

Departamento de América del Norte

2009 INCSR: Country Reports - Afghanistan through Comoros
Bureau of International Narcotics and Law Enforcement Affairs
2009 International Narcotics Control Strategy Report (INCSR)

Report

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Afghanistan

I. Summary

Opium poppy cultivation in Afghanistan declined in 2008 by 19 percent, after two years of record highs. Despite the drop in poppy cultivation, however, Afghanistan remained the world's largest grower of opium poppy. Cultivation was largely confined to five contiguous provinces in the south of the country near the borders with Pakistan and Iran. The connection between poppy cultivation, the resulting narcotics trade, and funding of insurgency groups became more evident in 2008; nearly all significant cultivation now occurs in insecure areas with active insurgent elements.

According to the United Nations Office on Drugs and Crime (UNODC), opium poppy cultivation decreased from 193,000 hectares (ha) in 2007 to 157,300 ha in 2008. This reduction was due to a combination of poor weather conditions, decreased opium prices relative to other crops, and improved governance and security in key provinces. Nangarhar province alone shifted from having the second highest area of poppy cultivation in 2007 (18,000 ha) to achieving poppy-free status in 2008.[\[1\]](#) This accomplishment was primarily due to the high-profile law enforcement and incentives campaign implemented by the provincial governor.

UNODC estimates that Afghanistan produced 7,700 metric tons (MT) of raw opium in 2008, a decrease of six percent from the 8,200 MT produced in 2007. According to UN and International Monetary Fund estimates, the export value of this year's opium harvest, \$3.4 billion, represented the equivalent of a fifth of Afghanistan's estimated total Gross Domestic Product (GDP) of \$16.3 billion.

Although opium poppy cultivation is largely confined to insecure provinces in the south, Afghanistan's narcotics industry continues to threaten efforts to establish security, governance, and a licit economy throughout the country. The anti-government insurgency, most commonly associated with the Taliban, exploits the narcotics trade for financial gain. In 2008, the UN estimates that the Taliban and other anti-government forces made \$50 million to \$70 million from tax payments from opium farmers, and warlords, drug lords, and insurgents received an additional \$200 to \$400 million of income from drug processing and trafficking. Narcotics traffickers provide revenue and material support, such as vehicles, weapons, and shelter, to the insurgents, who, in exchange, provide protection to growers and traffickers and promise to prevent the Afghan government from interfering with their activities.

Opium poppy cultivation is almost entirely limited to five contiguous southern provinces: Helmand, Farah, Kandahar, Oruzgan, and Nimruz together account for 95 percent of Afghanistan's poppy cultivation. Helmand province alone cultivated 66 percent of the country's opium poppy in 2008. At the same time, poppy cultivation continues to decline in many of Afghanistan's northern, central, and eastern provinces. In 2008, 18 of Afghanistan's 34 provinces were declared poppy-free by UNODC, up from 13 in 2007 and 6 in 2006. According to UN estimates, Nangarhar province alone shifted from having the second highest area of poppy cultivation in 2007 (18,000 ha) to achieving poppy free status in 2008. Nine other provinces cultivated less than 1,000 ha, and could reach poppy-free status in 2009. Nationwide, UNODC estimates that nearly 10 percent of Afghans were involved in poppy cultivation in 2008, down from 14.3 percent in 2007.

For the most part, farmers choose to plant opium poppy because it is a profitable, hardy, and a low-risk crop. Advance credit is available from narco-traffickers to financially support the farmer while the crop is planted and matures, and when the opium is harvested, it is easy to sell, even in isolated areas where selling other crops might be a problem.

Economic and development assistance alone is not sufficient to defeat the narcotics trade in Afghanistan; more comprehensive approaches are needed. Alternative development

opportunities can and do yield reasonable incomes, but must also be backed by measures to increase risk to those who plant poppy, traffic in narcotics, and support cultivation and trafficking. An increasing number of provincial governors have shown success in significantly reducing or completely eliminating poppy cultivation in their provinces through determined campaigns of public information, law enforcement, alternative development, and eradication.

The Government of the Islamic Republic of Afghanistan (GIROA) generally cooperates with the international community in implementing its national counternarcotics strategy.

However, more political will and effort, at the central and provincial levels, is required to decrease cultivation in the south, maintain cultivation reductions in the rest of the country, and combat trafficking in coming years. Afghanistan is a party to the 1988 UN Drug Convention. There are no U.S.-Afghanistan law enforcement treaties.

II. Status of Country

UNODC estimates that Afghanistan cultivated 93 percent of the world's opium poppy in 2008. Afghanistan is involved in the full narcotics production cycle, from cultivation to finished heroin, with drug traffickers trading in all forms of opiates, including unrefined opium, semi-refined morphine base, and refined heroin. Improvements to Afghanistan's infrastructure since 2002 have created more economic alternatives to poppy cultivation and enhanced the Afghan government's ability to combat drug trafficking in some parts of the country. These improvements, such as roads and modern communications, can also be exploited by narcotics traffickers. Growing insecurity in Afghanistan's south, where most poppy was grown, impeded the extension of governance and law enforcement. Narcotics traffickers also exploited government weakness and corruption.

III. Country Actions against Drugs in 2008

Policy Initiatives. In January 2006, the Afghan government inaugurated an eight-pillar National Drug Control Strategy (NDCS), which articulated a coordinated, nationwide strategy in the areas of Public Awareness, Alternative Livelihoods, Law Enforcement, Criminal Justice, Eradication, Institutional Development, Regional Cooperation, and Demand Reduction. While the NDCS is generally viewed as a sound strategy, the Afghan government has been unwilling or unable to fully implement it and has, in some cases, failed to provide adequate support to provincial leaders who have shown greater willingness to take serious steps to combat narcotics cultivation, production, and trafficking in their provinces. In the latter part of 2008, the Ministry of Interior (MOI),

which oversees the Afghan National Police (ANP), and the Ministry of Defense (MOD), agreed to work together on force-protected Poppy Eradication Force (PEF) operations and possibly governor-led eradication efforts in 2009. Joint PEF-Afghan Army eradication operations planned for 2009 may serve as a model for future joint operations on a larger scale. The Ministry of Counter Narcotics (MCN), which has direct responsibility for implementation of the NDCS, has less political influence and fewer resources than other government agencies (especially MOI or MOD), and therefore, depends heavily on their support to execute the policy. On March 1, 2008, the Afghan Parliament confirmed General Khodaidad as Minister of Counter Narcotics after a delay of eight months, during which he served as Acting Minister.

Following UNODC's announcement of high poppy cultivation figures in August 2007, President Karzai convened the second annual national counternarcotics conference. This meeting brought together representatives from key Afghan government ministries, governors from the largest poppy producing provinces, tribal elders, police chiefs, religious leaders, and members of the international community. Afterward, the Ministry of Counter Narcotics (MCN) held a pre-planting session for provincial governors to focus on the 2008 growing season, as the Afghan government instructed provincial and district leaders to launch pre-planting information campaigns to reduce poppy cultivation. The response from governors was uneven. Aided by Counternarcotics Advisory Teams (CNAT), joint U.S.-Afghan teams formed in 2006 to support the Public Awareness pillar of the NDCS at the provincial level, some governors (notably those in Balkh, Nangarhar, and Badakhshan) developed vigorous anti-poppy campaigns and dropped their poppy cultivation to zero or near zero, while others did little to discourage poppy cultivation. Several governors were unwilling or unable to implement successful poppy reduction programs due to the lack of security and high levels of insurgent activity in their provinces.

Nangarhar province, which went from having the second largest area of poppy cultivation in 2007 (18,000 ha) to achieving poppy free status in 2008, presents a compelling example of the counternarcotics progress a provincial governor can achieve through a combination of public information, forced self-eradication, and robust law enforcement. Governor Sherzai of Nangarhar conducted a potent anti-narcotics campaign throughout the province, which included requiring farmers to sign pledges not to grow poppy, implemented a series of public outreach events to inform tribal, religious, and other

community leaders about not growing poppy, and promised development assistance in areas without poppy cultivation.

Throughout 2008, the Minister of Counter Narcotics engaged in public information campaigns directed at key poppy growing provinces, and worked with CNAT teams to hold anti-narcotics tribal councils or “shuras” and community councils with local leaders and senior government officials. Working with governors and key line Ministries such as the MCN and the Ministry of Agriculture, Irrigation and Livestock (MAIL), CNAT teams convened over 100 shuras and council meetings in 2008 across 7 provinces—including the southern provinces of Helmand, Farah, Kandahar and Uruzgan—in support of provincial governors’ counternarcotics campaigns. Most notably, the governor of Helmand launched an ambitious “Food Zone” campaign that provided agricultural inputs such as wheat seed and fertilizer to farmers in exchange for their pledges not to cultivate poppy. Over 30,000 farmers received wheat seed in this campaign. Coupled with credible law enforcement and security forces from the MOI, the Food Zone campaign is expected to produce a decrease in poppy cultivation in Helmand next year.

In mid 2007, the Afghan government’s Policy Advisory Group (PAG) added counternarcotics as one of its key policy pillars. The PAG was formed in late 2006 by the Afghan Government, in cooperation with the U.S., UK, Canada, the Netherlands, NATO International Security Assistance Force (ISAF), and United Nations Assistance Mission in Afghanistan (UNAMA), to deal with critical issues in the unstable southern provinces of Helmand, Kandahar, Farah, Zabol, Nimroz, and Uruzgan. In November 2008, the Afghan government agreed to arrest high-level traffickers and provide one battalion (600-700 personnel) of Afghan National Army forces as protection for Poppy Eradication Force (PEF) eradication operations. Despite initial concern that the Afghan forces would be stretched too thin, the Minister of Defense established a Counternarcotics Infantry Kandak (CNIK) brigade to provide force protection support to the MOI’s PEF during the 2009 eradication season.

The Good Performers Initiative (GPI), a U.S.-UK-funded initiative launched in 2007 to reward provinces for successful counternarcotics performance, continued to provide strong incentives to provinces that were poppy-free or reduced their poppy cultivation by more than 10 percent from 2007. In 2008, 29 of Afghanistan’s 34 provinces qualified for over \$39 million in GPI development assistance projects. To date, the U.S. government has contributed over \$69 million to GPI and its predecessor the Good Performers Fund, while

the UK has provided approximately \$12 million. As of December 2008, at least \$17 million in GPI funds were awarded by MCN to several provinces based on the results of UNODC's annual Afghanistan Opium Cultivation Survey, released in August 2008. In Nangarhar province, for example, four micro-hydro projects that generate electricity for rural villages have been completed with 20 more scheduled to be built in 2009.

Justice Reform/Criminal Justice Task Force. The Afghan government's Criminal Justice Task Force (CJTF) and Counter Narcotics Tribunal (CNT) is a vetted, self-contained unit, which consists of 30 Afghan prosecutors, 35 Afghan criminal investigators, 7 primary court and 7 appellate court judges. The CJTF/CNT is mentored by DOJ Senior Legal Advisors. The CJTF/CNT has had a favorable impact on capacity building, and is working toward its first prosecutions. Regrettably, no major drug trafficker has been arrested or convicted in Afghanistan since 2006. It uses modern investigative techniques to investigate and ultimately prosecute narcotics traffickers under the December 2005 Counter Narcotics Law. The Counter Narcotics Law has Articles dealing with narcotics related corruption and wiretapping which the CJTF has implemented successfully. In late-2008, Afghanistan's Counter Narcotics Law was at risk of being diluted of key provisions by Parliament. Both the United States and UK were working to ensure that key provisions, such as wiretaps, were not eviscerated. Narcotics cases are tried by the CJTF through the CNT, which has exclusive national jurisdiction over mid- and high-level narcotics cases in Afghanistan. Under the existing law enacted in 2005, all drug cases from across Afghanistan, which reach certain thresholds, must be prosecuted by the CJTF before the CNT. The thresholds are possession of two kg of heroin, ten kg of opium, and 50 kg of hashish. Since its inception in 2005, the CJTF/CNT has convicted approximately 1,550 violators. From January to August 2008, the CNT had 223 primary court convictions and 251 appellate court convictions.

To provide a secure facility for the CNT and CJTF, the United State has funded the construction of the Counter Narcotics Justice Center (CNJC) in Kabul. This facility is expected to open in the late spring of 2009. It includes a 56-bed detention facility, courtrooms, and office space for investigators, prosecutors and judges. Also funded and under construction at the CNJC are an additional 116 bed detention annex and a barracks. There are also plans for a DOD-funded Counternarcotics Police of Afghanistan (CNPA) forensic drug lab to be located adjacent to the CNJC. Once the CNJC facility opens, the United States through INL will fund all operation and maintenance costs for two years. At

the end of this two year period it is hoped the Government of Afghanistan will assume all operation and maintenance expenses.

Through the Corrections System Support Program (CSSP), the United States is helping to improve the corrections system with training, capacity-building, and infrastructure. The CSSP works closely with the U.S.-funded Justice Sector Support Program (JSSP), which has over 60 U.S. and Afghan justice advisors in Kabul and four provinces providing training, mentoring, and capacity-building for Afghanistan's criminal justice system.

Law Enforcement Efforts. The number of hectares eradicated nationwide declined from 19,047 ha in 2007 to 5,480 ha in 2008. In 2008, governor-led eradication (GLE) accounted for 4,306 ha, and the Poppy Eradication Force (PEF), a U.S.-supported, centrally-led Afghan National Police unit specifically trained and equipped for eradication activities, eradicated another 1,174 ha of poppy in Helmand and Kapisa provinces. The decreased level of nationwide eradication can be attributed to the decrease in overall cultivation by 19 percent and success of pre-planting programs that compelled farmers to self-eradicate or choose alternate crops to poppy. Additionally, the high degree of insecurity in Afghanistan's southern provinces and the lack of GIROA force protection for the PEF hindered eradication operations in the provinces of highest poppy cultivation. PEF eradication in 2008 was no longer arranged through negotiations with poppy-growing communities to both increase eradication's deterrent effect and to prevent corruption. As a consequence, eradication-related security incidents, including targeted shootings and suicide bombings, increased significantly in 2008, resulting in 78 fatalities, up from 17 in 2007.

Counternarcotics law enforcement efforts were hampered by corruption and incompetence within the justice system as well as the absence of effective governance in many regions of the country. Although revenues from the opium economy represent the equivalent of approximately one-fifth of Afghanistan's GDP, no major drug traffickers have been arrested and convicted in Afghanistan since 2006. Although the capabilities of the Criminal Justice Task Force have significantly improved since its establishment in May 2005, the investigation and prosecution of high value targets remains a challenge because of a combination of insecurity, lack of political will, endemic corruption, and frequent turnover of Afghan investigators and prosecutors.

In 2003, the Ministry of Interior (MOI) established the Counter Narcotics Police of Afghanistan, comprised of investigation, intelligence, and interdiction units. By the end of 2008, the CNPA had approximately 2,737 of its 3,777 authorized strength, including the 500-member PEF. The U.S. Drug Enforcement Administration (DEA) has continued its close collaboration with the CNPA to offer training, mentoring, and investigative assistance in order to develop MOI capacity.

The DEA utilizes permanently assigned personnel at the Kabul Country Office (KCO) and Foreign-deployed Advisory Support Teams (FAST) in Afghanistan. The FAST teams, which consist of eight special agents, one intelligence analyst, and one supervisor, operate in Afghanistan on 120-day rotations and deploy around the country with the Afghan National Interdiction Unit (NIU). During 2007, FAST and the NIU deployed to Herat, Farah, Helmand, Kandahar, Kunduz, and Nangarhar Provinces to conduct operations.

From October 2006 through December 2008, KCO/FAST reported the following seizures: 4.099MT of heroin, 2.448MT of opium (which converts to 244 kg of heroin), and 238.935MT of hashish. During the same period, the CNPA/NIU also destroyed 17 drug labs. The CNPA seized 1,012 kg of solid precursor chemicals and 592 liters of liquid precursors. The CNPA/NIU also reported 75 arrests for trafficking under the provisions of the Afghan Counter Narcotics law where possession of 2 kg of heroin (or morphine base), 10 kg of opium, or 50 kg of hashish mandates automatic jurisdiction for the Counter Narcotics Tribunal.

During 2008, the Afghan government, with DEA training, mentoring and support, made significant progress in developing its three specially vetted units: the National Interdiction Unit (NIU), the Sensitive Investigative Unit (SIU), and the Technical Intercept Unit (TIU), to investigate high-value targets. These units gather judicially authorized evidence under Afghanistan's Counternarcotics Law and prosecute violators through the Criminal Justice Task Force. Personnel in these units are recruited from a wide variety of Afghan law enforcement agencies and have to pass rigorous examinations. During 2008, the NIU was capable of conducting its own operations, including requesting and executing search and arrest warrants, while the SIU was able to independently initiate and complete investigative and undercover cases.

The aim of these specialized units is to have the cases and investigations developed based on judicially gathered evidence from the SIU and TIU culminate in the issuance of arrest and search warrants executed by the NIU. The investigations conducted by the SIU and

NIU with DEA assistance are being prosecuted at the Counter Narcotics Tribunal through the Criminal Justice Task Force (CJTF), which consists of Afghan prosecutors and investigators mentored by experienced Assistant U.S. Attorneys and U.S. Department of Justice Senior Trial Attorneys. The CJTF mentors have also been working with the Afghan authorities to create a formal legal process to gain authority for controlled deliveries of narcotics to trafficking suspects.

During 2008, Afghan authorities assisted Department of Justice senior prosecutors in apprehending narco-terrorist Khan Mohammed in Afghanistan. He had been arrested in Nangarhar Province in October 2006 and agreed to be transferred to the United States to stand trial at the U.S. District Court for the District of Columbia in November 2007. Mohammed was convicted on the charge of narcotics distribution and the precedent-setting charge of narco-terrorism in May 2008. On December 22, 2008, he was sentenced to life in prison.

In October 2008, suspected Afghan narco-terrorist Haji Juma Khan Mohammadhasni was arrested at Jakarta, Indonesia's airport shortly after his arrival from Dubai, UAE. He was transferred to New York, where he will stand trial for producing and distributing large quantities of heroin and giving some of his drug trafficking proceeds to the Taliban.

In October 2007, major Afghan trafficker Haji Baz Mohammad was sentenced to more than 15 years in prison for running an international narcotics-trafficking organization that imported millions of dollars worth of illegal drugs into the United States. Similar to the indictment of Haji Bashir Noorzai, an Afghan drug kingpin who was indicted and arrested in the United States in 2005, Baz Mohammad's indictment also alleged that he was closely aligned with the Taliban. Mohammad Essa, an insurgency-linked heroin distributor for Haji Baz Mohammad in the United States, volunteered to be transferred to the United States to stand trial in April 2007. Essa pleaded guilty of the charges in 2008 and is awaiting sentencing.

Corruption. Many Afghan government officials are believed to profit from the drug trade. Narcotics-related corruption is particularly pervasive at the provincial and district levels of government. Corrupt practices range from facilitating drug activities to benefiting from revenue streams that the drug trade produces. As a matter of policy, however, the Government of Afghanistan does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

During 2008, several mid-level Afghan government officials were convicted of narcotics-related charges and narcotics-related corruption charges. For example, nine public officials, including several Kabul police commanders were convicted in the Central Narcotics Tribunal on charges relating to heroin trafficking. All the men received at least ten-year terms of imprisonment. Additionally, the ANP Commander of Takhar Province was convicted of drug related corruption and intimidation.

In 2008, President Karzai and the Afghan Government demonstrated a renewed commitment to fighting corruption by implementing the recommendations set forth by the interagency anti-corruption commission chaired by Supreme Court Chief Justice Abdul Salam Azimi. To this end, two new anti-corruption entities were established: the High Office of Monitoring, which oversees implementation of the Azimi Commission strategy; and a corruption oversight unit within the Attorney General's Office (AGO), which will ensure the AGO functions efficiently, fairly, and independently. President Karzai's October 2008 appointment of Mohamad Hanif Atmar as Interior Minister was seen as a signal that the Afghan Government remains serious about addressing corruption at all levels within the Afghan National Police (ANP). Atmar is seen as a professional administrator who has a track record of fighting corruption within the Ministries he has headed.

Agreements and Treaties. Afghanistan is a party to the 1988 UN Drug Convention, the 1971 UN Convention, and the 1961 UN Single Convention on Psychotropic Substances. Afghanistan is also a party to the UN Convention Against Transnational Organized Crime. Afghanistan ratified the UN Convention Against Corruption on August 25, 2008. The Afghan government has no formal extradition or mutual legal assistance arrangements with the United States. The 2005 Afghan Counter Narcotics law, however, allows the extradition of drug offenders under the 1988 UN Drug Convention.

Illicit Cultivation/Production. Based on UNODC data, the number of hectares under poppy cultivation in Afghanistan decreased 19 percent, from 193,000 in 2007 to 157,300 ha in 2008. As a result, potential opium production decreased 500 MT from 8,200 MT in 2007 to 7,700 MT in 2008. At the same time, the estimated opium yield decreased from 39.6 kg/ha in 2007 to 35 kg/ha in 2008, according to USG figures. Consistent with the decline in cultivation, the number of people involved in opium cultivation decreased 28 percent from 3.3 million in 2007 to 2.4 million in 2008 – or 9.8 percent of the total population. Considered in terms of its estimated \$3.4 billion illicit export value, opium

represented the equivalent of about one-fifth of Afghanistan's total GDP. On the other hand, the portion of narcotics money actually received by farmers was equal to only a small share of total GDP: opium poppy sold to traffickers brought in \$730 million at the "farm-gate," the equivalent of only seven percent of total GDP.

Afghanistan's 18 poppy-free provinces are in the relatively secure central and northern parts of the country. In 2008, poppy cultivation was further consolidated in areas where the insurgency is strong and government authority is weak, particularly in the south and southwest. The United States, UK, UNODC, International Security Assistance Force (ISAF) and other major international stakeholders now acknowledge that a symbiotic relationship exists between the insurgency and narcotics trafficking in Afghanistan. The Taliban taxes poppy farmers to fund the insurgency. Traffickers provide weapons, funding, and other material support to the insurgency in exchange for the protection of drug trade routes, poppy fields, laboratories, and members of their organizations. For their part, narcotics traffickers thrive in areas with weak or absent governance and where the Taliban and other insurgent groups are active.

The southern province of Helmand continued to be the world's leading producer of opium poppy. In 2008, Helmand cultivated 103,590 hectares of poppy or 66 percent of Afghanistan's total crop. Poppy cultivation has quadrupled in Helmand since 2005 and, employing thousands of seasonal migrant laborers and supporting farmers with systems of credit and distribution. In advance of the 2009 cultivation season, Governor Mangal of Helmand province is implementing a plan to establish a "food and security zone" in central Helmand to allow the extension of governance and development opportunities into a critical area for instability and poppy cultivation, with the objective of eliminating poppy growth in this part of Helmand.

Drug Flow/Transit: Drug traffickers and financiers lend money to Afghan farmers in order to promote poppy cultivation in the country. Traffickers buy the farmers' crops at previously set prices or accept repayment of loans with deliveries of raw opium. In many provinces, opium markets exist under the control of local and regional warlords who also control the illicit arms trade and other criminal activities, including trafficking in persons. Traders sell to the highest bidder in these markets with little fear of legal consequences, and corrupt officials and insurgent groups tax the trade.

Drug laboratories operating within Afghanistan process an increasingly large portion of the country's raw opium into heroin and morphine base. This process reduces the bulk of raw

opium by about one-tenth, which facilitates its movement to markets in Asia, Europe, and the Middle East along transit routes through Iran, Pakistan, Central Asia, and to a lesser extent the United States. Opiates are transported to Turkey, Russia, and the rest of Europe by criminal groups that are often organized along regional and ethnic kinship lines. Precursor chemicals used in heroin production must be imported into Afghanistan. Limited police and administrative capacity hampered efforts to interdict precursor substances and processing equipment. Afghan law requires the tracking of precursor substances but the MCN has not created an active registry to record data. Progress in this effort requires the establishment of new laws, a system for distinguishing between licit and potentially illicit uses of dual-use chemicals, and a specialized police unit to enforce the new system. UNODC has established a five-man unit at CNPA that is charged with tracking precursor chemicals.

Domestic Programs/Demand Reduction. The Afghan government acknowledges a growing domestic drug abuse problem, particularly opium and increasingly heroin. In 2005, Afghanistan's first nationwide survey on drug use was conducted in cooperation with UNODC. This survey estimated that Afghanistan had 920,000 drug users, including 150,000 users of opium and 50,000 heroin addicts, with 7,000 intravenous users. An updated report was due to be released in 2008, but has been delayed until 2009. Through methodology improvements, this survey is expected to show an estimated 2 million drug users in Afghanistan.

