



Quito/Brussels, 15 June 2004

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## INCREASING EUROPE'S STAKE IN THE ANDES

### I. OVERVIEW

The five states that comprise the Community of Andean Nations (CAN) -- Bolivia, Colombia, Ecuador, Peru and Venezuela -- all face serious crises that taken together call the stability of the entire region into question. Ironically, the only one of the five where forcing the elected president from office is not the primary focus of political activity is Colombia, which is ravaged by a decades-long civil war.

The European Union (EU) should play a more substantial role in helping the CAN achieve stability and deepen its regional integration.<sup>1</sup> Europe has demonstrated at home how to solve regional problems with a regional approach. A truly Andean cooperation strategy that incorporated the programs of its member states could give the European Union contribution far greater impact than the sum of its individual donor parts. The joint EU-CAN declaration at the Latin America (LAC) summit in Guadalajara on 28-29 May 2004 seemed to advance that objective but whether there is substance behind the rhetoric is open to serious question.

Since present Andean integration lacks cohesion and depth, such an EU strategy could enhance the chances for regional stability. Core objectives -- strengthening democracy, protecting human rights, and reducing social inequality, exclusion and poverty -- should be paralleled by support for better security and law enforcement and more effective governance. The objective should be to define a strategic framework that complements rather than competes with U.S. efforts in the region.

The obstacles to stronger CAN-EU relations are primarily political and institutional. On the CAN side, there is still a great deal to be done to achieve regional integration. Although the Andean Pact was adopted in 1969<sup>2</sup> and updated in the late 1990s,<sup>3</sup> the five members still tend to seek solutions to their economic, political and social problems through bilateral trade negotiations or unilateral policy initiatives. Intra-regional trade has significantly increased since the 1970s but is still small in absolute terms.<sup>4</sup>

An example of the obstacles to regional integration is the de facto free-trade negotiation between Colombia, Ecuador and Peru on the one hand and the U.S. on the other, which omits Venezuela and Bolivia. Likewise, the call of political leaders for increased regional security cooperation often has not been matched by actions. Thus, Colombia launched a large military offensive against the insurgent Revolutionary Armed Forces of Colombia (FARC) along its southern border with Ecuador (Plan Patriota) without informing the Ecuadorian authorities. In short, when their national interests are at stake, the Andean nations prefer walking separate paths or linking up with large external powers instead of cooperating with their neighbours.

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<sup>2</sup> Acuerdo de Integración Subregional Andino, "Acuerdo de Cartagena", 26 May 1969.

<sup>3</sup> Establishment of the General Secretariat, Council of Presidents and the Foreign Ministers Council in August 1997.

<sup>4</sup> The CAN's share of intra-regional trade increased from 2 per cent (1970) to 12.4 per cent (1995) and has stabilised at approximately 10 per cent today. By way of comparison, in 2000, the intra-regional share of EU trade was 60 per cent and of trade between Asia Pacific Cooperation Forum states 68.6 per cent. ECLAC, "Avance y Vulnerabilidad de la integración Económica de América Latina y el Caribe", Santiago de Chile, 2003; IDB, "Beyond Borders", Washington DC, 2002.

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<sup>1</sup> The Community of Andean Nations (CAN) includes Bolivia, Colombia, Ecuador, Peru and Venezuela.

The Andean region has not been a priority for the EU or its member states. Trade and investment flows are small in comparison to those within the EU or those between the EU and the U.S. or the Asia-Pacific region. The EU appears to be under the impression it has little of its own to offer in a part of the world where the U.S. presence is overwhelming.<sup>5</sup> This notwithstanding, the EU and its member states combined are the largest humanitarian aid and development cooperation donors to the CAN, and the Andean region is the only one in the world with which the EU has a special high-level dialogue on drugs.<sup>6</sup>

With a view to strengthening and institutionalising relations, the EU and the CAN signed an agreement in Rome on 15 December 2003 that extends the scope of political dialogue and cooperation beyond traditional preoccupations such as democracy and poverty, to the new common priorities of drugs and terrorism. However, tensions on human rights, security and trade have not disappeared. In varying degrees, the fissures within each Andean society, and between them, complicate the relationship with Europe.

Despite efforts by some member states and the European Commission, the EU is often still perceived as the empty chair by Andean leaders. With the launching of its Plan Colombia in 2000 and the Andean Regional Initiative in 2001, the U.S. reaffirmed its economic, political and military dominance in the region. The involvement of several European states, alongside Cuba, Mexico and Venezuela, in the failed Colombian peace processes with the FARC and the ELN during the administration of Andres Pastrana (1998-2002) produced frustration and some resentment in Europe.<sup>7</sup>

In a joint communiqué, issued during the Guadalajara summit,<sup>8</sup> Irish Prime Minister Bertie Ahern in his EU presidency capacity, the presidents of Bolivia, Colombia and Ecuador and the foreign ministers of Peru and Venezuela declared that the signing of an

association agreement, including a free-trade area, continues to be a common strategic objective. They also welcomed progress against illicit drugs and terrorism in the region<sup>9</sup> and pledged to promote preferential access to the EU market for exports of nations most affected by the production and trafficking of illicit drugs, as well as the rapid ratification of the above-mentioned Rome agreement.

Clearly, commitment to more cooperation is to be welcomed. However, action must follow. CAN and EU leaders are aware they are still far from an association and free-trade agreement. The joint assessment of Andean economic integration, scheduled for the second half of 2004, should be concluded quickly.<sup>10</sup> It is important to follow up earlier declarations<sup>11</sup> and agreements with policy measures to strengthen democratic governance and social cohesion as well as reduce poverty, combat illicit drugs and improve security and law enforcement in the whole region. Extreme poverty in the Colombian, Ecuadorian, Peruvian and Bolivian highlands is a main reason for political instability and the emergence of indigenous movements that increasingly embrace the rhetoric of violence.<sup>12</sup>

The EU and its member states are well positioned to intensify their engagement in the Andes. They have experience and expertise on not only "soft" policies, such as poverty eradication or rule of law, but also "hard" fields of drugs trafficking and anti-terrorism. It should be easier to overcome the rift between EU and U.S. security policies toward the region since the terrorist attacks of 11 September 2001 in New York and Washington and 11 March 2004 in Madrid dramatised their shared security stake.

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<sup>5</sup> ICG interviews, Brussels 27 May, Bogotá, 31 May 2004.

<sup>6</sup> The CAN receives almost a third of all allocations to Latin America from the EU budget (from 1999 to 2002, this amounted to €43 million).

<sup>7</sup> See below and ICG Latin America Report N°1, *Colombia's Elusive Quest for Peace*, 26 March 2002.

<sup>8</sup> The Guadalajara summit was preceded by similar events in Rio de Janeiro (1999) and Madrid (2002). The next EU-LAC summit is scheduled to take place in Vienna in 2006.

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<sup>9</sup> "Joint communiqué from the meeting of the EU Troika and the Heads of State and Government of the Andean Community", Guadalajara, 29 May 2004.

<sup>10</sup> The Guadalajara communiqué states that the opening of negotiations on an association agreement will be preceded by a "joint assessment phase of the Andean Community's economic integration process" and will depend on the outcome of the Doha Development Agenda and the realisation of a sufficient level of regional economic integration.

<sup>11</sup> See below.

