

**Symposium on Colombia organised by the Institute of Latin American
Studies - La Trobe University
Melbourne, June 13, 2016
Intervention by Ambassador Clemencia Forero-Ucrós**

Professor John Dewar, Vice-Chancellor La Trobe University
Dr. Ralph Newmark, Director, LTU-Institute of Latin American Studies
Mr. Geoffrey Widmer, Honorary Consul of Colombia to Victoria
Professors, students,
Dear friends, queridos amigos,

It is both an honour and a privilege for me, as Ambassador of Colombia to Australia, to participate in this Symposium on Colombia, organized by the prestigious Institute of Latin American Studies, the oldest of its kind in Australia. I wish to thank Professor Ralph Newman for this meaningful initiative and for inviting us to participate in the discussion.

La Trobe University is the fourth largest recipient of Colombian students in Melbourne and we recently had an intern from the University at our Embassy, thanks to the internship agreement signed between our parties late in 2014. We look forward to continue deepening the relationship between Colombia and La Trobe. In a mission of Best Practices from Colombia in 2014, which included our largest cattle and dairy Association, Fedegan, there were some initial contacts made with La Trobe University and its AgriBio Dairy Futures Cooperative Research Centre. Further talks have taken place and also a meeting held in Bogota in April 2015. Fedegan is seeking the support of La Trobe University with a Project for training and sharing of models for beef production. We are hoping to see a positive result from this project proposal!

I acknowledge the presence and participation of Geoffrey Widmer, a friend of Colombia, who has shown a great commitment to serve our community in Melbourne as Honorary Consul of Colombia, and who has been engaged with great dedication in the promotion of our country in Victoria.

Let me tell you that after being a University Professor for ten years at "*Universidad de los Andes*" and other universities in Bogotá, I feel at ease in this academic context and I can see from the participation of academics and researchers who are dealing with different topics related to my country, that Colombia matters in Australia and that in the academic world, particularly at this University, there is an interest to know more about what is going on in our country and how Australia and Colombia are gradually building an agenda that is becoming meaningful and diverse.

As stated by our President Juan Manuel Santos, Colombia has experienced an extraordinary transformation over the last decade: it went from being perceived nearly as a failed state in the late 1990's to be considered

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nowadays as an emerging economic power in the region¹. We had to face unprecedented challenges in the past originated by the world problem of drugs. The country was able to successfully face this scourge due to the strength of our democratic institutions, the courage of our leaders, judges, policemen, journalists and common citizens who fought against drugs, even at the cost of their own lives. Democratic governability came from the continuity of policies and wise macroeconomic strategies, which allow us to affirm that Colombia is a stable democratic country that has overcome many of these challenges.

ECONOMY

Policies applied during recent years regarding security, strong international relations, growth in foreign investment, have created reasons for optimism. President Santos has highlighted that we have a world-class macro-fiscal framework that includes a fiscal rule, which imposes fiscal discipline to the central Government². There are measures that preclude excessive debt and expenditure and we have an inflation target policy that has enabled us to keep a moderate inflation rate, positioning Colombia as one of the lowest and most inflation stable countries in the region.

In 2014, Colombia received US\$16,053 million of Foreign Direct investment and had an inflation rate of 3.66%. We also achieved the lowest unemployment rate of 9.1% in the last decades. Our GDP grew by 4.6% from 2013, being the highest one in Latin America. Colombia is also one of the largest 30 economies in the world and is amongst the top non-OECD economies.

Of course, global economic conditions, particularly the fall of the prices of oil and the decline in the prices of some commodities, such as coal, have affected economic growth and after growing over four per cent for several years, we are now facing a possibility of three per cent growth for 2015 according to the Economist Intelligence. Our Government is positive there will be a growth of 3.5% in 2015.

The President has set a plan to boost productivity and counter the effect of adverse prices of oil and mining commodities. The Plan to boost up productivity and employment 2.0 (Plan de Impulso para la Productividad y el Empleo 2.0) comprises investments for up to AU\$8 billion approximately in infrastructure including education infrastructure, roads, urban and country housing both for middle class and low income population respectively, soft loans for importers/exporters, tax exemptions for the construction of hotels and incentives to investment in the mining sector. This plan aims to support the achievement of our 3.5% growth target and the creation of 300,000 new jobs.

¹ p.5 SANTOS, Juan Manuel (President of Colombia), Colombia on the road to the OECD.

² Ibid p.5

3% of our annual GDP will be invested in infrastructure by 2018, it will amount a total of approximately AU\$9 billion per year. Currently, we are investing approximately AU\$4.5 billion in roads infrastructure annually. In 2015, an extra approximately AU\$2 billion will be invested in highways and roads as part of this new stimulus plan.

