The Untapped Potential of the US-Colombia Partnership

Creating a Modernized Plan for the Bilateral Relationship

CO-CHAIRS

Senator Roy Blunt (R-MO)

Senator Ben Cardin (D-MD)
The Adrienne Arsht Latin America Center broadens understanding of regional transformations through high-impact work that shapes the conversation among policymakers, the business community, and civil society. The Center focuses on Latin America’s strategic role in a global context with a priority on pressing political, economic, and social issues that will define the trajectory of the region now and in the years ahead. Select lines of programming include: Venezuela’s crisis; Mexico-US and global ties; China in Latin America; Colombia’s future; a changing Brazil; Central America’s trajectory; combatting disinformation; shifting trade patterns; and leveraging energy resources.

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INDEPENDENT TASK FORCE REPORT

The Untapped Potential of the US-Colombia Partnership:
Creating a Modernized Plan for the Bilateral Relationship

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Foreword

Senator Roy Blunt  
Task Force Co-Chair  
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Task Force Co-Chair  
(D-MD)

The United States and Latin America are at a historic moment. As members of the United States Senate, we believe in working closely with our partners to overcome the most difficult political and economic hurdles of our time. In Latin America, the United States has many such strong allies, with Colombia top among them.

For decades, the United States and Colombia have built a solid partnership based on mutual respect, cooperation, and common goals. This alliance has safeguarded the economic, security, and geopolitical interests of our nation, while also advancing Colombia’s path to increased stability, prosperity, and regional leadership. With Colombia’s transformations, the United States stands to reap the benefits of this vital relationship and further work with Colombia to help solve hemispheric challenges.

We must build upon our bilateral successes to ensure sustainable prosperity in the years to come. Colombia faces strong headwinds that require renewed US attention: ensuring the effective implementation of the Colombian peace accords, securing resources to continue providing assistance for Venezuelan migrants and refugees, and mitigating ongoing security threats. By further investing in the US-Colombia relationship, the United States and the US Congress can provide new momentum for the hemisphere.

This report lays out a modernized plan for the bilateral relationship. It builds on the successes of Plan Colombia and provides a roadmap for continued, strengthened, and transformative US-Colombia engagement. The report follows the work of the Atlantic Council’s US-Colombia Task Force, a group of current and former policymakers, including colleagues in the House of Representatives, business executives, and civil society leaders from both Colombia and the United States. As co-chairs of the Task Force, we are confident the recommendations outlined in the following pages will help advance US interests, contribute to peace and prosperity in Colombia, and promote regional stability.

The multisectoral, bipartisan, bicameral, and bilateral nature of the task force allowed us to develop concrete, fresh, and actionable proposals that will help guide US and Colombian policymakers going forward. We identified three major areas of engagement: economic development and innovation; rule of law, institutional control, counternarcotics; and joint regional leadership. A strengthened US-Colombia partnership along these pillars will pay dividends on US investments far beyond our national borders.

This is a moment of great promise for the US-Colombia relationship. A more peaceful and prosperous Colombia not only translates to a more secure United States, but also to a more stable Western Hemisphere. We hope the work of this Task Force will help underscore the importance of a deepened and modernized US-Colombia alliance and set the stage for a new era of successful bilateral collaboration.
Executive Summary

Colombia is one of the United States’s closest allies in the Western Hemisphere. For decades, both nations consolidated a mutually beneficial partnership that successfully safeguarded US and Colombian national security interests. Today, with increased interconnectedness, both nations’ security, economic, and geopolitical interests are more intertwined than ever before.

Colombia’s transition into a more peaceful and prosperous democracy makes it imperative that the United States and Colombia seize this moment to expand and deepen the partnership. The findings presented in the following pages require urgent attention. Although Colombia is a different country than it was two decades ago, new challenges with peace accord implementation and Colombia’s role as the top receiving country of Venezuelan migrants and refugees make finding new ways to work together crucial — Colombia’s success is the United States’ success.

This report provides a blueprint for a modernized US-Colombia strategic partnership. It is the product of a nonpartisan, bicameral, multisector, and bicountry task force launched in March 2019 by the Atlantic Council’s Adrienne Arsht Latin America Center. Composed of high-level business executives, current and former policymakers, and civil society leaders from Colombia and the United States, the task force offers concrete, actionable, and fresh proposals on how to strengthen the bilateral relationship. The ideas are intended to provide guidance to both the Colombian and US administrations, the US Congress, and the respective business communities on opportunities to maximize the full potential of the US-Colombia relationship. Task force recommendations are divided into three categories: sustainable economic development; rule of law, rural development, and counternarcotics efforts; and joint leadership around the Venezuela regional crisis.

Tapping the full potential of the US-Colombia partnership must include the promotion of economic development. A healthy Colombian economy directly serves US national security interests as it contributes to rural development, which is critical to undermine the drug trade and other illicit economic activities as well as illegal armed actors. Fully implementing all aspects of the US-Colombia Trade Promotion Agreement (TPA) and endorsing the double taxation agreement will lead to deepened bilateral trade and investment.

The task force identified Colombia’s taxation system and high levels of informality as two major barriers to economic development. The partnership can include collaboration to modernize Colombia’s taxation agency and reduce informality. Further digitalizing Colombia’s economy, simplifying processes for firm creation and closure, improving access to credit and other business services, setting corporate taxes at levels similar to those of other Organisation for Economic Co-operation and Development (OECD) countries, and making labor regulations more flexible, will all help to incentivize the formal (or licit) economy and undermine informality. Advances in innovation,
science, technology, and education are also crucial to achieve the economic development needed to combat illegal armed groups and reduce coca production and cocaine trafficking.

Advancing shared US and Colombian security interests requires the stabilization of territories where coca crops are cultivated, illicit armed actors operate, and local populations face high levels of violence and poverty. Critical to regaining control of rural areas is implementation of the Peace Agreement with the FARC. The task force recognizes the need for a long-term, adequately resourced intervention strategy that includes security, justice, formalization of land property rights, education, public goods provision, and economic opportunities in priority areas to dismantle organized armed groups, eradicate rising coca crops, and fight drug trafficking. If a successful, multidimensional intervention plan is implemented in ten municipalities, the US-Colombia partnership will disrupt the conditions that favor illegality in territories responsible for almost half the entire national coca production. Colombia and the United States should promote partnerships between both countries’ private sector and civil society to develop market-driven, large-scale and holistic rural development projects in coordination with the Colombian government.

Safeguarding US and Colombian security interests
also requires enhancing rural connectivity in Colombia, addressing the world drug problem, and protecting Colombian social leaders and human rights defenders. Rural infrastructure stands as a prerequisite to rural economic growth and the success of crop substitution programs. Unless farmers can get their legal products to market, no eradication effort will prove sustainable in the long run. Colombia and the United States can work together to replicate successful projects involving local populations in the building and maintenance of secondary and tertiary roads, with the long-term goal of creating capacity for future infrastructure projects in the locality. To address the world drug problem in an integral way, the US-Colombia partnership should not only aim to reduce coca crops in the short run but also continue to target other stages of the drug market, including cocaine production, trafficking, and consumption.

The United States and Colombia share a firm commitment to human rights and should therefore continue to collaborate to end the rising levels of violence against social leaders and human rights defenders in Colombia. The United States can support Colombia’s current efforts by providing financial assistance for President Duque’s Timely Action Plan on Prevention and Protection for Human Rights Defenders, Social Leaders, and Journalists (PAO). Colombia, in turn, should develop a progress report for the PAO with clear follow-up mechanisms that involves civil society organizations in the process.

The political, economic, and humanitarian crisis in Venezuela is a threat to regional stability. Colombia has demonstrated commendable solidarity in receiving over 1.4 million Venezuelan migrants and refugees – a number that will continue to grow in the coming months and years. The United States should increase its financial, diplomatic, and technical support to Colombia as it plays a leadership role in addressing the crisis. If current international support does not increase, Colombia runs the risk of spiraling into economic stagnation, violence, criminality, illicit economies, and decayed governance. This will not only harm US national security and geopolitical interests but will lead to major economic losses to previous and current US investment in Colombia. The United States can further support its ally by enhancing the Colombian government’s capacity to gather and process data on Venezuelan migrants and refugees entering the country and by contributing to border control through monitoring technologies. The US-Colombia partnership can also create a task force to calculate the fiscal impact of the crisis to Colombia to understand the exact level of funding that will be required to absorb the growing number of Venezuelans. In addition, the partnership can support the efforts of the Venezuelan interim government by convening a group of experts on stabilization of territories and transitions to democracy that can provide it with intelligence cooperation and guidance on the promotion of rule of law and strengthening of national institutions.

The US-Colombia partnership is one of the greatest US foreign policy successes over the last two decades. Dedicated, sustained, bipartisan commitment to achieving common goals, once thought to be out of reach, was possible due to US congressional leadership and a commitment to work across US administrations. At the same time, successive Colombian governments showed themselves to be critical partners for the United States—both in-country and beyond its borders. But we cannot rest on our laurels. New domestic and regional paradigms make this moment imperative to define how our relationship can and should be taken to the next level.

This report serves as a blueprint for addressing the challenges and responses that would strengthen US national security and regional stability.
Overview of Recommendations

Sustainable Economic Development and Innovation

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<tr>
<th><strong>TRADE AND INVESTMENT</strong></th>
<th><strong>FORMATIZATION AND TAXATION</strong></th>
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<tr>
<td><strong>Colombia</strong></td>
<td>Reform the current tax structure to increase tax revenues while also encouraging formalization and entrepreneurship. An eventual tax reform should maintain corporate taxes at levels comparable to those of other OECD countries.</td>
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<td>Implement pending aspects of the Trade Promotion Agreement (TPA) to increase trade, jobs, and economic growth, but also improve protections for intellectual property rights, labor rights, and the environment.</td>
<td>Incentivize formalization by educating workers about the benefits of participating in the formal economy, while also offering improved access to credit and other business services.</td>
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<td>Launch structured promotional campaigns for Colombian products entering the US market.</td>
<td><strong>US-Colombia Partnership</strong></td>
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<tr>
<td><strong>United States</strong></td>
<td>Cooperate to reduce informality and protect formal firms doing business in Colombia. The partnership should work to devise best practices for simplifying the process of firm creation and closure; reduce unnecessary norms and barriers for firms; make labor regulations more flexible to increase formalization, productivity, and competitiveness; and improve the modernization process of Colombia’s tax agency, DIAN.</td>
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<td>Implement pending aspects of the TPA, including the regional cumulation provision for textiles and increased access to biodiesel products.</td>
<td>Accelerate the process to conduct US immigration customs and inspections at El Dorado airport in Bogotá, Colombia. A close working relationship on the ground will allow authorities from both nations to share real-time information on immigration, customs, and agriculture.</td>
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<td>Grant Colombia’s steel and aluminum products entering the US market an exemption from tariffs of 25 percent and 10 percent, respectively.</td>
<td>Collaborate to increasingly digitalize Colombia’s economy, as well as its customs, tax, ports and airport systems, to enhance the traceability of goods, improve tax collection, and undermine illicit economies.</td>
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<td><strong>US-Colombia Partnership</strong></td>
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<tr>
<td>Harmonize and speed up sanitary and phytosanitary requirements to accelerate the entry of preapproved Colombian products into the US market. Top market access priorities include: fresh peppers, mangoes, and passifloras.</td>
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<td>Promote the double taxation agreement between the two countries to increase legal security and incentives for bilateral investment.</td>
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### SCIENCE, TECHNOLOGY, INNOVATION, AND EDUCATION

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<tr>
<th>Colombia</th>
<th>Designate one agency responsible for coordinating alliances between universities in Colombia and the United States. Both large and small universities should benefit from this program to ensure that students from all ethnic and socioeconomic backgrounds have access to new opportunities. Specifically, the agency should:</th>
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<tr>
<td></td>
<td>a) Promote collaborative research and education between Colombian and US universities.</td>
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<td></td>
<td>b) Broaden and increase awareness about opportunities for educational exchanges via scholarships, grants, and study abroad programs, especially for ethnic minorities. Promote Colombia as a prime education destination for US students in areas such as Spanish and biodiversity.</td>
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<tr>
<td>United States</td>
<td>The United States can offer trainings to Colombian English teachers and provide additional scholarships to US English teachers seeking to teach in Latin America. While in Colombia, US English teachers will have access to additional education opportunities, especially Spanish language programs.</td>
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<tr>
<td>US-Colombia Partnership</td>
<td>Collaborate to strengthen industry-university collaboration in Colombia to foster innovation. The United States can also help Colombian research institutions replicate the funding models and development strategies of US research centers. By promoting innovation, science, and technology in Colombia, the partnership will help transform the conditions that incentivize illegality, safeguarding both countries’ national security interests.</td>
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## Institutions, Rule of Law, and Illicit Drugs

### Territorial Control and Rural Development

| Colombia | Adjust the National Integral Program for the Substitution of Illicit Crops (PNIS) to viably support all families that have signed and complied with the crop-substitution agreement. Adjustments include the delivery of subsidies in the initial phases of the program to ensure that farmers can consolidate their licit productive project. In the initial years of production, the government should help peasants sell their licit products by connecting them with sellers or buying some of the production. Provision of technical assistance is also necessary.  
Create a database or program that connects farmers interested in substituting coca crops with potential buyers. The current disconnect between potential suppliers of licit products with markets represents a major challenge to the crop-substitution program. |
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<tr>
<td>United States</td>
<td>Support the commercialization and facilitate market access to legal products that have substituted coca crops. They can be promoted and marketed as a special type of fair trade good.</td>
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| US-Colombia Partnership | Invest in a long-term, multidimensional plan that includes security, justice, formalization of land property rights, education, public goods provision, and economic opportunities in ten priority areas to dismantle organized armed groups, eradicate rising coca crops, and fight drug trafficking. The ten priority municipalities identified by the Colombian government are included in the PDETs and are responsible for one-half of the entire national coca production.  
Promote programs to train local and nonlocal public officials to serve in rural areas, offering support while in office to guarantee that characteristics of each locality are taken into account. These public servants could in turn train others and provide support in their first years serving in vulnerable localities.  
Work to establish technology transfer and training programs, especially in the agricultural sector. For example, creating a “fellows” program to train Colombians on agricultural techniques for between six and twelve months in the United States under the condition that they return to Colombia to advise regional and local governments as well as farmers’ organizations.  
Foster partnerships between the Colombian and US private sectors and nongovernmental organizations to implement market-driven rural development projects, in coordination with the Colombian government.  
Identify viable projects to combat illicit drug production in natural parks and lands owned by indigenous and Afro-Colombian communities. Projects in collectively owned lands must take into account the needs, preferences, and strengths of the communities that own them.  
Channel additional resources to funds created by multilateral agencies and Colombia to transform vulnerable territories, help them transition to licit economies, and consolidate peace.  
Conduct a rigorous assessment of all previous interventions in rural areas to determine how to best allocate development resources in the future. |
### Infrastructure Connectivity

**US-Colombia Partnership**

Replicate successful projects involving local populations in the building and maintenance of secondary and tertiary roads, with the long-term goal of creating capacity for future infrastructure projects in the locality. The partnership should further facilitate the involvement of DFC and USAID as a potential source of financing for these projects.