The NDCS includes rehabilitation and demand reduction programs for drug abusers. Given Afghanistan's shortage of general medical services, however, the government can only devote minimal resources to these programs. To address demand reduction needs, the UK and Germany have funded specific demand reduction and rehabilitation programs. Feasibility studies on six clinics are on-going. The United States currently funds eight, 20-bed residential drug treatment centers in Afghanistan, including the only two residential facilities in the country (Balkh and Kabul Provinces) dedicated to serving female addicts. In 2008, the United States also supported 26 mosque-based drug education programs, two drop-in centers, five drug prevention/life skills pilot programs in Afghan schools, drug prevention public awareness programs, and a research study on the effects of second-hand opium smoke. In addition, five drop-in centers, formally run by UNODC are being converted into 3 residential clinics.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2008, the United States continued to support the Government of Afghanistan's counternarcotics strategy, which calls for decisive action in the near term and identifies an extensive array of tactics in all sectors, including:

- A public information campaign to win support for the Afghan government's counternarcotics program. The U.S. Embassy will increase support for radio, print media, and person-to-person outreach campaigns. Particular emphasis will be placed on grassroots, person-to-person community outreach activities which engage local community, religious, and tribal leaders on counternarcotics issues.
- Focused efforts at the provincial level. The U.S. will continue to fund the Good Performers Initiative to provide financial incentives to governors, including those who succeed in keeping their provinces poppy-free. Provincial counternarcotics planning will be integrated with military planning at local commands in key provinces such as Helmand, Nangarhar, and Kapisa.
- A more robust eradication campaign. The United States will continue to support the centrally-led PEF program to eradicate in areas where Governor-led efforts need support or fail. The PEF and GLE forces will continue to conduct non-negotiated, manual eradication targeted at areas where it will have the greatest deterrent impact.
- Alternative sources of income to poppy cultivation in rural areas. USAID will continue its comprehensive Alternative Development Program (AD), which in FY 2008 provided approximately \$176,000,000 for AD projects in the major opium cultivation areas of Afghanistan. Since late 2006, USAID has implemented a rural finance program that provides credit to farmers and small- and medium-sized enterprises in areas where financial services were previously unavailable.
- Accelerated narcotics-related investigations, arrests, prosecutions, and incarcerations. In keeping with the overall justice sector strategy pursued jointly by Afghanistan, the United States, and international partners, the United States will expand its training efforts in Afghanistan for provincial and district-level prosecutors during 2009.
- Drug laboratory and stockpile destruction. The NIU and the Afghan Special Narcotics Force (ASNF), in cooperation with the DEA, will continue to target drug labs and seize drug stockpiles.

-- Efforts to dismantle drug trafficking/refining networks. DEA will work closely with the CNPA, NIU, and ASNF in pursuing criminal investigations and disrupting the narcotics trade.

V. Statistical Tables

| Drugs Seized (kg) | | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| (Through 2008) | | | | | | |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Opium | 2,171 | 17,689 | 50,048 | 40,052 | 39,304 | 37,530 |
| Heroin | 977 | 14,006 | 5,592 | 1,927 | 4,249 | 4,936 |
| Morphine Base | 111 | 210 | 118 | 105 | 617 | 3,232 |
| Hashish | 10,269 | 74,002 | 40,052 | 17,675 | 71,078 | 629,952 |
| Precursor Chemicals Seized | | | | | | |
| (Through 2008) | | | | | | |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Solid (kg) | 14,003 | 3,787 | 24,719 | 30,856 | 37,509 | 65,969 |
| Liquid (liters) | 0 | 4,725 | 40,067 | 12,681 | 33,008 | 2,577 |
| Arrests (for trafficking) | | | | | | |
| (Through 2008) | | | | | | |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Arrests | 203 | 248 | 275 | 548 | 760 | 703 |
| Drug Labs Destroyed | | | | | | |

| (Through 2008) | | | | | | |
|----------------|------|------|------|------|------|------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Labs Destroyed | 31 | 78 | 26 | 248 | 50 | 94 |

The 2008 seizure and arrest statistics combine DEA and Counter Narcotics Police of Afghanistan figures for the year.

Albania

I. Summary

Albania is a transit country for narcotics traffickers moving primarily Afghan heroin from Central Asia to destinations around Western Europe. In 2008, seizures of heroin and marijuana declined. Cannabis continues to be produced in Albania for markets in Europe, but cultivation has largely moved into the more remote mountain regions of Albania that the government has difficulty accessing. The Government of Albania (GOA), in response to international pressure and with international assistance, is confronting criminal elements more aggressively but continues to be hampered by a lack of resources and endemic corruption. Albania is a party to the 1988 UN Drug Convention.

II. Status of Country

Albania's ports on the Adriatic and porous land borders, together with poorly financed, poorly managed and under-equipped police, border security and customs controls, make it an attractive stop on the smuggling route for traffickers moving shipments into Western Europe. In addition, marijuana is produced domestically for markets in Europe, the largest being Italy and Greece.

III. Country Actions against Drugs in 2008

Policy Initiatives. In 2005, the GOA outlawed the circulation of speedboats and several other varieties of water vessels on all of Albania's territorial coastal waters for a period of three years, which appears to have slowed the movement of drugs by smaller waterborne

vessels, particularly to Italy. Albania works with its neighbors bilaterally and in regional initiatives to combat organized crime and trafficking, and it is a participant in the Stability Pact and the Southeastern Europe Cooperative Initiative (SECI). In May of 2008, Albania enacted a new law to fight against money laundering. Albania signed the Stabilization and Association Agreement with the European Commission in June 2006, and it has since been ratified by twelve European Union member countries. The EU noted in its ratification that Albania "...is still facing serious challenges in tackling corruption and organized crime, achieving full implementation of adopted legislation, improving public administration and fighting trafficking in human beings and drugs."

Law Enforcement Efforts and Accomplishments. Albanian police continued to make progress in their counternarcotics operations through the increased use of technology, improved police techniques, and an increase in overall capacity. Drug seizure numbers from both Italy and Greece show a marked decline in drugs seized coming from Albania to those countries, which demonstrates the success of Albania's efforts. Albanian authorities organized major police operations and drug seizure operations throughout the country, particularly in Fier, Tirana, and the ports of Vlora and Durres. International cooperation also increased, including joint operations with Italian, Macedonian, Greek and Turkish authorities. Albanian authorities report that from January to September 2008, police arrested 354 persons for drug trafficking, and an additional 32 are being sought. The police seized over 59 kg of heroin, 2092 kg of marijuana, and 1kg of cocaine during this time. The police also destroyed 143,655 cannabis plants and 61 poppy plants. This coincides with a noted decrease in the number of drugs seized by Italian authorities, who for the first nine months of 2008 had seized only 10kg of heroin coming from Albania and 4 kg of marijuana.

The increase in the seizures of cocaine in Albania signals a slight rise in the trafficking of cocaine into Albania both for domestic consumption and for export to Greece and Italy. Prosecutions for organized crime offenses, according to the Prosecutor General's annual report, increased 30% from 2006 to 2007. During the same time period, the number of cultivating and trafficking in narcotics cases increased 16%.

Corruption. Corruption remains a deeply entrenched problem in Albania. Low salaries, social acceptance of graft and Albania's tightly knit social networks make it difficult to combat corruption among police, judges, and customs officials, and corruption aids and abets organized crime and drug trafficking. As part of the government's anticorruption

pledge, in May 2006, Albania ratified the UN Convention against Corruption. In 2007 and the first half of 2008, the police and judiciary have been more active in investigating government officials and law enforcement personnel for corruption. In her annual report to Parliament, the Prosecutor General reported that in 2007, the number of public officials charged for corruption-related offenses increased by 27 percent compared to 2006. In 2007, prosecutors registered 663 proceedings for corruption offenses against 385 defendants. As of the end of 2007, cases against 172 defendants were sent to trial, and 62 defendants had been convicted.

The overall increased number of corruption cases shows a commitment by prosecutors and police to crack down on corruption. Although these numbers are a significant improvement over 2005 and 2006, Albania continues to lack the judicial independence for truly unbiased proceedings and many cases are never resolved. The fact that high government officials enjoy immunity from prosecution hinders corruption investigations generally. However, the creation of a Joint Investigative Unit to Fight Economic Crime and Corruption (JIU) has had a significant impact on the fight against corruption in Albania's capital. (See Section IV for a complete description of this unit and its work.)

Agreements and Treaties. Albania is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. An extradition treaty is in force between the United States and Albania. Albania is a party to the UN Convention against Transnational Organized Crime (TOC) and its protocols against migrant smuggling and trafficking in persons, and since February 2008, to the protocol against illicit trafficking in firearms. The TOC Convention enhances the bilateral extradition treaty by expanding the list of offenses for which extradition may be granted. The U.S. has applied the TOC most recently in a few extradition requests to Albania.

Cultivation and Production. With the exception of cannabis, Albania is not a significant producer of illicit drugs. According to authorities of the Ministry of Interior's Anti-Narcotics Unit, cannabis is currently the only drug grown and produced in Albania and is typically sold regionally. Although eradication programs co-sponsored by the police and local governments have been credited with substantially reducing cultivation of cannabis, cultivation persists despite these efforts. No labs for the production of synthetic drugs were discovered in 2008, and the trade in synthetic drugs remains virtually non-existent. Albania is not a producer of significant quantities of precursor chemicals.

The Law on the Control of Chemicals Used for the Illegal Manufacturing of Narcotic and Psychotropic Substances was passed in 2002 and regulates precursor chemicals.

Unfortunately, police and customs officials are not trained to recognize likely diversion of dual-use precursor chemicals.

Drug Flow and Transit. Trafficking in narcotics in Albania continues as one of the most lucrative illicit occupations available. Organized crime groups use Albania as a transit point for drugs and other types of smuggling, due to the country's strategic location, weak law enforcement and unreformed judicial systems, and porous borders. Albania is a transit point for heroin from Afghanistan, which is smuggled via the "Balkan Route" of Turkey-Bulgaria-Macedonia-Albania to Italy, Montenegro, Greece, and the rest of Western Europe. A limited, but growing, amount of cocaine is smuggled from South America to Albania, both for domestic consumption and external distribution. Additionally, criminal networks are increasingly using ethnic Albanians to smuggle cocaine and heroin from other countries into Albania, Italy and Greece.

Domestic Programs/Demand Reduction. The Ministry of Health believes that drug use is on the rise, but has no reliable data about drug abuse. According to health professionals, the addict population is as large as 30,000 users and current registered drug use could be just the tip of the iceberg for Albania. The GOA has taken steps to address the problem with a National Drug Demand Reduction Strategy but is hampered by the inadequate public health infrastructure that is ill equipped to treat drug abuse, and public awareness of the problems associated with drug abuse remains low. The Toxicology Center of the Military Hospital is the only facility in Albania equipped to handle overdose cases and is staffed by only three clinical toxicologists. This clinic has seen an average of 2000 patients per year over the past five years, and the number of cases has remained constant over this period. The clinic estimates that around 80 percent of the cases result from addiction to opiates, predominately heroin, and most were intravenous drug users. There were only two NGO's operating in Albania during 2007, which dealt with drug related cases. Albania has few regulations on the sale of benzodiazepines, which are sold over the counter at local pharmacies, and the domestic abuse of these medications is believed to be rising, though no data is available.

IV. U.S. Policy Initiatives and Programs

Policy Initiative. The GOA continues to welcome assistance from the United States and Western Europe. The U.S. is intensifying its judicial sector assistance programs in the

areas of law enforcement and legal reform through technical assistance, equipment donations, and training. One of the problems seen in training, however, is deep political polarization at all levels of government resulting in the absence of a strong civil service class and thus many trainees are subject to reassignment during times of political transition. This was especially acute in changes in the Albanian State Police following the 2007 municipal elections. Between 2005 and mid-2006, almost 90 percent of all Chief Controllers from Albania's major border crossing points were transferred or removed from their posts and replaced by new personnel. In many cases, newly-assigned personnel had no apparent background, training or understanding of border functions.

The DEA and the FBI have conducted drug training and investigations training. The State Department-supported U.S. Department of Justice ICITAP and OPDAT programs continued their programs at the Ministry of the Interior, the General Prosecutor's Office, the Serious Crimes Court and Serious Crimes Prosecution Office, all with the goal of professionalizing the administration of justice, combating corruption, and strengthening the GOA's ability to prosecute cases involving organized crime and illicit trafficking. ICITAP continued to offer the Anti-Narcotics and Special Operations Sectors full-time advisory support, an advanced level of training (in cooperation with the FBI) to assist in combating illicit trafficking in people and drugs. ICITAP and State/INL continued to provide support for the GOA's anti-narcotic strategy and efforts through its activities within the International Consortium and the Mini-Dublin Group. OPDAT worked closely with representatives from the Ministry of Interior, General Prosecutor's Office, and Ministry of Finance on a new law on the prevention of money laundering and terrorist financing, enacted in May 2008, which lowered the threshold of financial transaction reporting and imposed new identification procedures for those engaging in financial transactions.

In 2007, OPDAT and ICITAP worked with the Albanian Ministry of Interior, Ministry of Finance, General Prosecutor's Office, and State Intelligence Service to form an Economic Crime and Corruption Joint Investigative Unit (JIU) to improve the investigation and prosecution of financial crimes, especially money laundering and corruption. The JIU formally began operations in September of 2007 and has shown very promising initial success, opening 222 cases in the first year of operation and successfully convicting the Deputy Minister of Transportation and the General Secretary of the Ministry of Labor on corruption charges. Other high-profile cases include the arrest of a prominent surgeon for accepting bribes to perform surgeries, the arrest of a prosecutor for agreeing to bribe a

judge for the reduction of a defendant's sentence, and the extensive investigation and arrest of 17 defendants in a wide-ranging ATM fraud scheme. OPDAT has supported the JIU throughout 2008 with an imbedded OPDAT anti-corruption legal advisor and an intensive program of training, along with equipment donation.

The Witness Protection (WP) Directorate in the Ministry of Interior continues to work with the U.S. and other members of the international community to strengthen the existing witness protection legislation. The WP Directorate has helped to protect a number of witnesses, and witness families, in trafficking and drug related homicide cases. During 2008, OPDAT and ICITAP provided extensive training support to the WP Directorate by sponsoring an in-country assessment and two week-long trainings on administrative procedures and physical protection techniques conducted by the Witness Security Division of the United States Marshals Service. In addition, OPDAT sponsored three high-ranking members of the Albanian Witness Protection Directorate and a Serious Crimes prosecutor to attend the third International Symposium on Witness Protection in October, 2008, in Lyon, France, where they had the opportunity to learn and interact with WP officials from over 30 countries.

The United States, through State/INL, continues to provide assistance for integrated border management, a key part of improving the security of Albania's borders, providing specialized equipment, and the installation of the Total Information Management System (TIMS) at border crossing points. Part of the integrated border management initiative, formally approved by the Albanian Council of Ministers on 29 September 2007, included the establishment of an autonomous Border and Migration Department with direct command and control of all border policing resources answerable to one central authority. Other U.S., EU, and international assistance programs include support for customs reform, judicial training and reform, improving cooperation between police and prosecutors, and anticorruption programs. The USCG provided maritime law enforcement training to Albanian officers through two visits of a mobile training team. Albanian law enforcement authorities have provided the Italian police with intelligence that has led to the arrest of drug dealers and organized crime members, as well as the confiscation of heroin in Italy. Cooperation also continues with Italian law enforcement officials to carry out narcotics raids inside Albania.

The Road Ahead. The Albanian government has made the fight against organized crime and trafficking one of its highest priorities. Additionally, the police are taking an

increasingly active role in counter narcotics operations. Albania's desire to enter into the European Union and its entry in 2008 into NATO continues to push the GOA to implement and enforce reforms, but the fractional nature of Albanian politics and the slow development of Albanian civil society have hampered progress. The U.S., together with the EU and other international partners, will continue to work with the GOA to make progress on fighting illegal drug trafficking, to use law enforcement assistance effectively, and to support legal reform.

Argentina

I. Summary

Argentina is a transshipment point for Andean-produced cocaine destined for Europe and for small quantities of Colombian heroin destined for the United States. It is a source country for precursor chemicals, as well as a transshipment country for ephedrine being sent to Mexico. Authorities have discovered several small 'kitchen' labs converting cocaine base to cocaine hydrochloride (HCl), and in 2008 authorities also exposed a number of small operations producing synthetic drugs. National data on seizures of cocaine and other illicit drugs has not been sufficiently consistent to make precise year-to-year comparisons, but available evidence points to increasing trafficking through the country. Argentina is a party to the 1988 UN Drug Convention.

II. Status of Country

Argentina is a transit country for cocaine from Bolivia, Peru, and Colombia destined for Europe and, to a lesser extent, for some Colombian heroin en route to the United States. Large seizures of cocaine in Europe have been linked to Argentina, and individual carriers of small quantities from Argentina to Europe are regularly discovered. Survey data in 2008 showed that marijuana was the most commonly consumed illicit drug in Argentina, followed by cocaine (HCl) and inhalants, respectively. A cheap, readily available and mentally debilitating drug "paco" (from pasta de cocaina—a byproduct of cocaine HCl production) is consumed in Argentina's impoverished neighborhoods. The United States and Argentina cooperated effectively in narcotics investigations in 2008. The Minister of Justice approved a comprehensive U.S.-Argentina initiative aimed at capacity-building under his ministry and has regularly accepted support for the Prefectura Naval (Coast Guard), Gendarmeria Nacional (Border Patrol equivalent), Federal Police, and Airport

Police. Overall, however, Argentina's effectiveness in combating the illegal drug trade is hampered by sometimes poor coordination between law enforcement institutions at the national and provincial levels and particularly by inefficiencies in the legal system. As one of South America's largest producers of precursor chemicals, Argentina is vulnerable to diversion of chemicals into the illicit drug industry. The country's lack of effective controls over ephedrine imports during the first nine months of the year exposed it to a rapidly growing transshipment trade. A tightening of regulations from mid-September 2008, following highly publicized incidents related to ephedrine trafficking, may reduce this vulnerability, but officials recognize the need for additional measures and enforcement.

III. Country Actions against Drugs in 2008

Policy Initiatives. In 2008, senior GOA officials discussed the idea of decriminalizing personal consumption of illicit drugs, arguing that such a measure would permit shifting of scarce police and judicial resources away from individual users and toward drug trafficking organizations, as well as freeing up funds for substance abuse treatment. Despite these suggestions from the executive branch, the federal legislature did not enact any new drug decriminalization laws in the course of the year.

Delays, lack of transparency, and inconsistency in judicial processes have reduced public confidence in the legal system. Argentina is transitioning from a written, inquisitorial jurisprudential system to an oral, accusatory system. Legislation to improve procedures for dealing with drug crimes has not been approved. The Ministry of the Justice, Security, and Human Rights (MOJ) has national authority over counter-drug law enforcement efforts, though independent provincial police and prosecutors are responsible for many seizures and trials. An independent agency responsible to the presidency, the Secretariat of Planning for the Prevention of Drug Addiction and Drug Trafficking (SEDRONAR), also plays a role in formulating national counter-drug policy and controls over precursor chemicals. Coordination between SEDRONAR and the MOJ appeared to be poor in 2008, and SEDRONAR appeared to have insufficient resources for its role in monitoring the use of precursor chemicals.

During the first half of 2008, traffickers exploited Argentina's lack of effective regulation over the importation of ephedrine to bring in large quantities of the substance then re-exporting it illicitly to Mexico. Some ephedrine has been used to manufacture synthetic drugs in Argentina. In September 2008, the GOA issued a decree prohibiting the importation of ephedrine by pharmacies, thereby closing a key loophole exploited by

traffickers. The GOA now plans to have SEDRONAR, the MOJ, and the Ministry of Health oversee the importation of ephedrine for use by the country's pharmaceutical industry. The GOA still lacks the regulations required to impose criminal penalties for the illicit diversion of other precursor chemicals, and is still formulating plans to improve controls and penalties.

Accomplishments. In 2008, the GOA shut down UFIDRO, an entity created in 2005 in part to collect national data on drug crimes and seizures and established a new office under the Ministry of Justice to collect drug seizure data. Drug seizure data in Argentina is collected separately by national and provincial authorities and is not always reliable.

National and provincial data through mid-November 2008 showed that security forces had seized nearly 7 metric tons of cocaine (HCl) and over 100 metric tons of marijuana.

Federal authorities accounted for 80 percent of the recorded marijuana seizures and 55 percent of the cocaine. In the country's largest province, Buenos Aires, there was an increase in seizures and arrests during the first eight months of 2008 compared to 2007, including 1,400 kilograms (kg) of cocaine seized compared to 400 kg in 2007 and 200,000 doses of MDMA (Ecstasy) compared to 2,400 the year before. Following an August 2008 triple homicide reportedly linked to ephedrine trafficking, national police and prosecutors achieved a string of successes in uncovering illicit ephedrine supplies and small-scale synthetic drug production facilities. During 2008, the MOJ also established three new drug analysis laboratories around the country to help with investigations and analysis of seized products.

Law Enforcement Efforts. The ongoing transition from a written, inquisitorial legal system to an oral, accusatorial system has caused delays between arrest and final rulings and there is a backlog of cases, the result being a further erosion of confidence in the judicial system. The GOA continues to implement reforms, including providing prosecutors and judges greater discretion in terms of selecting which cases to prosecute, the objective being to give authorities the ability to target major drug trafficking organizations.

Corruption. The GOA is publicly committed to fighting corruption and prosecuting those implicated in corruption investigations. It is not government policy, nor are any senior GOA officials known to engage in, encourage, or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The frequency with which investigations of

narcotics-related cases fail to result in actual prosecutions or convictions has been cited as a basis for public concern about corruption.

Agreements and Treaties. Argentina is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances; the UN Convention against Transnational Organized Crime and its three Protocols; and the UN Convention against Corruption. The United States and Argentina are parties to an extradition treaty that entered into force on June 15, 2000, and a bilateral mutual legal assistance treaty (MLAT) that entered into force on December 13, 1990. Both of these agreements are actively used by the United States with the GOA. Argentina has bilateral narcotics cooperation agreements with many neighboring countries. In addition, Spain, the United Kingdom, Germany, Australia, France, Italy and the Netherlands provide limited counternarcotics training and equipment. In 1990, U.S. Customs and Border Protection signed a Customs Mutual Assistance Agreement with the Government of Argentina. Argentina is also a party to the Inter-American Convention against Corruption, Inter-American Convention of Mutual Assistance in Criminal Matters, the Inter-American Convention against Trafficking in Illegal Firearms, and the Inter-American Convention against Terrorism.

Cultivation/Production. The government of Argentina contends that drug production in Argentina remains largely insignificant despite occasional discoveries of small "kitchen" labs converting cocaine base to HCl and despite the widespread use of a cocaine HCl byproduct, "paco," in impoverished areas. There were several discoveries of labs producing ephedrine-based drugs in Argentina in 2008 as well. There is some marijuana cultivation in Argentina.

Drug Flow/Transit. Some Colombian-produced heroin is smuggled through Argentina via commercial flights going directly to the United States, or through Mexico and across the southwest U.S. border. There were no major heroin seizures reported during the first nine months of 2008. Colombian cocaine HCl entering Argentina is largely destined for international cocaine markets, primarily Europe but also Asia and the U.S. Cocaine HCl seizures have risen over time, from a reported 2.5 metric tons in 2006 to at least 7 metric tons in each of the past two years. There is an indigenous population along the northern border with Bolivia that traditionally consumes coca leaf, but the last maceration pit

discovered in Argentina was in 2006. Proceeds from drug smuggling ventures organized in Argentina are often brought back to the country by couriers in bulk cash shipments and then wired to the United States for investment or smuggled directly into the United States. Most of the marijuana consumed in Argentina originates in Paraguay and is smuggled across the border into the provinces of Misiones and Corrientes, from where it is then transported overland to urban centers or onward to Chile.

Demand Reduction Programs. SEDRONAR coordinates GOA demand reduction efforts. The GOA, in collaboration with private sector entities, sponsors a variety of print and broadcast information campaigns which have a nationwide reach. Argentina inaugurated its first National Drug Plan in 2005 and initiated a number of demand reduction programs in 2006 that continued into 2008, including a school-based program targeting 10-14 year-olds, a sports-based prevention program, a community prevention program and one focused on vulnerable populations. The latter has a specific focus on the use of the inexpensive but harmful drug "paco"

IV. U.S. Initiatives and Programs

Policy Initiatives. U.S. efforts in Argentina focus on four core areas: reducing Argentina's role as a transit point for drug trafficking by disrupting and dismantling the major drug trafficking organizations in the region; promoting regional counternarcotics cooperation with Andean and Southern Cone nations; maximizing host nation drug enforcement capabilities; and fortifying bilateral cooperation with host nation law enforcement agencies.

Bilateral Cooperation. The cornerstone of the USG's law enforcement support, with INL funding and Drug Enforcement Administration (DEA) expertise, is the Northern Border Task Force (NBTF), a joint law enforcement group comprising federal and provincial elements operating in Argentina's northwestern provinces of Jujuy and Salta to interdict the drug flow from Colombia, Peru, and Bolivia. The Eastern Border Task Force (EBTF), created in 2007, extended its focus in 2008 on the illicit drug smuggling activities in the tri-border area with Paraguay and Brazil.

The Drug Enforcement Administration (DEA) works closely with Argentine federal and provincial law enforcement agencies, prosecutors and judges, and SEDRONAR, to improve coordination, cooperation, training and exchanges. DEA and the Embassy's Legal Attaché office (LEGATT) are particularly focused on working with prosecutors and judges on improving and updating investigation and prosecution techniques vis-à-vis narcotics trafficking and other complex crimes.

DEA agents in the region develop intelligence that is shared among counternarcotics agencies and is key to the success of local law enforcement efforts. The decision by the Government of Bolivia to expel DEA agents from that country has already affected the ability of Argentine law enforcement agencies to develop and execute intelligence-driven operations.

U.S. Immigration and Customs Enforcement (ICE) provided advisory support for precursor shipment identification and investigative response. The Embassy's Military Group helped organize training for the Gendarmeria Nacional, Prefectura Naval and other law enforcement agencies to strengthen the core capabilities of these forces to analyze information, conduct operations, provide first responder medical care, enforce maritime law, provide port physical security, and invest in professional development. The U.S. Coast Guard provided a Maritime Law Enforcement Curriculum Infusion course. Instructors conducted an intensive curriculum review and assisted in the establishment of a syllabus, and honed instructional skills to further advance GOA training programs.