<sup>12</sup> Aymara leader Felipe Quispe of Bolivia loudly renounced his seat in parliament on 1 June 2004, criticising parliamentarians as "stealing, not working, and lying to public opinion", and stated that he would continue his "revolutionary fight until the liberation of the Q'ullasuyo" [what the Aymaras call the central western highlands of Latin America], *El Tribuno*, 2 June 2004.

Both Brussels and Washington are deeply worried about drug-trafficking and consumption, despite some differences in the origins of their problems and even greater differences in public acceptance of the policies to confront them. While a true partnership may be unrealistic, a complementary rather than competitive approach should be possible.

Even though the U.S. remains their most important point of foreign policy reference, the Andean countries should aim at increased coordination and cooperation with the EU. However, if they are to keep the EU-25, with its wider responsibilities in its own region, engaged, they will need to take decisive steps toward economic and political integration.<sup>13</sup>

## II. BACKGROUND

Because of historical ties and common cultural heritage, European states have maintained close relations with the Andean region for decades. Region-to-region relations, however, only started after establishment of the Andean Pact in 1969.<sup>14</sup>

During the 1970s, European Community (EC)-Andean Community relations were limited to trade and commercial issues. During the next decade, the emphasis was on development cooperation. In 1983, the Andes was the first region in Latin America with which the EC concluded a cooperation agreement. On 23 April 1993, this was enhanced by the second regional framework agreement.<sup>15</sup> During the 1990s, additional political, economic and trade agreements were concluded.

For example, on 13 November 1990, the European Community granted the Generalised System of Preferences (GSP) with a special "drugs" scheme to the Andean countries committed to fighting drug

production and trafficking.<sup>16</sup> Five years later, the EU and the Andean Pact initiated a dialogue on drug trafficking, consisting of periodic meetings of high-level technical experts. This led, on 16 December 1995, to five agreements aimed at preventing use of precursor products in drug production<sup>17</sup>. The "Declaration of Cochabamba" (16 April 1996) touched on fundamental principles, such as shared responsibility of producers and consumers in addressing drug problems.

Following the Declaration of Rome on 30 June 1996, the EU and the Andean Community converted previously ad hoc presidential meetings into regular presidential and ministerial sessions, including on the sidelines of such gatherings as the UN General Assembly and the bi-annual EU-LAC summits.<sup>18</sup> By the end of the 1990s, the EU, which was becoming more concerned with the region's increasing instability, had set up a complete institutional framework for its relations with the Andean Community.

During the last two years of Alberto Fujimori's presidency (1990-2000), the EU froze cooperation with Peru owing to its severe political problems.<sup>19</sup> In 2001, following Alejandro Toledo's victory in the June presidential elections, it reversed its tough stance. In December 2003, the EU issued a declaration in support of the Truth and Reconciliation Commission (TRC) charged with

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<sup>13</sup> In May 2003, the Commission published a communiqué on Wider Europe/New Neighbourhood outlining a new policy framework for relations with the EU's immediate neighbours to the east (Ukraine, Belarus and Moldova) and south (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia and the Palestinian Authority). The declared objective is to strengthen stability, security and economic well-being in those countries in a way distinct from EU membership.

<sup>14</sup> Cartagena Agreement of 26 May 1969.

<sup>15</sup> This agreement was signed in Copenhagen and ratified by the EU on 7 April 1998 (Council Decision 98/28278).

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<sup>16</sup> This was done in support of the so-called Barco Plan on drug trafficking. It widened considerably the list of Andean products eligible within the GSP and gave the region commercial advantages almost equivalent to those of the Least Developed Countries. Venezuela was included in 1995.

<sup>17</sup> Agreements on precursors between the European Commission and each Andean state. Regular precursor meetings between the Commission and the Andean countries were created in the framework of these five agreements in order to monitor implementation.

<sup>18</sup> "Joint Declaration, political dialogue between the European Union and the Andean Community", Rome, 30 June 1996 - DN: PRES/96/191. On 10 March 1996, the Andean Pact was transformed into the Andean Community, through the Trujillo Protocol.

<sup>19</sup> Between 1991 and 1999, almost €400 million was made available for Peru, the bulk of which consisted of food aid, alternative development and other technical cooperation programs. In 1999 and 2000, no projects were approved under the main budget lines, and cooperation concentrated on food security, humanitarian (ECHO) and NGO budget lines.

investigating human rights violations in Peru from 1980 to 2000.<sup>20</sup>

Ecuador's considerable political instability,<sup>21</sup> growing social tensions, particularly involving the indigenous communities, and vulnerability to external economic shocks convinced the EU to pay more attention to its poverty and the effort to support its democratic institutions.<sup>22</sup> In 2003, Germany and Ecuador began negotiating a swap of bilateral external debt for ecological and poverty eradication programs.<sup>23</sup>

In Venezuela since the end of 2001, the EU has followed carefully the sharp confrontation between Hugo Chavez and the opposition that seeks an early end to his presidency.<sup>24</sup> It condemned the attempted coup in April 2002<sup>25</sup> and has regularly stressed the need for a peaceful, constitutional and democratic solution, such as the current recall referendum effort. In December 2002, the European Commission approved a €600,000 project to assist the Tripartite Working Group (OAS, UNDP and Carter Centre) efforts to facilitate and implement agreements reached between the two sides. On 21 January 2003, the EU welcomed establishment of

the Group of Friends of Venezuela (Brazil, Chile, Mexico, Portugal, Spain, US).<sup>26</sup>

In Bolivia, since the two major crises of 2003 -- the second leading to President Gonzalo Sanchez de Lozada's resignation on 17 October<sup>27</sup> -- the EU has encouraged government and civil society to return to the "negotiating round tables".<sup>28</sup> On 5 April 2004, the Commission used its Rapid Reaction Mechanism to support the NEDD (*Negociación, Deliberación y Dialogo*) program with €1 million.<sup>29</sup>

The EU did not give sufficient priority to the deterioration of security in Colombia during most of the 1990s, even though some member states were active. Plan Colombia triggered renewed but negative interest. The majority of EU member states and the European Parliament criticized it for overemphasising security and military assistance<sup>30</sup>. They also resented not having been consulted by the U.S. until well after Washington and Bogotá had fully agreed on the plan.

At the same time, Plan Colombia stimulated Europeans to consider a common position, and its military tilt opened a political space that first individual member states, then the EU as a whole, began to occupy. A half-dozen European states, including four EU members, hosted a joint visit

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<sup>20</sup> In August 2003, the TRC produced its final report, identifying the Shining Path (*Sendero luminoso*) insurgency as the main culprit but also implicating successive governments and the armed forces.

<sup>21</sup> Since the 1995 armed clash with Peru, Ecuador has had five different presidents: Abdala Bucaram (1996-1997), Fabian Alarcon (1997-1998), Jamil Mahuad (1998-January 2000, when he was forced to resign after demonstrations and a five-hour coup), Gustavo Noboa (2001-2002), and, since 2003, Lucio Gutiérrez, a retired colonel and a leader of the January 2000 coup. See ICG Latin America Report N°3, *Colombia and Its Neighbours: The Tentacles of Instability*, 8 April 2003.

<sup>22</sup> For example, as a concrete expression of EU's efforts and at the request of the Ecuadorian authorities, an EU electoral observation mission was sent to the country, between 11 September and 6 December 2002.