Support public-private partnerships to increase connectivity in rural areas and create incentives for youth to remain in the countryside.

### Steps to Address the World Drug Problem

**Colombia**

Cut coca cultivation and production in half by 2023 using a combination of the most cost-effective tools at its disposal.

The Colombian government, with the support of ONDCP, should also create an agency that coordinates all efforts to fight drug trafficking in the country.

**United States**

Increase financial and technical support, military cooperation, and intelligence assistance to combat the world drug problem. For example, the United States can increase the presence of its vessels and patrol in the Pacific Ocean and the Caribbean.

**US-Colombia Partnership**

Create an innovation lab or host a formal call for proposals on innovative ways to reduce coca crops and cocaine trafficking.

Strengthen regional coordination mechanisms for interdiction such as the Joint Interagency Task Force (JIATF) South and the Colombia International Maritime Center Against Narcotrafficking (CIMCON) to double down on the fight against drugs.

Collaborate to strengthen Colombia’s riverine and radar capabilities, surveillance, mobility, and interdiction assets such as helicopters and fast boats.

Countries involved in the production, trafficking, and consumption of illicit drugs in the region should come together to look at the available evidence and apply lessons learned about counternarcotics policy design and implementation, and devise stronger and more holistic measures of success.

Work to modernize Colombia’s ports and customs agencies to boost the country’s capacity to fight drug trafficking and money laundering.

Implement programs to prevent and reduce consumption among youth in Colombia and the United States and encourage other consuming countries to devise national plans for this same purpose.

### Social Leaders and Human Rights Defenders

**Colombia**


**United States**

Continue supporting the Attorney General’s Office in cases of human rights abuses and provide intelligence assistance to help prevent crimes against social leaders and human rights defenders. The United States can also provide financial support to President Duque’s Timely Action Plan on Prevention and Protection.
# Colombia’s Leadership In the Context of the Venezuela Crisis

| Colombia                                      | Continue to play a leadership role in the international arena to achieve a peaceful democratic transition in Venezuela. Do so specifically through continued engagement with the Lima Group regional bloc.  
  |                                               | Continue working to assist and integrate Venezuelan migrants and refugees crossing the border by regularizing their legal status and granting work permits.  
  |                                               | Conduct campaigns to inform the population about the Venezuela regional crisis, combat xenophobic narratives and discrimination, and explain the positive economic impacts of integrating Venezuelan migrants into the Colombian economy and society. |
| United States                                | Increase its financial, diplomatic, and technical support to Colombia as it plays a leadership role in responding to the Venezuela situation. Examples of technology assistance include:  
  |                                               | a) Enhancing Colombia’s existing capacity to gather and process data on Venezuelan migrants crossing the border. This will not only help manage security threats but also facilitate the social and economic integration of Venezuelan migrants.  
  |                                               | b) Contribute to border control by working with Colombia to deploy sensors, drones, and other monitoring technologies in the Colombia-Venezuela border area. |
| US-Colombia Partnership                       | Ask the international donor community to fully fund the $738 million requested by the UN to help Colombia respond to the Venezuelan migration crisis.  
  |                                               | Create a Task Force on stabilization of territories and transitions to democracy and include international experts who can provide intelligence cooperation to the Venezuelan interim government and advice on how to promote rule of law and strengthen national institutions.  
  |                                               | Create a Task Force of experts to calculate the exact fiscal impact on and funding needed by Colombia to absorb the growing number of Venezuelan migrants and refugees. |
Colombia is one of the United States’ strongest, most reliable allies in the Western Hemisphere. It collaborates with the United States in fighting international drug trafficking and transnational organized crime, as well as in promoting democracy, rule of law, and economic prosperity in the region. At the United Nations (UN), among other things, Colombia supports US diplomatic efforts on priorities such as North Korea, Syria, Iran, and Ukraine. It also contributes security expertise in Central America, Afghanistan, and a number of countries in Africa. Colombia is NATO’s only global partner in Latin America, one of the two Organisation for Economic Co-operation and Development (OECD) member countries in South America, and a regional leader in facing the crisis in Venezuela. Here, its generous response to the massive influx of Venezuelan migrants and refugees should be viewed as a model for countries around the world.

With the US-Colombia Trade Promotion Agreement (TPA), the opportunities for mutually beneficial trade are enormous. The United States is Colombia’s largest trading partner and Colombia is the United States’ third-largest export market in Latin America behind Mexico and Brazil. Today, with increasing hemispheric challenges, the US-Colombia strategic partnership is more important than ever. By continuing to invest in the already strong bilateral relationship, both countries stand to benefit in the short, medium, and long term.

Colombia is pivotal in addressing Venezuela’s unprecedented political and economic crisis, which has led to the largest mass migration in Latin American history. With 1.4 million Venezuelan migrants in its territory as of June 2019, Colombia is the primary destination for Venezuelans. President Iván Duque has adopted a policy of complete solidarity toward Venezuelan migrants, providing medical care, housing and public education, among other services. According to the World Bank, the estimated economic cost for Colombia in 2018, not including infrastructure and facilities, reached 0.4 percent of gross domestic product (GDP), or the equivalent of $1.5 billion.

Colombia has also sought to confront increased illegal activity in Venezuela, including illegal mining, the arms and drug trade, and human trafficking, as well as the smuggling of goods and money laundering. Here, a contradiction exists around the role of China. At the same time that China is increasing its economic ties with Latin America—and while Colombia’s exports to China increased 83 percent in 2018 compared with 2017—it continues to support the Maduro regime, helping to maintain a criminal enterprise in Venezuela that directly threatens Colombia’s interests. As the presence of guerrilla groups, drug cartels, and other transnational criminal organizations in Venezuela creates new security challenges for the region, Colombia’s role in maintaining regional stability becomes more vital than ever. Eventual reconstruction efforts in Venezuela will also require enormous Colombian support.

In addition to its partnership with the United States in the region, Colombia plays a unique role in tackling the world drug problem, as also stated...
in the Global Call to Action by President Donald Trump at the 2018 United Nations General Assembly. Colombia has the most to lose if the fight against drugs is unsuccessful, and it has thus advanced a full-on strategy to disrupt the cocaine trade. The United States has been a crucial ally in this quest. Since Plan Colombia was announced in 1999, the United States has provided more than $11 billion to aid the Colombian government in strengthening state capacity and institutions, decreasing coca crops, and fighting the Revolutionary Armed Forces of Colombia (FARC) and other illegal groups that profited from drug trafficking. Colombia has contributed more than 95 percent of the total investment in Plan Colombia.\(^7\)

Between 2001 and 2016, the country destroyed 37,504 illegal laboratories, seized an average of 181,201 kilograms of cocaine each year, and reduced the area containing coca crops by half in the first six years.\(^8\) Colombia has also made enormous sacrifices in terms of lives lost: between 2009 and 2018, 126 members of the state security forces as well as civilians died in eradication missions and 664 were wounded.\(^9\) Overall, during the first fifteen years of Plan Colombia, about six million people—including members of the state forces, combatants of illegal groups, and, mostly, civilians—were victims of a violent event such as forced displacement, homicide, or kidnapping.\(^10\) By 2017, and after decades of enormous efforts, successive governments in Colombia had advanced in dismantling the most significant drug cartels, reached agreements to demobilize several paramilitary forces, and started the implementation of the Peace Accords with the FARC. In 2017, the country achieved the lowest homicide rate in its past forty-two years.\(^11\)

In 2019, the UN Security Council, following its mission visit to Colombia in July, called Colombia’s ability to negotiate a peace agreement in 2016 “an example for others around the world.”\(^12\) The Council also “welcomed Government efforts to advance the reintegration of former FARC-EP members and
strengthen rural development” and stressed the importance of “implementing the peace agreement as an interlocking set of commitments.”

However, several challenges to Colombia’s national security and democracy as well as the rights of its citizens still remain. These challenges are partially explained by the capacity of existing illegal armed groups and criminal organizations to adapt and take advantage of conditions that favor their growth—i.e., insufficient institutional presence, limited economic opportunities, and the availability of illegal funding sources. After the demobilization of the FARC, several armed groups competed for territorial control in areas where the guerrilla group used to operate. A vacuum had been left for them to exploit and profit from illicit economies such as drug trafficking, illegal mining, and extortion.

The rights of vulnerable populations in areas where the state is fragile therefore remain unprotected. According to Colombia’s Victims Unit, more than 360,000 people were internally displaced between January 2016 and July 2019. The situation of social leaders is particularly critical—more than 300 have been killed since 2016. Corruption, which President Duque has identified as a top priority (and recently submitted legislation to counter it), has facilitated criminal activities and undermines the legitimacy of the Colombian state. At the same time, while there has been progress in the implementation of the Peace Accords, there is still a long way to go to achieve the accords’ stated goals and commitments. Additionally, instability in Venezuela and the meddling of Russia, in particular, contributes to new security challenges.

These problems do not only affect Colombia: They also directly compromise US goals. A new US-Colombia partnership can better address the structural conditions that favor illicit activities, thus reducing the flow of cocaine to the United States. The two countries can also deepen cooperation to help governments in Central America, Mexico, and South America confront transnational criminal organizations, drawing on Colombia’s experience as a leader in addressing regional security issues.

Deepening Colombia’s alliances with the United States in security and economic issues is of paramount importance for both countries to achieve their common goals. The terms of this partnership must originate with a long-term plan to effectively transform the conditions that currently favor illegality and enable the production and trafficking of cocaine but then move to a long-term vision that fully maximizes the relationship and Colombia’s regional role. This commitment to an even more robust, long-term strategic alliance will set Colombia on a path for sustainable growth and ensure that both countries’ interests are mutually reinforcing.

This report outlines the main areas for US-Colombia cooperation that the Atlantic Council’s US-Colombia Task Force identified to advance US and Colombia interests while fostering a more secure and prosperous Western Hemisphere.

Deepening Colombia’s alliances with the United States in security and economic issues is of paramount importance for both countries to achieve their common goals.
Colombia is in a period of momentous transition. It is rapidly consolidating its role as a key player in Latin America and an indispensable partner for the United States on many fronts. Simultaneously, the United States has become an important source of political and economic support for Colombia, making it imperative to deepen ties between the two countries at this critical time in Colombia’s history. Colombia must not only ensure that peace is in fact achieved, but also grapple with the external and internal challenges that arise from the worsening of the crisis in Venezuela. US economic, humanitarian, and security assistance to Colombia, as well as continued bipartisan support, is thus vital for the long-term interests of Colombia and the United States.

The Atlantic Council’s Adrienne Arsht Latin America Center launched its US-Colombia Task Force to create the foundation for a new plan of action vis-à-vis the US-Colombia economic and diplomatic relationship. This distinguished group built on the recommendations of the Atlantic Council’s 2017 Colombia Task Force, which provided the Trump administration with a blueprint for US engagement with Colombia. This refocused and expanded US-Colombia Task Force provides a roadmap for the Duque administration, the Trump administration, and the US Congress on how to deepen and expand the relationship along three pillars: economic development; strengthening institutions and rule of law, promoting rural development, and tackling the world drug problem; and Colombia’s leadership in the context of the Venezuela regional crisis.

The task force is co-chaired by Senator Roy Blunt (R-Missouri) and Senator Ben Cardin (D-Maryland). Senator Blunt serves on the Senate Appropriations Committee and Senator Cardin is a senior member of the Senate Foreign Relations Committee. In addition to bipartisan leadership, members include a bipartisan grouping from the US House of Representatives: Congressman Bradley Byrne (R-Alabama); Congressman Ruben Gallego (D-Arizona); Congressman Gregory Meeks (D-New York); and Congressman Francis Rooney (R-Florida). The task force also includes former policymakers from and leaders in business and civil society in both the United States and Colombia, who provide expert insight to help guide the leaders of both countries in advancing the next chapter of the US-Colombia relationship. The task force is a truly nonpartisan, bicameral, binational working group with a wide reach and the foundation to create impact for years to come.
COLOMBIA AS ONE OF THE UNITED STATES’ CLOSEST ALLIES

The United States and Colombia have consolidated a close and mutually beneficial partnership over the past decades. Plan Colombia, announced in 1999 and sustained by US leaders of both political parties, laid the foundation for a strategic alliance that has widened to include sustainable development, trade and investment, hemispheric security, human rights, and other areas of cooperation. Plan Colombia has been one of the United States’ most successful foreign policy initiatives in the past 20 years. Its success is visible today in Colombia’s positive transformations and the safeguarding of vital US interests. As former National Security Advisor Stephen J. Hadley, who served under President George W. Bush and is now executive vice chair of the Atlantic Council, said, “Plan Colombia is an example of a visionary, bipartisan strategic framework that has supported the Colombian people and government as they have transformed Colombia into a peaceful democracy.”