The Road Ahead. The GOA continues a slow process of institutional reform of its legal system and serious weaknesses remain. The GOA is seeking to tighten control of precursor chemicals, improve coordination among law enforcement agencies, integrate databases to enable more thorough investigations, and pursue greater transparency and more efficient operations in the judicial system. The U.S. Embassy in Buenos Aires will continue to make bilateral law enforcement cooperation the foundation of its efforts, using the Northern Border Task Force (NBTF) and the Eastern Border Task Force (EBTF) as the centerpieces to augment GOA interdiction and enforcement capabilities. The USG encourages the GOA to continue its operations at border areas against smuggling of bulk-cash, ephedrine and other precursor chemicals. The GOA should strengthen Argentina's anti-money laundering efforts and address its lack of clear regulations and procedures for forfeiture of criminally-obtained goods and assets.

Armenia

I. Summary

Armenia is not a major drug-producing country and domestic abuse of drugs is relatively small. Drug-related arrests and interdictions of illegal drugs declined overall in the first six months of 2008 compared to the same period in 2007, reversing an increase from 2006 to 2007. Because the number of cases and the volume of illegal drugs seized remain small, even modest fluctuations in these figures can appear as large percentage changes. The Government of Armenia recognizes Armenia's potential as a transit route for international drug trafficking. In an attempt to improve its interdiction ability, Armenia, together with Georgia and Azerbaijan, is engaged in an ongoing, European Union-funded and UN-implemented Southern Caucasus Anti-Drug (SCAD) Program, launched in 2001. This program provides advisory assistance to promote the use of European standards for drug prosecutions, collection of drug-related statistics, rehabilitation services to addicts, and drug-awareness education. Armenia is a party to the 1988 UN Drug Convention.

II. Status of Country

Sitting at the crossroads between Europe and Asia, Armenia has the potential to become a transit point for international drug trafficking. However, Armenia's two longest borders, those with Turkey and Azerbaijan, are currently closed. The resulting limited transport options between Armenia and its neighboring states have kept the country a secondary traffic route for drugs. The Armenian Police Service's Department to Combat Illegal Drug Trafficking has accumulated a significant database on drug trafficking sources, including routes and the people engaged in trafficking. Scarce financial and human resources, however, limit the Police Service's effectiveness.

Drug abuse is not widespread in Armenia, and according to the police the local market for illicit narcotics is relatively small. The majority of Armenian drug users use hashish or other forms of cannabis. Opiates, especially opium, are the second most abused drug group. Over the last decade there has been a general increasing trend in the abuse of heroin, but the overall demand for both heroin and cocaine remains fairly low. Illegal drug use in Armenia is not solely the province of the young. Police statistics show that over 60% of convicted traffickers are male Armenian citizens between the ages of 30 and 49. Of those registered for drug treatment, 91% are over age 25 and 56% are over 35.

III. Country Actions against Drugs in 2008

Policy Initiatives. In June 2008 the Armenian government introduced legislative changes designed to bring Armenian drug laws closer into line with EU standards and to focus law enforcement efforts on drug trafficking while emphasizing prevention and treatment in dealing with drug users. Specifically, these changes decriminalized the use of illegal drugs and the transfer of small amounts of drugs without purpose of sale (e.g., sharing of small quantities among users). Previously, a person convicted of using drugs could be jailed for up to two months for a first offense, a threat which the UN SCAD Program's experts found discouraged drug addicts from seeking treatment. Under the new system, a first-offense user is subject to a fine up to 200,000 Armenian drams, or roughly \$600, but that fine is waived for a user who voluntarily seeks drug treatment.

The Ministry of Justice has also enlisted SCAD support in developing a new National Drug Strategy for 2009 to 2014.

A USG-funded project to expand Armenia's own Border Management Information System (BMIS) to all border crossing points is near completion and will centralize immigration data, giving law enforcement agencies access to information relevant to drug interdiction efforts at Armenia's borders.

Law Enforcement Efforts. Police statistics for the first six months of 2008 show clear declines in total number of offenses, total number of traffickers, and total amount of drugs seized compared to the first six months of 2007 (451 to 383 offenses, 221 to 193 individuals, and 4,739 kg to 4,415 kg drugs seized, respectively). Amid this overall positive trend, however, there is a disturbing increase in opium abuse. For example, seizures of marijuana, cocaine and heroin fell by 75%, 99% and 100% respectively between these two periods, but the quantity of opium seized more than doubled. Also, the number of patients registered for treatment for addiction to opiates nearly doubled from 71 to 138, while the number treated for cannabis and synthetic drugs remained nearly unchanged. As noted before, given the small scale of the drug problem in Armenia, fairly minor changes in absolute figures can generate large percentage variations, especially when comparing relatively short periods of time—in the figures above, cocaine and heroin confiscations fell from "highs" of less than 200 grams each. Nevertheless, the drastic increase in opium poppy found and destroyed in Armenia this year suggests that the apparent rise in opium abuse is not merely a statistical aberration.

Measures to identify and eradicate both wild and illicitly cultivated cannabis and opium poppy continued in 2008. In August and September the Police Service, along with elements of the Ministry of Defense and local governments, conducted an annual search for hemp and opium poppy fields in the countryside, as well as distribution networks in the cities. The search netted over 80 tons of hemp and over one ton of poppy, marking a slight decrease in hemp but an eight-fold increase in poppy from 2007.

Beginning in mid September, Armenian law enforcement agencies participated in "Channel," an annual joint operation among the member states of the Collective Security Treaty Organization (Armenia, Belarus, Kazakhstan, the Kyrgyz Republic, Russia, Tajikistan, and Uzbekistan) dedicated to stopping the cross-border flow of illegal drugs and other contraband and disrupting the travel of criminals. During this exercise, the Armenian authorities scrutinized all vehicles and cargo crossing the border. All Armenian law enforcement agencies (Police, National Security Service, Customs, Border Guards, Police Internal Troops, Ministry of Defense, and the Prosecutor General's Office) participated in this operation.

Corruption. Corruption in general remains a serious problem throughout Armenia, but there appears to be little high-level corruption related to drug trafficking. The new administration that took office in April 2008 has cracked down on corruption in some government agencies, including the customs service. However, the corruption targeted in these agencies generally was not drug-related. The Government of Armenia does not encourage or facilitate illicit production or distribution of narcotic drugs and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions. No senior government officials have been reported to engage in these activities. The main form of drug-related corruption occurs when individual drug users found with drugs in their possession bribe police to avoid arrest. The decriminalization of drug use could reduce this tendency, but many drug users may be unaware of the legislative changes or may still resort to bribes to avoid the administrative fines under the new law.

Agreements and Treaties. Armenia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Armenia is also a party to the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling and

trafficking in women and children. Armenia ratified the UN Convention against Corruption in March 2007.

Cultivation and Production. Hemp and opium poppy grow wild in Armenia. Hemp grows mostly in the Ararat Valley, the southwest-central part of Armenia; poppy grows in the northern part, particularly in the Lake Sevan basin and some mountainous areas. There is also some small-scale illegal cultivation of both these crops. The best available estimates of crop size come from eradication efforts by law enforcement authorities. As noted previously, this year's eradication campaign seized over 80 tons of hemp and over one ton of poppy. This figure represents a sharp percentage increase in opium poppy seized, though the total amount remained very small compared to major producing countries.

Drug Flow/Transit. There is very little transit of illegal drugs through Armenia to other countries, and there is no known transit through Armenia of drugs bound for the United States. The principal production and transit countries from which drugs are smuggled into Armenia are Iran (heroin and opiates) and Georgia (opiates, cannabis and hashish). Armenia's borders with Turkey and Azerbaijan remain closed, but small amounts of opiates and heroin are smuggled to Armenia from Turkey via Georgia. There have also been cases of small-scale importation from other countries, mostly by mail or by airline passengers arriving in Yerevan. Should Armenia's closed borders reopen, police predict drug transit will increase significantly.

Domestic Programs/Demand Reduction. Armenia has adopted a policy of focusing on prevention of drug abuse through awareness campaigns and treatment of drug abusers. These awareness campaigns are being implemented and manuals are being published under the framework of the SCAD program. The Drug Detoxification Center, part of the Armenian Narcological Clinic and funded by the Ministry of Health, provides short-term drug treatment, but so far the lack of longer-term treatment and counseling has limited the success of treatment efforts. As of 2008 the Narcological Clinic was prepared to begin offering methadone substitution treatment pending state registration of the procedures for prescription and supply.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG continues to work with the Government of Armenia to increase the capacity of Armenian law enforcement. Recent and ongoing joint activities include the development of an independent forensic laboratory, the improvement of the

law enforcement infrastructure and the establishment of a computer network enabling Armenian law enforcement offices to access common-use databases. In 2008, the Department of State continued to assist Armenian law enforcement with funding from the FREEDOM Support Act and through the Export Control and Related Border Security (EXBS) program. EXBS training and assistance efforts, while aimed at the nonproliferation of weapons of mass destruction and their delivery systems, directly enhance Armenia's ability to control its borders and to interdict all contraband, including narcotics.

The Road Ahead. The USG will continue aiding Armenia in its counternarcotics efforts through the capacity building of Armenian law enforcement and will continue to engage the government on operational drug trafficking issues.

Australia

I. Summary

Australia is a committed partner in international efforts to combat illicit drugs.

Domestically, Australian government policies are designed to address fully both the law enforcement needs and the demand reduction sides of the problem. Australian law enforcement agencies work closely with U.S. counterparts in the U.S. and Australia, and have a robust and growing law enforcement liaison relationship in numerous overseas locations. Australia is a party to the 1988 UN Drug Convention.

II. Status of Country

While Cannabis is still the most abused drug in Australia, the 2007 annual report of the United Nations International Narcotics Control Board reported for a second year that amphetamine type substances (ATS) are the second most widely used illegal substance in Australia. The report also lists ATS abuse in Australia as among the highest in the world. Marijuana, crystal methamphetamine, cocaine, and MDMA usage is widespread throughout Australia. Significant seizures of these drugs are of particular concern to Australian law enforcement officials. Australian officials have seized notable quantities of southeast Asian and Afghan heroin in 2008. In November 2007, the Australian Federal Police (AFP) reported that the drug harm index, their measurement of the estimated damage seized drugs may have caused society had they not been seized, had increased to A\$621 million (US\$391 million) in 2006/2007 from A\$165 million (US\$104 million) in 2005/2006.

Law enforcement agencies throughout Australia continue to seize significant quantities of precursor chemicals from China, India, and most recently, Thailand. In addition, officials continue to seize small, toxic, and sophisticated methamphetamine and MDMA clandestine laboratories throughout Australia although, the number of clandestine laboratories destroyed has decreased slightly in 2008.

MDMA remains popular in Australia. According to the Australian 2007 Ecstasy and Related Drugs Reporting System (EDRS) report, MDMA is easy to obtain and purity ranges from medium to fluctuating quality. Night clubs are the most common places of use and prices range from A\$30–A\$50 (US\$19 – US\$32) per pill. Substantial MDMA shipments originating from Europe and Asia continue to be seized in Australia.

Cocaine use is stable throughout Australia, and for the most part, is more prevalent in larger metropolitan areas. While cocaine remains expensive in Australia, it also remains readily available. Cocaine seizures are constant and the majority of seizures involve the postal system and couriers transporting small amounts, many of which continue to originate directly from source countries in South America. In 2008, Australian authorities seized hundred kilogram cocaine shipments from Canada, and in March of 2008, a 250 kilogram shipment from China.

The availability of heroin in Australia remains steady and although many prior users of heroin are reportedly using crystal methamphetamine, recent local reporting indicates an increase of heroin use in Australia's larger cities among users who inject drugs. Health officials in Sydney and Melbourne have reported an increase in heroin overdoses and law enforcement and local news reports indicate heroin trafficking and use is on the rise. Similar to cocaine, most heroin seizures involve small amounts being transported by courier and the postal system. However, law enforcement authorities have also made some significant heroin seizures, such as the two kilograms from New Delhi and 28 kilograms from Indonesia in March 2008.

III. Country Actions against Drugs in 2008

Policy Initiatives. The result of Australian Government initiatives in past years to address the increase of clandestine synthetic drug laboratories is reflected in a slight decrease in the number of laboratory seizures recently. Changes in legislation limited the availability of pseudoephedrine, a precursor chemical for methamphetamine. All products containing pseudoephedrine are now stored behind the pharmacy counters, and products with high concentrations of pseudoephedrine also require a doctor's prescription. In

response to this legislation, many organized crime groups have undertaken large scale smuggling of ephedrine and pseudoephedrine products from locations throughout Asia, primarily China, India, and Thailand. Australian law enforcement officials have been successful in seizing record amounts of pseudoephedrine in 2008.

In June 2007 the Australian Crime Commission (ACC), in partnership with Health, State and Territory Drug Squads and Industry Associations, commenced the "National Awareness Raising Campaign for Chemical and Scientific Industries". The objective of the program is to educate industry about the diversion of chemicals and equipment into the illicit drug manufacture market, new and proposed legislation and regulations on controls over chemicals and equipment, and to encourage compliance with the industry code of practice. The program has served to foster closer working relations between industry State based chemical diversion programs and the ACC.

The ACC also commenced the National Clan-Lab Database. This program is designed to provide a user friendly, nationally consistent platform for recording seizure information from clandestine drug laboratories. The program operates from laptop computers at the crime scene, and allows officers to record all site information, exhibits, drug manufacture methods, and a great deal of additional real time information as the scene is processed. After processing, the seizure information is uploaded to the national database from each jurisdiction. The centralized collection of this information allows law enforcement from all jurisdictions to access the information and develop national statistical data for investigative and management purposes.

The AFP's International Deployment Group continues to support regional Asian governments to ensure stability and combat drug and crime organizations. In addition, the AFP has deployed additional resources to Afghanistan in support of drug enforcement and intelligence operations. The AFP's international network has grown slightly in 2008 to 87 officers at 34 posts in 28 countries worldwide. The AFP's international liaison network coordinates closely with DEA offices on matters of mutual interest.

Law Enforcement Efforts. Responsibility for counternarcotics efforts is divided among the Federal Government, primarily the AFP, the Australian Customs Service (ACS), the Australian Crime Commission (ACC), and the Therapeutic Goods Administration (TGA), in addition to state/territorial police services. Australia also has a large and growing international deployment of AFP overseas liaison officers focusing on transnational crime, including international drug trafficking. In 2008, Australian law enforcement officials have

successfully targeted significant drug trafficking organizations impacting the country. Asian and European organized crime groups (particularly from the Netherlands, Belgium, Italy and Israel) are targeting Australia for large-scale shipments of MDMA tablets. In June 2008, subsequent to the seizure of approximately 4.4 tons of MDMA tablets the previous year in Melbourne, the AFP conducted enforcement operations and totally dismantled an international MDMA trafficking organization. The investigation revealed multiple criminal organizations with international links involved in this import, the largest MDMA shipment ever seized.

Asian organized crime groups continue to dominate the distribution and trafficking of methamphetamine and to a lesser extent, cocaine, MDMA, and heroin. Australian authorities continued to seize substantial quantities of these drugs. Local law enforcement reporting for the period of 2006-2007 indicates ATS seizures increased by approximately 25% and the number of arrests has increased by 28%. Total weight of cocaine seized by the ACS increased by approximately 600% and arrests increased by 75%. And finally, heroin border seizures are the highest recorded, with the total weight of heroin seized at the border up 79%. These trends are continuing in 2008. For example, in January 2008, authorities seized approximately 28 kilograms of methamphetamine originating from Lithuania. In March 2008, authorities seized 250 kilograms of cocaine transiting from China and approximately 22 kilograms of methamphetamine and 35 kilograms of MDMA in Perth. In June 2008, authorities seized 124 kilograms of cocaine, 66 kilograms of methamphetamine, and 121 kilograms of MDMA, all originating from Canada. Asian organized crime groups are primarily responsible for these imports and will continue to influence and control the majority of drug trafficking activity and related crimes in Australia.

Since domestically produced marijuana is Australia's most abused illicit drug, authorities maintain a robust marijuana eradication program, primarily on the state level. Australia produces enough marijuana to satisfy domestic demand, and the majority of marijuana produced in Australia is distributed for local consumption. Use of hydroponic grow sites is the preferred method of the more advanced marijuana trafficking organizations. However, authorities continue to seize substantial numbers of marijuana plants from outdoor cultivation. In March 2008, the New South Wales Police Force seized approximately 11,000 marijuana plants from a single plot. Most outdoor cultivation site seizures consist of 70-

100 plants spread over multiple sites in close proximity. There are limited instances of small amounts of Australian produced hydroponic marijuana being transported to Asian nations.

Corruption. Historically, corruption and misconduct are not issues at the federal level in Australia. Some misconduct does occur at the state level and is vigorously investigated by the appropriate authorities within Australia. All state level agencies have internal units dedicated to investigating alleged police corruption. In June 2008, an Assistant Director of Investigations with the New South Wales Crime Commission was arrested by the Australian Federal Police after an 18 month investigation. The subject was charged for his involvement in attempting to import a quantity of pseudoephedrine into Australia. The arrest was widely reported by the local media, and he is one of the most senior law enforcement officials ever arrested and charged in Australia. His case is currently pending before the courts. The Government of Australia does not, as a matter of government policy, encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs

Agreements and Treaties. The U.S. and Australia cooperate extensively in law enforcement matters, including drug prevention and prosecution, under a bilateral mutual legal assistance treaty and an extradition treaty. In addition, Australia is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling, and the UN Corruption Convention. Australia also is actively involved in many international organizations that investigate drug trafficking. Australia acts as co-chair of the Asia-Pacific Group on money laundering, is a member of the Financial Action Task Force, INTERPOL, the Heads of Narcotics Law Enforcement Association (HONLEA), the International Narcotics Control Board, the South Pacific Chiefs of Police, the International Drug Enforcement Conference (IDEC) and the Customs Cooperation Council among others.

Cultivation/Production. The licit cultivation and processing of opium poppies in Australia is strictly confined to the Australian state of Tasmania. Tasmania is considered one of the world's most efficient producers of poppies with the highest yield per hectare of

any opiate producing country. With an annual average licit opium production of approximately 2.5 tons per hectare, Tasmania supplies approximately one half of the world's legal medicinal opiate market. The Australian poppy industry utilizes the Concentrated Poppy Straw process, which processes the dry poppy plant material 'poppy straw' for use in the production of codeine and thebaine. The Australian Federal Government and the Tasmanian State Government share responsibility for control of the poppy industry. During the growing and harvesting season, crops are regularly monitored by the Poppy Advisory and Control Board field officers and any illegal activity is investigated by the Tasmania Police Poppy Task Force. The export to the U.S. of Australia's narcotic raw material (NRM) is regulated by the '80/20 rule' which reserves 80 percent of the NRM market to traditional suppliers (India and Turkey) while the remaining 20 percent is shared by non-traditional suppliers (Australia, France, Hungary, Poland and currently, Former Yugoslavia). There were approximately 1000 poppy growing licenses granted for the 2006/2007 growing season in which 13,000 hectares were under poppy cultivation.

Drug Flow/Transit. There has been no evidence regarding the use of Australia as a flow/transit point for illegal narcotics.

Domestic Programs/Demand Reduction. The availability of treatment services for drug users remains an integral part of Australia's National Drug Strategy. There is a wide range of treatment options available throughout Australia, including detoxification, therapeutic communities, residential facilities, outpatient treatment, day programs, and self-help groups. As part of the "Tough on Drug Strategy" launched in 1997, the Australian government has committed substantial resources to reducing the demand for illicit drugs throughout the country. This strategy, coupled with the activities of state/territorial agencies and non-governmental organizations, is aimed at reducing the demand for all types of drugs throughout the country. In 2001, the New South Wales government approved a heroin injection room in the Kings Cross area of Sydney. The Commonwealth of Australia government has opposed the operation of these injection rooms and is pursuing alternative harm reduction methods. To date, this safe injection room remains in operation.

IV. U.S. Policy Initiatives and Programs

Bilateral and Multilateral Cooperation. The United States undertakes a broad and vigorous program of counternarcotics activities in Australia, enjoying close working relationships with Australian counterparts at the policy making and working levels. There is active collaboration in investigating, disrupting, and dismantling international illicit drug trafficking organizations. The United States and Australia cooperate under the terms of a Memorandum of Understanding that outlines these objectives. U.S. and Australian law enforcement agencies also have agreements in place concerning the conduct of bilateral investigations and the exchange of intelligence information on narcotics traffickers. Both countries continue to pursue closer relations, primarily in the area of information sharing.

The Road Ahead. Australia continues to take a leadership position in the international fight against drug trafficking in its domestic, regional, and worldwide activities. The expanded International Deployment Group allows them to have greater participation in regional law and order activities and stabilization efforts. Strong bilateral relations between Australia and the U.S. on counternarcotics issues are confidently expected to continue.

Austria

I. Summary

Austria is primarily a transit country for illicit drugs; it is not a drug-producing country. Experts see no change in the usual strategies of illegal trade of narcotic substances in 2008, except for precursor substances, where since 2007 Austria has begun to serve as a depot country for interim storage. Foreign criminal groups from former Soviet-bloc countries, and Turkey, West Africa, and Central and South America, dominate the organized drug trafficking scene in the country. Austria's geographic location along major trans-European drug routes makes it easier for criminal groups to bring drugs into the country. Production, cultivation, and trafficking by Austrian nationals remain insignificant. Drug consumption in Austria is well below average west European levels and authorities do not consider it to be a severe problem. However, they see a trend toward more high-risk drugs. The number of drug users is currently estimated at around 35,000. The number of drug-related deaths has gone down recently (2007). Cooperation with U.S.

authorities continued to be excellent during 2008. International cooperation led to significant seizures, frequently involving cooperation among multiple countries.

In 2008, Austria continued its efforts to intensify regional police cooperation, particularly with regard to the Balkans. Austria also continued its years-long focus on providing policing know-how to countries in Central Asia. Austria is the seat of the United Nations Office for Drugs and Crime (UNODC) and has been a major donor for several years. Austria has been a party to the 1971 and 1988 UN drug conventions since 1997.

II. Status of Country

There was no significant increase in the number of drug users in Austria during the period, January-October 2008. Austria's National Drug Coordinator estimates the number of total drug abusers at around 35,000. The number of users of MDMA (Ecstasy) remained largely stable in 2008. Austria counted 175 drug-related deaths in 2007 and expects a similar, low figure for 2008—a downward trend compared to the previous three years. However, the number of deaths from mixed intoxication continues to rise as drug users consume more high-risk substances. According to police records, total violations of the Austrian Narcotics Act increased marginally in 2007 and 2008. The latest prosecution statistics (for 2007) show 24,166 charges, a rise of 1.05 percent from the previous year's total. Of these charges 1,236 involved psychotropic substances and 22,929 involved narcotic drugs. One offense involved precursors. Ninety percent of the charges were misdemeanors.

Amphetamines and derivatives ("Ecstasy" pills) are predominantly smuggled in from the Netherlands via Germany, whereby Austria increasingly serves also as a transit country for onward smuggling to Slovenia and Bosnia-Herzegovina. Usage of amphetamines rose 114 percent from 2007 to 2008, tracking a Europe-wide trend as these substances are increasingly available outside of urban areas.

According to a 2005 survey commissioned by the Health Ministry, approximately one-fifth of respondents admitted to consumption of an illegal substance at some time during their lives. Most respondents cited cannabis, with "Ecstasy" and amphetamines in second and third place respectively. Among young adults (ages 19-29), about 30 percent admitted "some experience" with cannabis at least once in their lifetime. According to the study, 2-4 percent of this age group had already used cocaine, amphetamines, and "Ecstasy," while 3 percent had experience with biogenetic drugs.

III. Country Action against Drugs in 2008

Policy Initiatives. Throughout 2008, the Austrian government retained its no tolerance policy regarding drug traffickers and its traditional “therapy before punishment” policy for non-dealing offenders. The government introduced legislation in 2007 for better data quality of drug users. According to critics, this would restrict prescriptions and infringe on patient privacy rights through increased surveillance of medical narcotics users. Legislation is expected to be passed by the end of 2008. Certain types of surveillance of illegal drug behavior are already possible under a 2005 amendment allowing the set up of cameras in high-crime public areas. Critics argue that this only moves the drug scene to other areas. The 2005 law also provided for the establishment of a “protection zone” around schools and retirement centers from which police may ban suspected drug dealers for up to thirty days. Austrian authorities continue to demand stricter regulations on an EU-wide scale regarding internet trade of illegal substances. At the end of 2008, drug experts were debating a possible ban of the “fashion drug” commonly called “Spice.”

During its latest EU presidency (January-July 2006), Austria initiated the EU’s “Partnership for Security,” with over fifty countries and organizations, including the U.S. and Russia, as participants. It reflects Austria’s strong, year-long focus on the Balkans. One element of this strategy is the “Police Cooperation Convention for Southeastern Europe,” which Austria co-signed. In 2007, Austria sponsored a conference entitled “Drug Policing Balkans,” during which high-level officials, including Embassy Vienna’s DEA representative, discussed operational aspects with respect to drug smuggling along the Balkans route. Austria also participated in a pertinent follow-up meeting in Zadar, Croatia in 2008. At the EU level, the GOA continues to push for a European Narcotics Institute (European Drug Academy) styled along the lines of the U.S.NIDA. Austria remains critical of the EU Drug Action Plan however, saying it contains no evaluation of harm reduction measures. Throughout 2008, Austria maintained its lead role within the Central Asian Border Security Initiative (CABSI) and the Vienna Initiative on Central Asia (VICA), and participated in conferences in Astana and Dushanbe. Vienna is the seat of the UN’s drug assistance agency, the United Nations Office for Drugs and Crime (UNODC). Austria contributed EUR 550,000 (\$709,000) to this organization in 2008. In past years, Austria has been working with the UNODC, the EU, and Iran to establish more effective border control checkpoints along the Afghan-Iranian border in order to prevent drug trafficking, particularly in opiates. Within the UNODC, Austria also participates in crop monitoring and alternative development plans in Peru, Bolivia, Columbia, and Honduras. At an ECOWAS anti-drug

trafficking conference in Cape Verde in October, Austria pledged 300,000 Euros for drug interdiction in the ECOWAS region. Austria values the “vital role” played by foreign liaison drug enforcement officers accredited in Austria, as well as by the network of Austrian liaison personnel stationed in critical countries abroad.