<sup>23</sup> Apparently, France and Italy are also engaged in negotiating with the Ecuadorian government the cancellation or swap of bilateral external debt. ICG interviews, Bogotá and Quito, 31 May and 9 June 2004.

<sup>24</sup> For further analysis on the crisis in Venezuela, see ICG Latin American Briefing, *Venezuela: Headed Toward Civil War?*, 10 May 2004.

<sup>25</sup> General Affairs and External Relations Council (GAERC) Conclusions, 15 April 2002.

<sup>26</sup> "EU declaration on the establishment of the Group of Friends of Venezuela", 21 January 2003.

<sup>27</sup> These crises were the most violent confrontations between state institutions and civil society since democracy was re-established in 1982, resulting in a large number of deaths and the temporary paralysis of economic life in the most affected areas. ICG intends to publish an early report on Bolivia's political crisis.

<sup>28</sup> In the 1990s, the EU concentrated its aid on cooperation and development, supporting the Bolivian government's development and poverty reduction strategies. From 1992 to 2000, Bolivia received more than €321 million, one of the largest allocations of EU aid in South America, the bulk of which was used for financial and technical cooperation (47 per cent), food aid/security (33.4 per cent) and cooperation with NGOs (11.5 per cent).

<sup>29</sup> In December 1999 the Helsinki European Council, considering conflict prevention and crisis management at the heart of the EU's Common Foreign and Security Policy agenda, had called on the European Commission to set up a Rapid Reaction Facility. On 26 February 2001, the Council adopted the Rapid Reaction Mechanism (RRM), designed to enhance the EU's civilian capacity to intervene fast and effectively in crisis situations.

<sup>30</sup> See for example Joaquin Roy, "European Perceptions of Plan Colombia: A Virtual Contribution to A Virtual Peace Plan?", North-South Center, May 2001.

from the largest insurgent group, FARC, and the government;<sup>31</sup> some EU member states participated in the "Groups of Friends"<sup>32</sup> and "Support Group for the Peace Process",<sup>33</sup> and the EU launched "peace laboratories" inside the country.<sup>34</sup>

Unsurprisingly, many observers perceived the breakdown of the peace process in February 2002 as a failure of Europe's strategy,<sup>35</sup> and the EU's attitude did change. It began to consider that a negotiated solution to the conflict was unlikely in the near future, that FARC kidnappings and attacks against civilian targets had discredited its 'revolutionary' credentials, and that FARC dependence on drug income had visibly grown. Member state diplomats acknowledged that their criticism of Plan Colombia obscured the real need to strengthen Colombia's military and security

forces while improving their human rights performance.<sup>36</sup>

In the post-11 September context of the second EU-LAC summit, in Madrid, on 17 May 2002, European and Andean leaders prioritised security, disarmament and the fight against drugs, organised crime and terrorism. The Commission proposed "that [its] regional strategy [for the Andes, 2002-2006] be based on two main priorities: supporting Andean integration and an Andean zone of peace".<sup>37</sup> On 17 June 2002, the EU supported the Andean initiative to adopt the Andean Charter for Peace and Security and the Limitation and Control of Foreign Defence Expenditure (the Lima Commitment). The same day, foreign ministers put the FARC on the EU's list of terrorist organizations.<sup>38</sup>

The December 2003 Rome Agreement then put emphasis on regional integration, governance, poverty, the fight against drugs, money laundering and related organised crime, as well as migration. For the first time, it also included provisions on cooperation against terrorism.<sup>39</sup>

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<sup>31</sup> From 31 January to 16 February 2000, a joint FARC/government delegation visited Sweden, Italy, France and Spain, as well as Norway and Switzerland, at the initiative of the UN Secretary General's former special envoy in Colombia, Jan Egeland. The trip was conceived as a confidence building measure that would also get the countries involved in the peace process.

<sup>32</sup> The Group of Friends with the ELN was created in June 2000, composed of four European countries (France, Norway, Spain and Switzerland) and Cuba. The Group of Facilitating Countries with the FARC -- the Group of Friends plus Italy, Sweden, Canada, Mexico and Venezuela -- was set up in March 2001.

<sup>33</sup> In July 2000, the first international meeting of the Support Group for the peace process was held in Madrid. On 30 April 2001, during the third meeting of the Group in Brussels, the EU announced that it would direct €338 million to Colombia over five years.

<sup>34</sup> On 24 October 2000, the EU announced establishment of the first so-called "peace laboratory" in Colombia's Middle Magdalena Valley. In early 2004, the EU announced the creation of another three "peace laboratories" in the departments of Antioquia, Norte de Santander and Valle del Cauca. Each "peace laboratory" encompasses a number of municipalities in which the EU, in cooperation with the Colombian government, implements social development and conflict resolution programs through local organisations and NGOs. See "Declaration by the Presidency on behalf of the European Union at the second meeting of the Support Group for the peace process in Colombia", 24 October 2000.

<sup>35</sup> See, for example, Joaquín Roy, "Europe: Neither Plan Colombia, nor Peace Process - From Good Intentions to High Frustrations", European Unión Centre, University of Miami, Working Paper Series, Miami, June 2002, vol. 2, N° 7.

### III. PRIORITIES AND PREOCCUPATIONS

The EU tries to promote, in the Andes above all, not only democracy and human rights but also counter-narcotics activity and investment. However, the region ranks only 29<sup>th</sup> among EU trading partners (0.8 per cent of total EU trade). Imports such as coal, bananas, flowers, coffee, ferrous alloys and fish have little strategic

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<sup>36</sup> For further analysis see Frédéric Massé, "Les Etats-Unis et l'Europe face au conflit colombien", *Les Cahiers du CERI*, N°95, June 2003.

<sup>37</sup> Country Strategy Paper, "Regional Strategy: Andean Community of Nations, 2002-2006", 17 May 2002, p. 22.

<sup>38</sup> Common Position (2002/462/CFSP) and Decision (2002/460/CE) implementing Article 2 (3) of Regulation (EC) N°2580/2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism. On 2 May 2002, the EU originally included the paramilitary United Self-Defence Forces Group of Colombia (AUC), but not the FARC or ELN, on its list of terrorist organisations. This raised fierce protests from the Colombian authorities but also controversies between the member states.

<sup>39</sup> Rome Agreement, op. cit., article 50.

importance.<sup>40</sup> While the EU regularly repeats its deep concern about "the dark side of globalisation", the increase of illegal drug flows from the Andes has not been seen as a threat to its security despite the link to international crime syndicates.<sup>41</sup> It still needs to develop a clear and coherent policy to combat drug trafficking.

Europe is the CAN's second-largest trading partner, though it takes only 15 per cent of its exports. Relations are of secondary importance to Andean countries though they help lessen dependence on the U.S.

Consequently, although there are many areas of mutual interest, that interest is mostly secondary or at best asymmetrical in intensity. Unsurprisingly, while the EU presents itself as a "global player and civilian power", the Andean countries tend to be irritated by what they consider a narrow European focus on human rights and hesitation to commit to an association agreement.