Although Colombian taxpayer funds financed almost 95 percent of the total investment in Plan Colombia, US political leadership, military and police training, and technology assistance were crucial to the success of this bipartisan foreign policy initiative. US investment in Plan Colombia totals $11 billion, with $10 billion provided between 2000 and 2016—a number that represents less than 2 percent of the cost of the Iraq war over the same period. A strong return on US investment is evident. In those same years, Colombia significantly strengthened its institutional capacity and made notable progress combating drug trafficking, fighting illegal armed groups, and securing government control of territories. Additionally, Colombia’s liberalized economy quadrupled in size, poverty and homicides fell by more than 50 percent, and kidnappings were reduced by 90 percent. With its improved security situation and strengthened democratic institutions, Colombia transitioned from being an aid recipient to a strategic ally of the United States and an exporter of security and political leadership in the region.

The successor strategy to Plan Colombia, Peace Colombia, was announced by President Barack Obama in February 2016. This multiyear initiative sought to scale up vital US support to help Colombia “win the peace,” in the event of a peace agreement with the FARC. Less than five months later, a peace agreement was signed. Peace Colombia was designed to consolidate Plan Colombia’s security gains; advance counternarcotics efforts; reintegrate former combatants into society; expand state presence and institutions, especially in territories most affected by violence; provide titles and access to land for poor farmers; and promote justice and economic opportunities for Colombians.

As with Plan Colombia, Colombian taxpayers were expected to fund close to 90 percent of the total budget for the initiative. In fiscal year (FY) 2018, the US Congress approved an omnibus appropriations measure funding Peace Colombia programs at $391 million. Although President Trump’s FY 2019 budget request for Colombia was $265 million (a 32 percent reduction from the $391 million appropriated by congress in FY 2018), the 2019 Consolidated Appropriations Act provided Colombia “no less than” $418 million in funding. This additional assistance has a focus on drug eradication and interdiction efforts as well as rural security. For FY 2020, the administration requested $344 million in funding for Colombia. Continued and deep-
ened US assistance to Colombia is more important than ever as Colombia receives a growing number of Venezuelan migrants and refugees and continues to work toward the implementation of the 2016 peace agreement. A stable and prosperous Colombia will safeguard US national security, economic, and geopolitical interests in the region, generating a strong return on US investment.

COLOMBIA AS A NATO PARTNER AND PARTICIPANT IN PEACEKEEPING OPERATIONS

Colombia’s cooperation with NATO started in 2013. Four years later, the Individual Partnership and Cooperation Program (IPCP) made Colombia NATO’s first and only global partner in Latin America and the ninth in the world, alongside Afghanistan, Australia, Iraq, Japan, South Korea, Mongolia, New Zealand, and Pakistan. As a NATO partner, Colombia has access to and engages in various organization activities ranging from trainings and education to military exercises.

Given the challenges it has faced over the past five decades as well as its leading role in security and defense cooperation in Central and South America, Colombia has significant contributions to make to NATO and the global community. For example, the country recently started participating in the Science for Peace and Security Program, and was invited to a research workshop in Denmark this year, focusing on counterterrorism lessons from maritime piracy and narcotic interdiction. In addition, Colombia’s International Demining Centre (CIDES) joined the network of NATO Partnership Training and Education Centers in March.

Colombian President Iván Duque shakes hands with NATO Secretary General Jens Stoltenberg after a meeting at the Alliance headquarters in Brussels, Belgium in 2018. Colombia is the first NATO global partner in Latin America.
2019. CIDES will contribute to the education and training of personnel from NATO nations and partners in the crucial areas of humanitarian procedures and military demining. Colombia and NATO plan to develop common approaches in supporting peace and security efforts. Under this same program, Colombia and NATO are working on the implementation of United Nations Security Council Resolution (UNSCR) 1325 on Women, Peace and Security, as well as protecting children and civilians in armed conflict.

At the same time, the IPCP will benefit Colombia, allowing it to access cooperation and training programs. The agreement is expected to improve the country’s humanitarian operations, rescue missions, crisis management, and security collaboration for civil emergencies, as well as inform its fight against terrorism, cybersecurity, and organized crime. It also is expected to help export Colombia’s experience, an added value for the Alliance. The program will reinforce both political dialogue and interoperability with the armed forces of partner countries. The US Congress can further support Colombia’s role by advocating for Colombia to become a non-NATO ally.

Colombia also is advancing its participation in UN peacekeeping missions. The Colombian Armed Forces are training service members who will join UN forces to help countries in conflict achieve peace. Trainees will take courses on human rights, international humanitarian law, and UN Peacekeeping Operations commands and doctrine, while at the same time learning about the culture of the countries of placement.

Colombian national policemen attend the inauguration of an international training school in Pijao, Tolima, Colombia in 2009. For decades Colombia, alongside the United States, has helped train policemen and military officials both within its own borders and in the region.
COLOMBIA AS A HUB FOR REGIONAL SECURITY

Colombia is a strategic partner for the United States and its success in combating organized crime has been a significant mutual achievement. Colombia’s experience in that fight and the lessons learned from Plan Colombia have given the country considerable security expertise. Today, Colombia is training public servants from numerous countries on security-related issues. Between 2010 and 2018, over 46,000 individuals from eighty-one countries received training by Colombian public officials on the fight against drugs, the prevention and control of crime, the strengthening of the military and police, and citizen security and organizational development. About 60 percent of those trained were in Central America under the Triangular Cooperation Plan between Colombia and Canada (2013), and the Cooperation Plan between Colombia and the United States to strengthen Central America and the Caribbean (USCAP).

In 2012, the United States and Colombia signed the Regional Security Joint Action Plan. Since then, personnel from the military forces, police, and similar institutions of beneficiary countries have been trained. For 2020, Argentina, Ecuador, and Paraguay are projected to become beneficiary countries of the program. The United States and Colombia should expand their shared security portfolio in international hot spots where Colombia can play a pivotal role. This would advance US interests globally, while also reducing costs to the United States and minimizing cultural and language barriers.

In the last twenty years, Colombia’s National Police has also increased its cooperation with various countries in the region as well as with Interpol, the international criminal police agency that the country joined in 1954. Colombia has taken a leading role in the creation and management of the American Police Community, or Ameripol, since 2007, an organization that integrates thirty-three police forces of Latin America and the Caribbean. Between 2010 and 2012, Colombia supported more than sixty “outsourcing” activities in security, benefitting more than 220 institutions and fifty national and local partners. With support from the United States, Colombia trained more than 10,000 officers in forensic investigation and special operations between 2009 and 2013.

In that same period, Colombia trained almost 22,000 military and police personnel from various countries.²⁶ To help advance police capabilities in the region, Colombia, in one year alone, trained police personnel from Guatemala, El Salvador, Panama, Jamaica, Peru, Ecuador, and Brazil. In total, through international cooperation agreements that focus on crimes of kidnapping and extortion, criminal investigation, criminal intelligence, and human rights, Colombia has made a substantial contribution to advancing security, providing assistance to sixteen countries in the region.

Colombia has the potential to become a security hub for the region. Colombia can play a fundamental role in helping to transform the regional security order, moving from reactivity and unilateralism to strategic planning, multilevel coordination, and the institutionalization of cooperation against transitional organized crime. For this to happen, the United States should continue supporting Colombia’s military and police. Although Colombia plays a leading role on regional security issues, greater efforts must be made to ensure the continuity of its leadership as the country grapples with economic challenges and security concerns both internal and external in nature. In addition to the Venezuela crisis, the August 2019 announcement of a “new phase of the armed struggle” by Iván Márquez, a former FARC commander, is a clear indication of the many security challenges facing Colombia. By working with the United States to improve security in Colombia and in the region, the US-Colombia partnership—through efforts such as a joint evaluation of security capacities and security investment plans—can set the foundation for long-lasting prosperity and stability.
Over the past decades, Colombia and the United States have consolidated a mutually beneficial partnership that has successfully safeguarded both nations’ security interests. Under Plan Colombia, the country became an increasingly peaceful and prosperous democracy and, together, the United States and Colombia effectively reduced transnational organized crime, violence, coca cultivation, and drug trafficking. Now, with Colombia’s improved security situation, strengthened economy, and increased leadership in the region, the bilateral relationship calls for a renewed partnership.

Instability in neighboring states and interference of extra-hemispheric powers in the region further reinforce the need for a deepened and modernized US-Colombia partnership. After rigorous consultations and discussions, the Atlantic Council’s US-Colombia Task Force identified three major areas that will serve as the foundation for the bilateral relationship going forward: economic development; rule of law, rural development, and the fight against drugs; and joint leadership in the region.

The interests of Colombia and the United States are more intertwined than ever before. The new US-Colombia partnership should recognize this reality, and capitalize on the opportunities that this represents. The partnership will be further solidified as the United States supports Colombia’s efforts to stabilize territories, foster rural development, and bring about a sustainable democratic transition in Venezuela. Economic and diplomatic ties will also be strengthened as both countries work together for the eventual reconstruction of Venezuela and the promotion of stability in other parts of the region, particularly in Central America.

1. Building Sustainable Economic Development and Promoting Innovation

The United States and Colombia stand to benefit from a partnership that promotes economic development in both countries. Bilateral trade and investment offer multiple opportunities for economic growth that will directly benefit both economies. A stronger Colombian economy not only translates to improved living conditions for Colombians but also protects key US national security interests by undermining the drug trade and other illicit economies as well as illegal armed actors. A stronger economic partnership between the two countries will help the United States achieve greater engagement with Latin America to manage current challenges and seize growing opportunities.

The Atlantic Council’s US-Colombia Task Force identified the following three areas as paramount to the bilateral economic relationship: trade and investment; formalization and taxation; and innovation, science, technology, and education. The first area explores opportunities for increased economic growth in both countries. The second area focuses on how to strengthen Colombia’s taxation system and further develop the country’s formal economy. Finally, the third area examines innovative opportunities for mutually beneficial exchange that further both nation’s economic and security interests.
TRADE AND INVESTMENT

With an improved security situation, abundant natural resources, and an educated, growing middle class, Colombia has the potential to become an even stronger economic partner for the United States. In 2012, the US-Colombia Trade Promotion Agreement (TPA) took effect. Upon entry into force, 80 percent of US exports of consumer and industrial goods and 50 percent of US exports of agricultural products to Colombia became duty free. The remaining tariffs are scheduled to phase out by 2027. Colombia should consider accelerating the elimination of certain non-agricultural tariffs, with a focus on industries that wouldn’t be disrupted by the removal of such protections, to advance US-Colombia bilateral trade and export flows in line with Colombia’s other bilateral agreements. While US exports to Colombia decreased 16 percent, from $16.4 billion in 2012 to $13.7 billion in 2018, due in part to the sharp depreciation of the Colombian peso, agricultural and manufacturing exports continue to enjoy significant growth. According to the US International Trade Commission (ITC), the TPA will expand US exports by more than $1.1 billion and increase US GDP by $2.5 billion. Fully implementing the TPA represents a significant opportunity for both countries. The results would not only increase trade, jobs, and economic growth, but also improve protections for intellectual property rights, labor rights, and the environment. Moreover, since Colombia’s capacity to continue dealing with the Venezuelan crisis depends on the strength of its economy, the economic bilateral relationship will also benefit both countries’ national security interests. However, for the US-Colombia TPA’s potential to be fully realized, both countries must make changes. Colombia has yet to implement some aspects of the TPA to the fullest, including bills on internet service providers’ responsibilities, commercial agency, and a screen TV quota, the ratification of the International Convention for the Protection of New Varieties of Plants (1991) treaty, and allowing for importation of duty free remanufactured goods. Additionally, strengthened trade and investment between Colombia and the United States will help to provide some counterweight to China’s growing influence in Latin America. Over the last twenty years, trade between China and Latin America has multiplied eighteen times, from $12 billion in 2000 to $224 billion in 2016. Today, China is the largest trading partner for Chile, Peru, and Brazil and, in the case of Colombia, China has moved to become its second-largest export partner. Whereas Chinese investment used to focus on oil and mining and agriculture, it is now expanding to other sectors of the economy including transport, finance, electricity generation and transmission, information and communications technology, and alternative energy. Deepening commercial relations between Colombia and the United States will strengthen the commercial partnership in light of new Chinese economic interest, with the potential effect of having the bilateral relationship serve as a model for other countries seeing new Chinese economic interest. Implementing reforms geared to decreasing uncertainty for companies seeking to do business in Colombia is also needed, as frequent changes in the tax system and in regulations for different sectors create instability and unpredictability. Colombia and the United States could also work together to identify opportunities for US companies in Colombia. In particular, given the rising tensions between the US and China, several US companies are seeking to relocate from China. The Colombian government and US companies could look for
opportunities for mutually beneficial agreements that facilitate their relocation to Colombia. Colombia also needs to give predictability and stability to intellectual property rights by not imposing discriminatory compulsory licenses.

The United States, for its part, should strive to accelerate the process of implementing pending TPA related matters. These include the regional accumulation provision with Peru and other Pacific Alliance countries for textiles and lifting environmental barriers to Colombian palm biodiesel. The US government should also work with the Colombian government to speed up and harmonize sanitary and phytosanitary requirements to facilitate and accelerate the entry of certain Colombian products—mainly agricultural ones—into the US market. Although 105 Colombian agricultural products have preferential access to the US market within the TPA, and seven are currently undergoing the market access process, fewer than ten match the phytosanitary protocols required to enter the United States. This year Colombia is expecting tangible progress for top market-access priorities: fresh peppers, mangoes, pitayas (also known as dragon fruit), papayas, watermelons, cantaloupes, blueberries, and passifloras (yellow passion fruit, sweet granadilla, purple passion fruit, and banana passion fruit).