Law Enforcement Efforts. Comprehensive seizure statistics for 2007 (the latest available figures) show a strong increase in seizures of heroin (up 240 percent), “Ecstasy” (up 114 percent), and Cocaine (up 26 percent), and a decrease in seizures for various types of cannabis, LSD, and other amphetamines. Experts stress that the degree of purity and concentration of “Ecstasy,” speed, and other illegal substances has become increasingly volatile, representing a growing risk factor. The labs use precursors, such as acetic anhydride and potassium permanganate, to produce illicit drugs. The 2007 drug report from the Interior Ministry states that Austria’s Precursor Monitoring Unit dealt with 206 cases in relation to precursors and clandestine drug laboratories—representing a noticeable increase of 31 percent—compared to 157 cases in 2006. In 2007, one illegal drug laboratory was raided in Austria, producing a relatively small seizure of synthetic methamphetamines. The estimated total street value of illicit drugs was higher in 2007 than during previous years. One gram of cannabis sold for EUR 10.00 (\$14); one gram of heroin for EUR 85.00 (\$120); and one gram of cocaine for EUR 80.00 (\$112).

Amphetamines sold for EUR 25.00 (\$35) per gram and one LSD trip for EUR 35.00 (\$49).

Corruption. Austria has been a party to the OECD anti-bribery convention since 1999 and to the UN Corruption Convention since January 2006. The GOA’s public corruption laws recognize and punish the abuse of power by a public official. An amendment which went into effect January 1, 2008 substantially increased penalties for bribery and abuse of office offenses. As of fall 2008, there were no corruption cases pending involving bribery of foreign public officials. In September 2008, a Vienna appellate court upheld a guilty verdict from 2007 involving a senior Vienna police official for minor bribery charges, which were not drug related. As a matter of government policy, the GOA does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Austria is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic Drugs and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Austria is a party to the UN Convention Against Transnational Organized Crime and its Protocol against Trafficking in Persons. An extradition treaty and

mutual legal assistance treaty are in force between the U.S. and Austria. In addition, the two countries have concluded protocols to the extradition and mutual legal assistance treaties pursuant to the 2003 U.S.-EU extradition and mutual legal assistance agreements. The protocols are pending entry into force.

Cultivation. Production of illicit drugs in Austria continued to be marginal in 2008. The Interior Ministry's annual report on drug-related crime noted a rise in private, indoor-grown, high-THC-content cannabis. Austria recorded no domestic cultivation of coca or opium in 2008.

Drug Flow/Transit. The Interior Ministry's drug report stresses that Austria is not a source country for illicit drugs, but remains a transit country. According to the DEA's quarterly trafficking report, illicit drug trade by Austrian nationals is negligible. Foreign criminal groups (e.g. Turks, Serbs, Bosnians, Russians, Albanians, and Bulgarians) carry out organized drug trafficking in Austria. The Balkan route into the country is a particularly difficult one to control. In addition to opiates, 90 percent of cocaine enters Austria by the Balkan Route. The illicit trade increasingly relies on Central and East European airports, including Vienna's Schwechat International Airport. A continuing trend in Austria is West African narcotics smugglers using Caucasian women from former Soviet-bloc countries to smuggle drugs into Austria. The GOA reports a noticeable increase in Austria's growing role as a transit country for "Ecstasy" coming from the Netherlands to the Balkans.

Domestic Programs/Demand Reduction. Austrian authorities and the public generally view drug addiction as a disease rather than a crime. This is reflected in relatively liberal drug legislation and in court decisions. The government remains committed to measures to prevent the social marginalization of drug addicts. Federal guidelines ensure minimum quality standards for drug treatment facilities. The GOA's demand reduction program emphasizes primary prevention, drug treatment, counseling, and harm reduction measures, such as needle exchange programs. Ongoing challenges in demand reduction are the need for psychological care for drug victims and greater attention to older victims and immigrants.

Primary intervention starts at the pre-school level and continues through secondary school, apprenticeship institutions, and out-of-school youth programs. The government and local authorities routinely sponsor educational campaigns both within and outside of the classroom. Overall, youths in danger of addiction are primary targets of new treatment and care policies. Austria has syringe exchange programs in place for HIV and hepatitis

prevention. Hepatitis B and C are commonplace among intravenous drug users at 59 percent. Policies toward greater diversification in substitution treatment (methadone, prolonged-action morphine, and buprenorphine) continued in 2008. Austria currently has approximately 10,000 people in rehabilitation programs. The government remains skeptical regarding heroin substitution programs however, arguing that there are better solutions.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Cooperation between Austrian and U.S. authorities continued to be excellent in 2008. Several bilateral efforts exemplified this cooperation, including DEA support of Austria's Drug Policing Balkans initiative. Austrian Interior Ministry officials continued to consult the FBI, DEA, and DHS on how to update criminal investigation structures.

The U.S. worked with Austria's Federal Crime Office (BKA) and its regional chapters on a multilateral investigation involving a Colombian violator in Vienna linked to a Colombian trafficking organization, who was trafficking cocaine from South America into Europe. Similarly, Airport Police at Austria's Schwechat airport worked jointly with DEA Vienna on the arrest of two couriers from New York charged with importing approximately 5 kilograms of cocaine into Austria. The cooperative investigation led to the identification of the responsible organization. Also, leads passed from the Bangkok DEA office to Airport Police at Schwechat airport proved valuable with respect to drug seizures, arrests and intelligence sharing between agencies. Austrian national and regional crime fighting agencies facilitated interviews by U.S. prosecutors and DEA agents of defendants incarcerated in Austria on a huge cocaine importation case from 2005. The interviews were important for the larger, overall prosecution of the main, global criminal organization. DEA continued to work together with the BKA in support of important annual BKA/Croatia Balkan Drug Conference in Zadar, Croatia, which was held in September 2008. In addition, the U.S. Embassy regularly sponsors speaking tours for U.S. counternarcotics experts in Austria.

The Road Ahead. The U.S. will continue to support Austrian efforts to create more effective tools for law enforcement. As in past years, the U.S. will work closely with Austria within the framework of U.S.-EU initiatives, the UN, and the OSCE. The U.S. priority will remain the promotion of a better understanding of U.S. drug policy among Austrian officials.

Azerbaijan

I. Summary

Azerbaijan is located along a drug transit route running from Afghanistan and Central Asia to Western Europe, and from Iran to Russia and Western Europe. Domestic consumption and cultivation of narcotics as well as seizures have increased since 2007-2008. The United States has funded counternarcotics assistance to Azerbaijan through the FREEDOM Support Act since 2002. Azerbaijan is party to the 1988 UN Drug Convention.

II. Status of Country

Azerbaijan's main narcotics problem is the transit of drugs through its territory, but domestic consumption is growing. Azerbaijan emerged as a narcotics transit route in the 1990s because of the disruption of the "Balkan Route" during wars among the countries of the former Yugoslavia. According to the Government of Azerbaijan (GOAJ), most of the narcotics transiting Azerbaijan originate in Afghanistan and follow any of four primary routes to Western Europe and to Russia. Azerbaijan shares a 380 mile (611 km) frontier with Iran, and its security forces need additional material resources and training to combat increasingly sophisticated trafficking groups. Iranian and other traffickers are exploiting this situation. The most widely abused drugs in Azerbaijan are opiates, such as heroin, while illicit medicines, hemp, Ecstasy, hashish, cocaine and LSD make up the rest. Domestic consumption continues to grow, with the official GOAJ estimate of drug addicts reaching 21,000 persons. Unofficial figures are estimated at approximately 200,000, the majority of which are heroin addicts. Students are thought to be a large share of total drug abusers at 30-35 percent. The majority of heroin users are concentrated in the region of Absheron, which includes the capital of Baku, while the rest are primarily in the Lankaran District near Iran. Drug use and drug dealing among women has been rising, and illegal drug use among unemployed young men in rural areas is a chronic problem.

III. Country Actions against Drugs in 2008

Policy Initiatives. The GOAJ continued to refine its strategy to combat drug transit and usage in Azerbaijan. The GOAJ bolstered its ability to collect and analyze drug-related intelligence, resulting in more productive investigations against narcotics traffickers. The GOAJ held the chairmanship of GUAM (Georgia-Ukraine-Azerbaijan-Moldova) from July 2007-July 2008 and has pushed for sharing counternarcotics information through the

GUAM countries' Virtual Law Enforcement Center (VLEC) in Baku. The VLEC was established with USG assistance. The center provides an encrypted information system that allows member states' law-enforcement agencies to share information and coordinate their efforts against terrorism, narcotics trafficking, small arms, and trafficking in persons. During meetings on April 29 and June 30, ministers from the GUAM member states reaffirmed their joint commitment to these efforts. However, the extent to which their information is shared through the VLEC appears to be limited. Azerbaijan is also a party to the European Commission-funded South Caucasus Anti-Drug Program, which aims to reduce supply and demand by improving governments' capacity to address these problems. Phase five of the program, which runs from 2007-2009, aims to promote drug policies and legislation that are in harmony with EU standards, refurbish a rehabilitation and treatment center for the Ministry of Justice, sponsor an awareness campaign and training courses, gather information about drug addicts in the penitentiary system, and improve coordination between EU and Azerbaijani law enforcement agencies.

Law Enforcement Efforts. During the first 10 months of 2008, Azerbaijani law enforcement agencies confiscated nearly one and a half tons of narcotics. Of this, the bulk was seized while being smuggled across the border with Iran. MIA statistics indicate that 95.3 percent of drug related crimes were solved. The MIA reported that 862 of 4,638 crimes in Azerbaijan were related to the illegal trade in narcotics. During the reporting period, there was an 11.9 percent increase in crimes related to the illegal trafficking of narcotics and a 27.2 percent increase in crimes related to the sale of narcotics. Of the 1,186 people who were arrested for drug-related crimes in Azerbaijan, 1,096 were described as able bodied, unemployed people who were not in school, 293 had a previous criminal record, 27 were women and 2 were underage children. On August 5, the Ministry of National Security seized 8 kg of heroin and 86 kg of hashish that were smuggled by a group of Azerbaijanis and Iranians through the southern border with Iran. This case is illustrative of numerous seizures that occurred throughout the year, in which large quantities of drugs were transported from Iran and through Azerbaijan by multinational criminal groups. The majority of drugs enter Azerbaijan via land routes from Iran, though some are transported by ships on the Caspian Sea.

Corruption. As a matter of government policy, Azerbaijan does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

However, corruption remains a significant problem in Azerbaijan and permeates much of society. Azerbaijani judges, prosecutors and investigators attended DOJ-sponsored training courses on investigating money laundering and terrorist-financing. These broad-based skills may aid in the prosecution of drug-related cases and limit the scope of corruption. On October 14, several police officers from a Baku anti-drug trafficking unit were arrested on distribution charges. One kilogram of heroin was seized during the search of their offices.

Agreements and Treaties. Azerbaijan is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. Azerbaijan also is a party to the UN Convention against Corruption, and to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms.

Cultivation and Production. Azerbaijan's problem with narcotics largely stems from its role as a transit state, rather than as a significant drug cultivation site. Cannabis and poppy are cultivated illegally, mostly in southern Azerbaijan, but only to a modest extent. Law enforcement agencies destroy large quantities of drugs from cultivation sites and wild bushes each year.

Drug Flow/Transit. Afghan opiates transit to Azerbaijan by three primary routes: from Central Asia and across the Caspian Sea, or from Iran through the south of the country or Nagorno-Karabakh. The Iranian route accounts for 95 percent of this flow, with commercial trucks and horses serving as the mode of transportation across the border. Drugs are then smuggled through Azerbaijan to Russia, and finally, on to Central and Western Europe. Efforts by Turkey to increase enforcement along its border with Iran may have contributed to increased transit through Azerbaijan. Azerbaijan cooperates with Black Sea and Caspian Sea littoral states in tracking and interdicting narcotics shipments, especially morphine base and heroin. Caspian Sea cooperation includes efforts to interdict narcotics transported across the Caspian Sea by ferry. Azerbaijan is now in the third phase of its border guard development program, which has resulted in the creation of 50 new border guard outposts and coast guard bases and a canine training center. Additionally, the Government of Azerbaijan is currently in the process of ratifying a new customs code which has not been modernized since Soviet times. On April 4, the Ministry of Internal Affairs signed an agreement with the Russian Federal Drug Control Service that facilitates

joint operations, cooperative training and the sharing of interdiction techniques. A subsequent joint operation resulted in the arrest of 11 suspects and 140 kg of hashish. On September 17, customs officials from 37 nations gathered in Baku for a two day conference on methods for combating the transit of drugs from Afghanistan to Europe.

Domestic Programs/ and Demand Reduction. In 2008, the GOAJ continued to post anti-narcotics public service announcements about the dangers of drug usage. The advertisements were aimed at a younger audience and were displayed in kiosks and on billboards in downtown Baku. Under phase five of the South Caucasus Anti-Drug Program, new media guidelines are being established for reporting on drug-related issues.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2008, the U.S. Export Control and Related Border Security (EXBS) office continued to assist the Azerbaijan State Border Service (SBS) and the State Customs Committee (SCC). EXBS training and assistance efforts, while aimed at the nonproliferation of weapons of mass destruction and their delivery systems, directly enhanced Azerbaijan's ability to control its borders and to interdict contraband, including narcotics. During the year, EXBS sponsored border control and management courses for SBS and SCC officers. Some of these courses taught new inspection methods and border control tactics for ports of entry, including air terminals, sea ports and green border zones. Others improved the Border Guard's control of Azerbaijan's southern border, as well as the ability of SCC officers to detect contraband. The U.S. donation of search tools and related equipment, such as all terrain vehicles, watchtower construction materials and x-ray analyzers, improved the Customs Contraband Teams' detection capabilities and significantly enhanced the Border Guards' ability to hamper illegal penetrations of Azerbaijan's southern border. A 2006 U.S. Customs and Border Protection assessment of Border Guard operations on the Iranian border prioritized the direction of U.S. assistance. The EXBS office recently began negotiations for U.S. technical assistance for a National Targeting Center being constructed as SCC HQ in Baku. During 2006, DTRA and EXBS helped equip a maritime base near Azerbaijan's southern border in Astara. The base now hosts two patrol boats and two fast response boats, and is also used for extended patrols by larger vessels from Baku. The Bureau for International Narcotics and Law Enforcement Affairs (INL) sponsored several basic and mid-level management courses for Azerbaijani law enforcement. One boat operator at the base attended a U.S. Coast Guard Boatswain's Mate training course in 2008, as well as a Boarding Officer course. In March of 2008, the

Department of Justice International Criminal Investigative Training Assistance Program (DOJ/ICITAP) provided a two-week advanced gas chromatography narcotics detection course which was funded by INL. This capacity has already been put into use by the Minister of Internal Affairs, the Ministry of Justice and the Ministry of Health. A Customs Mutual Assistance Agreement is now in place.

The Road Ahead. The U.S. and GOAJ will continue to expand their efforts to conduct law enforcement assistance programs in Azerbaijan. While our assistance programs in most of Azerbaijan are robust, we have only a small window into what is happening in the Azerbaijani exclave of Nakhchivan or into activities in Nagorno Karabakh and the occupied territories. The increase in government revenues from the opening of the Baku-Tbilisi-Ceyhan oil pipeline has resulted in a significant inflow of cash into a developing economy with a high number of unemployed and underemployed young people. Unfortunately, Azerbaijan's increasing wealth might well lead to increasing drug consumption under these circumstances. As drug trafficking and corresponding countermeasures have increased, so to have incidents of violence between smugglers and security personnel. Several incidents are illustrative of the growing sophistication and danger of these confrontations. On June 3, one trafficker was killed and four were wounded during a shootout with border guards near the border with Iran. The gang of drug runners had two sets of U.S.-made night vision devices and automatic rifles. Similar deadly clashes occurred on other occasions during 2008. There are signs that a larger proportion of the Ministry of Internal Affairs budget is going into counternarcotics operations and seizures.

Bahamas

I. Summary

The Bahamas, a 700-mile-long archipelago off the eastern coast of the U.S., is a major transit point for cocaine from South America bound for both the U.S. and Europe, and for marijuana from Jamaica. The Government of the Commonwealth of The Bahamas (GCOB) cooperates closely with the USG, including participating in Operation Bahamas, Turks and Caicos Island (OPBAT), to stop the flow of illegal drugs through its territory. The GOCB also cooperates to target Bahamian drug trafficking organizations, and to reduce the Bahamian domestic demand for drugs. In 2008, the GCOB increased funding to strengthen

its interdiction capabilities in vulnerable regions of the country. The Bahamas is a party to the 1988 UN Drug Convention.

II. Status of Country

Cocaine, marijuana and other illegal drugs are transshipped through The Bahamas. Its 700 islands and cays spread over an area the size of California astride maritime and aerial routes between South American drug producing countries and the United States make detection difficult. Although there is no official estimate of the number of hectares under cultivation, marijuana grown on remote islands and cays is of concern to Bahamian authorities. In 2008, The Bahamas continued to participate in OPBAT, a multi-agency international drug interdiction effort established in 1982 to stop the flow of cocaine and marijuana through The Bahamas to the U.S.

III. Country Actions against Drugs in 2008

Policy Initiatives. The GCOB's plans to upgrade the Royal Bahamian Defense Force (RBDF) base on Great Inagua suffered a set-back when Hurricane Ike struck the island in September 2008. The U.S. Coast Guard (USCG), Drug Enforcement Administration (DEA), and the Department of State are working closely with the GCOB to return the base to full operating status. Immediately following the storm, the USCG helicopters that had been operating out of Great Inagua were moved to Providenciales, Turks and Caicos. Plans are under discussion to temporarily relocate the USCG's helicopters to Guantanamo Bay, Cuba due to logistical considerations.

Also in 2008, the GCOB began to enforce a ban on Haitian sailing vessels in Bahamian waters. In addition to posing serious safety concerns, these so called "wooden hulled sloops" were a convenient method of transporting narcotics to the Bahamas. The GCOB and the Government of Haiti continued negotiations concerning the placement of Haitian National Police officers on Great Inagua Island to improve the collection of intelligence from Haitian vessels passing through Bahamian territorial waters.

Accomplishments. In 2008, the RBPF's Drug Enforcement Unit (DEU) cooperated closely with U.S. and foreign law enforcement agencies on drug investigations. Including OPBAT seizures, Bahamian authorities seized 1,878 kilograms (kg) of cocaine and approximately 12 metric tons (MT) of marijuana. The DEU arrested 1,030 persons on drug-related offenses and seized \$3.9 million in cash.

Law Enforcement Efforts. The DEU and Bahamian Customs in conjunction with DEA, continued a program in Great Inagua to enforce GCOB requirements that vessels entering

Bahamian territorial waters report to Bahamian Customs. During 2008, the RBDF assigned three ship-riders each month to USCG cutters. The ship-riders extended the law enforcement capability of the USCG into the territorial waters of The Bahamas. During the year, OPBAT assets intercepted 21 vessels engaged in smuggling. The RBPF participated actively in OPBAT, and officers of the DEU and the Royal Turks and Caicos Islands Police also flew on OPBAT missions, making arrests and seizures. The RBDF and RBPF conducted maritime smuggling and security patrols through the use of a variety of small to medium-sized vessels based throughout The Bahamas. The RBDF fleet of 14 vessels and various small boats operated out of bases on New Providence, Grand Bahama, and Great Inagua. RBDF assets include 4 Nortec interceptor "fast boats" donated under SOUTHCOM's Enduring Friendship program. The RBPF operated 11 small, short range vessels based in New Providence, Grand Bahama, Bimini, Andros, and other small islands and cays. The RBDF and RBPF vessels are generally well-maintained by properly trained crews, however the effectiveness of their maritime interdiction and security efforts is limited by the few resources they have to cover the large expanse of Bahamian territorial waters.

Corruption. As a matter of policy, the GCOB does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, nor the laundering of proceeds from illegal drug transactions. No senior official in the GCOB was investigated for drug related offenses in 2008. The RBPF uses an internal committee to investigate allegations of corruption involving police officers instead of an independent entity.

Agreements and Treaties. The Bahamas is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol; the 1971 Convention on Psychotropic Substances; the 1988 UN Drug Convention; the 1990 U.S.-Bahamas-Turks and Caicos Island Memorandum of Understanding concerning Cooperation in the Fight Against Illicit Trafficking of Narcotic Drugs; and the Inter American Convention against Trafficking in Illegal Firearms. The GCOB is also a party to the Inter-American Convention Against Corruption and on January 10, 2008, GCOB acceded to the UN Convention against Corruption. On September 28, 2008, the Bahamas became party to the UN Convention against Transnational Organized Crime and its three Protocols. The U.S. and the Bahamas cooperate in law enforcement matters under an extradition treaty and a mutual legal assistance treaty (MLAT). The MLAT facilitates the bilateral exchange of information and evidence for use in criminal proceedings. There are currently 45 U.S. extraditions pending in the Bahamas. GCOB

prosecutors pursue USG extradition requests vigorously, however, in the Bahamian justice system, defendants can appeal a magistrate's decision, first domestically, and ultimately, to the Privy Council in London. This process often adds years to an extradition procedure. The USG also has a Comprehensive Maritime Agreement (CMA) with The Bahamas, which went into effect in 2004 replacing a patchwork of disparate safety, security and law enforcement agreements. Among its provisions, the CMA permits cooperation in counternarcotics and migrant interdiction operations in and around Bahamian territorial waters, including the use of ship riders and expedited boarding approval and procedures.

Cultivation and Production. There are no official estimates of hectares of marijuana under cultivation, but much of the marijuana seized in 2008 was in plant form grown by Jamaican nationals on the remote islands and cays of the Bahamas. OPBAT and the RBPF cooperated in identifying, seizing and destroying 12 MT of marijuana in 2008.

Drug Flow/Transit. Cocaine transits The Bahamas via go-fast boats, small commercial freighters, or small aircraft from Jamaica, Hispaniola and Venezuela. DEA estimates that this accounts for approximately 5 percent of the cocaine flow to the U.S. According to USG law enforcement, sport fishing vessels and pleasure crafts then transport cocaine from The Bahamas to Florida, blending into the legitimate vessel traffic that moves daily between these locations. Larger go-fast and sport fishing vessels transport between 2 to 6 MT of marijuana from Jamaica to The Bahamas. These shipments are then moved to Florida in the same manner as cocaine. During 2008, law enforcement officials identified 25 suspicious go-fast type boats on Bahamian waters.

DEA/OPBAT estimates that there are a 12 to 15 major Bahamian drug trafficking organizations operating in The Bahamas. Bahamian law enforcement officials also identified shipments of drugs in Haitian sloops and coastal freighters. Intelligence acquired by the GCOB suggests large cocaine shipments to the Turks and Caicos Islands and The Bahamas from Venezuela and Colombia took place during the year. However, only one of these shipments was successfully interdicted in 2008. Illegal drugs have also been found in cargo containers transiting the port container facility in Freeport.

Domestic Programs/Demand Reduction. The quasi-governmental National Drug Council coordinates the demand reduction programs of the various governmental entities such as Sandilands Rehabilitation Center and of NGO's such as the Drug Action Service and The Bahamas Association for Social Health. The focus of the prevention/education

program in 2008 was on schools and youth organizations, especially those located outside of New Providence Island.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The goals of USG assistance to The Bahamas are to stem the flow of illegal drugs through The Bahamas and into the United States, to dismantle drug trafficking organizations, and to strengthen Bahamian law enforcement and judicial institutions to make them more effective and self-sufficient in combating drug trafficking and money laundering.

Bilateral Cooperation. During 2008, INL funded training, equipment, travel and technical assistance for GCOB law enforcement and drug demand reduction officials; procured computer and other equipment to improve Bahamian law enforcement capacity to target trafficking organizations through better intelligence collection and more efficient interdiction operations; provided computer equipment to the National Drug Council; supported the expansion of treatment facilities at the Bahamas Association for Social Health; and funded a survey of drug use among individuals admitted into hospital emergency rooms. The Department of Defense provided four 43-foot interceptor boats, communications equipment, and training to the RBDF under Southern Command's Enduring Friendship program. The USCG provided resident, mobile and on-the-job training in maritime law enforcement, engineering and maintenance, professional development for the officer and enlisted corps, and medical practices to the RBDF.

The Road Ahead. We welcome the Bahamian Government's strong commitment to joint counternarcotics efforts and to extradite drug traffickers to the U.S. Unfortunately, momentum in 2008 was hampered by an understaffed and underfunded GCOB Drug Secretariat and devastation by Hurricane Ike, especially in Great Inagua. Standing up, staffing, and fully funding the National Drug Secretariat will greatly assist the GCOB's efforts to implement its 2004 National Anti-Drug Plan. The GCOB can further enhance its drug control efforts by integrating Creole speakers into the DEU and by working with Haitian National Police officers to be stationed in Great Inagua to develop information on Haitian drug traffickers transiting the Bahamas. The USG encourages the GCOB to continue to further integrate the RBDF into OPBAT operations by encouraging them to base intercept boats acquired under Enduring Friendship in Freeport and Great Inagua. This will provide OPBAT with maritime interdiction capabilities in the northern and southern Bahamas.

Bangladesh

I. Summary

There was no evidence that Bangladesh was a significant cultivator or producer of narcotics, but Government of Bangladesh (GOB) officials charged with controlling and preventing illegal substance trafficking lacked training, equipment, continuity of leadership, and other resources to detect and interdict the flow of drugs. Corruption at all levels of government hampers the country's drug interdiction efforts. Law-enforcement officials initially said an anti-graft campaign launched by the Caretaker Government had made efforts to prosecute politically connected drug dealers easier. The anti-graft push, however, slowed toward the end of 2008 as courts released scores of corruption suspects on bail and stayed many cases. Bangladesh is a party to the 1988 UN Drug Convention.