The EU has regularly expressed its solidarity with the Colombian people's suffering from four decades of internal armed conflict.<sup>42</sup> It has encouraged

President Alvaro Uribe's government to continue efforts to establish the rule of law throughout the country. At the London Meeting on International Support for Colombia, on 10 July 2003, the Commission reiterated strong backing for the government but balanced it with unusually frank warnings on human rights and the need to break links to the paramilitaries, to address the humanitarian crisis and to adopt an equity-focused rural development strategy.<sup>43</sup> Many Europeans remain worried about some parts of the Uribe administration's "democratic security policy",<sup>44</sup> for example, the peasant soldier initiative and the granting of judicial powers to the military.<sup>45</sup>

Colombia's government claimed a success at London,<sup>46</sup> but the declaration was far from a blank cheque.<sup>47</sup> It specifically "urged the Colombian government to implement the [24] recommendations made by the UN High Commissioner for Human Rights", and stressed strong reservations about the new antiterrorist statute, in particular the military's judicial powers.<sup>48</sup> "The best way to fight terrorism is by doing it within the limits of the state of law", External Relations Commissioner Patten said subsequently, while adding, "nobody should be doubtful of

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<sup>40</sup> Although European oil companies (BP, Total-Elf-Fina, Shell, AGIP) have some interests in the Andean countries, European countries import very little oil from the region. However, "The EU is the primary donor (aid and loans) to the Andean region, with more than U.S.\$843 million over the period 1999-2002", European Union Commission External Relations, [http://europa.eu.int/comm/external\\_relations/andean/intro/index.htm](http://europa.eu.int/comm/external_relations/andean/intro/index.htm)

<sup>41</sup> "The dark side of globalization (drugs, trans-national crime, environmental damage) brings with it problems that are a common concern to all of us today and that's why Europe has a say in Colombia's affairs", Commissioner Chris Patten told the newspaper *El Espectador*, August 2001, p. 4. Estimates vary between 100 and 200 tons of Colombian cocaine entering the European market every year.

<sup>42</sup> Since 2002, the European Commission has been a leading contributor of humanitarian aid to Colombia, with more than €136 million. On 2 April 2004, the Commission adopted a new €9.2 million program, to run through 2005, for the physical and socio-economic rehabilitation and reintegration into society of internally displaced persons (IDPs), including demobilised soldiers. The priority regions are the 12 departments of Chocó, Antioquia, Eje Atlántico, Córdoba, Sucre, Bolívar, Cesar y Magdalena, Sur-Oeste, Nariño, Cauca, Valle del Cauca, and Santander y Norte de Santander. This program will bring total EU aid to Colombian displaced persons between 2002 and 2005 to almost €23 million (€1.5 million in 2002, €10.2 million in 2003 and another €1.8 million for 2004 to target other types of activities). In comparison, during 2000-2004 the

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US disbursed through 'Plan Colombia' alone more than U.S.\$2 billion to Colombia, of which some U.S.\$175 million for three years through 2005 was for IDPs.

<sup>43</sup> "Senior representatives of the Governments of Argentina, Brazil, Canada, Chile, Colombia, the European Union, Japan, Mexico, Norway, Switzerland and the United States of America and of the European Commission, the UN and agencies, the Andean Development Corporation, Inter-American Development Bank, IMF and World Bank met in London on 10 July 2003 to discuss the situation in Colombia. All government representatives present reaffirmed their strong political support for the Colombian Government in its efforts to address threats to democracy, terrorism, illegal drugs, human rights and international humanitarian law violations and the serious humanitarian crisis". London Declaration, 10 July 2003.

<sup>44</sup> For more details on this democratic security policy, see ICG Latin America Report N°6, *Colombia: President Uribe's Democratic Security Policy*, 13 November 2003.

<sup>45</sup> ICG interviews, Brussels, January 2003, and Bogotá, October 2003.

<sup>46</sup> See, "Mesa de donantes reunida en Londres entrega firme respaldo político al gobierno del presidente Álvaro Uribe", *El Tiempo*, 11 July 2003.

<sup>47</sup> "El reto del Gobierno es cumplir con las 24 recomendaciones de las Naciones Unidas", *El Tiempo*, 13 July 2003.

<sup>48</sup> "Union europea pide que estatuto antiterrorista respete el DIH", *El Tiempo*, 18 December 2003.

Europe's condemnation of terrorism in Colombia or anywhere in the world".<sup>49</sup>

The EU is also uncomfortable about the government's peace talks with the largest paramilitary organisation, the United Self-Defense Forces of Colombia (AUC). Member states have "welcomed President Uribe's commitment to seek a negotiated solution to the internal conflict in Colombia, including through direct engagement with those illegal armed groups prepared to negotiate a peace agreement".<sup>50</sup> But they have also "stressed the importance of taking early and effective action against impunity and collusion, especially with paramilitary groups".<sup>51</sup> How they will react to the recent agreement by the leaders of ten paramilitary groups -- but not their forces -- to gather in a protected zone is unclear. Much depends on whether the paramilitaries finally respect a ceasefire and whether an agreement provides accountability for those responsible for major war crimes.

Criticism about the paramilitaries was particularly visible during Uribe's visit to Europe in February 2004.<sup>52</sup> Many in the European Parliament and the NGO community argued that his security policy

comes at the expense of human rights. While he faced a barrage of questions about his government's respect for the rule of law, the EU's High Representative for its common foreign and security policy, Javier Solana, said Europe did not want to "get President Uribe up against the wall".<sup>53</sup> However, Colombian and European analysts agree the visit did not radically change either the EU's policy<sup>54</sup> or Colombia's perception of European attitudes.<sup>55</sup>

The EU's recent decision to add the ELN to its terrorism list<sup>56</sup> is a policy shift on the second-largest insurgent group. While an act of solidarity with the government and a sign of further seriousness about terrorism,<sup>57</sup> it also was related to the kidnapping of five Europeans (British, German and Spanish) by the ELN in September 2003.<sup>58</sup> Commissioner Patten's spokesperson said the move would not affect EU support for a negotiated solution to the conflict.<sup>59</sup>

There is divergence about drugs. Convinced that crop eradication will never completely succeed as long as Andean peasants lack viable economic alternatives, the EU has assigned a high priority to alternative development. It also supports monitoring of chemical precursor exports and has

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<sup>49</sup> "Gobierno acoge iniciativa de Unión Europea de impulsar ante la ONU acuerdo humanitario", *El Tiempo*, 22 January 2004. In the past, the Colombian government had expressed some resentment against what it considered Europe's benevolence toward the FARC. After the EU's initial refusal to include the FARC on its list of terrorist organizations, there was talk of "Europe's tolerance vis-à-vis the vilest and most cowardly acts against [the] civil population", *Semana*, "Sangrieta Paradoja", 6 May 2002, and "European complicity with one of the most inhuman illegal armed groups on earth", *Semana*, 17 May 2002. The government also considered that some European states (France in particular) did not sufficiently condemn the bombing at the Nugal social club in Bogota on 7 February 2003. ICG interviews, Bogota, February 2003.

<sup>50</sup> See the 10 July 2003 London Declaration and GAERC Conclusions of 26 January 2004.

<sup>51</sup> *Ibid.* The Council also underlined "the need for demobilisation and re-insertion into society of members of illegal armed groups to be undertaken in line with relevant international law and jurisprudence and in a manner that respects the right of the victims of the conflict to truth, justice and reparation" and "the particular importance of further amendments to the proposed amnesty law in order to ensure full consistency with Colombia's obligations under international instruments regarding human rights and international humanitarian law".