Thus, the US government could make it a priority for the US Department of Agriculture’s Animal and Plant Health Inspection Service (APHIS) to expedite the approval of these products. Colombia, in turn, could prepare to effectively promote and market these products in the United States. Given the importance of reducing coca crops for both the United States and Colombia, devising mechanisms for expedient entry into the US market of agricultural products that are part of crop substitution schemes is also a priority. The United States could also facilitate the entry of Colombian products into the US market by allowing companies to fulfill required processes at competitive prices. For employees organize bouquets of flowers to be exported overseas, ahead of Valentine’s Day, at a farm in Facatativa, Cundinamarca, Colombia. The United States is a leading importer of Colombian flowers.
example, Colombian companies could be allowed to carry out product radiation processes in the United States as opposed to Colombia, to reduce costs and logistical barriers. The United States could also work with Colombia to establish a fast-track process for companies that already have the certificate of economic operator authorized by both Colombia’s tax agency, the National Directorate of Customs and Taxation (DIAN), and the Business Alliance for Secure Commerce.

During the last years, Colombia has made enormous progress on labor legislation, due, in part, to the sustained implementation of the Labor Action Plan. The government has increased the number of labor inspectors and issued new regulations to strengthen control over abusive subcontracting methods. Regarding the judiciary, Colombia has made significant progress in pursuing and solving cases related to instances of violence and threats against union members. The United States has recognized this progress. The United States and Colombia can further improve labor conditions by revising their agreement to include success metrics that focus on preventing labor violations rather than only sanctioning them. A modern approach would promote legal flexible labor tools to effectively increase productivity and reduce job informality and unemployment. Examples include temporary work, part-time work, telework, flexible salaries, and subcontracting, among others.33

For Colombia’s economy to grow and offer new market possibilities for the United States, Colombian firms need to grow stronger and create jobs. As explored below, a better economic situation is also the most effective and sustainable way to reduce cocaine trafficking from Colombia to the United States. Granting Colombia’s steel and aluminum products entering the US market an exemption from the 25 percent and 10 percent tariffs, respectively, which were imposed under Section 232 of the Trade Expansion Act of 1962, would contribute to Colombia’s economic growth. While Colombian exports of these products represent only 0.5 percent of the US market, these tariffs affect the installed capacity and job creation of Colombian companies. Moreover, the Colombian government has implemented several additional antidumping measures against steel and aluminum products coming from countries that contribute to world overcapacity, especially China.

The United States should also continue to support the Pacific Alliance. This alliance, which Colombia helped create, is now considering merging with another regional bloc in Latin America, Mercosur, and wants to bring in more partners and establish new trade deals with Australia, Canada, New Zealand, and Singapore. If this happens, the global economy could experience a tremendous boom. Colombia should continue with its commitment and dedication to solving the different issues that could arise during this process, and the United States should support and even encourage this alliance.

Opportunities for bilateral investment, which benefit both countries, are also growing. Colombia is committed to developing efficient capital markets, creating jobs, and building legal and regulatory systems that meet world-class standards for security and transparency. Its accession to the Organisation for Economic Co-operation and Development (OECD) in May 2018 reflects the country’s attainment of these standards and encourages further investment and economic cooperation. US foreign direct investment (FDI) in Colombia totaled $7.2 billion in 2017 and Colombian FDI in the United States totaled $2.6 billion, supporting 5,500 US jobs.34 There is ample potential for increased US investment in Colombia, especially in areas of innovation, science, technology, and agroindustry.
try. As well, Colombia’s acceptance of US federal motor vehicle standards opens additional areas for US investment.

For these opportunities to materialize, Colombia should strive to be more attractive to foreign investors, and can do so by offering more transparent conditions for FDI and reducing regulations, nontariff barriers, as well as cumbersome operations and foreign trade procedures. Strengthening the institutions tasked with ensuring compliance with labor, social security, and tax laws, and increasing coordination among these agencies, will improve enforcement.

Reforming an inefficient tax system should be, as explored below, a priority for future administrations. In addition, Colombia should spotlight itself as an investment destination, showing its potential to become a regional investment hub for the United States. Strengthening the rule of law and gaining institutional control of territories affected by violence, which are discussed later in this report, will also serve to minimize companies’ concerns about political risk and uncertainty.

The United States can help foster conditions for long-term US investment in Colombia. Promoting the double taxation agreement between the two countries would provide investors with legal security and additional incentives for investment. In addition, US foreign policy toward Colombia should avoid producing any uncertainty around the bilateral relationship. The August 2019 certification of Colombia as cooperative in counter-narcotics efforts was important to avoid such uncertainty. Any ambiguity in the strength of the relationship negatively impacts investment and commercial flows. Sending the message that the two countries support each other as strategic allies is good for business.
A healthy Colombian economy provides the United States with greater market opportunities for goods and services. It can also help to stabilize the territories where illicit groups operate and illicit economies thrive, especially the cocaine market. Two of the most critical barriers to economic development in Colombia are the country’s tax system and high levels of informality. The United States can partner with Colombia to support much-needed reforms to counter these two challenges.

Tax revenues in Colombia have increased consistently from the 1990s to around 15 percent of the country’s GDP today, but remain very low by international standards: the OECD average is 26 percent of GDP—a measure similar to that of Argentina (29 percent) and Brazil (26 percent). Part of the problem is Colombia’s tax structure. In Colombia, around 45 percent of these revenues come from taxes on goods and services, which tend to be regressive. Corporate taxes are considered relatively high, with rates of up to 34 percent and revenues accounting for 3.8 percent of GDP, which discourages formalization and entrepreneurship. The Duque administration did pass tax reform in 2018, which is currently under revision by the Constitutional Court and aims to progressively lower corporate tax rates down to 30 percent by 2022. Still, in comparison, the average corporate tax in Latin American countries in 2018 was 28 percent. Dividends to individuals are taxed at a small percentage, and while this avoids the double taxation of distributed profits, it reduces progressivity. Meanwhile, revenues from personal income taxes represent 1.1 percent of GDP and social security contributions are 2.1 percent of GDP.

The progressivity of the tax system is undermined by generous tax relief and exemptions—there are more than 200 exemptions, representing approximately 30 percent of tax collection—which mostly benefit the wealthier sectors of Colombian society. Colombia’s tax system still needs reforms to enhance progressivity and raise more revenue that can then be channeled to expand social policies. However, an eventual tax reform should maintain corporate taxes at levels comparable to those of other OECD countries. Colombia should also improve transparency and stability in the development and implementation of this updated taxation system.

Tax evasion should also be addressed to strengthen state capacity and foster economic development—this will enhance Colombia’s ability to be a strong economic and security ally to the United States. The DIAN has local branches in only forty-three of the country’s 1,121 municipalities, and the tax officer-to-inhabitant ratio is half the regional average (one to 10,000). Evasion of income tax and value-added tax is estimated to be 4 percent of the GDP, and informality, discussed below, also facilitates tax evasion while reducing the tax base. Overall, the tax system significantly distorts economic activity and has a very small redistributive impact.

Colombia has a large informal economy, equivalent to one-third of its GDP. As of 2015, about 60 percent of firms and 48 percent of workers remained in the informal sector. In the countryside, almost two-thirds of farmers lack formal property titles to their land, and although informality decreased by seven percentage points since 2001, it is still a critical barrier to development. Informality negatively affects economic growth as it promotes low-paying jobs, unemployment, and lower productivity by allocating resources ineffectively. Because of this, informal firms have lower access
to credit, use more unskilled labor, adopt less technology, perform less training, and have low access to public goods.

Informal firms limit the growth of formal firms as the former do not comply with standards and regulations, which artificially lowers their costs, generating unfair competition. More than half of formal firms in Colombia report that informal firms are one of their top challenges. Informality reduces the tax base and access to credit and social insurance for lower income families. Informality also discourages investment and productivity and widens economic disparities across the country, while limiting poverty reduction and the consolidation of the middle class. As an important obstacle for Colombian development, informality compromises efforts to reduce coca cultivation and combat illegal armed groups, therefore undermining US law enforcement and national security interests. Additionally, informality makes it harder for US firms to seize the opportunities that Colombia’s expanding market has to offer.

The United States and Colombia can engage in mutually beneficial cooperation that helps Colombia reduce informality. The two countries should continue training labor inspectors, as they did in a program from 2012 to 2016, with more focus on prevention of labor violations rather than sanctions. Colombia should continue its fight against abusive and illegal subcontracting as well as using legal subcontracting as a necessary tool to increase formality, employment, competitiveness, and productivity. The United States can work with Colombia to devise best practices for achieving several goals. These include streamlining the process for firm creation and closure; reducing unnecessary norms and barriers for firms across geographical divisions; making labor regulations more flexible; and increasing access to credit and other business services. To incentivize formalization, the Colombian government can also engage in public information campaigns to educate workers about the benefits of working in the formal economy (sick days, maternity leave, paid vacation days, etc.). The country also can improve access to credit and other business services to incentivize firms to register their activity and pay taxes.

Improving the modernization process and strengthening the governability of Colombia’s tax agency, DIAN, is of critical importance. Colombia needs to update the software that its taxation system relies on, as it is ineffective and facilitates corruption and money laundering. Strengthening the DIAN and customs agencies—with US assistance—is also a priority because both have been permeated by trafficking groups and other types of criminal organizations. Digitalizing the customs, tax, ports, and airports systems, as well as incorporating blockchain technology would allow for higher traceability of goods and improved intelligence, which favor legal activities and tax collection while creating obstacles for illicit economies. Digitalizing the economy would also benefit US companies doing business in Colombia. The United States could support this process by facilitating the training of engineers. US companies could also contribute by verifying the quality of new information systems.

It is also important to accelerate the process to conduct US immigration procedures on Colombian soil. United States immigration authorities have begun high-level talks with Colombia’s Foreign Ministry to study this possibility. This means that travelers departing the special US designated immigration area in El Dorado Airport in Bogotá would be subject to the laws of the US, and US officers would conduct the same immigration, customs, and agriculture inspections of international air travelers typically performed upon arrival in the United States. A close working relationship on the ground means that authorities from both nations will be able to share information on immigration, customs, and agriculture.
For Colombia to achieve the long-term development needed to stop cocaine production and further advance legality, advancements in innovation, science, technology, and education are needed. In particular, for Colombia to keep the high growth rates that maintain advances in poverty reduction and development, it must diversify production and increase productivity and sustainability. Creating legal opportunities in areas affected by violence and illicit economies also requires transforming rural economies. Innovation, science, technology, and education are essential to these quests. The United States has ample experience in these areas and can share best practices with Colombia. At the same time, both countries can engage in new, productive collaborative initiatives, as explained below.

According to the World Bank, in 2017, the total amount of government and private sector funds spent on research and development (R & D) in Colombia was only 0.24 percent of the country’s GDP—an extremely low value compared to the average investment in the sector for Latin America and the Caribbean (0.8 percent). Investment in science, technology, and innovation in Colombia is slightly higher (0.65 percent of GDP). In the 2018 Global Innovation Index (GII), which measures the performance of innovation ecosystems in 126 countries, Colombia ranked sixty-third, below Chile, Costa Rica, Mexico, and Uruguay. In 2017, about 30 percent of science, technology, and innovation funding came from the public sector and 70 percent from the private sector. For R & D, the percentages were 25 percent and 75 percent, respectively.\textsuperscript{44}
The United States should work with Colombia to create a development strategy to fund research centers in Colombia. It should be a results-oriented and impact-driven strategy, as are the funding strategies of the United States’ National Science Foundation and National Institutes of Health. The United States could also share its expertise in strengthening industry-university collaboration, given its ample experience in connecting university training with private-sector needs and in promoting innovation by research centers that responds to the needs of firms. Promoting innovation, science, and technology in Colombia will help disrupt the conditions that facilitate illicit activities while also maximizing human capital in this important US free-trade partner.

The United States could also support Colombian efforts to provide technical assistance to firms in order to increase their productivity and prepare them for more sophisticated innovation processes. The United States has significant experience in the design, implementation, and evaluation of such schemes. The US Manufacturing Extension Partnership, for example, has been successful in improving production processes, upgrading technology capabilities, increasing competitiveness of firms, and facilitating innovation throughout the United States.45

Education is another area rich with potential for US-Colombia collaboration. Colombia faces multiple challenges to achieving a high-quality and equitable education system. Given that the transition from illicit to licit economies requires new human-capital development, education in Colombia should be an area of importance to the United States. The United States can make several contributions. For example, Colombia lags behind most Latin American countries in English proficiency. In 2018, it was ranked 60 among 88 countries in the world in this category.46 The Colombian government has tried to increase the number of English teachers, but at least 3,200 more are needed. The United States could help to train Colombian English teachers and provide additional scholarships for US teachers who seek to teach English in Colombia.47 At the same time, Colombia could offer education opportunities for US teachers, especially Spanish-language programs, while they teach English in public schools in Colombia. This and other types of exchange programs for language training would benefit both countries.

Advancing the interests of both Colombia and the United States in vulnerable territories requires prioritizing rural education. The Colombian government is creating partnerships with land grant universities to develop programs focused on agriculture. Purdue University, for example, has partnered with Colombia to promote collaborative research, education, and economic development activities. One of the projects consists of a master plan for sustainable development of the Orinoquía region based on analysis- and research-based tools to enable a deeper understanding of the economic and development opportunities related to agriculture and tourism.48 Fostering such partnerships will catalyze initiatives for mutually beneficial collaboration, while contributing to development, stabilization, and legality, all of which undermine the coca industry and the rise of criminal actors.

Colombia and the United States can also broaden opportunities for educational exchange via scholarships, grants, exchange programs, and joint research, aiming to create long-lasting connections between people and institutions in both countries, which, in turn, can promote innovation. About 8,000 Colombians study in the United States every year, with an economic impact of $302 million.49 Approximately 236 of these students receive full scholarships through the Fulbright Program, while others get partial funding through collaborative programs between Fulbright and Colombian agencies. Expanding opportunities for postgraduate training of Colombian students in the United States would make a direct contribution to the development of human capital and economic development in Colombia, which would benefit shared US-Colombia interests.