II. Status of Country

The country's porous borders made the illegal flow of narcotics from neighboring countries easy and made Bangladesh an attractive transfer point for drugs transiting the region. Assessments conducted by several U.S. agencies in 2008 found numerous land, sea and air border security vulnerabilities in Bangladesh that could be easily exploited by narcotics traffickers. The Bangladesh Department of Narcotics Control (DNC) said it did not have an estimate for the number of drug addicts in the country. The number of drug users had been estimated unofficially at between 100,000 and 1.7 million, with 20,000-25,000 injecting drug users and 45,000 heroin smokers, indicating by the wide range of the estimate the lack of any real knowledge of the extent of drug abuse. Other drugs used in Bangladesh were methamphetamines, marijuana, and the codeine-based cough syrup phensidyl. After years of unwillingness to recognize narcotics issues, the country's law enforcement bodies took a stance against drugs in 2006, largely due to two factors: high-profile cases of heroin smuggling to the United Kingdom in 2005 and growing methamphetamine (locally, East Asian "yaba" tablets which consist of caffeine and methamphetamine) use among the young elite.

III. Country Actions against Drugs in 2008

Policy Initiatives. Efforts to create a coordinated government response to counter narcotics abuse appeared to founder in 2008. Although government officials said in 2007 a new interagency monitoring group had been created, the Home Affairs Ministry said in October 2008 no such agency existed.

Law Enforcement Efforts. Law enforcement units engaged in operations to counter narcotics included the police, the DNC, the border defense forces known as the Bangladesh Rifles (BDR), customs, the navy, the coast guard, local magistrates and the Rapid Action Battalion (RAB), an elite group that played a leading role in fighting terrorism, corruption and narcotics abuse. Customs, the navy, the coast guard and the DNC all suffered from poor funding, inadequate equipment, understaffing and lack of training. For example, the DNC budget for 2008-2009 was a paltry 184 million taka (about \$2.6 million), only slightly more than the actual expenditure for the previous fiscal year. Its work force of about 900 people also was 375 positions short of the number of positions approved by the government. There was no DNC presence at the international airports in Chittagong and Sylhet and only two at Dhaka airport, and DNC officers throughout the country were not authorized to carry weapons. Although RAB had become perhaps the highest-profile anti-narcotics force in the country, it did not have a special counter-narcotics section. Its drug-fighting resources, which appeared stronger than other law-enforcement agencies, included a recently expanded canine corps of 51 dogs.

The smuggling, diversion and abuse of pharmaceuticals originating from India is considered one of the single largest drug problems in Bangladesh. The DNC keeps tabs primarily on seizures by its own officers. Drugs seized by the department from January through September 2008 (latest statistics) are as follows: 23.8 kg of heroin (compared to 16.3 kg in all of 2006 and 20.9 kg in 2007); 1,824 kg of marijuana (compared to 1,345 kg in 2006 and 1,768 kg in 2007); more than 41,000 bottles of phensidyl, a codeine-based, highly addictive cough syrup produced in India; 226 ampoules of pethedine, an injectable opiate with medical application as an anesthetic; and 4,858 tablets of yaba. Meanwhile, RAB reported its seizures of phensidyl were way up in 2008, while seizures of yaba were way down. RAB said in the first 10 months of 2008 it seized 299,746 bottles of phensidyl (up from more than 80,000 for the same period in 2007); 15,104 tablets of yaba (down from nearly 133,000 tablets a year earlier, almost all of which came in one Dhaka raid);

and 32 kilograms of heroin (19.8 kilograms a year earlier).

Corruption. The Caretaker Government that came to power in January 2007 made fighting the country's endemic corruption a top priority. As of September 2008, 97 people were convicted out of 512 graft cases. Between July 14 and September 8, judges granted bail to 158 suspects and stayed 88 cases. Many feared the fight against graft was losing steam as the Caretaker Government prepared for the end of its tenure in late 2008. The GOB did not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances or launder proceeds from their transactions. No senior official had been identified as engaging in, encouraging, or facilitating the production or distribution of drugs or controlled substances.

Agreements and Treaties. Bangladesh is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Bangladesh acceded to the UN Convention against Corruption in February 2007. The GOB and USG signed a Letter of Agreement on Law Enforcement and Narcotics Control (LOA) in September 2002 under which the U.S. provides equipment and technical assistance to the DNC and its central chemical laboratory. The LOA also provided for training, via the U.S. Department of Justice, to law enforcement personnel involved in counter-narcotics activities.

Cultivation/Production. The International Narcotics Control Board estimated small quantities of cannabis are cultivated in Bangladesh for local use. The DNC acknowledged that some small amount of cannabis is cultivated in the hill tracts near Chittagong, in the southern silt islands, and in the northeastern region, claiming it is for local consumption. The DNC also reported that as soon as knowledge of a cannabis crop reached its officers, that crop was destroyed in concert with law enforcement agencies. The DNC said there were no significant crop destruction activities in the first 10 months of 2008.

Drug Flow/Transit. There were few media reports of major narcotics seizures in the first 10 months of 2008. Local media reported a huge seizure of heroin and other narcotics at Zia International Airport in Dhaka in April, but Government officials later confirmed that testing found the seized materials were not illegal substances. Subsequent news articles

identified the seized goods as legal food supplements. The International Narcotics Control Board in its 2007 report cited evidence that "heroin consignments destined for Europe are increasingly passing through Bangladesh." It said heroin was smuggled into Bangladesh by courier from Pakistan, by commercial vehicle or trains from India, by truck or public transport from Burma and by sea via the Bay of Bengal. The Chittagong seaport appeared to be the main exit point for narcotics leaving Bangladesh, the report added. Bangladesh Navy officials said they suspected Bangladesh was a transit zone for heroin smuggled out of the Golden Crescent in South Asia and the Golden Triangle in Southeast Asia.

Several recent U.S. government assessments found great vulnerabilities along Bangladesh's land, sea and air borders. One report from the Department of Homeland Security described a chaotic situation at Benapole, the main land border crossing between India and Bangladesh, which could easily be exploited by narcotics traffickers. The report said the main concern of customs officers at Zia International Airport in Dhaka appeared to be a desire not to inconvenience passengers. Examination of luggage items was said to be cursory at best. Opium-based pharmaceuticals and other drugs containing controlled substances are being smuggled into Bangladesh from India. White (injectable) heroin comes in from Burma.

Domestic Programs/Demand Reduction. Law enforcement officials believe that drug abuse, while previously a problem among the ultra-poor, is becoming a major problem among the wealthy and well-educated young. The Department of Narcotics Control ran treatment centers in Dhaka, Chittagong, Rajshahi, Khulna, Jessore and Comilla. In the nine months through September 2008, 3,120 patients received treatment at the government facilities, the vast majority of them being male. That appeared to confirm a trend of dwindling numbers of patients, which totaled nearly 5,000 for all of 2007, about 6,000 in 2006 and more than 9,000 in 2005. A drug addicts' rehabilitation organization, APON, operates five long-term residential rehabilitation centers, including the first center in Bangladesh for the rehabilitation of female addicts (opened in 2005). APON says it is the only organization that includes street children in its drug rehabilitation program. The International Narcotics Control Board in its 2007 report said prescription controls in Bangladesh were not adequately enforced at the retail level. It said pharmaceutical preparations were stolen from both hospitals and pharmacies.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG continued to support Bangladesh's counter-narcotics efforts. The U.S. Government provided 2,100 drug identification kits to several enforcement agencies, including the Department of Narcotics Control, the Bangladesh Criminal Investigation Department of Police and the Rapid Action Battalion. The kits allowed law enforcement personnel in the field to quickly test substances for methamphetamine, Ecstasy, marijuana and opiates. The U.S. Embassy in Dhaka also provided a grant of \$52,000 to APON for a new rehabilitation center for female drug addicts. The U.S. Coast Guard provided residential training to Bangladesh's officers in the areas of International Crisis, Command and Control, as well as residential training in Seaport Security and Anti-Terrorism.

The Road Ahead. The USG will continue to provide law enforcement and forensic training for GOB officials, which the USG hopes will be useful to Bangladesh's counter-narcotics efforts. New Delhi-based Drug Enforcement Administration officials visited Dhaka in August 2008 to liaise with Bangladeshi law enforcement agencies about future counter-narcotics cooperation.

Belarus

I. Summary

Belarus remains a transit route for illicit drugs and drug precursors. Reports of drug use and drug-related crime in Belarus increased in 2008, although there is no evidence of large-scale drug production in the country. A December 2007 law strengthened Belarusian laws against drug production and distribution, and in 2008 a National Action Plan was formulated to coordinate government and NGO anti-drug efforts. In addition, legal steps have been taken to facilitate UN technical assistance programs. Some significant drug seizures were made during 2008, but the quantities involved may only hint at the true scale of trafficking. Law enforcement suffers from a lack of coordination as well as inadequate funding and equipment shortfalls. The estimated number of drug users in Belarus remains unchanged from 2007, although the number of registered addicts increased. Some non-governmental organizations concerned with narcotics treatment and

mitigation which were denied registration in previous years have been permitted to resume operation; in short, availability and quality of drug treatment services have improved somewhat but a great deal of work still remains. Belarus is a party to the 1988 UN Drug Convention.

II. Status of Country

Because of its geographical location, good transportation infrastructure, and endemically corrupt law enforcement system, Belarus is an attractive transit route for illicit drugs. Belarus' customs union with Russia and the resultant lack of border controls between those two countries make drug transit easier. This problem may be exacerbated if members of the Eurasian Economic Community (Belarus, Russia, Kazakhstan, Kyrgyzstan Republic and Tajikistan) create a customs union by 2010, as proposed. There is no evidence of large-scale drug production in, or export from Belarus, although synthetic and plant-based narcotics production seems to be growing. Indications are that although plant narcotics dominate the illicit drug market (approximately 80-85% plant-based to 15-20% synthetic) the ratio appears to be shifting toward synthetic drugs. Most synthetic drugs found in Belarus are produced in Poland, with a lesser amount produced in the Baltic states. Although law enforcement officials of neighboring countries maintain that Belarus is a source of precursor chemicals, senior officials of Belarus' Interior Ministry flatly deny this. Whatever drug production and cultivation may exist in Belarus, they are not perceived in Belarus as the most pressing problem. Drug abuse prevention, treatment, and transit issues must be addressed first, if the country is to reach full compliance with the 1988 UN Drug Convention.

III. Country Actions against Drugs in 2008

Policy Initiatives. In 2008, the Interior Ministry and other governmental agencies jointly drafted a National Action Plan to counteract drug abuse and illicit drug trafficking and related crimes in Belarus. From 2009 through 2013, this Plan will consolidate the counter-drug efforts of all government agencies and NGOs under Interior Ministry coordination. Drug trafficking is routinely addressed at the regular meetings of the Domestic Belarus National Security Council's Interagency Committee on crime, corruption and drugs. In December 2007 Belarusian President Aleksandr Lukashenko signed a bill which listed "particularly dangerous narcotics and psychotropic substances" and toughened criminal penalties for distribution of these substances in public recreation areas, educational facilities and penal facilities. This same law instituted criminal liability for the planting and

cultivation of narcotic plants for purposes either of sale or production of drugs and psychotropic substances, as well as the illicit trafficking in precursors, regardless of production or intent to produce drugs or psychotropic substances. Also in December 2007, Belarus Trade Ministry issued a resolution to prohibit the retail trade in poppy seeds at grocery markets, and the Council of Ministers signed a resolution to prohibit mailings of anonymous packages to prisons and other correctional facilities.

Law Enforcement Efforts. Media reports reflect more instances of local drug use and drug-related crimes in Belarus in 2008 than in 2007. Belarusian law enforcement authorities attribute this increase to improved detection and state that the actual underlying crime rate is no higher than a year ago. Police discovered a methamphetamine lab in Grodno in May 2008, and a pseudoephedrine lab in Minsk in October 2008. Later in October, in a separate Minsk operation, police seized 113 kilograms of pseudoephedrine—the largest seizure of an amphetamine-type stimulant (ATS) precursor in the history of the country. Between January 1 and November 1, 2008, authorities seized approximately 126.5 kg of psychotropic substances and 574 kg of other drugs. Drugs seized (in kg) are as follows: Poppy Straw (410.4); Marijuana (136.2); Raw Opium (0.561); Heroin (0.387); Amphetamine (2.8); Methamphetamine (3.6); Ecstasy (MDMA) (1.98) Acetylated Opium (2.9); Hashish (18.7); Cocaine (0.26); Semi-processed opium (19.5) Methadone (2). Morphine (0.12) Pseudoephedrine (113). In the first six months of 2008, 1,183 people were convicted for drug related crimes in Belarus. During the same period police discovered 2,413 illegal plantations, and destroyed 52 tons of poppy straw from a total planting area which exceeded 266 square kilometers. Poppy straw is converted into acetylated opium, an injectable opiate that is cheaper and easier to produce than heroin and is widely abused throughout the region.

According to official statistics, 3,449 drug-related crimes were recorded in the first ten months of 2008. These comprised of: thefts of narcotics substances—35, instances of illicit trafficking in controlled substances—3,307, cultivation of narcotic plants—13, street drug sales—24, and the organizing of illicit drug consumption rooms—70.

In September and November 2008, more than 2,170 officers of Belarus' Interior Ministry, Customs Committee, KGB and Border Guard Committee actively participated in CANAL-2008, a joint operation with Belarus' neighbors aimed at prevention and interdiction of illicit drug deliveries from Afghanistan. During this operation, 214 drug-related crimes were recorded, criminal charges were brought against 185 persons, and 145 kilograms of

narcotics were seized. The State Border Troops' Committee conceded that official seizure figures do not reflect the true scale of the problem.

Corruption. As a matter of government policy, Belarus does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior officials of the government are known to engage in, encourage, or facilitate the illicit production or distribution of such drugs, or the laundering of proceeds from illegal drug transactions. A few high-level personnel within the Interior Ministry and General Prosecutor's Office were arrested and charged for corruption in 2008, but none of the charges were drug-related. The perception that corruption remains a serious problem among border and customs officials and makes interdiction of narcotics difficult was supported by Lukashenko's March 2008 remark that corruption is "a cancerous tumor" in the State Customs Committee.

Agreements and Treaties. Belarus is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Belarus is also a party to the UN Convention against Corruption, and the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons and manufacturing and trafficking in illegal firearms. Belarus is a member of the Collective Security Treaty Organization (CSTO) with Armenia, Kazakhstan, Kyrgyzstan, Tajikistan and Russia and conducts joint counter-narcotics operations with those countries. Before the end of 2008, Russia and Belarus plan to complete a unified list of list of narcotics, psychotropic substances and their precursors subject to state control, in order to avoid criminal liability in one country for drugs which are legal in the other.

Cultivation/Production. Some cultivation and production exists, but the scale is hard to estimate. Official government figures are unreliable. Precursor chemicals continue to be imported in volume, but the current legal structure makes it difficult to prevent their diversion to illicit uses. In 2007, 1,990 entities had licenses for manufacturing and storage of precursors and 15,000 employees have access to the substances. There is no indication that these numbers have changed. Reported increases in demand for poppy-seed, and subsequent tenfold increase in price, prompted a December 2007 ban on retail sale of poppy at grocery markets.

Drug Flow/Transit. Heroin enters and transits Belarus from Afghanistan via Central Asia and Russia. Poppy straw, opium, and marijuana enter through Ukraine; Ecstasy,

amphetamines, hashish and marijuana come from Poland and Lithuania; cocaine comes from Latin America and precursor chemicals for the preparation of drugs from Russia. Heroin and methadone from Russia transit Belarus en route to Lithuania and other European countries. East-bound marijuana, hashish and cocaine transit Belarus and Lithuania as well. Press reports continue to indicate that the control infrastructure along the border with Ukraine is particularly weak. In accordance with their bilateral customs union agreement, Belarusian border guards are not deployed on the border with Russia, which is policed by Russian forces. Apparently, customs officers currently inspect only five percent of all inbound freight, and border guards often lack the training and equipment to conduct effective searches.

Domestic Programs/Demand Reduction. Belarusian authorities have begun to recognize the growing domestic demand problem, particularly among young people. Ministry of Health chief addiction officer Vladimir Maksimchuk announced that the number of registered drug users in the country has increased threefold since 1995, to 6,907 registered drug abusers (as of May 1, 2008), but acknowledged that the actual number of users was much higher. Maksimchuk's 2007 estimate of 60,000 actual drug abusers remained unchanged for 2008. In 2007 the youngest registered addict was 16 years old; in 2008 children as young as ten years of age made the list. The largest number of drug users is between 20 and 30 years old, and prevention programs in schools remain underfunded. News reports indicate that the ratio of consumers of oral (vs. injected) drugs is growing due to the relative ease of concealment of oral drug use. The government generally treats drug addicts in psychiatric hospitals or at outpatient narcotics clinics (of which there are 21 in Belarus), either as a result of court remand or self-enrollment, or in prison. On the whole, treatment emphasizes detoxification over stabilization and rehabilitation.

As of June 2008, the Ministries of Health and Interior announced that they were reviewing the possibility of mandatory treatment in lieu of criminal liability for first-time users, unless guilty of a serious crime. To date no decision has been made. The methadone substitution clinic opened by the Ministry of Health in Gomel in September 2007 was the first and is still the only such clinic in operation. A second clinic in Minsk was planned, but so far has not been built or even funded. The Gomel clinic reportedly served 7 people in 2007, and planned to expand to 15 this year; however, no legislation calling for the expansion of this or any other rehabilitation programs has been passed.

There are at least twelve small-scale NGO-run rehabilitation centers in various areas of Belarus. On the whole, availability and quality of services have improved somewhat, but they remain available only to registered drug addicts. Since drug use remains highly stigmatized in Belarusian society, and because the official drug addict registry is readily available to Belarusian law enforcement and other government agencies, drug addicts often avoid seeking treatment, fearing adverse consequences at work, school, and in society if their addiction becomes known.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG has not provided counter-narcotics assistance to the GOB since February 1997. Although some working-level assistance and contacts have existed in the area of law enforcement, these ceased in early 2008, when the GOB forced a drawdown of the official American presence in Belarus from 35 to 5 persons and began denying visit visas to law enforcement personnel. The 2005 imposition of restrictions of technical assistance and taxation of humanitarian aid by the Government of Belarus pose other hurdles to assistance. Although the USG hopes for improvement in the bilateral relationship, present conditions do not permit close cooperation.

The Road Ahead. The USG will continue to encourage Belarusian authorities to enforce their counter-narcotics laws, render working-level assistance when appropriate, and monitor the progress of existing assistance programs.

Belgium

I. Summary

With a major world port at Antwerp, an airport with connections throughout Africa, and with its proximity to major consumers in the UK and the Netherlands, Belgium has become a crucial transit point for a variety of illegal drugs, especially cocaine and heroin. Belgium is not a major market for illicit drugs nor is it a major producer of illicit drugs or chemical precursors used for the production of illicit drugs. Methods of shipment vary but most drugs seized have been in cargo freight or from couriers using air transportation. The number of couriers arriving in Belgium by plane from West Africa and Central America has increased in the past couple of years. Colombian drug cartels are stockpiling cocaine in Africa and using established African operations to move drugs to Europe. Continuing a

recent trend, usage and trafficking of cocaine in Belgium continued to increase in 2008.

Heroin seizures have risen the past several years. Belgian Federal Police interdict heroin transiting through Belgium en route to the Netherlands and the U.K. It is estimated Belgium consumes around 4 tons of heroin, which is mostly traceable to drug tourism from neighboring countries. To date (October 2008) Belgian authorities have seized 52.41 kg of heroin. Officials say it is difficult to have an impact on the heroin trade because of the difficulty in penetrating the Turkish trafficking groups behind it.

Belgian authorities take a proactive approach in interdicting drug shipments and cooperate with the U.S. and other foreign countries to help uncover distribution rings. However, at times fighting the drug trafficking problem in Belgium is difficult due to the large ethnic population centers, language, and cultural differences and the cross border nature of the trafficking trend. Despite this, Belgian authorities continue to combat the production and trafficking of illicit drugs within their borders, through bilateral cooperation with neighboring countries and by incorporating methods like canine checks and aerial surveillance.

Belgium has also become yet another transshipment point for ephedrine, used as a chemical precursor to methamphetamine, destined for the United States via Mexico. In instances where there is suspicion of ephedrine diversion for methamphetamine manufacturing purposes, Belgians cooperate by executing controlled deliveries to the destinations. This evidence of increased ephedrine shipping is seen throughout Europe due to stricter methamphetamine laws in the U.S.

Belgium is party to the 1988 UN Drug Convention, and is part of the Dublin Group of countries concerned with combating narcotics trafficking.

II. Status of Country

Belgium produces small amounts of amphetamine type stimulants and Ecstasy as well as cannabis and hashish. Seizures of amphetamine type stimulants and Ecstasy have dropped compared to previous years, suggesting a decrease in production.

Belgium remains a key transit point for illicit drugs, mainly cocaine and heroin, bound for The Netherlands, the United Kingdom and other points in Western Europe. The majority of large cocaine shipments are bound for the Netherlands, where Colombian groups continue to dominate drug trafficking. In the past, Israeli groups controlled most of the Ecstasy distribution and shipping to the United States, but these organized crime groups have been disrupted by enforcement measures and their influence has diminished.

Turkish groups control most of the heroin trafficked in Belgium. This heroin is principally shipped through Belgium and the Netherlands to the United Kingdom. Authorities find it difficult to penetrate Turkish trafficking groups responsible for heroin shipping and trafficking because of the language barrier and Turkish criminal groups' reluctance to work with non-Turkish ethnicities.

Hashish and cannabis remain the most widely distributed and used illicit drugs in Belgium. Although the bulk of the cannabis consumed in Belgium is produced in Morocco, domestic cultivation continues to increase. Belgian authorities seized 1,042 kg of hashish to date in 2008.

Illegal ephedrine shipping through Belgium is on the rise. The country manufactures ephedrine to a very limited extent, but it is not a final destination for illegal shipments. The ephedrine market is mainly controlled by Mexicans who purchase both legal (i.e., cold medicine, dietary supplements) and illegal ephedrine, and ship it to Mexico, where it is used to produce methamphetamine for distribution in the United States. Since most forms of ephedrine are strictly regulated in the United States, Belgium and other Western European countries have seen an increase in transshipments of ephedrine and other methamphetamine precursors.

III. Country Actions against Drugs in 2008

Policy Initiatives. The National Security Plan for 2004-2007 had ambitious goals to combat drug trafficking in Belgium but due to the previous collapse of the government, the plan was never enacted. No new plans have been drafted or published.

Belgium is a major backer for COSPOL (Comprehensive Operational Strategic Planning for the Police), which is a new methodology for multinational police cooperation. It is a program that was created for the Police Chiefs Task Force functioning under direction of the EU. At the most recent COSPOL meeting, Belgian and other EU Police Officials discussed plans to share information in order to create a database of places indicating where illicit lab equipment and drug producing chemicals are shipped and manufactured. The database also includes information on the trade in drug related chemicals and laboratory materials.

Belgium also participates in "Drugwatch", a non-profit information network and advocacy organization that provides policymakers, media and the public with current narcotics information. In cooperation with "Drugwatch", Belgium is participating in a program focused on monitoring the internet to identify narcotic sale and production in Belgium.

The Federal Prosecutor's Office, established in 2002, works to centralize and facilitate mutual legal assistance requests on drug trafficking investigations and prosecutions.

Law Enforcement Efforts. Belgian law enforcement authorities actively investigate individuals and organizations involved in illegal narcotics trafficking. In keeping with Belgium's drug control strategy, efforts are focused on combating synthetic drugs, heroin and cocaine, and more recently, cannabis. Belgian authorities continue to cooperate closely and effectively with DEA officials stationed in Brussels. At Brussels' Zaventem International Airport, non-uniformed police search for drug couriers and have become increasingly proficient. Authorities utilize canine and aerial apprehension strategies on the local and federal levels to help fight illicit drug production and shipment in Belgium. The Canine Support Service (DSCH) has trained four dog teams to search for drugs. Dog teams are used mostly in airports and train stations, while the Aerial Support Service (DSAS) has made a concerted effort to increase the number of hours in the sky in an attempt to detect drug laboratories across the nation. A new initiative was taken last year to set up a database for European airports. It will be used to transfer narcotic related information to airports throughout Europe in order to better cooperate with foreign police forces and governments.

In the past year (2008), Belgian authorities have discovered three synthetic drug laboratories: 1 tableting unit, 1 Ecstasy lab, and 1 amphetamine lab. Belgian authorities

have also seized 55 kg of phenacetine, 6.7 liters of GHB, 4146 kg of khat, 0.6 kg of opium, and 134,157 Ecstasy tablets.

Corruption. Legal measures exist to combat and punish corruption. No serious cases of organized corruption related to drugs have been uncovered in Belgium. Money laundering has been illegal in Belgium since 1993, and the country's Financial Intelligence Unit (FIU) (CTIF-CFI) is continually active in efforts to investigate money laundering. No senior official of the Belgian government engages in, encourages or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Belgium is party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Belgium also is a party to the UN Convention against Corruption, the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking of firearms. The United States and Belgium have an extradition treaty and a Mutual Legal Assistance treaty (MLAT), and Belgium is in the process of ratifying the new U.S. – E.U. MLAT and Extradition Agreements. In addition, the two countries have concluded protocols to the extradition and mutual legal assistance treaties pursuant to the 2003 U.S.-EU extradition and mutual legal assistance agreements. The U.S. Senate has approved them, but they are still pending Belgian parliamentary and EU approval. Under a bilateral agreement with the United States as part of the U.S. Container Security Initiative (CSI), U.S. Customs officials are stationed at the Port of Antwerp to serve as observers and advisors to Belgian Customs inspectors on U.S.-bound sea freight shipments. Belgium also has an MOU with the USG to carry U.S. Coast Guard Law Enforcement Detachments (LEDET) on Belgium Navy vessels in the Caribbean Sea.