<sup>52</sup> "Día Tenso en Estraburgo", *El Tiempo*, 11 February 2004; "Sol y Sombra de una gira", *El Tiempo*, 14 February 2004.

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<sup>53</sup> "'No queremos poner a Uribe contra las cuerdas', dice Javier Solana, de la Unión Europea", *El Tiempo*, 9 February 2004.

<sup>54</sup> "Visita de Álvaro Uribe a Bruselas no cambió posición europea frente a su gobierno", *El Tiempo*, 13 February 2004.

<sup>55</sup> Daniel Samper Pizano, "Los estereotipos necios de Europa", *El Tiempo*, 18 February 2004. "'Hay muchos eurodiputados mal informados', dice presidente Álvaro Uribe tras su gira por Europa", *El Tiempo*, 15 February 2004.

<sup>56</sup> Council Decision 2003/902/EC of 2 April 2004, *op cit.*

<sup>57</sup> "There are two clear messages: first, terrorist groups can no longer use the EU as a base or a territory to support their illegal and abominable activities....Secondly, there is less and less tolerance from the EU, to any use of political violence, be it within or outside its borders", Diego de Ojeda, Chris Patten's spokesperson said in *El Tiempo*, "Unión Europea incluyó formalmente al Ejército de Liberación Nacional en su lista de terrorismo", 5 April 2004.

<sup>58</sup> "Secuestro de extranjeros en Sierra Nevada influyó para incluir al Eln en lista terrorista de UE", *El Tiempo*, 6 April 2004. Following negotiations facilitated by the Catholic Church, the ELN freed all hostages.

<sup>59</sup> "Unión Europea incluyó formalmente al Ejército de Liberación Nacional en su lista de terrorismo", *El Tiempo*, 5 April 2004.

increased police cooperation with Andean authorities.<sup>60</sup> In July 2003, Colombia, France, Spain and the UK announced the opening of a "common office" in Bogotá to share intelligence and other information and that liaison officers would work together in French Martinique. On 6 February 2004, Colombia became the first Latin American country to sign an agreement with Europol on illegal drugs and related crimes.<sup>61</sup> EU member states and the U.S. cooperate closely on interdiction, money-laundering and law enforcement.

However, EU-Andean cooperation suffers from a number of "sticking points". The European Parliament has criticized "aerial crop-spraying and the use of biological agents, methods which are leading to the forced displacement of families and communities and are seriously affecting Colombia's rich biodiversity".<sup>62</sup> Many believe aerial spraying, particularly in the absence of effective income-generating alternatives, puts farm livelihoods at risk and causes unnecessary environmental damage. Ecuador also is apprehensive about chemical crop eradication in Colombian provinces close to its border. Farmers claim that the spraying inside Colombia destroys their illicit crops and, in consequence, internal displacement in Ecuador has increased.<sup>63</sup> In 2003, Quito and Bogotá agreed that Colombia would not spray in a ten-kilometre zone along its southern border. Apparently, this agreement was not upheld.

More generally, many European NGOs reject militarisation of the drug issue under Plan Colombia,<sup>64</sup> though this concern has lessened as awareness has increased of the close ties both the paramilitaries and the FARC have to drugs. Vice President Santos argues that Europeans have not raised a voice against the environmental damage

caused by coca growers, who work mainly for the armed groups.<sup>65</sup>

Discrepancies on trade also persist. The Andean states are apprehensive about the short-term nature of their benefits under the Generalised System of Preferences (GSP) compared to those of others beneficiaries.<sup>66</sup> Recent announcements that the EU would extend GSP for ten years<sup>67</sup> suggest the problem is on its way to resolution but details are still being discussed.<sup>68</sup> However, in the long-term the EU wants to get away from the GSP and engage the CAN in an association agreement that would provide the basis for increased across-the-board trade, thereby improving the prospects for self-sustained economic stability and social cohesion in the Andes.<sup>69</sup>

The Andean countries see the Political Dialogue and Cooperation Agreement as a first step toward an association agreement that would institute a permanent system of free trade<sup>70</sup> but demands for

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<sup>65</sup> See "Europe's hypocrisy toward Colombia must end", *International Herald Tribune*, 1 June 2004.

<sup>66</sup> The Generalised System of Preferences grants preferential access to the European market for exports from developing countries (exemption or reduction of tariffs). After 11 September 2001, the EU granted Pakistan a comprehensive package of trade preferences including participation in the GSP special incentive regime for combating drug trafficking. Apparently, the Andean countries objected to the inclusion of Pakistan in the GSP drugs regime.

<sup>67</sup> See "UE considera prorroga de preferencias arancelarias para Colombia", *Semana*, 15 February 2004, and "Unión Europea prorrogará preferencias arancelarias por 10 años, anuncia el presidente Álvaro Uribe", *El Tiempo*, 10 February 2004.

<sup>68</sup> The European Union will also consider the possibility to extend its quota of banana imports from the Andean region but "no decision has been made yet", said Agriculture Commissioner Franz Fischler's spokesperson. "Derechos humanos, comercio y seguridad aparecen en la agenda de la Unión Europea y Álvaro Uribe", *El Tiempo*, 7 February 2004.

<sup>69</sup> ICG interview, 31 May, Bogotá.

<sup>70</sup> As stated by Fernandez de Soto, former CAN Secretary General: "This fourth generation agreement is particularly urgent at a time when the benefits generated from the tariff preferences granted to the Andean countries through GSP, in recognition of the principle of joint responsibility in fighting against the worldwide problem of illegal drugs, could be impaired, and the implementation of the work schedule agreed in Doha may probably not be completed within the established terms". Andean Community Press release, Lima, 15 December 2003.

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<sup>60</sup> EU-funded drug-related projects -- currently running or about to start -- amount to more than €140 million.

<sup>61</sup> "Colombia firma acuerdo con Europol en Bruselas para combatir el narcotráfico y otros delitos", *El Tiempo*, 6 February 2004.

<sup>62</sup> European Parliament Resolution on Plan Colombia and support for the peace process in Colombia, 1 February 2001.

<sup>63</sup> ICG interviews, Quito, 17 May 2004.

<sup>64</sup> See, Commissioner Patten's speech during the Third Meeting of the Support Group for the Peace Process in Colombia, Brussels, 30 April 2001.

immediate negotiation of such a pact have not made significant progress

The EU appears still reluctant to close a bilateral trade deal, fearing that it could derail already-difficult discussions on a new global trade liberalisation package in the World Trade Organisation (WTO). Many also believe that differences among the CAN countries and strong centrifugal forces cast doubts on the sustainability of their integration.<sup>71</sup> In a vicious circle, the Andean perception of diminished EU interest contributes to a further political marginalisation of Europe. It is, therefore, crucial to conclude the joint EU-CAN assessment of Andean economic integration, announced at Guadalajara, speedily and then tackle the persisting integration problems. This includes devising measures to overcome political fissures between, above all, Colombia and Venezuela but also differences in external trade policy between Peru and Bolivia (which are looking more toward MERCOSUR<sup>72</sup> than the CAN) and the rest of the Andean nations.

#### IV. THE CHALLENGES

There are two ways to analyse EU-CAN relations. The optimistic way is to praise the strengthened cooperation and political dialogue, the effort to get to root causes of the region's problems and sources of existing or potential armed conflict. The other way is to stress the modesty of their relations, the asymmetry of their interests and the manifest differences and tensions. In fact both perspectives are correct.