Similarly, Colombia can become a preferred destination for US students looking to study in Latin America. Today, only around 900 Americans study
in Colombia every year—about one-fourth of the number of study-abroad students going to Peru and Ecuador.\textsuperscript{50} Central American countries like Guatemala and Nicaragua receive more than 2,000 American students every year, despite not having any university ranked among the top fifty in Latin America. Colombia, to the contrary, has three universities ranked among the top thirty and one among the top ten.\textsuperscript{51} Colombia can become an important education destination for US students, especially for learning Spanish and studying biodiversity. One government agency, such as the new Ministry of Science, Innovation and Technology, should coordinate different efforts and initiatives to facilitate alliances between US and Colombian universities to promote Colombia as one of the top study-abroad destinations for US students seeking to study in Latin America.

Finally, creating programs specifically for ethnic minorities is also a priority for both countries. The Colombian Ministry of Education is currently advancing an agreement with historically black colleges and universities (HBCUs) to provide funding for Afro-Colombian students to study in the United States while offering scholarships for foreign students to study in Colombia. The United States can share its experience in developing programs to support the enrollment of women, ethnic minorities, and low-income students in STEM areas (science, technology, engineering, and mathematics). Exchanging such best practices with Colombia can have a positive impact on education and innovation in Colombia while furthering cultural exchanges.

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**US-COLOMBIA PRIORITIES MOVING FORWARD**

**INNOVATION, SCIENCE, TECHNOLOGY, AND EDUCATION**

**COLOMBIA**

- Designate one agency responsible for coordinating alliances between universities in Colombia and the United States. Both large and small universities should benefit from this program to ensure that students form all ethnic and socioeconomic backgrounds have access to new opportunities. Specifically, the agency should:
  - Promote collaborative research and education between Colombian and US universities.
  - Broaden and increase awareness about opportunities for educational exchanges via scholarships, grants, and study abroad programs, especially for ethnic minorities. Promote Colombia as a prime education destination for US students in areas such as Spanish and biodiversity.

**UNITED STATES**

- The United States can offer trainings to Colombian English teachers and provide additional scholarships to US English teachers seeking to teach in Latin America. While in Colombia, US English teachers will have access to additional education opportunities, especially Spanish language programs.

**US-COLOMBIA PARTNERSHIP**

- Collaborate to strengthen industry-university collaboration in Colombia to foster innovation. The United States can also help Colombian research institutions replicate the funding models and development strategies of US research centers. By promoting innovation, science, and technology in Colombia, the partnership will help transform the conditions that incentivize illegality, safeguarding both countries’ national security interests.
2. Strengthening Institutions and Rule of Law while Combating Illicit Drugs

Crucial to the advancement of shared US and Colombia interests is the stabilization and development of territories where coca is cultivated, illegal armed groups thrive, and populations face violence, low-quality governance, and poverty. The state needs to gain institutional control of these territories and foster development to accelerate transformation. Employing an integral drug policy that not only decreases coca crops in the short run but also focuses on the other stages of the drug market—including cocaine production, trafficking, and consumption—is essential for tackling the world drug problem in a way that achieves long-term goals.

These strategies also require protecting human-rights defenders and social leaders. Defending the lives of its citizens is Colombia’s principal duty, and protecting civic leaders is needed for democracy to flourish. Transforming the institutional capacity of the state in vulnerable territories, tackling the world drug problem in an integral way, and protecting social leaders will change the structural conditions that breed illegality, undermine the well-being of the Colombian population, and threaten US national security interests.
TERRITORIAL CONTROL AND RURAL DEVELOPMENT

Two critical barriers to Colombia’s security and development—weak institutions and lack of economic opportunities in rural areas—affect both Colombia and the United States. These conditions serve as the breeding ground for coca cultivation and cocaine production, illegal mining, and environmental degradation as well as the strengthening of criminal organizations, all of which affect the well-being of Colombian citizens as well as US national security interests.

Critical to regaining control of rural areas is implementation of the Peace Agreement with the FARC. Following the UN Security Council’s July 2019 visit to Colombia, the task force welcomes the decision of the Colombian government to request that the UN’s verification and monitoring mandate and term be extended for an additional year beyond September 25, 2019, and the Security Council’s agreement to give such request prompt consideration.

For the Colombian government, devoting the necessary effort and resources to implement the agreement is critical. Also critical is bringing to justice those who are in stated violation of the agreement and intend to return to conflict. All actors in Colombia are encouraged to work together to ensure peace agreement implementation. To accomplish this, Colombia will need resources beyond its own. We call on the US Congress and the US administration to provide significant resources for implementation over the coming years.

At the same time, Colombia will need long-term support beyond that of the United States.

Propose that the World Bank and/or Inter-American Development Bank convene an international consortium of donors to build on or strengthen existing efforts, develop a long-term funding plan, and then dedicate the necessary financial support.

In addition to the need for peace agreement implementation, weak or absent institutions must be addressed as each represent major threats to security and stability in Colombia. In places where the state is absent or weak, illegal armed groups and illicit economies thrive. As the FARC laid down their arms, preexisting and new armed groups moved in to fill the vacuum the rebels had left. These groups profit off the cocaine business and other illicit economies such as illegal mining and the smuggling of goods.

Many of the communities that believed the end of the FARC meant the arrival of the state are experiencing fierce battles between different criminal groups competing over illicit rents. According to official data, more than twenty-five illegal armed groups, with a total of about 7,000 members, operate in the country today. The August 2019 call to arms by former FARC commander Iván Márquez reinforces the critical importance of meaningful reintegration of ex-combatants and attention to unmet needs in rural areas, the parts of the accord most behind in terms of implementation.

Although Colombia has experienced in the last few years some of the lowest homicide rates in its recent history, violence is on the rise in some areas of the country, especially those affected by illicit economies and where the state has traditionally been weak. Today, Colombia continues to have the world’s highest number of internally displaced persons, and recently the number of victims of land mines and other explosives has soared. Attacks against social leaders and human rights defend-
ers have been on the rise since 2016, as explained below, and more than 100 former FARC members have been assassinated since the signing of the peace accords.\textsuperscript{56}

Illicit economies thrive not only because institutions are weak but also because of the lack of economic opportunities. Coca grows in municipalities with very high levels of poverty and job informality\textsuperscript{57} and low tax revenue, connectivity, and institutional development.\textsuperscript{58} Public goods provision is also significantly lower than the national average: about one-third of the population is illiterate and 18 percent of minors are not enrolled in school.\textsuperscript{59} Coca growers do not have higher earnings than most Colombian peasants; however, coca allows peasants to make money in areas with high transportation costs, a lack of facilities and chains to collect, store, and bring products to market, and poor access to credit, among other factors. Peasants receive, per hectare of coca grown, about $130—which is 56 percent of the monthly minimum wage. In areas with coca crops, each coca-growing family cultivates between 0.5 and 1.8 hectares (ha) of coca and uses any additional hectares to cultivate legal crops.\textsuperscript{60} Almost 27 percent of households in rural Colombia face monetary poverty. The percentage rises to 57 percent in areas where coca crops are present. In addition, approximately 90 percent of children ages six to nine living in areas with coca crops work in the fields.\textsuperscript{61}

To help Colombia to dismantle illegal armed groups, fight coca cultivation and drug trafficking, and protect vulnerable populations, especially ethnic minorities, the United States should support its efforts to consolidate effective and legitimate state institutions in previously disenfranchised territories and promote rural development. This strategy requires a holistic long-term approach that goes beyond Colombian military and police deployment in areas affected by crime and violence.

Rather than investing in small-scale projects in many areas of the country, the United States should support an ambitious, multidimensional plan that includes security, justice, formalization of land property rights, education, health and other public goods provision, and economic opportunities to help vulnerable territories embark on a sustainable path to development. Although coca crops are located in twenty-two of the thirty-two Colombian departments, 60 percent of all coca crops are concentrated in three of these departments: Nariño, Putumayo, and Norte de Santander. Furthermore, 44 percent of these crops grow in ten municipalities (Tibú, Sardinata, and El Tarra in Norte de Santander; Tumaco, El Charco, and Barba-coas in Nariño; Puerto Asís and Orito in Putumayo; El Tambo in Cauca; and Tarazá in Antioquia).\textsuperscript{62} This means that a successful, holistic intervention in ten municipalities could change the conditions of territories responsible for almost half the entire national coca production. This strategy will require careful planning and substantial resources for implementation. However, only a long-term, targeted approach will yield lasting results.

With support from different multilateral agencies, Colombia has created several funds, three of which were established with the World Bank, the Inter-American Development Bank, and the United Nations to transform vulnerable territories, help them transition into licit economies, and consolidate peace.\textsuperscript{63} Additional resources should be provided to these funds to support interventions seeking to transform prioritized territories. Going forward, this funding model could be replicated to aid other countries in the region that are spiraling into violence, criminality, illicit economies, and poor governance.

As a first step, both countries should take stock of previous interventions in rural areas. Different initiatives have been implemented by Colombian agencies and international organizations in attempts to bring the state to vulnerable communities, promote rural development, and advance democracy. Some of these interventions have focused explicitly on reducing coca cultivation and undermining criminal organizations. The US Agency for International Development (USAID) has led multiple projects pursuing these goals and has evaluated their impact individually. However, individual assessments have not provided conclusive evidence as to what ini-
tiatives (or combination of initiatives) can be most successful in strengthening institutions and rule of law, promoting rural development, and eradicating coca crops. The US-Colombia partnership should conduct a rigorous assessment of all previous interventions to determine how to best allocate development resources in the future.

How can the Colombian state consolidate its institutions in vulnerable territories? President Duque’s plan to consolidate institutions and development in areas most affected by violence, crime, and poverty, called Zonas Futuro⁶⁴ (Future Zones), entails the coordinated action of different state agencies to offer basic services, transition from illicit to licit economies, and protect the environment. This strategy will be implemented in 2.4 percent of the national territory—this is where about one-third of coca crops are located and where a large portion of the killing of social leaders has occurred. At the same time, the government has launched a stabilization program (announced in the Paz con Legalidad⁶⁵ or Peace with Legality plan), a defense and security plan,⁶⁶ and a drug policy plan (Ruta Futuro⁶⁷ or Future Path). These plans deem it critical to create an integral policy that brings together authorities at national, departmental, and municipal levels under a shared vision. These policy plans focus on long-term goals, and they all recognize the importance of considering local contexts and promoting active community participation. Colombia should continue to pursue this type of integral, holistic approach that builds on the participation of local communities and requires the coordination of different state agencies and levels of gov-

Workers eradicate coca leaf plantations as part of a government counter-narcotics program in El Peñol, Nariño, Colombia. The United States should continue its support of Colombia as it works to fight coca cultivation and drug trafficking.
ernment. Success requires that these initiatives are coordinated by the Office of the President and have the presidency’s full support. Ensuring constant accountability is also essential for implanting these interventions.

The United States should work with the Colombian government in its quest to address the structural conditions that reproduce violence and breed illegality in critical territories. Specifically, USAID could provide funding and technical assistance to large-scale, holistic interventions including the formalization of land property rights, public goods, viable projects for rural development, and institutional development—especially around local justice, citizen security, and participatory democracy. In addition, the US International Development Finance Corporation (DFC), once operational in October 2019, should identify Colombia as a priority for development financing and encourage private sector-led development. Coordinating with other donors is crucial for interventions to be efficient. These efforts will pay off in the long run by undermining illicit economies and boosting Colombia’s role as a strong security ally in Latin America.

Sustainable rural development must be market-driven. It requires the participation of both the state and the private sector. Cases like Colanta, a Colombian cooperative of cattle farmers that grew to become a leading company in the dairy sector, show the viability and sustainability of this type of initiative. With more than 10,000 members throughout the country, Colanta has generated more than 50,000 rural jobs. Another example of success is Corporación Colombia Internacional (CCI), a state and private owned company that helps farmers structure their productive projects by presenting them with viable and environmentally sustainable licit crops they can cultivate in their respective region, helping them develop cost structures, facilitating their association with other farmers, and identifying potential international and national buyers for their products. CCI also provides technical assistance to farmers for three years and serves as a guarantor to buyers participating in the project. Between 2005 and 2018, more than 573,000 rural families have benefited from this model, of which 7,520 are indigenous peoples and 6,500 are Afro-Colombians.68

Coffee grower Ramon Eliodoro Mejia poses after selling 613 kg (1,351 pounds) of organic coffee during the weighing and sale process at a warehouse of the National Coffee Growers Federation in Pueblo Bello, Cesar, Colombia. Generating economic opportunities for farmers is crucial for rural development.
The US-Colombia partnership could support these projects at the outset by promoting investment delegations from the United States to support joint ventures for projects on alternative products. The partnership could also help with the commercialization of products. Legal products that have substituted coca crops could be promoted and marketed as a special type of fair trade good, and the United States could assist Colombia in adopting the best practices in agriculture, organic produce, and manufacturing, and prioritizing its access to the US market. Improving living conditions in rural Colombia advances US law enforcement and national security interests.

Examples of successful private partnerships to foster rural development also suggest that US and Colombian companies can work together and support vulnerable communities. Nestlé Nespresso SA, the Colombian Coffee Growers Federation (FNC), the foundation of the National Association of Entrepreneurs of Colombia (ANDI Foundation), and the Howard G. Buffett Foundation, for example, are working under an agreement whereby Nespresso acquires coffee from 100 producers in the Nariño department who have substituted their coca crops for coffee plantations, while the Buffett Foundation helps to improve public goods provision in their communities.69

Other public-private partnerships entail securing funds for projects to advance core business interests as well as development objectives. In the last two years, USAID has promoted such projects in Colombia through its Global Development Alliance, with most of the funding coming from the private sector. In these projects, companies are involved—and have a stake—in development projects. Both the United States and Colombia should support these initiatives and facilitate the involvement of the private sector.

