

**Address by the President of the Republic of Colombia
Andres Pastrana Arrango
Before the meeting of the Millennium Board**

Cartagena de Indias, February 15, 2002

Good morning. We are meeting here today to close one stage of a very rewarding friendship and, what I hope, will be a lasting relationship between Colombia and its goodwill ambassadors. This Millennium Board meeting will be the last of my presidency, and I wanted to take this opportunity to review with you the path on which we have set the nation.

We have had four years to make some dramatic adjustments. It has been very little time to make our dreams come true. However, it has been long enough to revitalize our economy, redirect our international relations, improve our education system, expand our foreign trade and provide a social safety net for millions of our citizens. Most important, we have made an enormous effort to bring peace and reconciliation to the nation. This last challenge has not yet been realized in full, and we are still searching for a negotiated peace, even as we modernize and improve the State's security forces – a necessary condition for providing security and justice for all Colombians.

Before I review the work of the past four years, permit me to begin with a reminder of the nation we inherited when I assumed office in April 1998.

Colombia's international image was badly damaged. The United States had imposed moral sanctions on Colombia. We were decertified as a reliable partner on anti-narcotics activities, lumped in a category of nations that included Libya, Afghanistan and Iran. In Europe, Colombia's guerrillas were seen as freedom fighters opposing a repressive regime. Colombia was close to being considered an international pariah nation.

On the battlefield here at home, our armed forces had suffered humiliating defeats at Patascoy, Milaflores, El Billar and Las Delicias. 534 soldiers and

policemen were kidnapped, and 140 were killed. Morale was low. Operational performance was poor. The military was ill-staffed, ill-equipped, ill-trained and ill-motivated to battle Colombia's insurgency groups and drug traffickers.

At the same time, Colombia's economy was beginning to fall into recession – the deepest recession our country has experienced in seventy years. Five years of high interest rates were suffocating the private sector. Unemployment was on the rise. The construction and real estate sectors were suffering. Mortgage rates were rising, forcing families to default on their home loans. The economic crisis was spreading across every sector of the economy like a fire on a dry summer day. In 1998, manufacturing contracted by 12.5 percent, construction by 24.3 percent and commerce by 8.9 percent.

As unemployment rose, it led to rippling problems in the economy. Families trying to make ends meet under the pressure of sagging incomes were taking their children out of school and putting them in the work force. We were losing a part of our future as a result of widespread school drop-outs. The financial sector was close to a complete collapse. Credit channels had disappeared and private sector growth was falling.

The Government's fiscal situation was bleak. Public spending was out of control. The peso was overvalued. Exports were flat and foreign investment was stagnant. At the same time, the financial crisis in Asia, Russia and Brazil threatened Colombia's ability to gain access to international credit.

In a single word, the condition to describe Colombia in 1998 was *desolate*. That's what I was prepared to deal with when I assumed this office. I anticipated four years of grueling work ahead of me. I was not to be disappointed.

We had promised to advocate change for Colombia, change that we felt was badly needed. Our strategy, of which you have become a part, was four-fold.

First, it was to let the world know that Colombia was a committed partner to the international war against drug trafficking. We were not its champion, but rather, its victim. We were prepared to work with other nations and international institutions to rid our country and world of this violent scourge.

In dramatically improving our relations with the United States, we have successfully worked with both a Democratic and Republican administration in Washington, and with the political leadership of both parties in the United States Congress.

Second, we needed to accurately characterize illegal guerrilla groups not as the freedom fighters they wanted everyone to believe they are, but for what they really are – cruel, merciless, greedy and fighting a war against society, not on its behalf, as they claim. Illegal groups operating in Colombia today define themselves not by what they claim to be, what how they act.

Third, we sought to demonstrate to the international community that transnational crime and drug trafficking are not Colombia's problems alone, and that we lacked the necessary resources – but not the will – to address them successfully. The illegal drug industry is a global industry, supported by trade in weapons, arms and precursor chemicals, and by cross-border corruption, smuggling and money laundering. And as such, the international community would have to support Colombia's efforts to fight these scourges.

The world now knows that Colombia has sacrificed some of its best and brightest citizens in this fight – presidential candidates, members of Congress, ministers, judges, soldiers and policemen, journalists, farmers and business leaders. No sector of our society has been spared by the violence and terrorism that lies at the root of the illegal drug business.

But today, we do not carry the weight of this fight alone. International support, particularly that from the United States and Europe, is helping provide us with the tools and the resources to aggressively take on the drug traffickers, the illegal groups that support this industry, and even to provide hope and opportunity for Colombian peasant families to abandon a life of coca farming and enter the legal economy.

Fourth, we have strengthened Colombia's democracy, the oldest in Latin America. This means improving the provision of social services to our population, particularly in rural areas of the country where the presence of the Colombian State has been weak for many years. It means providing better security, justice, education, health care and housing. To achieve these goals, we had to develop an economy that is more outward-looking

and expansive. We needed to improve the provision of public services through a social safety net in poor and rural communities where the helping hands of government is needed most. And finally, we have had to relentlessly pursue a peace process to end four decades of internal conflict.

As the Ministers of my Cabinet will show to you in their presentations, we have made significant progress toward all four of these national goals. The economy, while still weak, has embarked on a path of reform and restructuring that will set the foundation for long-term sustainable growth and rising incomes.

The Government's public finances have been put on the road to balance and long-term health. The private sector is better prepared to serve as our nation's engine of economic growth, led by a strong manufacturing and export sector. Colombian companies have learned how to compete in today's increasingly global, increasingly inter-linked Internet economy. In the past, we feared such competition. Today we are better prepared to succeed in such an environment.

A social safety net to provide basic help to the most neediest of our society is no longer a dream. It is in place and is working well. Colombia remains a poor country, but today we have a government that is more committed than ever that in the 21st century we shall leave no Colombian behind.

Finally, we have embarked on a process towards peace and national reconciliation. Not a day has gone by when this was not in the forefront of my attention and commitment. We have always known that pursuing peace would be a long and difficult process, one characterized by advances and setbacks. This has surely been the case. We have tried to talk to those who would not listen, tried to give to those who would not share, and tried to reason with those whose hearts have nothing left but hate. Yet, despite the unrelenting violence and terrorism that has been directed against our citizens these past four year, I remain committed to a political, negotiated solution to this conflict. And I will work toward this goal until the last hour, to the last minute, of my presidency.

Dear Friends:

Colombia has changed profoundly during the last decade. Its democracy is stronger, its public institutions have been modernized, its economy is

adjusting to meet the challenges of a new century and a new world, and there is room in our society for a wide diversity of ideas, dreams and beliefs. Changes have been made, and more changes will be forthcoming, both in our remaining months in office and by the government that will succeed ours. I want a Colombia where no one will have an excuse to live outside the law, and no one will have an excuse not to try to succeed. Ours is a future with promise, and I invite all of you to witness it and continue to help us make it a reality.

Thank you very much for having accompanied me on this journey these past years. I have greatly appreciated your counsel and advice, and I have valued your support and friendship.

Thank you.

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