The preoccupations that result from the EU's latest enlargement and the effort to deepen ties with former Soviet Union and Mediterranean states through the new European Neighbourhood Policy<sup>73</sup> mean financial contribution to Andean countries are unlikely to increase in the near future.

<sup>71</sup> See "UE no prevé todavía negociar TLC con Andinos", *RPP* (Lima), 23 January 2004, and "UE ve dificultades en integración con andinos" *El Comercio* (Lima), 8 April 2004.

<sup>72</sup> MERCOSUR includes Argentina, Brazil, Paraguay and Uruguay. This integration project in southern Latin America began with the signing of the Asunción accord in 1991. The EU is currently completing negotiations on an association agreement with MERCOSUR.

<sup>73</sup> See fn. 3 above.

Consequently, the EU should focus on improving the following more qualitative aspects of its relations with the region.

#### **Lack of political coordination and coherence.**

Because of divergent interests and weak political coordination, EU policy towards the Andean region has been marked by isolated initiatives and counterproductive rivalries. In 2000, Spain and the UK dissociated themselves from the criticism of Plan Colombia. Until they were acquitted on 27 April 2004, Ireland and the UK disagreed about three ex-IRA activists jailed in Colombia on terrorism charges.<sup>74</sup> In April 2002, during the 48 hours of the failed coup in Venezuela, the only senior diplomats who called on the would-be new president, Pedro Carmona, were the Spanish and U.S. ambassadors. In May 2002, Spain, which held the EU presidency, rebuked France and Sweden for reluctance to put the FARC on the terrorism list. France was also criticised for focusing too much on the Ingrid Betancourt case<sup>75</sup> and for taking controversial initiatives without prior EU consultation.<sup>76</sup> French authorities complained that Spain did not consult before authorising the sale of French-manufactured AMX-30 tanks to Colombia.

EU policy towards the Andean region not only lacks political uniformity but is also not always coherent. For instance, while the EU is reluctant to support Colombia militarily,<sup>77</sup> France, Spain and

<sup>74</sup> On 27 April 2004, a Colombian court ruled that there was not enough evidence to convict the three Irishmen, Niall Connolly, Martin McCauley and James Monahan, of training the FARC in terrorist tactics.

<sup>75</sup> The Colombian-French national, Ingrid Betancourt, was kidnapped by the FARC during her presidential campaign when travelling to the former Demilitarised Zone on 23 February 2002. Since then, the French government has urged a humanitarian exchange to free her. Some analysts have even spoken of a "Betancourization" of French diplomacy toward Colombia. See ICG Latin America Briefing, *Hostages For Prisoners: A Way to peace in Colombia?*, 8 March 2004.

<sup>76</sup> In July 2003, France tried to free Betancourt through a controversial covert operation in Brazilian and Colombian territory. More recently, France announced that it was prepared to accept FARC members on its territory if a hostages for prisoner swap was concluded. See ICG Briefing, *Colombia: Hostages for Prisoners*, op. cit.

<sup>77</sup> "Europa dice que no dara ayuda militar a Colombia", *El Tiempo*, 16 May 2003.

the UK provide military and police aid against terrorism.<sup>78</sup>

The new Spanish government of Jose Luis Rodriguez Zapatero, with apparently greater interest in European affairs than its predecessor, might help forge a broader EU consensus on crucial Latin American issues.<sup>79</sup> The European Constitution that is under negotiation may eventually clarify somewhat for Andean (and other) governments "who does what" in EU foreign policy.

However, recent events, especially in Colombia but also in Venezuela, may soon force the EU to make difficult choices. Thus, President Uribe has declared that "this isn't the time to speculate about who would be at the negotiating table, this is the time for military resolve to defeat [the FARC]".<sup>80</sup> His offensive in the south (Plan Patriota) puts the Europeans in an uncomfortable position. Their traditional "in between" stance -- keeping the door open to play a facilitating role with the FARC and the ELN -- may no longer be sustainable.

Plan Patriota has also sparked preoccupation in Ecuador, where civil associations and NGOs, especially those working on the border with Colombia, charge that the Gutierrez administration did not inform the public about Colombia's offensive. They fear that the drive against the heartland of the FARC in the southern departments of Caqueta and Meta will produce a large influx of refugees into Ecuador and generally exacerbate the already tense security situation in Sucumbios and Carchi provinces. Statements by Ecuadorian officials indicate that the Gutierrez administration was not informed by Bogotá about the offensive. In reaction, Ecuador has intensified border controls and military surveillance. Following the arrest of 90 alleged Colombian paramilitaries in the outskirts of Caracas in early May 2004, tensions between Venezuela and Colombia have flared up again. While the links of the arrested Colombians to paramilitary groups and their aims in Venezuela have not been clarified, President Chavez charged that the 'paramilitaries', most of whom turned

out to be reservists in the Colombian army, were plotting against his government and life.

These episodes exemplify a lack of intra-regional trust and the disposition of Andean leaders to act unilaterally. They also show a tendency to deflect internal political problems by projecting them onto their neighbours, regularly causing diplomatic clashes that hinder integration. The joint Ecuadorian-Peruvian border development program, an important tool to heal the wounds of decades of intermittent strife, shows that Andean tensions can be resolved constructively.

**Increasing cooperation with the U.S.** Since the Pastrana administration's peace negotiations with the FARC broke down in February 2002, the division between Europe and the U.S. over Plan Colombia has been reduced. Both now agree on the need to combine security force improvement, respect for human rights, extension of the rule of law and credible political and economic reforms. Nevertheless, disagreements over the extent and weight of each measure have not disappeared. While the EU generally remains reluctant to participate directly in any Phase II -- not yet defined but slated to start in 2006, the year after Plan Colombia ends -- some member states support the search for a complementary approach with the U.S., rather than competition and opposition.

At the same time, considering the overwhelming U.S. influence in the region, looking too much for complementary "niches" or "windows of opportunities" could reduce the scope of Europe's relations with the Andean countries. Concentrating on the wider region also could nourish U.S. criticism that the EU does little for Colombia.<sup>81</sup>

Another possibility would be to promote EU cooperation with the U.S. whenever possible, starting on consensual issues such as state modernisation, strengthening of democratic institutions and the rule of law and protection of human rights.<sup>82</sup> Independent observers argue that European cooperation on strengthening Colombia's

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<sup>78</sup> Spain sold Colombia Mirage F1 and Casa 212 planes as well as sophisticated anti-terrorism equipment.

<sup>79</sup> "Spain's foreign policy will seek an understanding with the EU so that it sees us again as a friendly country that is part of Europe and is not interested in creating rifts", the new Spanish prime minister declared after his election, *El Tiempo*, 15 March 2004.

<sup>80</sup> See President Uribe's speech at the War Academy in Bogota, 8 May 2004.

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<sup>81</sup> ICG interview, Bogota, March 2004. "Estados Unidos cree que Europa no hace mucho por Colombia", *El Tiempo*, 8 February 2004.

<sup>82</sup> ICG interview, Bogota, April 2004.

justice system and creating an Andean justice centre would likely be welcomed.<sup>83</sup>

However, both options have drawbacks. The first (complementary approach) could limit the EU range of action and presence in the region and revive criticism of its supposed lack of solidarity with Andean nations. The second (cooperation on consensual issues) could raise concerns if it reduced the autonomy and visibility that are meant to be key principles in EU foreign policy.