The Government has also set the industries of mining and energy as a priority, creating a fast-paced process to access mining blocks and to obtain environmental permits. Exploration areas offshore can now be declared Free Trade Zones as well. A new system of discounted royalties for oil production will also apply to new investors. The land rent fee has been reduced in 50% and will remain only chargeable during the mining exploration phase. All machinery imported for mining purposes will have a 0% tariff.

The main rating agencies, Standard and Poor's, Fitch and Moody have rated Colombia with an investment grade and in 2015 Colombia was also selected by the World Bank as the best country for doing business in the region. Colombia also excels the top position in the investment protection index in the region occupying the 10th place worldwide being the 11th country in the world with the lowest barriers to Foreign Direct Investment (Source: World Bank).

It is also worth noting that Colombia has been invited since May 2013 to negotiate access to the OECD, and we are currently involved in this process. President Santos firmly believes that we require to raise the benchmarks of our public policies. Therefore, we are actively participating in several Committees at the OECD and we have adhered to several instruments, such as the Anti-Bribery Convention, the Declaration on International Investment and Multinational Enterprises, the Convention on Mutual Administrative Assistance on Tax Matters, the recommendations of the Council on Due Diligence Guidance for responsible Supply chains of Minerals from conflict-affected and high risk areas, among others. Recently our Treasurer was invited to join the ministerial summit in Paris in June 2015.

SOCIAL POLICIES

Our goal has also been the improvement of our social inclusion policies as a condition to achieve long-term sustainable development and a stronger democracy. We are fully aware that our country has one of the highest levels of income inequality and poverty in the region. However, the Government has been committed to this goal to the extent that our middle class grew from 6.7 million inhabitants in 2002 to approximately 13 million in 2015. We also have the second highest average real growth of consumer expenditure in the region.

Since I can observe that some of the presentations that are going to take place this afternoon refer to political and social issues, I will mention the

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general lines of our public policies regarding reduction of poverty and social imbalances. Our National Development Plans, from 2010 to 2014 and the current one from 2014-2018 called "*Hacia una sociedad con igualdad de oportunidades y movilidad social*" recognize the need to advance towards a society with equal opportunities and social mobility. This goal is based on the premise that all the citizens do not access to the benefits of sustained economic growth and that the Government has to create mechanisms for redistribution and solidarity to gradually close such unacceptable social gap.

In order to allow the consolidation of a fairer social structure, four strategies were designed:

1. Attention to children through a policy of child care, health, nutrition and initial education called "From zero to six years".
2. Support, reparation, justice and guarantees of non- repetition for victims of the internal armed conflict.
3. Guarantee of fundamental services to the population in terms of health, education, recreation and sports.
4. Affirmative action for the indigenous population, disabled persons and gender equality.

Colombia has reduced its index of multidimensional poverty developed by the Oxford Poverty and Human Development Initiative from 30.4% in 2010 to 22.5% in 2014. This index considers variables such as: education, housing, childhood and youth conditions, health cover, utilities access and housing conditions. In 2014, the government supported 10,000 scholarships for tertiary education. The level of cover for primary education has growth from 500 thousand in 2012 to over 1 million children in 2014. In 2013, the 91,3 percent of the Colombian population was part of the General Social Security System, which provides for the access to health services with the government support. From 2009 to 2013, 27% of the health services in Colombia were delivered to 11'647.540 people in the subsidized regime covered by the government.

PEACE AND RECONCILIATION

Reconciliation among Colombians has been a fundamental goal since President Santos started his first term in August 2011. Together with the preservation of security and the observance of Human Rights, integral reparation for victims of the internal armed conflict was implemented by Law 1448 on Victims and Restitution of Lands, which establishes measures for the attention, assistance and integral reparation of victims of the internal armed conflict, as a tool for the consolidation of peace and the access to equal opportunities. Special Decrees were issued to regulate aspects concerning victims belonging to indigenous communities, Afro-descendants and other minorities³. From 21,705 victims repaired in 2010 the government has

³ SANTOS, Juan Manuel. Address to Congress 2010-2013 on the 20th of July 2014.

reached a figure of 376,740 in 2014. The Government has also implemented a program of social integration for former combatants who stepped out of the conflict, this includes psychological services, education and vocational training and 28,808 people were supported in 2014 as part of this program.

One of the greatest challenges for the Colombian Government has been to finalize the armed conflict, the longest one in the Western Hemisphere, and to create prosperity through the consolidation of peace, as highlighted by President Santos in his address to Congress in July 2014. The talks with FARC have been taking place in Havana since the first semester of 2012. The agenda established includes several components, contained in a General Agreement to finish the conflict and to establish a lasting peace: policy for integral rural development, political participation, solution to the problem of illicit drugs trafficking, rights of victims, finalization of the conflict, and verification of the agreements⁴.