The Colombian government could create a database or program to match farmers interested in substituting coca crops with parties interested in buying products. This initiative could have a large impact as the lack of a systematic way to connect new suppliers of licit products with buyers presents a major challenge for crop-substitution programs. The US and Colombian governments could also support these initiatives by increasing the access of licit substitute products to US and international markets. The United States also could cooperate with the Colombian private sector to facilitate processes of technology transfer, especially in the agricultural sector. In particular, Colombia could explore possible technology transfer and training agreements with state governments in the United States in agricultural areas including Kansas, Missouri, Iowa, Colorado, Nebraska, and Indiana. One possibility would be to create a “fellows” program to train Colombians on agricultural techniques for between six and twelve months in the United States under the condition that they return to Colombia to advise regional and local governments as well as farmers’ organizations.

Yet both countries should recognize that not all rural development can be based on agriculture. About 20 percent of coca crops are located in national natural parks and forest preserves, where coca crops either cannot be substituted for licit crops or can only be substituted in minimal quan-

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Improving living conditions in rural Colombia advances US law enforcement and national security interests.
Identifying opportunities around biodiversity and environmental protection is crucial to designing policies that are appropriate for these areas. It is also important to consider allowing people to live in natural parks, rather than forbidding it, and creating opportunities for residents to work with the state in comanaging the parks and engaging in sustainability projects.

Considering the needs, preferences, and strengths of organized indigenous and Afro-Colombian communities in lands they own collectively also is of paramount importance since more than 25 percent of coca crops are located in their territories. Promoting development in these communities entails not only thinking about the specific product that can work but also about how the community can cooperate to maintain the required infrastructure, sell their products, and make substitution projects sustainable. It is important to support the organizational capacity of these communities and take into account the particular strengths—and challenges—of cohesive communities with collective property rights. For example, these communities have been found to be more effective at preventing deforestation, resisting against illegal armed actors, and opposing coca crops in their territories. Considering these communities as partners for environmental protection and development will open new possibilities insofar as the government ensures their safety.

In both natural parks and collectively owned lands, payments for ecosystem services (PES) can be a viable opportunity—although perhaps not a sustainable one in the long run. PES can work as a transitional mechanism that allows residents of these areas to invest in green projects. For example, a community could use PES to develop highly differentiated products of high quality with the expectation that in the future the market pays for their added value. Colombia already has success stories: The Afro-Colombian community of El Roble in Tumaco is, for example, producing premium cacao that has received awards in Paris and Tokyo. Other possibilities include ecotourism and artisanal handicrafts. Colombia and the United States should partner to open new markets and create incentives for scaling green projects.

Colombia and the United States also can jointly address specific critical barriers to rural development with ambitious projects that can impact several communities. The formalization of property rights, for example, is a priority. Colombia, the World Bank, the Inter-American Development Bank, the United States, and three European countries are coming together to offer a large-scale solution: The Multipurpose Cadaster Project. This program will develop a land administration system to strengthen the security of property rights, facilitate access to land and property information, and support land tenure formalization for about 67,000 people, of which about 40 percent are women. The project has a differential approach for Afro-Colombian and indigenous communities. Partnerships like this support Colombia’s efforts to develop state institutions and promote rural development in vulnerable areas, undermining illicit armed actors and creating barriers to coca cultivation and cocaine trafficking.

In reducing coca cultivation, a critical short-term goal is adjusting the National Integral Program for the Substitution of Illicit Crops (PNIS). Under this program, the government committed to provide monthly payments and technical assistance to families who agreed to eradicate their illicit crops and embark on licit economic activities. Of the 99,000 families that signed the agreement, 94 percent have eradicated their coca crops, honoring their commitments. Furthermore, according to UN data, coca replanting has only occurred in 0.6 percent of cases where growers joined the voluntary crop substitution program. This is quite a successful outcome compared to the 36 percent...
replanting rate of crops uprooted through forced eradication.  

However, only 67 percent of the families have received subsidies and only 40 percent have received technical assistance. In most cases, subsidies and assistance started quite late in the process, compromising their ability to pursue a licit, productive project. It is now clear that the program is underfunded, has several design and implementation problems, and will not be viable if it is not adjusted. The minimal essential elements of the crop-substitution program are delivery of subsidies in the initial phase and timely technical assistance, ensuring that peasants can sell their licit products in the first few years—either by matching them with sellers or having the government buy the produce.

However, making the PNIS a component of a broader approach that includes institutional and rural development, as discussed above, is critical. It is also crucial to take into account that broken government promises do not only undermine current efforts to reduce coca cultivation but also create a negative precedent and sow distrust between the communities and the state, compromising the possibility of future programs. The United States should support Colombia in its efforts to help families who uprooted their coca plants and are undertaking the transition to legality within a broader, integral policy of rural development.

Another critical barrier to rural development and rule of law consolidation in areas beyond the government’s reach is the capacity of local bureaucrats. Local authorities in these territories usually lack the tools to transform the conditions that breed informality and illegality and part of the problem is the training of local bureaucrats. There is a wide gap in the skills of local public servants in municipalities affected by violence as compared to the rest of the country, given that trained public officials have little to no incentive to serve in rural areas. Expected salaries and security guarantees for public officials in these territories are significantly lower than those received in larger cities. Deprived of skilled leaders, vulnerable municipalities can hardly improve the quality of their governments—and weak local governments often lead to corruption and increases in illicit drug trade and organized criminal groups, which undermines US
national security interests.

The United States could promote programs to train highly talented local and nonlocal officials to serve in these municipal governments and offer them support while they are in office so that the characteristics of each locality are taken into account. These public servants could in turn train others and support them in their first years serving in vulnerable localities. Creating incentives for trained public servants to stay for long periods of time in vulnerable municipalities is crucial to sustainability.78

By investing in human capital, this program can have long-lasting effects not only on the quality of local governance but also in bringing about broader societal change through leadership. The Postsecondary School of Public Administration (Escuela Superior de Administración Pública) is currently considering developing a program that would involve supporting public servants in critical territories in 2020. The United States can advance the transformation of local governments by supporting targeted programs like this one and investing in initiatives to educate and support a new generation of local leaders. Similar programs could be designed to train not only public officials but also doctors, educators, and professionals, and encouraging them to serve in rural areas and train local populations.

Where should these efforts be directed? Since transforming all needy areas in the country at the same time is not viable, it is imperative to focus on the most vulnerable territories. The 170 municipalities included in the Programas de Desarrollo con Enfoque Territorial (PDETs), or Development Programs with a Territorial Approach, have been most affected by violence in the past decades. With the demobilization of FARC, many areas previously under the group’s control were left with a vacuum of power and this in turn has been progressively filled by criminal organizations.

In some of these territories, social leaders have been assassinated and coca cultivation and illegal mining have increased. In fact, the ten municipalities with 50 percent of the coca crops in Colombia are on this list of 170 municipalities. Of these, the PDETs of the Catatumbo region, Nariño’s Pacific wetlands, Arauca, and Bajo Cauca Antioqueño—areas also included in the strategic Future Zones of President Duque’s plan—are critical as they concentrate a large portion of coca crops and exhibit some of the highest levels of violence in the country. Transforming the most vulnerable territories is the best way to overcome criminality, violence, and illicit economies while consolidating the rule of law, democracy, and development.

Improving the efficacy and legitimacy of state institutions in vulnerable territories and promoting rural development will benefit Colombia, the United States, and the binational partnership. Colombia has the potential to improve the lives of citizens who have long lived in precarious conditions, while also undermining illicit armed organizations and illicit economies that harm the entire country. By reducing drug trafficking and weakening criminal groups, institutional growth and rural development will also favor US national security interests while also enabling Colombia to continue its leading role in security cooperation in the region.
US-COLOMBIA PRIORITIES MOVING FORWARD
TERRITORIAL CONTROL AND RURAL DEVELOPMENT

COLOMBIA

• Adjust the PNIS to viably support all families that have signed and complied with the crop-substitution agreement. Possible adjustments include the delivery of subsidies in the initial phases of the program to ensure that farmers can pursue their licit productive project. In the initial years of production, the government should help peasants sell their licit products by connecting them with sellers or buying some of the production. Provision of technical assistance is also necessary.

• Create a database or program that connects farmers interested in substituting coca crops with potential buyers. The current disconnect between potential suppliers of licit products and markets represents a major challenge to the crop-substitution program.

UNITED STATES

• Support the commercialization and facilitate market access to legal products that have substituted coca crops. They can be promoted and marketed as a special type of fair trade good.

US-COLOMBIA PARTNERSHIP

• Invest in a long-term, multidimensional plan that includes security, justice, formalization of land property rights, education, public goods provision, and economic opportunities in ten priority areas to dismantle organized armed groups, eradicate rising coca crops, and fight drug trafficking. The ten priority municipalities identified by the Colombian government are included in the PDETs and are responsible for one-half of the entire national coca production.

• Promote programs to train local and nonlocal public officials to serve in rural areas, offering support while in office to guarantee that characteristics of each locality are taken into account. These public servants could in turn train others and provide support in their first years serving in vulnerable localities.

• Work to establish technology transfer and training programs, especially in the agricultural sector. For example, creating a “fellows” program to train Colombians on agricultural techniques for between six and twelve months in the United States under the condition that they return to Colombia to advise regional and local governments as well as farmers’ organizations.

• Foster partnerships between the Colombian and US private sectors and nongovernmental organizations to implement market-driven rural development projects, in coordination with the Colombian government.

• Identify viable projects to combat illicit drug production in natural parks and lands owned by indigenous and Afro-Colombian communities. Projects in collectively owned lands must take into account the needs, preferences, and strengths of the communities that own them.

• Channel additional resources to funds created by multilateral agencies and Colombia to transform vulnerable territories, help them transition to licit economies, and consolidate peace.

• Conduct a rigorous assessment of all previous interventions in rural areas to determine how to best allocate development resources in the future.
INFRASTRUCTURE CONNECTIVITY

Rural infrastructure is paramount to unleashing economic growth in rural areas, which is essential to decreasing coca cultivation, undermining other illicit economies, and weakening illegal armed groups while fostering legal economic activities. The United States needs rural Colombia to prosper in order to curb cocaine trafficking and undermine organized crime. However, Colombia has a severe lag in rural infrastructure. Public service delivery in the countryside is inadequate. Government statistics put electricity coverage at 80 percent of the nation, but aqueduct and sewage coverage trail at 20 percent and 6 percent, respectively. Moreover, 73 percent of rural areas in Colombia are more than three hours away from department capital cities by road. Of the 142,000 kilometers (km) of existing rural roads, close to 65 percent are in bad shape and only 6 percent are paved.

This situation makes transport extremely costly both for individuals and for farmers seeking to get their agricultural products to markets. In addition, internet service barely reaches 10 percent in rural areas. Unsurprisingly, rural areas exhibit a poverty rate of 45 percent, almost twice the national average. As part of the Rural Colombia program, President Duque allocated about $150 million to the improvement and maintenance of tertiary roads in 2019. This is a step in the right direction. Colombia must do more to connect rural areas and to improve rural infrastructure in order to expand economic opportunities for farmers, particularly in places with high coca cultivation or illicit mining.

Recent public-private initiatives have worked to bring quality connectivity to rural areas in Colombia and encourage youth to stay in the countryside. Various projects, totaling $25 million and led by the Colombian Coffee Growers Federation, have focused on improving tertiary roads in 10 of the departments most affected by conflict (Cauca, Caldas, Antioquia, Nariño, Valle del Cauca, Quindío, Cundinamarca, Huila, Risaralda and Santander). In another project, the Ministry of Information Technologies and other agencies, in association with Microsoft Corp., has allocated $1 million to increase the internet connectivity of farmers in certain coffee regions.

The United States needs rural Colombia to prosper in order to curb cocaine trafficking and undermine organized crime. The private sector may have proved more efficient in providing certain services than the government, but going forward, successful public-private partnerships need to clearly align social and individual interests, carefully assign the risk involved, and remain transparent throughout the project. These schemes provide valuable examples of future projects the United States can help to replicate to increase rural connectivity, and, by so doing, create obstacles to the expansion of illegal armed groups and the illicit economies from which they profit.

To foster economic opportunities, create jobs, and guarantee the success of crop-substitution programs, rural areas must be accessible and connected to the rest of the country. Roads, especially secondary and tertiary ones, need to be built. In the last few years, the country has launched ambitious programs to build and improve both primary and tertiary roads. The “fourth generation” of road concessions (4G), as it is known in Colombia, is a megaproject public-private partnership program with aggregate capital expenditures of $15 billion that seeks to build and rehabilitate approximately 8,000 km of the nation’s most important primary roads. Despite multiple challenges, the program is moving forward and the Duque administration plans to finalize eight highways and significantly advance twenty-one more in the next four years.
The United States could play a role in supporting the Duque administration’s Rural Colombia program to advance secondary and tertiary roads, which make up about 70 percent of all roads in the country. The United States can facilitate the involvement, presence, and financing of the DFC, which consolidates the Development Credit Authority (DCA) of USAID and the Overseas Private Investment Corporation (OPIC) in this process. USAID funds also could focus on a few, large-scale projects with long-term impacts on stabilization areas rather than on several small projects in multiple areas of the country. Moreover, USAID can replicate successful projects involving local populations in the maintenance of tertiary roads, with the long-term goal of creating capacity for future infrastructure projects in the locality. The United States can also push for Colombia to be prioritized for a compact agreement with the Millennium Challenge Corporation, an independent US foreign assistance agency, to support the government’s heavy financing burden. Connecting vulnerable communities to the rest of the country can only be accomplished, however, if Colombia finishes building its primary roads.
Between 2013 and 2017, coca crops in Colombia saw an exponential increase, rising from 80,500 hectares to 209,000 ha, according to the US Office of National Drug Control Policy (ONDCP). The United Nations Office of Drugs and Crime (UNODC) also reports a stark increase in coca crop cultivation, from 48,189 ha to 171,000 ha in that same time period. Between 2017 and 2018, after four years of continued increase, coca crop cultivation finally stabilized and slightly decreased, from 209,000 ha to 208,000 ha, according to ONDCP, and from 171,000 ha to 169,000 ha, according to UNODC. However, there is still much to be done.