Convincing the U.S. to design and implement a common alternative drug eradication policy would not be easy. The U.S. and Colombia appear set on maintaining aerial spraying as the basic eradication tool, either directly or as a threat that makes agreements for voluntary manual eradication more enticing. The EU is unlikely to buy into the aerial spraying model, although it may lower its voice if this is a last resort and there is better environmental and health monitoring.

The U.S. Agency for International Development (USAID) bases its alternative development programs on a transactional model whereby elimination of illicit crops through community agreements is linked to local community infrastructure investments and paralleled with credit, training and technical assistance for sustainable alternative income generation for farmers. The most visible U.S. defenders of the program, however, tend to emphasise the number of hectares eradicated, which antagonises development experts and NGOs, particularly Europeans, who consider that manual eradication needs to be backed up by long-term alternative income-generation.

One way to remove most disagreement would be to frame all cooperation in terms of how best to drive forward national and regional rural development strategies aimed at reducing rural poverty. This would encompass extension of public services and public investment and set the stage for expanded agricultural and other rural development with greater access to credit and land reform. One component would be alternative development in drug cultivation regions. Another would be border

development. Concentrating on a broader rural development strategy would provide a foundation for U.S.-EU cooperation.

**In search of effectiveness.** When the EU announced the first "peace laboratories" in October 2000, the conviction was that an integrated, comprehensive and non-military strategy would be more constructive in the long-term. The initiative was also driven by the search for visibility and autonomy vis-à-vis U.S. policy.<sup>84</sup> During his January 2004 visit to Colombia, External Relations Commissioner Patten announced the second generation of "peace laboratories", with the aim to include more specific measures to encourage integral human development and defence of fundamental rights.<sup>85</sup> However, with no independent evaluation yet of the first peace laboratory, some argue that the search for autonomy and visibility still comes at the expense of utility and efficiency in promoting integrated community development.<sup>86</sup>

**Promoting regional security.** Given its conflict, there is a need to strengthen European dialogue and cooperation with the CAN's largest state, Colombia. However, while the search for a negotiated solution must remain the cornerstone of its policy, the EU also should increase efforts to implement an effective regional approach to conflict resolution.

It has already taken a few actions to address the numerous cross-border issues. For instance, an Andean regional project to prevent uncontrolled sale of chemical precursors started in 2003 with a EU contribution of €1.6 million.<sup>87</sup> Nevertheless,

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<sup>83</sup> See, for example, "Andes 2020: A New Strategy for the Challenges of Colombia and the Region", Council on Foreign Relations, Centre for Preventive Action, Washington, DC, 2004, p. 95.

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<sup>84</sup> In fact, funds were only made available fifteen months later (January 2002), a month before peace negotiations with the FARC collapsed.

<sup>85</sup> This new €1.4 million program (€3 million financed by the EU budget) will cover 62 municipalities in three Colombian regions badly affected by violence: fifteen municipalities in Norte de Santander, 23 in Oriente antioqueño and 24 in the Macizo Colombiano and Alto Patia (Cauca and Nariño). The program is based on the same four components as the original in the Magdalena Medio: peace culture and integral rights; productive activities and alternative development; social infrastructure (health, education, water, waste) and the strengthening of state institutions and civil society.

<sup>86</sup> ICG interviews, Bogota, March and April 2004.

<sup>87</sup> This project is financed through the EU's horizontal drugs budget line and aims mainly at establishing national websites for monitoring operators using controlled

much more could be done to promote regional security and stability. An important contribution would be an Andean rural development strategy encompassing radical reduction in the 80 per cent rural poverty that affects most of the region, including the border areas and the indigenous populations.

The Colombian conflict is producing a substantial spill-over effect in the neighbouring states. Promoting border integration and development by financing projects and building up programs especially in the "Border Integration Zones"<sup>88</sup> could help overcome the multiple problems of these structurally underdeveloped areas and contribute to making them safer for the local and refugee populations.

When analysing the Colombian conflict, the EU should not restrict its approach strictly to the Andean region. Strengthening dialogue and cooperation with Brazil and Panama on security issues could help limit the risks of regional destabilisation. In practical terms, the EU could extend its high level dialogue on drugs to these countries, push for bilateral agreements with Europol and train their national customs and border police forces.

European countries should avoid military equipment sales that alter the regional military

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chemicals and for disseminating knowledge of the issue; publishing and disseminating manuals and guidelines for the administrative control of precursors; and training Andean administrative authorities including by visits to the EU institutions and a personnel exchange program in the Andean countries.

<sup>88</sup> Four "Border Integration Zones" (Zonas de Integración Fronterizas) created in June 2001 through CAN decree 501, currently exist, two between Colombia and Ecuador and two between Colombia and Peru. The EU could contribute to develop infrastructure (transport, energy, water supply, housing), social inclusion and health measures and environmental improvements such as cross border nature reserves, as well as rural development programs. The EU could also dedicate more attention to other cross or trans-border projects such as the Tumaco-Puerto Asis-Belem Do Para's Corridor Project, as it did with the Piura-Guyaquil road, which came out of the Peru-Ecuador peace agreement and was financed from the resources earmarked for each country.

balance<sup>89</sup> and could generate further tensions and recriminations.

Rule of law problems affect many of the conflict areas in rural Colombia, Peru, Ecuador and Bolivia, and even, to a lesser degree, Venezuela. The EU would have a comparative advantage in training rural police, expanding judicial training and helping finance legal services for the rural poor since its member states have similar civil law experiences. They could link up with regional judicial reform activities that are underway in the Organisation of American States (OAS) under the mantle of the Summit of the Americas. These are just beginning to incorporate greater transparency, oral procedure and stronger due process protections.

## V. CONCLUSION

The EU needs to show better recognition and understanding of Andean countries' problems and become engaged in a way that truly helps tackle them. Poverty reduction is key. The EU could start a real diplomatic offensive to reduce the burden of a debt that kills any hope for sustainable development in the poorest countries of the CAN.

The policy focus should be on developing and implementing a genuine Andean approach with a view to help integrate the economies and prevent an implosion of the five states.

Efforts at establishing an EU-CAN Association Agreement need to be reinvigorated politically. Making headway requires both the CAN and the EU to think beyond prolongation of the GSP. The lessons learned from the almost concluded negotiations over an association agreement between the EU and MERCOSUR, for example, should be analysed. Both regions should strive to devise a detailed plan that would make it possible to conclude such an agreement no later than January 2007.

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<sup>89</sup> Spain recently announced the sale of 46 AMX-30 tanks to Colombia, *El Tiempo*, 23 February 2004, raising protests from the Venezuelan government, *El Tiempo*, 17 April 2004. After his election, new Prime Minister José Luis Rodríguez Zapatero said he would reconsider the sale, *El Tiempo*, 16 March 2004, but three days later, it was reported that the Spanish government would respect the deal, *El Tiempo*, 19 March 2004.