The talks have taken place with the support of Cuba and Norway as guarantors and with the support of Bolivarian Republic of Venezuela and Chile as accompanying countries. There is unanimous support in the Latin American region to these talks. The United States and the European Union are supporting the process as well as many international Organisations such as the United Nations, the Organisation of American States, Unasur –Union of South American States and CELAC -Community of Latin American and Caribbean States.

In the last few days, significant agreements concerning demining of affected areas and the establishment of a Truth Commission, after the agreement is signed, have been reached (Source: Joint Communiqué 51 and 53, 2015).

The basic principle for the process of negotiations is that “Nothing is agreed until, everything is agreed upon” (Source: General Agreement for the finalisation of the conflict and the construction of a stable and lasting peace).

COLOMBIA'S FOREIGN POLICY

Colombia has been traditionally very active in the international scenario in its capacity as a founding member of the United Nations and the Organization of American States in 1948. We have occupied seven times a seat as non-permanent members of the Security Council. Our most recent participation in the Security Council took place from 2011-2012 and at a regional level we hosted the of the Americas in 2012. We keep strong relations with all our neighbours in the Western Hemisphere, and we particularly welcome the normalization of the diplomatic relations between the United States and Cuba, which allows for deeper integration between all our countries. Latin-American

⁴ Source: General Agreement for the finalisation of the conflict and the construction of a stable and lasting peace.

integration is a top priority and therefore we are active members of UNASUR and CELAC.

As a country open for trade and investment, we have free trade Agreements in force with twelve countries and associations : Pacific Alliance (Colombia, Peru, Mexico and Chile), Andean Community, Chile, Canada, Mexico, the United States, the European Union, EFTA, Andean Community-Mercosur, Venezuela-Partial agreement-, Northern Triangle-Guatemala, Honduras, El Salvador- and Cuba. We have signed agreements with Panama, Costa Rica, Korea, and Israel. In negotiation with Turkey and Japan. Our large network of Trade Agreements provides Colombia with access to more than 45 countries and 1,500 million consumers. In the case of Korea, this is our first Trade Agreement signed with an Asian country , ratified already by the Colombian Congress and in the process of being approved by our Constitutional Court.

With Japan we are advancing in an Agreement for Economic Association.

Through these Treaties, and our extensive trade relations, we are enhancing easy access to markets, minimal tariffs, fair competition conditions and a clear legal framework.

OUR INSERTION IN THE ASIA PACIFIC REGION

Promoting the integration of Colombia to the Asia Pacific region, that concentrates almost half of the world's GDP and also almost half of the world's trade, has become an aspiration and a priority for Colombia, in an effort that has lasted almost two decades.

In this context we have joined efforts with Mexico, Peru and Chile, countries representing 40 per cent of the GDP of Latin America. Together our nations represent the eighth largest economy in the world, surpassing India and Brazil.

Our integration goes beyond free trade: it also intends to reach a deeper level towards the goal of free circulation of persons, capitals and services. As President Santos recently stated in the Cartagena Dialogue, we are talking about the most dynamic economic and commercial platform in Latin America, with a projection to the world and in particular to the Asia Pacific region.

It is relevant to note that Australia has become an Observer State to the Pacific Alliance and we expect a Ministerial participation in the forthcoming Presidential Summit which will take place in Paracas, Peru, on July 3rd.

Colombia has made a great effort in the last two years to reopen our Embassy in Thailand, to open a General Consulate in Auckland, and also to open diplomatic missions shared with the Pacific Alliance members in Singapore and Vietnam. Although we have been participating for several years in the

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working groups of the Asia-Pacific Economic Cooperation- APEC, Colombia is still the only member of the Pacific Alliance that is not yet a full member of APEC. We are at the top of the list for the admission of new members and we hope that next year under the presidency of Peru, this possibility opens for Colombia, so that all the members of the Pacific Alliance can fully participate in APEC.

We also have International Investment Agreements in force with China, Spain, United Kingdom and India, and we have signed with South Korea, Japan, France, Turkey and Singapore. We are in the process of negotiating this type of agreements with Russia, Kuwait, Azerbaijan, United Arab Emirates and Qatar.

In the future, we are looking for opportunities to diversify our offer in Asia in sectors such as agriculture and agribusiness.

RELATIONS WITH AUSTRALIA: BUILDING A DEEPER AND DIVERSE AGENDA

Since we established diplomatic relations with Australia in 1976, the bilateral relations have been traditionally cordial and stable. In 2000, for budgetary reasons, our Embassy in Canberra was closed. Since we re-opened it in 2008, a new phase started, that has allowed us to build a growing relationship, which has surpassed diplomatic formalities in order to work deeper in subjects of common interest.