Cultivation/Production. Belgium's role as a transit point for major drug shipments, particularly heroin and cocaine, is more significant than its own production of illegal drugs. Cultivation of marijuana increasingly involves elaborate, large-scale operations in Belgium. Belgian authorities seized 530 kg of marijuana this year (2008). The production of amphetamines does not appear to have abated. Dutch traffickers are involved in Belgium's

production of Amphetamine-Type Stimulants (ATS). As Dutch law enforcement pressures mount on producers of Ecstasy and other ATS in the Netherlands, some Dutch producers either look to Belgian producers to meet their supply needs or to establish their own facilities in Belgium. Belgian authorities seized 179 kg of amphetamines as of October 2008.

Drug Flow/Transit. Belgium is an important transit point for illegal drug trafficking in Europe. It has been estimated that about 25 percent of drugs from South America moving through Europe eventually transit Belgium, especially cocaine. These drugs are ultimately shipped to the United Kingdom, the Netherlands, and other points in Western Europe. The port of Antwerp continues to be one of the preferred destinations for cocaine imported to Europe. The flow of cocaine to Belgium is controlled by Colombian organizations with operatives residing in Africa and in Belgium itself and neighboring countries. A few corrupt Antwerp port employees have been prosecuted for involvement in the receipt and off-loading of cocaine upon arrival at the port. Zaventem National Airport has become a major point of entry for couriers from Africa, using both baggage and human couriers or "mules". Most of the cocaine originates in South America and transits through either West Africa or other countries in South America. The majority of the couriers were of African descent. The other predominant cocaine trafficking groups in Belgium are Colombian, Surinamese, Chilean, Ecuadorian, and Israeli. The Port of Antwerp is also an important transit point for cannabis and hashish. The Netherlands continues to supply both marijuana and hashish to Belgian traffickers. Belgium remains a transit country for heroin destined for the British market. Seizures over the past four years and intelligence reporting indicate that Belgium has also become a secondary distribution and packaging center for heroin coming along the Balkan Route. Seized heroin has reached 52.41 kg this year. Turkish groups dominate the trafficking of heroin in Belgium. The Belgian Federal Police have identified trucks from Turkey (TIR Trucks) as the single largest transportation mechanism for westbound heroin entering Belgium.

Domestic Programs/Demand Reduction. Belgium has an active drug education program administered by the regional governments (Flanders, Wallonia, and Brussels), which targets the country's youth. These programs include education campaigns, drug hotlines, HIV and hepatitis prevention programs, detoxification programs, and a pilot

program for “drug-free” prison sections. Belgium directs its programs at individuals who influence young people versus young people themselves. In general, Belgian society views teachers, coaches, clergy, and other adults as better suited to deliver the counter narcotics message to the target audience because they already are known and respected by young people.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States and Belgium regularly share drug-related information. Counter narcotics officials in the Belgian Federal Police, Federal Prosecutor's Office, and Ministry of Justice are fully engaged with their U.S. counterparts. With the rise in the trafficking of ephedrine in Belgium, the U.S. plans to focus on identifying and prosecuting both suppliers and shippers of illegal ephedrine before the drug reaches the U.S. The United States recently trained and certified several Belgian Federal Officers in clandestine ATS laboratory search and seizure methods.

The Road Ahead. Belgium has always been open to international support to combat illicit drug trafficking and production. The United States looks forward to continued cooperation and support from Belgium in drug-related crime. With the recent rise in cocaine trafficking across Europe and the establishment of Colombian organizations controlling this trend, there will be increased levels of bilateral investigative activity.

Belize

I. Summary

Belize is a transit point for narcotics destined for the United States. The Government of Belize (GOB) collaborated with the United States on joint counter narcotics operations and investigations in 2008 and on the apprehension and return of U.S. fugitives wanted in the United States. Belize is party to the 1988 UN Drug Convention.

II. Status of Country

Belize's shared borders with Guatemala and Mexico, miles of unpopulated jungles, navigable inland waterways, and unprotected coastline with hundreds of small islands make it vulnerable to trans-shipment of illicit drugs between Colombia and Mexico and the U.S. Authorities' ability to counter the threat is hampered by limited infrastructure and

corruption. Ineffective anti-money laundering legislation and weak enforcement of laws regulating offshore financial interests contributed to an increase in money laundering incidents. To date there have been no arrests and/or prosecutions in Belize for any money laundering offenses.

III. Country Actions against Drugs in 2008

Policy Initiatives. Legislation submitted in 2007, requesting wider authority relative to intelligence collection and electronic intercepts, as well a draft for a Chemical Precursors Control Act is still pending due to general elections held in 2008, two natural disasters, an economic crisis, and limited resources. However, on June 19, 2008 the Minister responsible for Supplies Control enacted a statutory instrument prohibiting the bulk importation of pseudoephedrine and ephedrine.

Law Enforcement Efforts. In 2008 the Belize Police Department (BPD), Belize Defense Force (BDF) and Belize National Coast Guard (BNCG) conducted several counternarcotics operations with USG assistance. The BPD and BDF continued joint border patrols in order to monitor illegal entry points into Belize that are also used as routes for smuggling cocaine and marijuana over land. In March, drug traffickers landed a plane on the northern highway and managed to escape with an estimated one metric ton of cocaine. However, the BDF arrived before the plane refueled and took off again, seizing the plane used to transport the drugs. The BDF maritime units responsible for patrolling Belize's inland waterways along with the BNCG's continuous patrolling of the coastline have not resulted in any drug seizures. The Belize National Forensic Science Services (NFSS) laboratory increased its technical capacity through training provided by the USG, and, as a result, more forensic evidence is now allowed in the courtroom.

Seizures through December 2008 include: 16.2 kilograms (kg) of cocaine; 0.7 kg of crack cocaine; 275.5 kg of marijuana; 50,050 marijuana plants; 100,892 marijuana seeds; and minor quantities of other drugs. Narco-funds in the amount of \$112,510 were seized and law enforcement made 1,539 arrests in drug cases. It is difficult to obtain convictions on drug crimes because the Public Prosecutions office lacks staff, resources, and training.

Corruption. As a matter of policy, neither the GOB nor any senior official in the government encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However, in 2008 there were several notable cases of official corruption that proved that it exists. In April, one Customs officer was suspended and two

others investigated in an incident in which they failed to follow established Customs protocol and report a suspicious container to the investigations section. The truck carrying the container was improperly released from Customs and reportedly “hijacked” of its contents after its release. In another case in May, suspicious Customs officials discovered that the contents of two shipping containers were lost and that the containers had been fraudulently cleared from the Customs compound. The investigation was ongoing at the time of this report, and the two suspected customs officials have been suspended pending the outcome of internal proceedings expected in early 2009. In September, three Customs officers were charged with forgery of an official document to facilitate the unauthorized removal of a 40-foot container from the port compound, which is privately owned. In June 2001, the GOB signed the OAS Inter-American Convention Against Corruption. It also supported the revival of the Committee on Public Probity and Ethics to review implementation of the convention. However, Belize is not a party to the UN Convention against Corruption and does not have laws specifically addressing narcotics-related public corruption. Although corruption in general is covered under the 1994 Prevention of Corruption in Public Life Act, the GOB takes very limited legal and law enforcement measures to prevent and punish public corruption due to limited prosecutorial and judicial resources. The Act’s Integrity Commission, which has powers to investigate corruption and impose civil penalties, has received many allegations, however, it is unclear whether credible allegations are ever investigated, and, to date, no government officials have been punished under the Act. There is no direct evidence of narcotics-related corruption within the government, but other kinds of corruption are suspected in several areas of the government and at all levels. In 2008 there were several high profile cases of conflict of interest or suspected or confirmed corruption in high levels of the government, including the former Minister of Health, the former Minister of Home Affairs, and the former Prime Minister, who were charged with theft of \$10 million of the “people’s money” (public funds) donated by the Venezuelan Government.

Agreements and Treaties. Belize is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotics Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Belize is one of three countries that have ratified the Caribbean Regional Agreement on Maritime Counter Narcotics. In September 1997, the GOB signed the National Crime Information Center Pilot Project Assessment Agreement (data- and information-sharing). Bilateral agreements between the U.S. and

Belize include a protocol to the Maritime Agreement that entered into force in April 2000, a bilateral Extradition Treaty that entered into force in March 2001, and the Inter-American Convention on Serving Criminal Sentences Abroad that entered into force in 2005. The U.S.—Belize Mutual Legal Assistance Treaty (MLAT) entered into force in 2003, but was not implemented by the GOB until 2005. While assistance in the capture and repatriation of U.S. citizen fugitives is excellent (12 fugitives deported in 2008), response to other U.S. requests for assistance extraditing Belizean nationals has been frustratingly slow due to limited criminal justice system resources and a system lacking judicial incentives to promote speedy trials. Belize is a party to the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. In 2005, Belize joined other Central American countries participating in the Cooperating Nations Information Exchange System (CNIES), which assists in locating, identifying, tracking and intercepting civil aircraft in Belize's airspace.

Cultivation/Production. A fair amount of marijuana is cultivated for local consumption in scattered plots throughout Belize. Police investigate and burn the plants, but often the marijuana fields are planted on government property, ownership of the illegal plants cannot often be determined and no further action is taken. There are no industries in Belize requiring the import of precursor chemicals, however, in 2008, significant trafficking in precursor chemicals in Belize was observed through police reports.

Drug Flow/Transit and Distribution. Cocaine is trans-shipped through Belize's territorial waters for onward shipment to Mexico. The primary means for smuggling drugs are "go-fast" boats transiting Belizean waters for transshipment along navigable inland waterways and then to remote border crossings into Mexico. Interdiction is hampered by the lack of adequate host nation resources and lax customs enforcement. In four instances, during 2008, pseudoephedrine pills were illegally imported into Belize for onward distribution to either Guatemala or Mexico. In one such case, police seized approximately 20 million pills shipped from Belgium and China and destroyed them.

Domestic Program/Demand Reduction. The National Drug Abuse Control Council (NDACC) coordinates GOB's demand reduction efforts through education, counseling, rehabilitation, outreach, and a public commercial campaign. Drug abuse and treatment statistics are not readily available in Belize and drug rehabilitation facilities are virtually non-existent for the local population. In 2008, the USG provided funds for two officers from NDACC to train at the United Nations Office against Drugs and Crime (UNODC) in the

assessment of treatment, rehabilitation and social integration facilities for drug abusers. The U.S. also funded an after-school anti-drug program through the NDACC.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2008, the U.S. assisted the GOB in developing its capability to combat drug trafficking and coordinated on investigations of drug trafficking. The USG provided support to the Belizean Forensic Laboratory to improve investigations and prosecution of crimes; programs for at-risk school youth and prison drug rehabilitation; and maritime security and law enforcement. The USG also provided maritime law enforcement training to the BNCG, including courses in search and rescue, engineering and logistics, port security, small boat operations, and professional development training. Belize has a cadet attending the U.S. Coast Guard Academy as a member of the class of 2010. The USG continues to provide technical assistance for developing and implementing an appropriate legislative framework to provide the BNCG with clear authorities to interdict drugs.

The Road Ahead. Belize needs to pass and implement pending legislation requesting wider authority relative to intelligence collection and electronic intercepts and a Chemical Precursors Control Act with punitive sanctions. The GOB needs to adequately fund and train prosecutors in the Public Prosecutors office as well as police prosecutors in narcotics prosecutions.

The USG will assist the GOB to improve its maritime interdiction capabilities through training, the construction of a BNCG forward operating base in the offshore islands, construction of a new BNCG headquarters building, and donation of equipment and boats through Enduring Friendship.

Benin

I. Summary

Benin remains a low volume narcotics producer, and continues to be a transit point for illegal narcotics. During 2008, no new counter-narcotics laws or initiatives were introduced in Benin. Benin's drug enforcement police squad, Central Office for Repression of Illicit Drug Trafficking (OCERTID), is a police-only squad with limited resources. The rate of illegal drug seizures was low in Benin during 2008 as were quantities seized. Benin is a

party to the 1988 UN Drug Convention (UNDC), and its anti-narcotics legislation adopted into law in 1997 is based on the UNODC model.

II. Status of Country

Benin is a small producer of illegal narcotics. Marijuana is the only drug produced in significant quantities, and there is no production of synthetic drugs such as methamphetamines. Marijuana is sparsely cultivated in the regions of Benin along the western and eastern borders with Nigeria and Togo. It is also produced in the central area of the country. The primary market for this cultivation is within Benin itself. During 2008, there were no new efforts by the government to eradicate domestic drug production. Benin's porous borders and lack of port security permit the easy transshipments of narcotics by regional traffickers. All forms of narcotics are known to transit through Benin.

III. Country Action against Drugs In 2008

Policy Initiatives. In 2008, there have been no new efforts towards combating the trafficking of illegal narcotics. Legislation adopted in 1997, which increased sentences for traffickers, criminalized drug-related money laundering, and permitted the seizure of drug-related assets remains in effect but implementation/enforcement is limited.

Law Enforcement Efforts. Benin's Drug Enforcement Coordination Office called CILAS (Interdepartmental Committee to Fight Against Drugs and Narcotics Abuse) encompasses representatives from the Ministries of Health, Family, Social Protection, Finance, Economy, Environment, and Youth. CILAS is responsible for implementing Benin's domestic drug policy, but no results on the effectiveness of its programs are available. The chairman of CILAS was the former National Director of Police, who was recently relieved of duties due to the drug corruption scandal. CILAS is now without a chairperson.

Benin has participated in regional anti-narcotic efforts during 2008 such as the DEA funded African Drug Trafficking Seminar held in Gaborone, Botswana, September 22-24, 2008, and a regional sponsored seminar on drug trafficking in Bamako, Mali from October 14-16, 2008. Benin also participated in a regional seminar in Grand-Bassam, Cote d'Ivoire, from October 20-24, 2008.

OCERTID still has an enforcement team assigned to the port of Cotonou since November 2005, but this team continues to be hampered by a lack of training in the area of seaport security and container search procedures. The US Millennium Challenge Compact will help address these weaknesses over the next four years. The Compact includes the

development and implementation of a port master plan that incorporates institutional security improvements in the areas of access, customs services, and cargo screening.

The total reported drug seizures in Benin, through October, during 2008 were: cannabis: 6.7 Kg, cocaine: 22.7 Kg, and heroin: 2.1 Kg. There were a total of 60 people arrested and prosecuted. The breakdown of nationality is: 35 Beninese, 25 Nigerians. Law enforcement resources continue to target small-scale couriers, users, and criminals involved in other forms of crime who are arrested with various quantities of illegal drugs in their possession. There is neither investigative nor prosecutorial capacity to pursue leaders of conspiracies to traffic in drugs. Benin also has no legal mechanism in place to seize assets of narcotics offenders.

Corruption. The Government of Benin does not, as a matter of government policy, encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. However, there is no legislation or legal framework in Benin to prevent or punish narcotics-related corruption. In 2008, Benin pursued judicial cases against certain officials involved in illegal activity.

The judiciary proceedings initiated against high-ranking police officials in February 2007 are still pending. Several other government officers are in pre-trial detention at the prisons of Cotonou, Ouidah, and Porto-Novo on narcotic-related charges.

Agreements and Treaties. Benin is a party to the 1988 UN Drug Convention, the 1961 UN Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Benin is a party to the UN Convention against Corruption, and to the UN Convention against Transnational Crime and its three protocols. The U.S. and Benin entered into several bilateral counter-narcotics assistance agreements (LoA-Letter of Agreement and Amendments) in 1995 and 2001. Benin also signed a bilateral agreement with Nigeria in 2006 under which the two countries implemented joint border control teams and procedures for trans-border crime detection including narcotics control.

Cultivation/Production. Only marijuana is cultivated in Benin, and then only on a modest scale for domestic consumption.

Drug Flow/Transit. Criminal groups operating in West Africa organize drug “mule” traffic, including “swallowers” through Benin’s airport. Drugs also probably transit Benin’s port, but with such a rudimentary system in place for detection and enforcement, there is only limited evidence through drug seizures to substantiate this.

Domestic Programs/Demand Reduction. No drug treatment as such is available in Benin. Drug abusers are dependent on the limited facilities offered at government supported health clinics.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. With the strong anti-corruption stance by the Beninese government, there is a good possibility that aggressive implementation of counter-narcotics will be brought back to the foreground. Efforts by the US Government towards improving port and border security, such as the Millennium Challenge Corporation program, of which \$169M is to be invested in port modernization and efficiency improvements, should greatly assist these efforts.

The Road Ahead. The lack of training and resources for counter-narcotics units remain problematic. The U.S. hopes to assist by offering training opportunities at ILEA and other regional training programs.

Bolivia*

*[*This section has been revised since its original posting to the website. See [version](#) as submitted to Congress.]*

I. Summary

September 15, 2008, the President of the United States determined for the first time that Bolivia had “failed demonstrably” to adhere to its obligations under international counternarcotics agreements. This determination was made due to a number of factors, including the forced departure of the U.S. Agency for International Development (USAID) and the Drug Enforcement Administration (DEA) from the coca growing Chapare region, continued increases in coca cultivation and cocaine production, the Government of

Bolivia's (GOB) policies to expand the cultivation of "licit" coca, and its unwillingness to regulate coca markets. The GOB's decisions to expel the U.S. Ambassador in September and all Drug Enforcement Administration (DEA) personnel in November, based on false accusations of conspiracy – seriously damaged counternarcotics cooperation, and call into question whether the GOB will continue any bilateral efforts with the United States in this area.

In 2008, the GOB eradicated over 5,000 hectares of coca nationwide, about 95 percent of which took place in the Cochabamba tropics (Chapare) and Ypacani region. Nonetheless, coca cultivation and cocaine production capacity increased rapidly due both to greater cultivation as well as Bolivian traffickers adopting more efficient cocaine manufacturing methods. Bolivia is a party to the 1988 UN Drug Convention.

II. Status of Country

Bolivia remains the world's third largest producer of cocaine, and it is a significant transit zone for Peruvian-origin cocaine. Bolivia's estimated potential cocaine production has increased, from 100 metric tons in 2003 to at least 120 metric tons in 2008. According to DEA, given the increasing number of labs using much more efficient Colombian technology, potential cocaine production may have grown to as much as 192 metric tons. The majority of cocaine trafficked from or through Bolivia is destined for Brazil, Chile, Argentina, and Paraguay with a significant amount transshipped to Europe. From 2003 to 2007, coca cultivation in Bolivia increased from 23,200 to 29,500 hectares, according to official USG estimates. UNODC estimates followed a similar upward trend line. Bolivia is also a producer of marijuana, primarily for domestic consumption, with production increasing from 35 metric tons in 2005 to more than 113 metric tons in 2008.

President Evo Morales, who also remains the president of the Chapare region's coca growers' federations, continues to promote a policy of "zero cocaine but not zero coca," while cocaine production continues to increase sharply. His administration proposed an increase in legal coca cultivation from 12,000 to 20,000 hectares, in violation of current Bolivian law and international agreements. With political support from the highest levels of the Bolivian Government, coca growers continue to increase plantings, especially in the Yungas, where cocaine production has risen sharply. In June, the United States Agency for International Development (USAID) was forced to leave the Chapare due to security threats from the leaders of the coca grower federations. In September, the GOB denied

permission for DEA aircraft to fly inside of Bolivia, based on a false assumption that the aircraft were used for surveillance. The aircraft were used solely to transport American and Bolivian personnel in counternarcotics missions. In September, President Morales declared the U.S. Ambassador to Bolivia *persona non grata*, falsely accusing him of supporting the opposition and fomenting the division of Bolivia.

On November 1, President Morales announced the immediate suspension of DEA's activities in Bolivia. A diplomatic note followed demanding the departure of DEA personnel and dependents within 90 days. The GOB alleged, without presenting any evidence, that DEA engaged in political espionage, conspired against the government, promoted narco-trafficking, and shot peasant farmers. These allegations are completely unfounded. With the removal of DEA from Bolivia, counternarcotics programs, especially in the area of interdiction, will suffer serious degradation. As a result of Bolivia's failure to cooperate with the United States on counternarcotics efforts, President Bush suspended Bolivia's designation as a beneficiary of the Andean Trade Promotion Act (ATPA) and the Andean Trade Promotion and Drug Eradication Act (ATPDEA) effective December 15, 2008.

III. Country Actions against Drugs in 2008

Policy Initiatives. Bolivia produces coca leaf for traditional uses, such as chewing, making tea and religious rites. However, according to the International Narcotics Control Board (INCB), under the provisions of the UN Convention, cultivating coca for traditional purposes in Bolivia should have come to an end in 1989. Current Bolivian law permits up to 12,000 hectares of legal coca cultivation, mostly cultivated in the Yungas area to supply the licit market. In September, the GOB signed an agreement with 25,000 coca growers from the Yungas federation to eventually eradicate 6,900 hectares by 2010. Eradication began on October 4, 2008; the GOB's goal is to eradicate one hectare per day.

Nevertheless, this agreement also legalizes coca cultivation in new areas of the Yungas by an additional 6,500 hectares, thus raising "legal" production levels to over 18,500 hectares. With the 7,000 legalized hectares in the Chapare, total Bolivian "legal" coca exceeds 25,500 hectares, violating Bolivian Law 1008, and the GOB's international obligations. The Yungas agreement also contradicts the GOB's expressed intention to reduce coca cultivation to 20,000 hectares primarily working through concerted voluntary eradication and social control.

With financial assistance from Venezuela, the GOB continued with its plan to industrialize coca and continued discussion on building two coca industrialization plants, one in the Chapare and the other in the Yungas in contravention of the 1961 UN Single Convention on Narcotics Drugs, Article 4 that states that the Parties must “limit exclusively to medical and scientific purposes the production, manufacture, export, import, distribution of, trade in, use and possession of drugs.” The European Union (EU) has had difficulty finalizing the terms of a series of studies to determine the actual licit demand for coca in Bolivia. The GOB reportedly attempted on several occasions to modify the terms of reference. This delay has increased costs of the study and delayed results to at least January 2010.

In 2008, the Bolivian government with some support from the USG and neighboring countries, refined a proposal, first drafted in 2006, to improve money laundering and asset forfeiture legislation, and plea bargaining in criminal cases. If approved by the Bolivian Congress, this draft legislation would provide the tools needed by law enforcement units to improve their ability to conduct and prosecute narcotics, money laundering, terrorism, and corruption cases in Bolivia. Pending legislative reforms also include a provision for judicial intercepts of wire communications, and reform of the Code of Criminal Procedure. The Bolivian Congress has not yet addressed the proposed legislation. The Counternarcotics Council of Ministers responded favorably to the draft legislation in July, and plans are underway to submit this legislation for review by Congress by December 2008.

Accomplishments. The GOB eradicated 5,484 hectares of coca nationwide in 2008—95 percent of eradication occurred in the Chapare and Yapacani, and only 5 percent (just over 300 hectares in Caranavi and La Asunta) in the Yungas. Interdiction of cocaine base and cocaine hydrochloride (HCl) totaled more than 26 metric tons in 2008, compared to about 14 metric tons in 2007, and GOB counternarcotics units located and destroyed 6,535 cocaine labs and maceration pits, compared to 3,093 in 2007. Increased seizures are due to an increase in drug production and transshipment of drugs from Peru.

Law Enforcement Efforts. The Bolivian Special Counter-Narcotics Police (FELCN) intercepts illicit drugs, precursor chemicals and investigates money laundering activities. The USG provides logistical support and training to FELCN units. The FELCN is structured to combat all aspects of drug trafficking to include interdiction of drugs, illicit coca, and precursor chemicals, intelligence gathering, money laundering, and rural operations. Even

with the loss of DEA, the Department of State Bureau for International Narcotics and Law Enforcement Affairs' (INL) Narcotics Affairs Section (NAS) continued to support most FELCN programs in Bolivia. Throughout 2008, FELCN focused on higher level violators, resulting in more Priority Target Organizations being investigated with the regional partner nations. However, with growing cocaine supply, more drug trafficking activities, more sophisticated organizations operating in Bolivia, and the seizure of massive and sophisticated Colombian-managed cocaine laboratories in the Santa Cruz area it will be increasingly difficult for the FELCN to meet these challenges without DEA resources and the integrity of some of the programs will be difficult to ensure without DEA involvement.

Corruption. There are no proven cases of senior GOB officials encouraging or facilitating the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. As of October 2008, the Office of Professional Responsibility (OPR) within the Bolivian National Police (BNP) and FELCN has investigated 2,043 allegations of various forms of misconduct (vehicle accidents, misuse of official equipment, and insubordination). Of the 176 cases that involved FELCN members, none of the investigations resulted in findings of corruption. Presently, 827 of these OPR cases were reviewed by a disciplinary board and the remainder are still in the investigative stage and/or awaiting tribunal action.

Agreements and Treaties. Bolivia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances.

Bolivia is a party to the UN Convention against Transnational Crime and its Protocols on Trafficking in Persons and Migrant Smuggling, the UN Convention against Corruption, and the Inter-American Convention against Corruption. Nevertheless, Bolivia is lacking many of the laws and enforcement mechanisms needed to fully implement these agreements. Bolivia has signed, but has not yet ratified the Inter-American Convention on Extradition.

Extradition: The GOB and the United States signed a bilateral extradition treaty in 1995, which entered into force in 1996. The treaty permits the extradition of nationals for most serious offenses, including drug trafficking. During 2008, the USG requested the extradition of one Bolivian national for narcotics trafficking; that request remains pending. Bolivia requested the extradition of two co-defendants charged with homicide; those requests also remain pending.

