1,018.500	119.294	823.686
Funding Appropriated to DoD	300.582	300.578	43.936	270.500
Total:	1,319.082	1,319.078	163.230	1,094.186

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: (1st and 2nd Qtrs, FY 2002)			
ACI Account	Annual	This Period	Cumulative
Program Elements	Financial Plan	Obligations	Obligations
Bolivia - Interdiction/Eradication			
National Police Rural Mobile Patrol Unit	4.555	0.000	0.000
Drug Detection Canine Unit	1.085	0.000	0.000
Controlled Substances Prosecutors Program	1.811	0.000	0.000
Vice-Ministry for Social Defense	0.427	0.000	0.000
Special Intelligence and Operations Group	1.383	0.000	0.000
Red Devil Task Force	7.260	0.000	0.000
Blue Devil Task Force	1.241	0.000	0.000
C-130B Program	3.700	0.000	0.000
Special Force for the Fight Against narcotics	1.229	0.000	0.000
Financial Analysis and Intelligence Group	0.429	0.000	0.000
Ecological Police	1.250	0.000	0.000
Chemical Investigations Group	1.058	0.000	0.000
Special Communications Group	0.934	0.000	0.000
Green Devil Task Force	3.125	0.000	0.000
International Anti-Narcotics Training Center	1.572	0.000	0.000
Field Support Program	3.819	0.000	0.000
Office of Agricultural Reconversion and Coca Crop	2.815	0.000	0.000
Directorate General for the Control of Coca	1.000	0.000	0.000
PAS Support Project (Drug Awareness/Prevention)	1.042	0.000	0.000
Directorate of Seized Assets	0.800	0.000	0.000
Joint Eradication Task Force	4.250	0.000	0.000
Office of Professional Responsibility	0.399	0.000	0.000
Program Development and Support	<u>2.816</u>	<u>1.116</u>	<u>1.116</u>
Subtotal:	48.000	1.116	1.116
Colombia - Interdiction/Eradication			
Colombian Army Counternarcotics Brigades	9.650	0.000	0.000
Colombian Army Aviation Brigade	69.000	0.000	0.000
Colombian Air Force	14.000	0.000	0.000
Colombian Navy	11.350	0.000	0.000
Colombian National Police	134.100	0.000	0.000
Promote the Rule of Law	22.500	0.000	0.000
Internally Displaced Persons	10.000	0.000	0.000
Program Development and Support	<u>5.400</u>	<u>2.413</u>	<u>2.413</u>
Subtotal:	276.000	2.413	2.413

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	0.000	0.000
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	0.000	0.000
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	0.080	0.080
Subtotal:	15.000	0.080	0.080
Peru - Interdiction/Eradication			
Eradication	5.500	0.000	0.000
Counternarcotics Law Enforcement	11.100	0.000	0.000
Aviation	34.950	0.000	0.000
Customs Interdiction	0.250	0.000	0.000
Narcotics Prosecutions	0.200	0.000	0.000
Demand Reduction	1.250	0.000	0.000
Counternarcotics Policy Development	0.700	0.000	0.000
Armed Forces Counternarcotics Support	11.150	0.000	0.000
Measuring and Monitoring	4.600	0.000	0.000
Riverine Support	2.300	0.000	0.000
Program Development and Support	3.000	1.116	1.116
Subtotal:	75.000	1.116	1.116
Brazil - Interdiction/Eradication			
	6.000	0.253	0.253
Panama - Interdiction/Eradication			
	5.000	0.166	0.166
Venezuela - Interdiction/Eradication			
	5.000	0.214	0.214
Subtotal:	16.000	0.633	0.633
Total, Funding Appropriated to State:	430.000	5.358	5.358

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

Reporting Period: (1st and 2nd Qtrs. FY 2002)			
ACI Account Program Elements	Annual Financial Plan	This Period Obligations	Cumulative Obligations
Bolivia			
Increased Citizen Support for Democratic System	4.000	0.000	0.000
Illegal and Excess Coca Eliminated	29.000	0.000	0.000
Operating Expenses	<u>0.776</u>	<u>0.409</u>	<u>0.409</u>
Subtotal:	33.776	0.409	0.409
Colombia			
Promote More Responsive, Participatory, & Accountable Democracy	24.000	0.000	0.000
Provide Economic & Social Alternatives to Illicit Crop Production	52.000	0.000	0.000
Provide Economic & Social Opportunities for Vulnerable Groups	24.000	0.000	0.000
Operating Expenses	<u>1.902</u>	<u>1.002</u>	<u>1.002</u>
Subtotal:	101.902	1.002	1.002
Ecuador			
Improved Quality of Life Living Along the Northern Border	10.000	0.000	0.000
Operating Expenses	<u>0.235</u>	<u>0.000</u>	<u>0.000</u>
Subtotal:	10.235	0.000	0.000
Peru			
Reduced Illicit Coca Production in Targeted Areas of Peru	67.500	0.000	0.000
Operating Expenses	<u>1.587</u>	<u>0.459</u>	<u>0.459</u>
Subtotal:	69.087	0.459	0.459
Total:	215.000	1.870	1.870