The Colombian government’s new drug policy, Ruta Futuro, which was mentioned earlier, is a holistic, multidimensional plan to combat drug challenges. Ruta Futuro focuses on five main pillars: reducing drug consumption; decreasing drug production; dismantling illegal organizations; attacking illicit economies and rents from organized crime; and transforming territories affected by illicit economies. The Colombian government is exploring multiple eradication tools, including returning to aerial spraying with glyphosate, a herbicide.

In 2015, Colombia’s constitutional court prohibited aerial spraying with glyphosate due to potential health risks. The National Council on Narcotics (Consejo Nacional de Estupefacientes, CNE) endorsed the decision shortly afterwards. In 2017, the court issued a new sentence allowing the government to resume aerial spraying if several conditions were met, including providing “a scientific
Colombia should continue to lead the fight against coca cultivation and cocaine trafficking in the region by using a combination of the most cost-effective tools at its disposal, considering both material and social costs.

Investigation that, in an objective and conclusive manner, demonstrates the absence of damage to health and the environment. The lack of such conclusive, undisputable evidence has prevented aerial spraying since 2015. For the past four years, the government has therefore utilized terrestrial eradication, both forceful and voluntary, as its main eradication strategy.

In July of this year, the Constitutional Court clarified its 2017 ruling stating that the government must corroborate that aerial spraying does not cause harm to public health or the environment but clarified that it does not have to demonstrate this with absolute and unquestionable certainty. It is now up to the CNE to evaluate existing evidence and make a decision. This means that President Duque might be able to resume aerial spraying with glyphosate. The Colombian government has stated that aerial fumigation will only be carried out when manual eradication is impossible and in cases where there is noncompliance with crop-substitution agreements.

Colombia should continue to lead the fight against coca cultivation and cocaine trafficking in the region by using a combination of the most cost-effective tools at its disposal, considering both material and social costs. Eradication works in the short run, but it fails as a long-term strategy unless it is articulated with other interventions that successfully transform local territories. Places where coca is eradicated can have coca crops growing again if structural conditions do not change. At the same time, eradication can simply push crops to more remote and inaccessible areas—the so-called balloon effect—unless the conditions in those territories also change.

Colombia and the United States should therefore invest in long-term rural development as previously discussed. In addition, Colombia should continue to disrupt the necessary ingredients for the production of cocaine (gasoline, cement, arsenic and other chemicals), destroy laboratories, dismantle organized criminal groups, engage in interdiction activities, and combat money laundering. The United States should support Colombia not only in these activities but also in its efforts to modernize its ports and customs agencies to boost the country’s capacity to control drug trafficking and money laundering.

The United States and Colombia have enjoyed a strong, constructive relationship between their law enforcement agencies in the ongoing battle against transnational crime and drug trafficking. An important element in that relationship has been cooperation on extradition where warranted. We urge the law enforcement agencies of both nations to continue using the effective protocols they have relied on for several years with resounding success.

Recognizing the importance of assessing what has worked and what has not, the US Congress in 2019 passed bipartisan legislation to create the Western Hemisphere Drug Policy Commission.
This independent government commission will study the successes and mistakes of US drug policy in the Western hemisphere. Its conclusions will be highly important to the US-Colombia partnership, as it should guide US drug policies and influence roles in the fight against drugs in the region.

With coca cultivation, cocaine consumption, and transnational drug trafficking groups on the rise, the Americas must take stock of existing policies at each stage in the chain, from production and trafficking to money laundering. What has worked in the past to reduce coca cultivation? Which interventions have proved more effective in weakening drug trafficking criminal organizations? Some studies suggest that targeting coca crops is less effective than focusing on the processing and trafficking stages. Since the participation of the coca leaf in the value chain is rather small (about 9 percent), devoting more efforts to trafficking (which concentrates about 70 percent of the cocaine profit chain) can be more efficient. What is the estimated effect of a dollar spent on coca eradication vis-à-vis a dollar spent on interdiction? Is destroying labs an effective measure or are these easily and quickly rebuilt, as they are in Afghanistan? Is controlling precursor chemicals for cocaine production an effective strategy? What are the best barriers to money laundering? What are the most successful strategies to prevent drug use? Carefully considering the human and social cost of different interventions in all countries is also vital to devising effective solutions from a shared-responsibility perspective.

The United States and Colombia should also work together on the development of new technologies for decreasing coca crops as well as cocaine trafficking. Creating an innovation lab or hosting a formal call for proposals on innovative ways to reduce coca cultivation and cocaine trafficking could facilitate this process. Initiatives to devise new policies to curb trafficking of opioids could serve as a model for fostering innovation in drug policy in countries where cocaine is produced or trafficked. The countries involved in the production, trafficking, and consumption of illicit drugs in the region should also come together to look at the available evidence and apply lessons learned about counternarcotics policy design and implementation.

As more countries in Latin America become part of trafficking routes—the list now includes, for example, Costa Rica—the region also needs to strengthen its coordination mechanisms. There are now more routes from South America to the United States through the Pacific Ocean than through the Caribbean, and Venezuela is playing an increasingly important role in the drug trade. At the same time, trafficking from South America to Europe and Asia through Western Africa has been on the rise for years. Today, for every ton of cocaine the United States seized at its border with Mexico, Colombia seizes eighteen at its different borders.

The United States can enhance its surveillance capacity in the Pacific Ocean and the Caribbean through the existing maritime interdiction treaty including by increasing the presence of its vessels and patrol. Strengthening regional coordination mechanisms for interdiction such as the Joint Interagency Task Force (JIATF) South and the Colombia International Maritime Center Against Narcotrafficking (CIMCON) could facilitate cooperation and increase efficacy. The United States should work with Colombia to strengthen its riverine and radar capabilities, surveillance, mobility, and interdiction assets such as helicopters and fast boats. The Colombian government could also create an agency that coordinates all efforts to fight drug trafficking with the support of ONDCP.

Involved countries should also discuss the indicators they rely on to measure success. While short-term goals are important, the region must consider policies that produce sustainable results. Since policies should change the structural conditions that facilitate the cultivation of illicit crops and trafficking of illicit substances, indicators of success should also include these outcomes. The efforts made by every country involved should also be measured and considered. The United States contributes to the fight against drugs with human capital, technological transfer, intelligence, military cooperation, and financial resources. Colombia contributes 80
US-COLOMBIA PRIORITIES MOVING FORWARD
STEPS TO ADDRESS THE WORLD DRUG PROBLEM COLOMBIA

COLOMBIA

• Cut coca cultivation and production in half by 2023 using a combination of the most cost-effective tools at its disposal.

• The Colombian government, with the support of ONDCP, should also create an agency that coordinates all efforts to fight drug trafficking in the country.

UNITED STATES

• Increase financial and technical support, military cooperation, and intelligence assistance to combat the world drug problem. For example, the United States can increase the presence of its vessels and patrol in the Pacific Ocean and the Caribbean.

US-COLOMBIA PARTNERSHIP

• Create an innovation lab or host a formal call for proposals on innovative ways to reduce coca crops and cocaine trafficking.

• Strengthen regional coordination mechanisms for interdiction such as the Joint Interagency Task Force (JIATF) South and the Colombia International Maritime Center Against Narcotrafficking (CIMCON) to double down on the fight against drugs.

• Collaborate to strengthen Colombia’s riverine and radar capabilities, surveillance, mobility, and interdiction assets such as helicopters and fast boats.

• Countries involved in the production, trafficking, and consumption of illicit drugs in the region should come together to look at the available evidence and apply lessons learned about counternarcotics policy design and implementation, and devise stronger and more holistic measures of success.

• Work to modernize Colombia’s ports and customs agencies to boost the country’s capacity to fight drug trafficking and money laundering.

• Implement programs to prevent and reduce consumption among youth in Colombia and the United States and encourage other consuming countries to devise national plans for this same purpose.

percent of the monetary resources for the fight against drugs within and at its borders, with 20 percent coming through international cooperation. Colombia also contributes its institutional capacity and, crucially, risks the lives of military and police personnel as well as civilians. In the past nine years, more than 600 Colombians were wounded and 126 were killed in eradication operations, and hundreds of thousands have been killed in the different cycles of violence linked to drug trafficking that the country has endured in the past four decades. Having clear estimates of these efforts is important as the region discusses options and shared responsibilities.

Finally, as levels of cocaine consumption remain high in the United States and are increasing both in Central and South America, the United States and Colombia should implement domestic programs to prevent and reduce consumption among youth. The US-Colombia partnership should also encourage other consuming countries to devise national plans to prevent and reduce consumption.
Although overall levels of violence have decreased in Colombia in recent years, a new wave of violence against human rights defenders, community leaders, and social activists is spreading across several regions in the country. The targeting of social leaders started to escalate in 2016 and surged in 2018 and the first semester of 2019. Although estimates of the total number of murders vary across sources, Colombia’s Ombudsman’s Office reports 317 victims from January 2016 to April 2019, most of whom were peasants, Afro-Colombians, or indigenous persons. The United States has a firm commitment to the defense of human rights. As a major partner of Colombia, it is deeply concerned about these crimes and willing to support Colombia in its efforts to find a solution.

In early 2019, Colombia’s Office of the Attorney General characterized the killing of social leaders as systematic acts, which are usually perpetrated by organized criminal groups. About 14 percent of these assassinations were reported in areas with coca crops. The attacks seem to be related to vendettas and competition between different criminal groups as well as conflicts over land, and illicit economies such as drug trafficking, coca cultivation, and illegal mining. Some of the victims were leaders who opposed coca cultivation or who had joined crop-substitution programs. Emilio Archila, Colombia’s High Commissioner of Peace, cited in July 2019 that 58 leaders of the PNIS program have been assassinated since the signing of the Peace Agreement in 2016.

President Duque developed and is currently implementing a new plan to protect human rights defenders, titled Timely Action Plan on Prevention and Protection for Human Rights Defenders, Social Leaders, and Journalists (Plan de Acción Oportuna de Prevención y Protección para los Defensores de Derechos Humanos, Líderes Sociales y Comunales, or PAO). This plan is built on three strategic pillars. The first pillar, articulation and institutional re-engineering, aims to articulate the work of multiple agencies and norms. The second pillar, strategic action in the territory, focuses on municipalities that have widespread criminal activities and inadequate institutional responses to their needs. Finally, the third pillar, communication strategy and training, entails implementing a campaign to counteract the stigmatization of the status of “social leader” as well as to publicize existing protection and self-protection programs. The Colombian government should work with national and international civil society organizations that have been monitoring the situation of social leaders and human rights defenders in Colombia to develop a progress report for the PAO. This report should include an evaluation of progress as well as clear follow-up mechanisms.

This new wave of violence has not only appalled Colombians, it has also sparked concern among US legislators and the international community more broadly. The assassination of social leaders is not only a human rights violation, it is also a stab to democratic representation, civil society, rural development, and peace. A threat to democracy and security in Colombia is a threat to US interests in the region as it undermines stability, decreases Colombia’s capacity to continue its role in addressing the crisis in Venezuela, and undermines its potential security cooperation with the region. The United States should support Colombia’s efforts to protect social leaders and end impunity by continuing to support the Attorney General’s Office in cases of human rights abuses. Moreover, it could assist with intelligence to help prevent these killings and offer financial assistance to President Duque’s Timely Action Plan on Prevention and Protection.
Recognizing Colombia’s Leadership in the Context of the Venezuelan Regional Crisis

The Venezuelan crisis has generated the largest migration mobilization or mass migration in the history of Latin America. Over four million people have fled Venezuela between 2015 and June 2019. This number is growing exponentially as conditions continue to deteriorate in Venezuela. From February 2019 to June 2019, the number of migrants increased by 17.6 percent to four million from 3.4 million. Estimates show that by the end of 2019, 5.3 million Venezuelans will have fled the country—a 32.5 percentage increase in only six months. By 2020, the total number of Venezuelan migrants and refugees could reach between 7.5 million and 8.2 million. This means that the Venezuelan exodus will surpass the Syrian refugee crisis, which displaced 6.3 million people between 2011 and 2017. If unmanaged, the mass migration of Venezuelans can destabilize the entire Western Hemisphere.

US-COLOMBIA PRIORITIES MOVING FORWARD

PROTECTING SOCIAL LEADERS AND HUMAN RIGHTS DEFENDERS

COLOMBIA

• Implement fully the Timely Action Plan on Prevention and Protection for Human Rights Defenders, Social Leaders, and Journalists (PAO).
• Develop a progress report for the PAO with clear follow-up mechanisms. Civil society organizations should play a role in this process.

UNITED STATES

• Continue supporting the Attorney General’s Office in cases of human rights abuses and provide intelligence assistance to help prevent crimes against social leaders and human rights defenders. The United States can also provide financial support to President Duque’s Timely Action Plan on Prevention and Protection.
Colombia is the largest recipient of Venezuelan migrants, having received more than 1.4 million migrants as of June 2019. Almost 64 percent of Venezuelans in Colombia are concentrated in five departments: Bogotá, Capital District (315,528 migrants, 22.3 percent of the total); Norte de Santander (185,433, 13.2 percent); La Guajira (163,966, 11.6 percent); Atlántico (125,075, 8.9 percent); and Antioquia (112,745, 8 percent). These numbers will continue to rise as migration flows intensify in the coming months and years. By 2021, Colombian authorities expect the number of Venezuelan migrants in Colombia to reach four million, which would represent about 7.7 percent of the population.