Cultivation/Production. Overall coca cultivation has increased from 25,800 hectares in 2006 to 29,500 hectares in 2007, according to official USG estimates. Of the two main coca growing regions, cultivation in the Yungas increased sharply to 22,500 hectares, while cultivation in the Chapare declined to 5,700 hectares – an overall increase of 14 percent. The UNODC overall estimates also showed an overall increase of 5 percent – a similar upward trendline.

Over the last year, a steady increase in the use of the more efficient “Colombian method” for cocaine production (using mechanized coca maceration as well as solvents instead of acids for alkaloid extraction) was also noted. According to DEA, as a result, the current annual production estimate of 120 metric tons of cocaine could increase as much as 60 percent. It should be noted that the increase in seizures of labs and cocaine in Bolivia from 2007 to 2008, is likely a direct result of an increase in cultivation in 2007 and a proliferation of labs in 2008 to process the coca.

Increased cocaine production in Bolivia is a threat to neighboring countries as well as to the U.S. and Europe. Chilean and Argentine authorities report an increase in cocaine HCl labs in their countries, supplied by Bolivian cocaine base. Brazilian authorities have stated that most of the cocaine seized in Sao Paulo comes from Bolivia, with an increasing percentage of that cocaine of Peruvian-origin that transits Bolivia to Brazil.

Drug Flow/Transit. Although cocaine produced in Bolivia is increasing, there is limited documentation concerning Bolivian cocaine being seized outside of Bolivia, and, as noted above, most Bolivian-origin cocaine exports flow to other Latin American states and onward to Europe; relatively little is exported to the U.S. Increasing intelligence suggests a nexus with Mexicans, Colombians and the tri-border area (Argentina, Brazil and Paraguay). In 2008, the USG dismantled three prime target organizations linked to Bolivian cocaine supplies and Mexican organizations.

In the meantime, as cocaine availability increased in Bolivia under the Morales administration, conflict increased between rival organizations trying to carve out territory and trafficking routes. This is most evident in Cobija, with dozens of rival traffickers killed in 2008. This type of violence was previously rare in Bolivia. Violence in Cobija has forced many to flee across the border to Brazil, a trend that is likely to continue into 2009.

Alternative Development (AD). The USG's Integrated Alternative Development program provides support to help diversify the economies of Bolivia's coca growing regions, reduce communities' dependency on coca, and to strategically support the Government of Bolivia's voluntary eradication program. Alternative Development (AD) assistance helps strengthen the competitiveness of Bolivia's agricultural products (e.g., coffee, bananas, pineapples, cocoa, and palm hearts) in national and world markets, improve basic social conditions (e.g., access to clean water), and improve rural road infrastructure and access to markets. Beginning in FY 2007, AD support had begun to shift from the Chapare region to the Yungas region in accordance with the Government of Bolivia's rationalization plans.

In 2008, bilateral cooperation in Integrated Alternative Development suffered following the GOB's issuance of two Supreme Decrees the purpose of which were to bring greater GOB control over bilaterally administered donor resources and specifically require that donor funds directly support GOB entities or be channeled through the General Treasury. The USG, via USAID, currently funds one GOB entity for the purpose of road maintenance and improvement, but also relies on other implementing mechanisms including local government and non-government organizations to deliver assistance. Strict USG accountability requirements, with an emphasis on results, and concerns over the capacity of other GOB entities to meet these requirements, constrain the USG's ability to adhere solely to the new policy directives governing donor resources. An intensive review of the AD program led by the GOB demonstrated the magnitude of results achieved by implementing partners under the program, but did not succeed in convincing Bolivian authorities to revisit their Decrees.

While implementation proceeded in the interim, relations between USAID and GOB counterparts in the Vice Ministry of Coca and Integrated Development remained strained for much of the year. Matters deteriorated sharply in June when the leaders of the six federations of coca producers in the Chapare voted to expel USAID projects from the region followed by the expressed endorsement of the President and of most municipal governments with whom USAID projects had previously been operating productively. Yungas federations, on the other hand, expressed their desire to continue cooperating with USAID and its implementing partners. The USG expressed its desire to reach agreement with the GOB on an orderly phase-out of assistance in the Chapare in favor of

shifting resources toward the Yungas but to date the GOB has not responded and there is no such agreement.

U.S. support for the Yungas region, dating back to 2001, is of much more recent origin than that undertaken in the Chapare. The Yungas is an underdeveloped region, and home of the so-called traditional zone, where most of Bolivia's legal coca is cultivated. However, there is also considerable excess coca grown there. Recently, the GOB signed an agreement with the Yungas social organizations to define the area where coca cultivation is permitted and reduce coca cultivation in areas outside of that zone. Preliminary data on results achieved over the last year indicate that USAID's Integrated Alternative Development program activities continued to produce significant results, mostly exceeding established targets for the year, despite the stalled bilateral cooperation. U.S. assistance directly supported the cultivation of 12,800 hectares of new or improved crops such as bananas, cocoa, palm hearts and coffee, and areas under forest management plans.

In FY 2008, the annual value of USAID-promoted exports reached almost \$35 million. Assistance to farm communities and businesses helped generate 5,459 new jobs and new sales of AD products of nearly \$28 million. In FY 2008, 13,432 families benefited directly from U.S. assistance. Approximately 717 kilometers of roads were maintained or improved and 16 bridges constructed in the two regions where AD programs were undertaken. In addition, USAID's support helped the Government register the last 51,400 hectares of land to reach a total of 466,000 hectares in the Tropics of Cochabamba in preparation for its titling, thus strengthening land ownership rights and encouraging further farmer investments in alternative development products.

Domestic Programs/Demand Reduction. A 2008 UNODC report shows a continued increase in Bolivian domestic drug consumption. The GOB continues to inadequately support drug abuse prevention programs in spite of evidence of increased drug use in Bolivians reported by the UNODC. Recent statistics show that 4.6% of the population use illegal drugs (cocaine, marijuana, hallucinogens and others) in Bolivia, and that this number is expected to rise. The USG supported an expansion of the Drug Abuse Resistance Education (D.A.R.E.) program and continued to support 20 municipalities that worked to coordinate demand reduction programs at a local level, and a project on accreditation of rehabilitation centers. The D.A.R.E program reached 22,000 students, short of its 28,000 student goal due to social problems and the flooding that occurred in

Bolivia earlier in the year. In cooperation with non-governmental organizations (NGOs), the USG concluded the master's degree program in drug abuse prevention and rehabilitation that had included 32 students, and implemented a community based drug abuse prevention program reaching 50,000 people. In 2008, most USG supported demand reduction efforts were coordinated with local municipalities and departmental governments. At the national level it has become increasingly more difficult to achieve results, as the GOB has yet to put forward a coherent demand reduction strategy.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG supports programs that enhance the capabilities of the GOB to reduce coca cultivation; arrest and bring drug traffickers to justice; promote licit economic development to provide viable options to cultivating coca, disrupt the production of cocaine within Bolivia; interdict and destroy illicit drugs and precursor chemicals moving within and through the country via operational task forces; reduce and combat domestic abuse of cocaine and other illicit drugs; institutionalize a professional law enforcement system; and improve the awareness of the Bolivian population regarding the dangers of illicit drugs. The USG also trains Bolivia National Police (BNP) officers in modern investigative techniques to curb money laundering and terrorism financing.

Bilateral Cooperation. Bilateral cooperation declined significantly in 2008 with the expulsion of DEA from the country, the limitation of USAID's alternative development programs, the expulsion of the U.S. Ambassador and the increasingly hostile rhetoric from the GOB. However, Bolivian and U.S. officials still meet regularly to implement programs and operations and to resolve issues. The State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) principally supports and assists Bolivian interdiction and eradication forces. Before their expulsion, DEA provided direct operational advisory, liaison, intelligence and funding support to the FELCN's Sensitive Investigative Units, and USAID provided significant support to GOB efforts on alternative development.

Despite this decline in the bilateral relationship, the USG continued to support institution building and development of both the BNP forces and counternarcotics prosecutors under a law enforcement training and development program (LEDP). In the last year, fifty-six courses were provided to the BNP and the prosecutors, resulting in the training of 2,351 personnel. Individuals received training in the following areas: crisis command and control, leadership and management, basic and advanced criminal investigative

techniques, drug investigations, advanced interview techniques, trafficking in persons, human rights issues and integrity investigations under the GOB's Office of Professional Responsibility. Also, 16 BNP officers received basic and advanced polygraph examiner training in addition to receiving certification by the United States. These certified officers are the framework for the BNP polygraph unit and are responsible for administering polygraph examinations to all OPR investigators and counternarcotics prosecutors.

Unfortunately, the Bolivian legal system is unable to efficiently process the majority of drug cases and many criminals avoid prosecution. To address this, the USG has continued to enhance training for prosecutors, and the Public Ministry through implementation of a nationwide program to enhance the capability of the prosecutors to identify, investigate and prosecute violations of controlled substances, transnational crime, human rights issues and corruption.

The Road Ahead. The GOB faces significant challenges because its policies allow expansion of coca cultivation, limit eradication efforts, and loosen controls over the licit coca market. We are concerned about the growing influence of Colombian and Mexican cartels and the possibility of a growing number of drug-related crimes in Bolivia. We encourage the GOB to reverse its policies on expansion of coca cultivation. We also encourage the GOB to expand eradication in the Yungas, redouble its efforts in the Chapare, eliminate new coca plantings, and enhance its efforts to interdict illegal drugs and precursors throughout Bolivia. This effort should include the return of DEA to Bolivia. The U.S. also encourages the GOB to exert strict controls over the licit coca market, close illegal markets and increase cooperation with neighboring countries in counternarcotics efforts.

V. Statistical Table

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Coca | | | | | | | | | | |
| Net Cultivation (ha) | | 29,500 | 25,800 | 26,500 | 24,600 | 23,200 | 24,400 | 19,900 | 19,600 | 21,800 |
| Eradication (ha) | 5,484 | 6,269 | 5,070 | 6,073 | 8,437 | 10,000 | 11,839 | 9,435 | 7,953 | 16,999 |
| Leaf: Potential Harvest ¹ (mt)* | | 51,000 | 37,000 | 36,000 | 37,000 | 33,000 | 35,000 | 32,000 | - | - |
| HCl: Potential (mt) | | 120 | 115 | 115 | 115 | 100 | 110 | 100 | - | - |

| | | | | | | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---|
| Seizures | | | | | | | | | | | |
| Coca Leaf (mt) | 2066 | 1,330 | 1,344 | 887.4 | 395.0 | 152.0 | 101.8 | 66.0 | 51.9 | 56.0 | 9 |
| Cocaine Base (mt) | 21.6 | 11.4 | 12.7 | 10.2 | 8.2 | 6.4 | 4.7 | 4.0 | 4.5 | 5.5 | 6 |
| Cocaine HCl (mt) | 7.2 | 2.4 | 1.3 | 1.3 | 0.5 | 6.5 | 0.4 | 0.5 | 0.7 | 1.4 | 3 |
| Combined HCl & Base (mt) | 28.8 | 13.8 | 14 | 11.5 | 8.7 | 12.9 | 5.1 | 4.5 | 5.3 | 6.9 | 9 |
| Arrests/Detentions | 3,525 | 3,380 | 4,503 | 4,376 | 4,138 | 3,902 | 3,229 | 2,948 | 3,414 | 3,503 | 4 |
| Labs Destroyed | | | | | | | | | | | |
| Cocaine HCl | 7 | 6 | 3 | 3 | 4 | 2 | 2 | 1 | 2 | 1 | 1 |
| Base | 4,988 | 3,087 | 4,070 | 2,619 | 2,254 | 1,769 | 1,285 | 877 | 620 | 893 | 1 |

* The reported leaf-to-HCl conversion ratio is estimated to be 370 kilograms of leaf to one kilogram of cocaine HCl in the Chapare. In the Yungas, the ratio is 315:1.

Bosnia and Herzegovina

I. Summary

Narcotics control capabilities in Bosnia and Herzegovina ("Bosnia") remain in a formative stage and have not kept pace with developments in other areas of law enforcement. Bosnia is still considered primarily a transit country for drug trafficking due to its strategic location along historic Balkan smuggling routes. Weak state institutions, lack of personnel in counternarcotics units, and poor cooperation among the responsible authorities also contribute to Bosnia's vulnerability. The political will to improve narcotics control performance exists in some quarters of the Bosnian government. However, faced with ongoing post-war reconstruction issues, the government has to date focused limited law enforcement resources on investigating and prosecuting war crimes, counterterrorism and combating trafficking in persons and has not developed comprehensive antinarcotics intelligence and enforcement capabilities. Despite some improvement in cooperation among entity and cantonal law enforcement agencies, gradual improvements in the oversight of the financial sector, and substantial legal reforms, the current political

divisions which hamper reform efforts have contributed to poorly coordinated counternarcotics enforcement efforts. Narcotics trade remains an integral part of the activities of foreign and domestic organized crime figures that operate, according to anecdotal evidence, with the tacit acceptance (and sometimes active collusion) of some corrupt public officials. Border controls have improved, but flaws in the regulatory structure and justice system, lack of coordination among police agencies, and a lack of attention by Bosnia's political leadership mean that measures against narcotics trafficking and related crimes are often substandard. In 2008, Bosnia took almost no additional steps to set up a state-level body to coordinate the fight against drugs and develop the national counternarcotics strategy mandated by legislation passed in late 2005. However, law enforcement agencies, often in cooperation with neighboring countries, succeeded in making some substantial heroin-related arrests and seizures. Bosnia is making efforts to forge ties with regional and international law enforcement agencies. Bosnia is party to the 1988 UN Drug Convention.

II. Status of Country

Bosnia is not a significant narcotics producer, consumer, or producer of precursor chemicals. Bosnia does occupy a strategic position along the historic Balkan smuggling route between drug production and processing centers in Southwest Asia and markets in Western Europe. Bosnian authorities at the state, entity, cantonal, and municipal levels have been unable to stem the transit of illegal migrants, black market commodities, and narcotics since the conclusion of the 1995 Dayton Peace Accords. Traffickers have capitalized in particular on a developing justice system, public sector corruption, and the lack of specialized equipment and training. Bosnia is increasingly becoming a storehouse for drugs, mainly marijuana and heroin. Traffickers "warehouse" drugs in Bosnia, until they can be shipped out to destinations further along the Balkan Route. One of the main routes for drug trafficking starts in Albania, continues through Montenegro, passes through Bosnia to Croatia and Slovenia and then on to Central Europe. Information on domestic consumption is not systematically gathered, but authorities estimate Bosnia has 120,000 drug addicts. Anecdotal evidence and law enforcement officials indicate that demand for illicit drugs is steadily increasing. No national drug information system focal point exists, and the collection, processing, and dissemination of drug-related data is neither regulated nor vetted by a state-level regulatory body.

III. Country Actions against Drugs in 2008

Policy Initiatives. On November 8, 2005, the Bosnian House of Representatives passed legislation designed to address the problem of narcotics trafficking and abuse. The state-level counternarcotics coordination body and national counternarcotics strategy mandated by the legislation were not fully in place as of October 2008 partly due to the generally negative political climate and a dispute between the Ministries of Security and Civil Affairs as to which Ministry is responsible for moving the initiative forward. Bosnia is a state with limited financial resources, but, with USG and EU assistance, it is attempting to build state-level law enforcement institutions to combat narcotics trafficking and organized crime and to achieve compliance with relevant UN conventions. The full deployment of the Border Police (BP) and the establishment of the State Investigative and Protection Agency (SIPA) have improved counternarcotics efforts. Telephone hotlines, local press coverage, and public relations efforts have focused public attention on smuggling and black-marketeering.

Law Enforcement Efforts. Law enforcement agencies made some significant drug-related arrests during 2008; however, overall counternarcotics efforts remain inadequate given suspected trafficking levels. Cooperation among law enforcement agencies and prosecutors is primarily informal and ad hoc, and serious legal and bureaucratic obstacles to the effective prosecution of criminals remain. Through September 2008 (latest available statistics), law enforcement agencies in Bosnia-Herzegovina (including the State Investigation and Protection Agency (SIPA), the Border Police, Federation Ministry of Interior, Republika Srpska Ministry of Interior and Brcko District Police) have filed criminal reports against 1294 persons for drug related offenses. These agencies also report having seized 15.86 kg of heroin, 883 g of cocaine, 1.3 kg of amphetamines, 81.6 kg of marijuana, 3,021 cannabis plants, 490 cannabis seeds, 784 Ecstasy tablets, and 235 grams of hashish. The above statistics do not include approximately 50 kg of heroin seized by police forces in neighboring countries in operations conducted with the assistance of BiH law enforcement agencies. The Border Police (BP), founded in 2000, is responsible for controlling the country's three international airports, as well as Bosnia's 55 international border crossings covering 1,551 kilometers. The BP has been considered one of the better border services in Southeast Europe and is one of the few truly multi-ethnic institutions in Bosnia. However, declining relative wages vis-à-vis other local and entity law enforcement agencies along with harsh working conditions have led to sustained personnel shortages in the BP. There are still a large number of illegal crossing points, including rural roads and

river fords, which the BP is unable to patrol. Moreover, many official checkpoints and many crossings remain understaffed. SIPA, once fully operational, is supposed to be a conduit for information and evidence between local and international law enforcement agencies, however, several local law enforcement agencies, including the Republika Srpska police, have at times refused to cooperate with SIPA.

Cultivation/Production. Bosnia is not a major narcotics cultivator. Officials believe that domestic cultivation is limited to small-scale marijuana crops grown in southern and eastern Bosnia. Bosnia is not a major synthetics narcotics producer or refiner.

Corruption. Bosnia does not have laws that specifically target narcotics-related public sector corruption and has not pursued charges against public officials on narcotics-related offenses. Organized crime, working with a few corrupt government officials according to anecdotal evidence, uses the narcotics trade to generate personal revenue. There is no evidence linking senior government officials to the illicit narcotics trade. As a matter of government policy, Bosnia does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Bosnia is a party to the 1988 UN Drug Convention and is developing bilateral law enforcement ties with neighboring states to combat narcotics trafficking. Bosnia is also a party to the 1961 UN Single Convention as amended by the 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and trafficking in illicit firearms, and to the UN Convention against Corruption. A 1902 extradition treaty between the U.S. and the Kingdom of Serbia applies to Bosnia as a successor state.

Drug Flow/Transit. While most drugs entering Bosnia are being trafficked to destinations in third countries, indigenous organized crime groups are involved in local distribution to the estimated 120,000 drug users in the country. Major heroin and marijuana shipments are believed to transit Bosnia by several well-established overland routes, often in commercial vehicles. Local officials believe that Western Europe is the primary destination for this traffic. Officials believe that the market for designer drugs, especially Ecstasy, in urban areas is rising rapidly. Law enforcement authorities posit that elements from each ethnic group and all major crime "families" are involved in the narcotics trade, often collaborating across ethnic lines. Sales of narcotics are also

considered a significant source of revenue used by organized crime groups to finance both legitimate and illegitimate activities. There is mounting evidence of links and conflict among, Bosnian criminal elements and organized crime operations in Russia, Albania, Serbia, Montenegro, Croatia, Austria, Germany, and Italy.

Domestic Programs/Demand Reduction. In Bosnia there are only two methadone therapy centers with a combined capacity to handle about 160 patients. The limited capacity of the country's psychiatric clinics, also charged with treating drug addicts, is problematic, as the number of addicts and drug-related deaths in the country is rising steadily. It is estimated that between 70 to 80 percent of drug addicts who undergo basic medical treatment are recidivists. The Bosnian government currently pays for the basic medical treatment of drug addicts, but there are no known government programs for reintegrating former addicts into society. As part of an overall public campaign to promote a "122 Crime Stoppers" hotline that citizens can use to report crimes in progress, the Federation police included a short video that encourages citizens to report any drug deal they witness. The Citizens, Association for Support and Treatment of Drug Addicted and Recovered Persons (UG PROI in local language) maintains a private facility to help drug addicts near Kakanj. During the year UG PROI presented anti-drug messages to students through a drama program in elementary schools throughout Bosnia-Herzegovina. In June UG PROI organized a race against drugs involving both a fund-raising event and a large anti-drug abuse demonstration in downtown Sarajevo.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. USG policy objectives in Bosnia include reforming the criminal justice system, strengthening state-level law enforcement and judicial institutions, improving the rule of law, de-politicizing the police, improving local governance, and introducing free-market economic initiatives. The USG will continue to work closely with Bosnian authorities and the international community to combat narcotics trafficking and money laundering.

Bilateral Cooperation. The USG's bilateral law enforcement assistance program continues to emphasize task force training, improved cooperation between law enforcement agencies and prosecutors, and other measures against organized crime, including narcotics trafficking. The Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP) program, funded by the State Department, provided specific counternarcotics training to entity Interior Ministries, SIPA and BP. The USG Export Control and Border Security (EXBS) program provides equipment

and training to law enforcement agencies including the BP and the Indirect Taxation Administration (ITA) to stop the import of weapons of mass destruction and dual use items. EXBS Assistance increased BP and ITA's ability to detect and interdict contraband, including narcotics. The Overseas Prosecutorial Development Assistance Training (OPDAT) program provides training to judges and prosecutors on organized crime-related matters. The Drug Enforcement Agency (DEA) in Rome maintains liaisons with its counterparts in Bosnian state and entity level law enforcement organizations. The DEA has also sponsored specific narcotic interdiction training in Bosnia.

The Road Ahead. Strengthening state-level law enforcement and judicial institutions, promoting the rule of law, combating organized crime and terrorism, and reforming the judiciary and police in Bosnia remain top USG priorities. The USG will continue to focus its bilateral program on related subjects such as public sector corruption and border controls. The USG will continue to provide political support to state-level institutions in the face of significant attacks on them by national forces intent on destroying the state. We will encourage Bosnia to proceed with the full implementation of the planned national counternarcotics strategy. The international community is also working to increase local capacity and to encourage interagency cooperation by mentoring and advising the local law enforcement community.

Brazil

I. Summary

Brazil is a major transit country for illicit drugs destined for Europe and, to a much lesser extent, the United States. One effect of the quantity of drugs transiting the country is that Brazil has become the second largest consumer of cocaine in the world after the United States. Brazil has increased its cooperation with the United States and its neighbors, though efforts to control trafficking from Bolivia, the main source of cocaine for Brazil, have been limited. Given the size of the country, Brazil relies increasingly on intelligence-driven joint operations to control smuggling of drugs and other contraband. With U.S. assistance, the Brazilian Federal Police (DPF) has focused greater attention on consolidation and shipping points such as the country's air and sea ports.

In 2008, law enforcement officials made several key arrests, including that of a high level Colombian drug cartel leader who directed cartel operations in Brazil. Police also seized

substantial quantities of drugs, including increased seizures of low-purity, crack cocaine-type products destined for local consumption. Authorities have noted increasing involvement by urban gangs—Sao Paulo's First Command of the Capital (PCC) and Rio de Janeiro's Red Command (CV)—in cocaine and marijuana trafficking. Brazil is a party to the 1988 UN Drug Convention.

II. Status of Country

Brazil is a major transit country for cocaine hydrochloride (HCl) and a significant destination for cocaine base and other cocaine products, e.g., 'crack cocaine'-type drugs consumed locally. Though authorities have uncovered small, 'kitchen labs' which process cocaine base, there is no evidence yet of the large-scale cocaine HCl processing activity common to the Andean producer countries. Cocaine HCl that enters Brazil is often transshipped to Europe via Africa. Though Brazil grows small amounts of low quality marijuana, most of the higher quality marijuana consumed in Brazil comes from Paraguay. Brazilian authorities have noted increased involvement in narcotics and weapons smuggling by Sao Paulo's PCC and Rio de Janeiro's CV. These organized criminal gangs have an increasing international presence in places such as Bolivia, Paraguay, and possibly Portugal, as well as growing international links with Colombian and Mexican traffickers. Quantities of MDMA (Ecstasy), some produced locally, but mostly imported from Europe, have also been seized at ports of entry and in urban centers.

III. Country Actions against Drugs in 2008

Policy Initiatives. Brazil's 2006 anti-drug law prohibits and penalizes the cultivation and trafficking of illicit drugs, but it also provides significant judicial discretion which virtually decriminalizes simple possession and consumption of small quantities. In 2008, a subsequent law established zero tolerance for persons caught driving under the influence of alcohol or drugs. Brazil has established systems for identifying, tracing, seizing, and forfeiting narcotics-related assets. The Brazilian Government's interagency Financial Crimes Investigations Unit (COAF) and the Ministry of Justice manage these systems jointly. Police authorities and the customs and revenue services have adequate police powers and resources to trace and seize assets. The judicial system has the authority to take title to seized assets and Brazilian law permits the sharing of forfeited assets with other countries.

Accomplishments. United States-Brazilian cooperation led to the 2007 capture of Juan Carlos Ramirez-Abadia, aka 'la Chupeta,' one of the leaders of Colombia's Norte del Valle

cartel. Following his conviction and sentencing in Brazil, Ramirez-Abadia was extradited to the United States in 2008 and faces federal murder, drug trafficking, and money laundering charges in the Eastern District of New York. DEA agents in Brazil and Colombia, working with the DPF and Colombian National Police, have subsequently seized more than \$700 million in cash and other assets from his organization. In late 2007 and 2008, the DPF and DEA completed their investigation of a major Brazilian trafficker, Luis Fernando da Costa, whose network had controlled drug activity in some of the most dangerous areas of Rio de Janeiro. As a consequence, the DPF has been able to arrest and indict ten other people, including da Costa's wife, on charges of money laundering and narcotics and weapons trafficking.