It is of central importance that the EU reiterates the role of civil society and NGOs in bringing about a negotiated settlement of the conflict in Colombia. The Uribe administration should be applauded for the UN recommendations on human rights it has implemented but must be constantly reminded of the importance the EU attaches to prompt implementation of the remaining ones.<sup>90</sup> The EU should also make clear that it will only support negotiations with outlawed paramilitary forces and their demobilisation and reinsertion into society if there are sufficient guarantees that the leaders will not be granted impunity, will not be recycled into state structures and will give back ill-gotten assets. The same stance must be taken on any future negotiations with the insurgent groups. In Venezuela, Ecuador, Peru and Bolivia, the EU should encourage and reward all political parties that act within the strict framework of their national constitutions and urge them to contribute to political stability by respecting the electoral rules and calendars.

To help achieve this goal, the EU should consolidate its financial assistance to key international offices in the region, including those

of James LeMoyne, special adviser on Colombia to UN Secretary General Kofi Annan, and of UN agencies in Colombia and the Andes, such as the High Commissioner for Human Rights (UNHCHR), the High Commissioner for Refugees (UNHCR), and the Office for the Co-ordination of Humanitarian Affairs (OCHA).

On the operational level, the EU and CAN should take the following measures:

- Create a CAN-EU Eminent Persons Group (EPG) similar to what exists with South-East Asian nations. It could promote informal dialogue, assist in overcoming political differences and misunderstandings and build confidence between governments. The eminent persons should be from the member states most active in the region (Spain, UK, France, Portugal and Germany).
- Offer to work out a regional rural development strategy designed to cut rural poverty in half by 2010, in partnership with the Andean countries, the Inter-American Development Bank (IDB), the UN Development Programme (UNDP), the World Bank (WB), the Organization of American States (OAS), the U.S. and Canada. While the costs for achieving that goal will need to be explored carefully, the EU could promise to seek a commitment for an international contribution that would match specific increased sums committed by the Andean countries.
- Pursue together with the CAN, IDB, WB and UNDP analysis of the status of indigenous populations in the region and steps required to remove any remaining legal or de facto obstacles to their access to equal opportunities as a way to remove potential instability.
- Appoint a coordinator for EU counter-drug policy, on the model of the newly appointed EU counter-terrorism coordinator, working under Javier Solana. His/her mandate should include: ensuring the consistency and coordination of overall EU counter-drug measures (both consumption and trafficking); promoting swift implementation of the European Action Plan 2000–2004 at the member state level; and strengthening coordination of member state and Commission activities in third countries. The new coordinator would chair the

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<sup>90</sup> According to the Report of the UN High Commissioner for Human Rights on the Human Rights Situation in Colombia (17 February 2004), "there were some advances, but the implementation of the majority of the recommendations was still pending at the moment the present report was completed.(...)The office in Colombia took note of the so-called Antiterrorist Statute approved on 10 December 2003, a decision contrary to the express recommendations of the High Commissioner and other competent international organs. The Government was able to extend the presence of the Security Forces to almost all of the country's municipalities. However, some regions with a greater presence of the Security Forces continued to suffer from serious problems of governability and public order. The military reinforcement was not accompanied by the strengthening of civil institutions. There was a tendency to consider all violence as terrorist acts and in this way deny the existence of an internal armed conflict and the necessity of applying, in a consequent manner, international humanitarian law. Actions taken against paramilitarism and its links with public servants did not show sufficiently significant results". Vice President Francisco Santos, addressing the UNHCHR Commission, criticised certain UN missions for coming to Colombia with 'preconceived ideas'. Referring to one specific case, he said that the visit to 'government functionaries had been a pure formality' (...) which he says is 'reflected by this report'. Speech by Francisco Santos at the 60<sup>th</sup> session of the UN Commission on Human Rights, Geneva, 16 March 2004.

EU Council's Horizontal Drugs Group, an ad hoc working body that monthly brings together member state and Commission representatives to analyse, decide on and coordinate EU drug-fighting activities.

The CAN should increase its efforts at achieving deeper economic and functional integration. This includes ratification of the 2003 Political Dialogue and Cooperation Agreement and substantial progress in establishing a fully functioning customs union and reducing trade distorting tariff and non-tariff measures.

It is important to advance regional integration in a way that benefits all five CAN members, not only the stronger economies of Colombia, Peru and Venezuela.

Bilateral free-trade negotiations, such as those with the U.S., should not undermine the complementary goal of deeper regional integration as a stepping stone toward an association agreement with the EU. And every effort should be made to insure that such an agreement also is complementary with any future free trade agreement. Regional policies on migration, security, law enforcement and judicial cooperation, counter-drug measures and environmental protection should be coordinated better.

**Quito/Brussels, 15 June 2004**

## APPENDIX

### ABOUT THE INTERNATIONAL CRISIS GROUP

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The International Crisis Group (ICG) is an independent, non-profit, multinational organisation, with over 100 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

ICG's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, ICG produces regular analytical reports containing practical recommendations targeted at key international decision-takers. ICG also publishes *CrisisWatch*, a 12-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

ICG's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made generally available at the same time via the organisation's Internet site, [www.icg.org](http://www.icg.org). ICG works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The ICG Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring ICG reports and recommendations to the attention of senior policy-makers around the world. ICG is chaired by former Finnish President Martti Ahtisaari; and its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

ICG's international headquarters are in Brussels, with advocacy offices in Washington DC, New York, London and Moscow. The organisation currently operates seventeen field offices (in Amman, Belgrade, Bogotá, Cairo, Dakar, Dushanbe, Islamabad, Jakarta, Kabul, Nairobi, Osh, Pretoria, Pristina, Quito, Sarajevo, Skopje and Tbilisi) with analysts working in over 40 crisis-affected countries and territories across four continents. In Africa, those countries include Angola, Burundi, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Liberia, Rwanda, Sierra Leone, Somalia, Sudan, Uganda and Zimbabwe; in Asia,

Afghanistan, Kashmir, Kazakhstan, Kyrgyzstan, Indonesia, Myanmar/Burma, Nepal, Pakistan, Tajikistan, Turkmenistan and Uzbekistan; in Europe, Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Kosovo, Macedonia, Moldova, Montenegro and Serbia; in the Middle East, the whole region from North Africa to Iran; and in Latin America, Colombia and the Andean region.

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**June 2004**



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**International Crisis Group**

**International Headquarters**

149 Avenue Louise, 1050 Brussels, Belgium · Tel: +32 2 502 90 38 · Fax: +32 2 502 50 38  
E-mail: [icgbrussels@crisisweb.org](mailto:icgbrussels@crisisweb.org)

**New York Office**

420 Lexington Avenue, Suite 2640, New York 10170 · Tel: +1 212 813 08 20 · Fax: +1 212 813 08 25  
E-mail: [icgny@crisisweb.org](mailto:icgny@crisisweb.org)

**Washington Office**

1629 K Street, Suite 450, Washington DC 20006 · Tel: +1 202 785 1601 · Fax: +1 202 785 1630  
E-mail: [icg washington@crisisweb.org](mailto:icg washington@crisisweb.org)

**London Office**

Queen's Wharf, Queen Caroline Street, London W6 9RJ · Tel: +44(0)20 8600 2538 · Fax: +44(0)20 8600 2539  
E-mail: [icglondon@crisisweb.org](mailto:icglondon@crisisweb.org)

**Moscow Office**

Nizhnij Kislovskij Pereulok 3, apt. 46 - Moscow 125009 Russia · Tel/Fax: +7 095 290 42 56  
E-mail: [icgmoscow@crisisweb.org](mailto:icgmoscow@crisisweb.org)

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