Unless the conditions pushing people to flee Venezuela (namely, the current political and economic crisis) change, the massive influx of Venezuelans will reach unprecedented proportions and host countries will be increasingly strained to address the needs of migrants and refugees. The foreign minister of Colombia, Carlos Holmes Trujillo, has already said that Colombia can no longer deal with the Venezuelan influx if the amount of international funding does not increase.

Colombia has demonstrated tremendous generosity and has taken extraordinary measures to address the basic needs of incoming Venezuelans. With its “open door” policy, Colombia’s government is recognizing that both countries’ histories and destinies are irrevocably intertwined. When Colombia’s conflict reached a newfound intensity in the 1960s, 1970s, and 1980s, Colombians migrated to neighboring Venezuela looking to improve their economic and security situation. According to Marco Romero Silva, director at the Consultancy for Human Rights and Displacement (CODHES), millions of Colombians are believed to have fled to Venezuela, but specific statistics are unknown due to irregular migrant flows. This reveals the regional spillover effect of instability, democratic breakdown, increased violence, or economic stagnation in one country.

The Colombian government has adopted a policy of complete solidarity toward Venezuelan migrants, implementing a series of measures to assist them. A special focus has been given to migrants in border municipalities (Cúcuta, Maicao, Arauca and Puerto Carreño) and major cities (Bogotá, Medellín, Bucaramanga, among others) where the situation is most critical. Between 2017 and 2019, 273,000 Venezuelans were treated in the Colombian health system, 156,000 Venezuelan children and youth were enrolled in publicly funded schools, and 62,000 Venezuelans had access to public protection programs and child and family welfare services. The Duque administration has also made a commendable effort to regularize the legal status of Venezuelan migrants and integrate them into the labor force, offering a temporary protected status (the PEP, or Permiso Especial de Permanencia) to almost 600,000 migrants, which gives them access to legal employment, healthcare, and education. Recently, the government granted nationality to 24,000 children born to Venezuelan parents in Colombian territory. Previously, these children were in a condition of statelessness—neither Colombia nor Venezuela recognized them as nationals.

The Colombian government is launching other policies and initiatives to facilitate the integration of Venezuelans into Colombia’s society and economy. Colombia should be showcased as a global model of solidarity and commitment to helping a neighbor in crisis. The leadership that the country has demonstrated is admirable and should be further backed by the international community—in diplomatic, technical, and financial support—to achieve a peaceful democratic transition in Vene-
zuela and put an end to this regional migratory and humanitarian crisis. Continued engagement with the Lima Group regional bloc, of which Colombia is a member, will be critical in this quest.

Naturally, the Venezuelan migration crisis is placing significant strains on Colombia’s economy as well as its healthcare and education systems. A 2018 country report by the World Bank estimates that Colombia’s fiscal costs associated with the influx of Venezuelans are approximately 0.4 percent of GDP in 2019. Fiscal costs will peak in 2020 as a result of Colombia’s efforts to provide migrants and refugees with access to quality healthcare, education, housing, and other basic needs. These costs represent a major economic strain for a country working to implement a peace agreement and seeking to secure institutional control of all its territory. The United States and Colombia should create a task force of experts to calculate the exact fiscal impact and funding that Colombia will require to successfully absorb the growing number of Venezuelan migrants and refugees. This is a necessary step to developing a sound response strategy to the situation in the short, medium, and long term.

At the same time, Colombia has almost eight million internally displaced people, and, despite the peace accord with the FARC, violence and criminality continue to strike a large portion of its territory. That peace deal is further threatened by the Maduro regime, which has welcomed with open arms Jesús Santrich and Iván Márquez, former senior FARC leaders. Venezuelan territory is now used as a launching point and safe haven for criminal organizations to mount attacks inside Colombia. These security concerns reinforce the need for appropriate funding for Colombia in the midst of a wave of migrants and refugees.

In late 2018, the United Nations High Commissioner for Refugees and the International Organization for Migration announced the Regional Refugee and Migrant Response Plan (RRM Response Plan) and asked for $738 million in funding to assist...
2.7 million Venezuelan migrants in Latin America between January and December 2019. However, by July 2019, only 23.7 percent of this request had been fulfilled. Considering that USAID estimates migrants and refugees to reach 5.3 million by the end of 2019, this level of funding, even if fully met, is largely insufficient. The United States and Colombia should call on the international donor community to fully fund the UN’s funding request.

For Colombia specifically, the RRM Response Plan allocates $315.5 million in funding, of which only about 30 percent has been fulfilled. This response plan estimates that around 1.1 million refugees and migrants will need assistance in Colombia in 2019. These estimates are much lower than USAID’s calculations, which show a total of 1.9 million people in Colombia in need of assistance as a result of the Venezuela regional crisis. Total US government funding to Colombia for the Venezuela regional response in FY 2018 and FY 2019 amounts to $89.9 million.

Although critical, current international aid to Colombia is insufficient given the prolonged nature of the crisis and the growing number of migrants and refugees crossing the border. This assistance will not only enhance security but also facilitate the integration process of migrants and refugees into the Colombian economy and society. Technology assistance should be accompanied by training to local authorities on how to design and implement effective systems for migration and integration.

The US-Colombia partnership should also combat disinformation around the Venezuela regional crisis, manage public misconceptions about migrants, and prevent the rise of xenophobia and discrimination. Xenophobic sentiments and attitudes toward migrants are driven by the misconception that migrants pose security threats, drain national resources, and take away jobs from local workers. However, studies specific to Colombia show that crime does not increase in areas with a higher number of Venezuelan migrants, and migration can have positive effects on the national economy of host countries.

If properly integrated into the formal labor market, Venezuelan migrants can make many contributions to the economy of recipient countries: filling formal sector labor shortages and expanding the labor supply; creating formal jobs through their own entrepreneurship; raising GDP with increased consumption of goods and services; and expanding government tax revenues. The Colombian government, in partnership with civil society and private-sector companies, should conduct campaigns to inform the population about the Venezuela regional crisis, combat the narrative that migrants pose threats to national secu-
RECOGNIZING COLOMBIA’S LEADERSHIP IN THE CONTEXT OF THE VENEZUELAN REGIONAL CRISIS

As a result of Venezuela’s democratic breakdown and deteriorating security and economic conditions, the Colombia-Venezuela border has become a hub for criminal activities of all kinds, which provide a source of funding to the Maduro regime and threaten regional stability. Undermining these illegal activities will put new financial pressures on the Maduro regime and weaken its support. The US-Colombia partnership should devote further resources to combatting illegal activities and illicit armed groups in the border areas.

Venezuela also now serves as a key transit point for drug shipments coming from Colombia to the United States and Europe. As a result, several armed groups are competing for control of drug trafficking routes and other contraband flows, which inevitably generates increased levels of violence and leads to human rights violations. The National Liberation Army (known by its Spanish acronym, ELN), FARC dissidents, and the Popular Liberation Army (known by its Spanish acronym, EPL) have been the major actors controlling the smuggling and trafficking market in the Colombia-Venezuela border. With the unfolding of the political, economic, and social crisis in Venezuela, other armed groups have emerged in the border region: criminal gangs such as “La Linea,” Venezuelan paramilitaries known as “Colectivos,” and Colombian drug-trafficking groups such as the “Rastrojos,” the “Urabeños,” and the “bandas criminales” or BACRIM. In the past decade, the United States has also reported the involvement of Hezbollah, the armed wing of the Lebanese Shiite Muslim political party, with drug-trafficking activities in Venezuela. In addition to the illicit trade of drugs along the border, armed groups are engaging in illegal mining, arms trafficking, contraband fuel and gold trade, human smuggling and trafficking, kidnapping, extortion, and money laundering. Oil and crude smuggled from Venezuela into Colombia alone have a value of between $1.5 billion and $3 billion per year. The United States can contribute to border control by providing Colombia with better technology to monitor and secure the border including sensors and drones.

As the political and economic crisis in Venezuela worsens and migration flows intensify, Venezuelan migrants are increasingly at risk of being recruited by illicit armed groups. Vulnerable populations are the most susceptible to forceful or voluntary recruitment by criminal organizations. Venezuelan migrants and refugees, including children and teenagers, have already been recruited by the BACRIM, the ELN, FARC dissidents, and the EPL as combatants, smugglers, informants, or hitmen. Additionally, a vast number of Venezuelan migrants, especially women and children, are falling prey to gross transitional crimes and human rights violations, including extortion, rape, human smuggling, and human trafficking. The United States and Colombia have a vested interest in working together to prevent such recruitments. This collaboration should include intelligence sharing and working together to provide for development of Colombia’s rural areas—the core of the peace accord—to counteract the conditions that breed the rise and expansion of criminal organizations.

The Venezuelan crisis has profound implications for the prospect of peace in Colombia, US national security interests, and regional stability. The United States and the international community should therefore increase their financial assistance to Colombia to support its efforts to absorb more than 1.4 million Venezuelans. Although responding to the immediate humanitarian needs of Venezuelans is vital, future assistance should focus on their medium- and long-term integration into host countries.

Events inside Venezuela bear implications for the rest of Latin America, the United States, Europe, and beyond. Most timely for Colombia is receiving both the resources to manage the inflow of migrants and refugees and the assistance to combat criminal organizations that operate out of Venezuela and launch attacks in Colombian territory. A strong security component, in particular, is needed as the nonstate armed actors operating in Vene-

 COVID-19 and the Need for Inclusive Governance
**US-COLOMBIA PRIORITIES MOVING FORWARD**

**THE VENEZUELAN REGIONAL CRISIS**

**COLOMBIA**

- Continue to play a leadership role in the international arena to achieve a peaceful democratic transition in Venezuela. Do so specifically through continued engagement with the Lima Group regional bloc.
- Continue working to assist and integrate Venezuelan migrants and refugees crossing the border by regularizing the legal status and granting work permits.
- Conduct campaigns to inform the population about the Venezuela regional crisis, combat xenophobic narratives and discrimination, and explain the positive economic impacts of integrating Venezuelan migrants into the Colombian economy and society.

**UNITED STATES**

- Increase its financial, diplomatic, and technical support to Colombia as it plays a leadership role in responding to the Venezuela situation. Examples of technology assistance include:
  - Enhancing Colombia’s existing capacity to gather and process data on Venezuelan migrants crossing the border. This will not only help manage security threats but also facilitate the social and economic integration of Venezuelan migrants.
  - Contribute to border control by working with Colombia to deploy sensors, drones, and other monitoring technologies in the Colombia-Venezuela border area.

**US-COLOMBIA PARTNERSHIP**

- Ask the international donor community to fully fund the $738 million requested by the UN to help Colombia respond to the Venezuelan migration crisis.
- Create a Task Force on stabilization of territories and transitions to democracy and include international experts who can provide intelligence cooperation to the Venezuelan interim government and advice on how to promote rule of law and strengthen national institutions.
- Create a Task Force of experts to calculate the exact fiscal impact on and funding needed by Colombia to absorb the growing number of Venezuelan migrants and refugees.

Venezuela and along its borders pose significant challenges to Venezuela’s stabilization and return to democracy. These groups already threaten peace and security in Colombia.

At the same time, Colombia, given its experience with nonstate armed groups, should work closely with the Venezuelan interim government to implement and enhance the security components of the National Assembly’s *Plan País* stabilization and reconstruction plan. The US-Colombia partnership can further support the interim government’s democratic restoration plans by creating a task force with international experts on stabilization of territories and the transition to democracy. Task force members with security expertise could provide intelligence cooperation to the Venezuelan interim government, as well as advice on how to promote rule of law and strengthen national institutions.

Given the fragility of political transitions, Colombia and the United States should assist Venezuela to peacefully restore democracy. To do so, the United States should work with Colombia to strengthen Colombia’s internal institutions and devise a ten-year national plan to better support the interim government in the reconstruction of Venezuela.
or decades, the strategic alliance between Colombia and the United States has focused on, and succeeded in, safeguarding both nations’ most pressing security interests. Today, with Colombia’s improved security situation, strengthened economy, and increased regional leadership, the bilateral relationship is expanding to also include mutually beneficial and deepened economic and diplomatic interactions.

A strengthened and modernized US-Colombia partnership involves deepening bilateral trade and investment, promoting rural development in Colombia, cooperating to find a solution to the world drug problem, and finding a peaceful solution to the Venezuela regional crisis. Solidifying the strategic partnership along these pillars will allow Colombia and the United States to advance their national security and economic and geopolitical interests, while also promoting regional stability and strengthening democratic institutions throughout the Western Hemisphere. In this report, the Atlantic Council’s US-Colombia Task Force developed a roadmap for action that provides targeted, fresh ideas on how to strengthen bilateral cooperation in these areas.

The multisectoral, nonpartisan, bicameral, and binational nature of the task force has enabled it to devise concrete and actionable recommendations that provide the Duque administration, the Trump administration, and the US Congress with a comprehensive and multifaceted strategy. If embraced, Colombia will move forward in its path toward peace and prosperity, the United States will reap the security and economic benefits of its $11 billion Plan Colombia investment, and the region will experience the stabilizing effect of a deepened and strategic US-Colombia alliance.

To succeed, a renewed US-Colombia partnership must be sustained, nonpartisan, and adequately resourced. Colombia still faces a number of challenges, intensified by the mass influx of Venezuelan migrants and refugees, and the United States stands in a unique position to help Colombia manage these challenges. In today’s interconnected world, stability and prosperity in Colombia will directly benefit the United States. This is especially true given Colombia’s leadership around the Venezuela regional crisis, its strategic cooperation with the United States on global security, and its privileged geopolitical position to manage extrahemispheric interventions in the region. Today more than ever, the United States should work with one of its strongest global allies to advance both nations’ security, economic, and political interests.
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DISCLAIMER: Task force members endorsed the report in their individual capacity and not that of the institutions they are affiliated with.
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