Two special circumstances supported the growing relations between Colombia and Australia: a closer approach of Australia to Latin America, and the political will of Colombia to reach out to the Asia Pacific and Oceania, through an active presence in the region, particularly in Australia as a relevant actor in this scenario. In this framework, the bilateral agenda has been progressively reinforced in its main components and expanded to new subjects and sectors. Of course political dialogue and high- level consultations have been an instrument to review and widen this agenda.

After almost two and a half years of my diplomatic task here in Australia, I can observe that relations with Latin America have advanced and in this respect the constructive interest of Minister Julie Bishop has been instrumental. Not only has she been present at scenarios of common interest such as the Latin America Down Under Conference - LADU, but also she has promoted a bilateral matrix of the relations with each of the Latin American countries present in Australia, which is a great example of an unprecedented and collaborative manner of consensual approach on the main topics and issues of common interest in a government-to-government level. Each Embassy in this valuable process has been able to include inputs to its corresponding matrix.

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I shall now try to briefly present to you the main pillars of our bilateral agenda:

- **Sustainable Mining:** Recently a Memorandum of Understanding was signed between Minister Andrew Robb and Minister Tomás González, which covers a wide space for collaboration that will provide Colombia with best practices in issues such as social license, environmental issues, water management, safety, amongst others topics. This instrument encourages synergies between the Government, the Academia and the private sector from both countries.
- **Bilateral Trade Promotion:** Colombia has participated at the most important fora on Latin America for three consecutive years, both as an exhibitor and with high level key speakers. Australia's two way merchandise with Colombia totalled around AU\$101 million in 2013-2014. Australian businesses already have a major presence in Colombia with 34 companies operating in the country (including nine Australian Securities Exchange ASX200 companies), particularly in the mining sector.
- **Education:** Colombia has approximately twelve thousand students in Australia, the second figure after Brazil from Latin America. The State of Victoria registered in 2014 the highest figures in Australia with 4,072 students and as a response to this demand; Victoria has now a permanent representative in Bogota, since 2014.

State/Territory	YTD Nov 2013	YTD Nov 2014
NSW	3,200	3,505
VIC	3,772	4,072
QLD	3,544	3,568
SA	160	175
WA	962	1,022
TAS	8	9
NT	15	15
ACT	62	57
NAT	11	20
Total	11,734	12,443

Source: Dept. of Education Australia

Wide collaboration has been established with the Department of Education at the Federal level, with the recent visit of Mrs. Anne Baly, Head of the International Group of the Department of Education in April 2015 which resulted in the signing of an action oriented Work Plan in Education Training and Research 2015-2017. This instrument

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Embajada de Colombia en Australia

promotes support and cooperation in education, including research institutions, government agencies and other organisations in the areas of research, education and vocational training. Experiences and best practices regarding the Australian Qualifications Framework will be shared with the Ministry of Education of Colombia, a topic in which Colombia has high interest. Exchange of information regarding standards and accreditation systems will be included too.

Joint research collaboration will be encouraged. It is relevant to note that in 2014 an Agreement was signed between Universities Australia and Colciencias, our research Institute, through which co –financing of Colombian candidates for PhDs will be facilitated, including reduction of fees by some Universities.

Education and Vocational Training will be encouraged. In terms of Language training and Bilingualism, a delegation of Australian specialists in English as a foreign language will be sent to Colombia.

- **Connectivity:** It is an issue that our Embassy has been intensely promoting as a priority. Given the distance and the different time zones, we have promoted the negotiations for an Air Services Agreement between Colombia and Australia, which is currently being negotiated and that will facilitate the flow of students, businessmen and tourists between the two countries and that will allow for more commercial flows, especially for perishable products, such as cut flowers.
- **Agribusiness:** This is a new item that we have been exploring as a result of a delegation of over 170 cattle-men visiting Australia in 2013 and a mission of best practices for the dairy and cattle sector in 2014.

As you can see, the agenda is covering an important array of issues of common interest. We continue to work with enthusiasm in all these topics through our Embassy in Canberra. We have received great support from the concurrent Embassy of Australia in Chile and from the Consulate General and Austrade in Bogota.

We hope that a future permanent diplomatic presence in Colombia, the third economy in Latin America will provide for more opportunities in areas such as trade, investment, education, scientific collaboration and political dialogue between two like-minded countries, which share common values in terms of democracy and human rights, such as Colombia and Australia that are also open for business.

Thank you once again for organizing this Symposium and for allowing me to meet important researchers and academics interested in Colombia.

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