Law Enforcement Efforts. While anti-drug activities in Brazil are carried out at all levels of government, the most reliable data collection systems and seizure statistics are maintained by the Federal Police. For 2008, the DPF made available the following data on amounts of drugs seized: 18 metric tons (MT) of cocaine, 514 kilograms (kg) of cocaine base, 430 kg of crack, 182 MT of marijuana, 12 kg of heroin, 125,706 dosage units of Ecstasy, and 95,653 dosage units of LSD.

The DPF instituted a training program at its national training academy for police investigators and customs officials from Portuguese speaking African countries.

Corruption. As a matter of government policy, neither the GOB nor any of its senior officials condone, encourage, or facilitate production, shipment, or distribution of illicit drugs or laundering of drug money, but corruption remains an issue of concern. Despite a series of domestic political scandals in 2008 that undermined GOB credibility in this area, the current government has introduced some potentially significant anti-corruption initiatives. DPF anti-corruption/fraud operations increased from 3 in 2003 to 28 in 2008. Many other DPF investigations regarding financial crimes, money laundering, and drug trafficking have an anti-corruption aspect to them. Brazil's anti-money laundering mechanisms and relatively independent prosecutorial and oversight institutions have played useful roles in the investigation of such cases. In May 2008, a former governor of Rio de Janeiro and a state legislator were arrested by the DPF on charges of corruption, extortion, money laundering, and facilitation of contraband. In June, eleven soldiers providing public security to Rio's slums were arrested for handing three young men over to rival drug traffickers and gang members to be tortured and killed.

Agreements and Treaties. Brazil became a party to the 1988 UN Drug Convention in 1991. Brazil is also a party to the 1971 Convention on Psychotropic Substances, the UN Convention against Transnational Organized Crime and its three protocols, and the UN Convention against Corruption. Brazil is also a party to the Inter-American Convention against Corruption, the Inter-American Convention on Mutual Assistance in Criminal Matters, the Inter-American Convention against Terrorism, and the Inter-American Convention against Trafficking in Illegal Firearms. Bilateral agreements based on the 1988 convention form the basis for counter narcotics cooperation between the United States and Brazil, and a new Letter of Agreement (LOA) was signed in August 2008. The United States and Brazil are parties to a 2001 bilateral mutual legal assistance treaty (MLAT) and a 2002 mutual assistance agreement on customs matters. Essentially, both agreements provide for an exchange of information to help prevent, investigate, and redress any offense against applicable laws of the United States or Brazil. Brazil also has a number of narcotics control agreements or similar arrangements with its South American neighbors, several European countries (primarily, Spain, Portugal and the UK), and South Africa. Even in the absence of treaties or similar arrangements, Brazil routinely cooperates with other countries as regards narcotics-related crime and participates in the UN Drug Control Program (UNDCP) and the Organization of American States/Anti-drug Abuse Control Commission (OAS/CICAD).

Extradition. The Brazilian constitution prohibits the extradition of natural-born Brazilian citizens, but allows for the extradition of naturalized Brazilian citizens for any crime committed prior to naturalization. Brazil does cooperate with other countries to extradite non-Brazilian nationals accused of narcotics-related crimes, though the GOB has recently begun to impose conditions not contained in the 1964 bilateral treaty and protocol. For example, in the Ramirez-Abadia case and others, the Brazilian Supreme Court agreed to the extradition only if the Ministry of Justice received assurances that extradited individuals would not be subject to the death penalty, a life sentence, or a sentence of longer than 30 years imprisonment.

Illicit Cultivation/Production. The DPF confirms that cannabis is grown in the northeast region and production of MDMA (Ecstasy) is on the rise. Drugs for domestic consumption or transshipment originate mainly in Bolivia, Colombia, Peru, and Paraguay. Limited cocaine base and crack cocaine-type products processed in Brazil are primarily for domestic consumption. Brazil is the largest chemical producer in South America and has

over 25,000 registered chemical handlers, therefore, the diversion of chemical precursors and/or narcotics processing is a possibility. The DPF carried out several chemical enforcement operations in 2008, including the September initiative in the state of Pernambuco that resulted in the seizure of 20 tons of precursor chemicals from various companies due to registration or administrative irregularities. The DPF also targeted and dismantled a criminal organization in the state of Minas Gerais responsible for diverting tons of chemicals; eight suspects were arrested pursuant to serving thirteen search warrants. Additionally, the DPF seized and dismantled the first ever Ecstasy laboratory in Brazil. In November, the DPF launched the National Computerized System of Chemical Control (SIPROQUIM) designed to prevent the diversion of chemicals, focusing on those substances used in the production of synthetic and plant-derived drugs such as cocaine. This program is a joint venture with the United Nations Office on Drugs and Crime (UNODC).

Drug Flow/Transit. Cocaine arriving from Bolivia and marijuana from Paraguay are primarily imported for domestic consumption, while higher quality cocaine from Colombia and Peru is generally intended for export to Europe via Africa. Some drugs transiting Brazil depart via ships from Soape (near Recife), Salvador, and other northeastern ports, though greater amounts depart from the port of Santos (near Sao Paulo) in the south. Significant quantities are smuggled by couriers (mules) on international flights originating primarily in Sao Paulo and Rio de Janeiro and other international airports. Because of Brazil's Air Bridge Denial program (a lethal-force air interdiction program which has not resulted in any aircraft shot down since its inception in 2004); there is less reliance by traffickers on long-distance clandestine flights over Brazilian territory. Proceeds from the sale of narcotics in Brazil and income derived from cooperating in international smuggling operations are used to purchase weapons and otherwise increase the ability of the PCC, CV and other criminal organizations to maintain control of the favelas (slums) in Sao Paulo, Rio de Janeiro, and other urban centers.

Despite greater Brazilian cooperation with neighboring countries and the increased number of bilateral Joint Intelligence Centers (JICs) operating at strategic points along Brazil's borders, narcotics traffickers continue to exploit the vast, difficult-to-control border regions, particularly in the states of Mato Grosso and Mato Grosso do Sul which border Bolivia and the state of Parana across the Parana River from Paraguay. Drugs flow in increasing quantities from Bolivia into Mato Grosso and Mato Grosso do Sul, and the

Parana city of Guaira has become one of the main weapons, ammunition, and drug gateways into Brazil. The PCC and CV organized gangs operate openly in this small city and an investigating committee established by the Brazilian Congress reports the PCC is openly conducting weapons sales in the area. The DPF lacks the resources to control the extensive border regions of Brazil effectively, and other police agencies have not adequately addressed the problem. The GOB's Special Investigations Units (SIUs) and similar intelligence-driven operations have ameliorated the situation in the northwest region somewhat and vastly improved interdiction efforts nationwide. SIUs are now routinely staffed by DPF agents and counter narcotics (CN) police from cooperating regional allies, giving the units the capacity to anticipate and interdict significant shipments, but the number of SIUs and their operational capacity have been insufficient to keep pace with increased drug flows. The DPF plans to establish additional SIUs at key border areas.

Domestic Programs/Demand Reduction. The National Anti-Drug Secretariat (SENAD) was established in 1998 and is charged with oversight of national drug policy on demand reduction and treatment programs. SENAD also manages the National Anti-Drug Fund (FUNAD) and the Brazilian Observatory of Drug Information (OBID). In June 2008, with U.S. assistance, the new OBID web-site was improved and upgraded. OBID is responsible for publicizing information about the dangers of drug use. The system has been integrated with systems such as those of the Federal Police, Health Ministry, and other entities.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. counternarcotics policy seeks to help the GOB identify and dismantle international narcotics trafficking organizations, particularly those with a U.S. nexus. The U.S. is also deeply concerned with the rapid increase in coca production in Bolivia and the threat this poses for Brazil. The USG assists the GOB in combating money laundering and other financial crimes, increasing awareness of the dangers of drug abuse, drug trafficking, and on related issues such as organized crime and arms trafficking. Two other key goals of the U.S. Government are to help Brazil develop a strong legal structure for narcotics and money laundering control and to enhance cooperation at the policy and working levels. Bilateral agreements provide for cooperation between U.S. agencies, SENAD, and the Ministry of Justice.

Bilateral Cooperation. USG-GOB bilateral programs in 2008 included providing basic and advanced counternarcotics training to the DPF and other Brazilian police; supporting

expanded narcotics detection and interdiction programs at Brazil's air and sea ports; increasing the number and expanding the capabilities of the DPF's Special Investigations Units and ensuring a growing role in their operations for police from cooperating countries in the region; assisting state and local officials to combat the criminal gangs that control narcotics and weapons trafficking in their jurisdictions; helping Brazilian officials combat money laundering and other financial crimes; and increasing USG support for GOB and NGO drug prevention and treatment programs.

In 2008, USG agencies provided training in basic and advanced drug detection and interdiction methodologies; air and sea port drug detection; cyber crime detection; exploitation of computer, cell phone and other electronics for evidence; and other topics. With the signing of a new Letter of Agreement, the United States began to work directly with state and local officials to help address problems created by narcotics-funded criminal organizations in favelas and in state prisons. The United States continues to provide funding for airport interdiction, Special Investigation Units, canine, urban crime control, and money laundering initiatives. The U.S. Coast Guard provided resident, mobile and on the job training in maritime law enforcement, port state control, incident command system, search and rescue, and port security and vulnerability. Customs and Border Protection carried out marine enforcement training designed to enhance customs officers' counternarcotics capabilities.

The Road Ahead. The increased rate of narcotics-related arrests and seizures by the DPF and other police forces during 2008 validates the decision to concentrate U.S.-supported interdiction efforts on intelligence driven operations and consolidation points such as air and sea ports. Also, Brazil's efforts to deal with increased narco-trafficking from Bolivia are critical to prevent a rise in domestic consumption. However, this is essentially a defensive strategy aimed at achieving maximum effect from limited resources. In order to identify and dismantle major international narcotics trafficking organizations operating in Brazil—or even the local affiliates who manage the transportation, consolidation and onward shipment of drugs from bordering source countries – the GOB needs to devote additional resources to augment the SIUs. Brazil is working cooperatively with its neighbors, seeking working relationships with affected African countries, and is cooperating with U.S. and international organizations such as the United Nations Office on Drugs and Crime (UNODC). We encourage the GOB to attack narcotics trafficking organizations through

arrests of key personnel, seizures of drugs and property, and debilitation of organizational structures.

Bulgaria

I. Summary

Bulgaria is a transit country for heroin and cocaine, as well as a producer of illicit narcotics. Across Balkan transit routes, Bulgaria is vulnerable to illegal flows of drugs, people, contraband, and money. Heroin distributed in Europe moves through Bulgaria from Southwest Asia and via the Northern Balkan route, while chemicals used for making heroin move through Bulgaria to Turkey and the Middle East. Marijuana and cocaine are also transported through Bulgaria. During the year, the Government of Bulgaria (GOB) initiated significant reform of its law enforcement authorities while maintaining drug seizures. The Bulgarian government has proven cooperative, working with many U.S. agencies, and has reached out to neighboring states to cooperate in interdicting the illegal flow of drugs and persons. The new Interior Minister and the drug police have committed to make progress, but their task is formidable. Corruption and effective implementation of legal and structural reforms remain major challenges. Bulgarian law enforcement agencies, investigators, prosecutors and judges suffer from public mistrust, and require widespread reforms, much more reliable political and public support, and strong leadership to develop the capacity to investigate, prosecute, and adjudicate illicit narcotics trafficking cases and other serious crimes effectively. Bulgaria is a party to the 1988 UN Drug Convention.

II. Status of Country

In the past year, Bulgaria continued to be primarily a drug transit country for heroin and cocaine. To a lesser extent, it is a producer of synthetic narcotics, which remains a serious problem. Cannabis was the most used drug in Bulgaria followed by synthetics. According to NGOs and international observers, Bulgaria continues to be a source of synthetic drug production, and there were allegations that some illegal drugs were produced by pharmaceutical companies. From 2000 to 2006, heroin use declined steadily, largely due to increased societal understanding of risks associated with its intravenous use (e.g., HIV/AIDS). In 2007, heroin use increased and remained constant in 2008. Consumption of

cocaine, which is expensive in Bulgaria, increased. Amphetamines are produced in Bulgaria for the domestic market as well as for export to Turkey and the Middle East. The GOB has emphasized its commitment to fight drug trafficking, but continues to face many challenges in its enforcement efforts. A notorious underworld boss and eleven members of his importing and drug trafficking organization operating in the southeast Black sea coastal area plea bargained and received sentences well below the minimum for this type of crime. The Bulgarian government participated in efforts with international drug enforcement authorities and continued to reach out to neighboring states to cooperate in interdicting the illegal flow of drugs and persons. The disarray in the Ministry of Interior following the April forced resignation of the Interior Minister amidst speculations of contacts with alleged drug lords had a particularly negative effect on Bulgaria's efforts against crime. In addition, lack of financing and inadequate equipment to facilitate narcotics searches; widespread corruption, including especially in the Customs offices, and among the judiciary; and excessively formalistic judicial procedures continue to hamper counternarcotics efforts.

II. Country Actions Against Drugs in 2008

Policy Initiatives. The Bulgarian government has continued to implement the five-year National Strategy for Drug Control adopted by the Council of Ministers in 2003. The Criminal Code established punishments for drug possession, depending on the risk level of the substances. National programs for drug treatment and prevention have been consistently under-funded.

Law Enforcement Efforts. The Customs Agency under the Ministry of Finance, the State Agency for National Security (DANS) and several specialized police services under the Ministry of Interior, including the Directorate for Combating Organized and Serious Crime (which has been re-organized as part of the Ministry of Interior reform) and Border Police are engaged in counternarcotics efforts. The authorities maintained seizure rates for most substances, but dramatically increased seizures for cannabis. From January to September 2008, police seized 198 kg of heroin, 1 kg of cocaine, 330 kg of amphetamines, 2 liters of fluid precursor chemicals, 9,753 kg of dry and 13,306 kg of green cannabis and 51,236 tablets of psychotropic substances. During the year, the Customs Agency seized 1,085 kg of heroin, 8 kg of cocaine, 101 kg of amphetamines, 55 kg of ecstasy, 9 kg of opium and 1,260 tablets of psychotropic substances. Bulgarian authorities shared information and developed joint operations with international law enforcement agencies. DANS closed one

illegal amphetamine producing facility. Police and prosecutors also worked with foreign counterparts to obtain evidence on the use of offshore corporations and bank accounts by Bulgarian money launderers to hide drug proceeds. Bulgaria's Commission for asset forfeiture (an independent agency) filed charges under Bulgarian law against a U.S. cocaine trafficker convicted in federal court in Miami, using that U.S. conviction to proceed against his properties in Bulgaria.

Corruption. Corruption in various forms in the government remains a serious problem. During the year, MOI's reputation suffered after a series of high-profile scandals culminating with the forced resignation of the Interior Minister. In the wake of the scandal, the government initiated major legal and structural reforms of the Interior Ministry. However, the turbulence in the ministry damaged the morale of the ministry's officials. Some officials, including some from the drug unit, resigned to accept better paid positions with DANS. Despite some reforms in the Prosecution Service, the judiciary as a whole (which includes prosecutors, investigators, and judges) consistently receives poor scores in the area of public confidence in opinion polls. The Customs Agency has a decidedly mixed record, with some senior officials having ties to notorious public figures with known criminal connections.

Agreements and Treaties. Bulgaria is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by its 1972 Protocol, the 1971 Convention on Psychotropic Substances and the 1990 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime. Bulgaria is a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its three Protocols. The 1924 U.S.-Bulgarian Extradition Treaty and a 1934 supplementary treaty are in force.

Cultivation and Production. The only illicit drug crop known to be cultivated in Bulgaria is cannabis, primarily for domestic consumption. The full extent of this illicit drug cultivation is not precisely determined, but is a major source of supplementary income for retirees in some areas in the southwestern part of the country. Experts ascribe opportunistic cultivation of cannabis to the ready availability of uncultivated land and Bulgaria's amenable climate, particularly along the Greek border. Cannabis is not trafficked significantly beyond Bulgaria's own borders. Recent evidence suggests that there has been a decrease in the indigenous manufacture of synthetic stimulant products. Some illegal

laboratories have relocated to Eastern Turkey, Syria, Lebanon, and Armenia in order to be closer to consumers and to reduce risks associated with border crossings.

Drug Flow/Transit. Synthetic drugs, heroin, and cocaine are the main drugs transported through Bulgaria. Heroin from the Golden Crescent in Southwest Asia has traditionally been trafficked to Western Europe on the Balkan route from Turkey. The trend of heroin traffic moving by the more circuitous routes through the Caucasus and Russia to the north and through the Mediterranean to the south is strengthening. Other trafficking routes crossing Bulgaria pass through Serbia, Montenegro, Kosovo and Macedonia. In addition to heroin and synthetic drugs, smaller amounts of marijuana and cocaine also transit through Bulgaria. Sporadic cocaine shipments from South America are transported via boat to the Black Sea and Greece, then on to Western Europe. Precursor chemicals for the production of heroin pass from the Western Balkans through Bulgaria to Turkey and on to Afghanistan. Synthetic drugs produced in Bulgaria are also trafficked through Turkey to markets in Southwest Asia. Principal methods of transport for heroin and synthetics include buses, vans, TIR trucks, and cars, with smaller amounts sent by air. Cocaine is primarily trafficked into Bulgaria by air in small quantities, and in motor vehicles, and by maritime vessel in larger quantities.

Domestic Programs/Demand Reduction. The Government includes methadone maintenance as a heroin treatment option in the national healthcare system. There are three state-run methadone programs, which provide treatment free of charge, and four private methadone clinics. There are 35 outpatient units and thirteen inpatient drug treatment facilities nationwide. None of these facilities has a separate unit for juvenile patients. The Bulgarian National Center for Addictions (NCA), which serves as a focal point and is co-funded by the EU Monitoring Center for Drug Addictions, conducts prevention campaigns and operates prevention and education centers in 18 out of Bulgaria's 28 administrative districts. The centers, financially supported by the municipalities, have been consistently under-funded which adversely affects staff retention. According to the NCA for 2007, 33.2 percent of students in grades 9-12 reported using drugs at least once. In 2007, 52 people overdosed using heroin and died, the highest number ever reported.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA operations for Bulgaria are managed from the U.S. Consulate General in Istanbul. DEA's current emphasis in Bulgaria is on conducting and coordinating joint international investigations with MOI counterparts, providing DEA

technical and legal expertise and assistance. DEA also strives to arrange for counter-narcotics training for Bulgarian law enforcement personnel. The United States also supports various programs through the State Department. Programs implemented by the Department of Justice (DOJ) support counternarcotics efforts of the Bulgarian legal system. These initiatives address a lack of adequate equipment, the need for improved administration of justice at all levels and insufficient cooperation among Bulgarian enforcement agencies. A DOJ resident legal advisor, funded by State Department INL assistance works with the Bulgarian government on law enforcement issues, including trafficking in drugs and persons, intellectual property, cyber-crime and other issues and a DOJ prosecutor advises the Bulgarian government on organized crime cases. DOJ has also provided technical advisors to assist the Interior Ministry in their reform efforts. The FBI has offered public corruption training for Bulgarian law enforcement officials.

The Road Ahead. As the U.S. and Bulgaria continue to cooperate to improve Bulgaria's capacity, the U.S. encourages the Bulgarian government to sustain and, if possible, increase rates of narcotics seizures, and reduce domestic drug production. The U.S. also encourages Bulgaria to demonstrate the political will necessary to break major organized crime rings by going after the profits derived from drug trafficking and prosecuting cases of high-level corruption and organized crime. It also encourages the Bulgarian government to strengthen interagency cooperation and increase its investment in law enforcement entities. Increased international assistance and engagement on law enforcement matters would boost Bulgaria's internal capacity and reinforce internal reforms.

Burma

I. Summary

Both UNODC and U.S. surveys of opium poppy cultivation indicated a significant increase in cultivation and potential production in 2007, and production and export of synthetic drugs (amphetamine-type stimulants, crystal methamphetamine and Ketamine) from Burma continued unabated. (Note: 2008 UNODC Cultivation Report statistics were not available by our printing deadline.) The significant downward trend in poppy cultivation observed in Burma since 1998 was reversed in 2007, with increased cultivation reported in Eastern, Northern and Southern Shan State and Kachin State. Whether this represents a

sustained change in poppy cultivation in Burma, which remains far below levels of 10 years earlier, remains to be seen. It does indicate, however, that increases in the value of opium are driving poppy cultivation into new regions. An increased number of households in Burma were involved in opium cultivation in 2007. While Burma remains the second largest opium poppy grower in the world after Afghanistan, its share of world opium poppy cultivation fell from 55 percent in 1998 to 5 percent in 2006, and rose slightly in 2007. This large proportional decrease is due to both decreased opium poppy cultivation in Burma and increased cultivation in Afghanistan, which is now by far the world's largest opium poppy cultivating region. Burma has not provided most opium farmers with access to alternative development opportunities. Recent trends indicate that some opium farmers were tempted to increase production to take advantage of higher prices generated by opium's relative scarcity and continuing strong demand. Increased yields in new and remaining poppy fields (particularly in Southern Shan State), spurred by favorable weather conditions in 2007 and improved cultivation practices, partially offset the effects of decreased cultivation in 2006. Burma's overall decline in poppy cultivation since 1998 has been accompanied by a sharp increase in the production and export of synthetic drugs, turning the Golden Triangle into a new "Ice Triangle." Burma is a significant player in the manufacture and regional trafficking of amphetamine-type stimulants (ATS). Drug gangs based in the Burma-China and Burma-Thailand border areas, many of whose members are ethnic Chinese, produce several hundred million methamphetamine tablets annually for markets in Thailand, China, and India, as well as for onward distribution beyond the region. There are also indications that groups in Burma have increased the production and trafficking of crystal methamphetamine or "Ice".

Through its Central Committee for Drug Abuse Control (CCDAC), the Government of Burma (GOB) cooperates regularly and shares information with the U.S. Drug Enforcement Administration (DEA) and Australian Federal Police (AFP) on narcotics investigations. In recent years, the GOB has also increased its law enforcement cooperation with Thai, Chinese and Indian counternarcotics authorities, especially through renditions, deportations, and extraditions of suspected drug traffickers. In May 2008, Burmese General Ye Myint was forced to retire from his senior position as Chief of Bureau of Special Operations 1, which some observers attribute to his son's involvement with narcotics. In November 2008, former regime crony Maung Weik and four other defendants were convicted and sentenced to 15 years in prison. During the 2008 drug certification process,

the U.S. determined that Burma was one of only three countries in the world that had “failed demonstrably” to meet its international counternarcotics obligations. Major concerns remain: unsatisfactory efforts by Burma to deal with the burgeoning ATS production and trafficking problem; failure to take concerted action to bring members of the UWSA to justice following the unsealing of a U.S. indictment against them in January 2005; failure to investigate and prosecute military officials for drug-related corruption; and failure to expand demand-reduction, prevention and drug-treatment programs to reduce drug-use and control the spread of HIV/AIDS. Burma is a party to the 1988 UN Drug Convention.

II. Status of Country

Burma is the world’s second largest producer of illicit opium. Eradication efforts and enforcement of poppy-free zones combined to reduce cultivation levels between 1998 and 2006, especially in Wa territory. However, in 2007, a significant resurgence of cultivation occurred, particularly in eastern and southern Shan State and Kachin State, where increased cultivation, favorable weather conditions, and new cultivation practices increased opium production levels, led to an estimated 29 percent increase in overall opium poppy cultivation and a 46 percent increase in potential production of dry opium. According to the UNODC, opium prices in the Golden Triangle have increased in recent years, although prices in Burma remain much lower than the rest of the region due to easier access. Burmese village-level opium prices or *farm-gate* prices increased from \$153 per kg in 2004 to \$187 in 2005, to \$230 in 2006 and to \$265 per kg in 2008. Burmese opium sales contribute about half of the annual household cash income of farmers who cultivate opium, which they use to pay for food between harvests. Forty-five percent of the average yearly income (\$501) of opium cultivating households in Shan State was derived from opium sales in 2007.

In 2007, the UNODC opium yield survey estimated there were approximately 27,700 ha planted with opium poppies, with an average yield of 16.6 kg per hectare (significantly higher than the 2006 average yield of 14.6 kg per hectare). Independent U.S. opium poppy cultivation surveys also indicated increased poppy cultivation and estimated opium production to approximately 27,700 ha cultivated and 270 metric tons (MT) produced. The UNODC’s opium yield survey concluded that land under cultivation had increased 29 percent in Burma from 2006 levels, with a 46 percent increase in potential opium production to 460 MT. This represented a 67 percent increase in the total potential value

of opium production in Burma, from \$72 million in 2006 to \$120 million in 2007.

Nonetheless, both surveys indicated that opium production is still down 90 percent from its peak production in 1996.

The general decline in poppy cultivation in Burma since 1996 has been accompanied by a sharp increase in the local production and export of synthetic drugs. According to GOB figures for 2008 (January-October), the GOB seized approximately 760,000 methamphetamine tablets, compared to 1.5 million seized in 2007. Opium, heroin, and ATS are produced predominantly in the border regions of Shan State and in areas controlled by ethnic minority groups. Between 1989 and 1997, the Burmese government negotiated a series of cease-fire agreements with several armed ethnic minorities, offering them limited autonomy and continued tolerance of their narcotics production and trafficking activities in return for peace. In June 2005, the UWSA announced implementation in Wa territory of a long-delayed ban on opium production and trafficking. While the cultivation of opium poppies decreased in the Wa territory during 2006 and 2007, according to UNODC and U.S. surveys, there are indications from many sources that Wa leaders replaced opium cultivation with the manufacture and trafficking of ATS pills and "Ice" in their territory, working in close collaboration with ethnic Chinese drug gangs. Although the government has not succeeded in persuading the UWSA to stop its illicit drug production and trafficking, the GOB's Anti-Narcotic Task Forces continued to pressure Wa traffickers in 2008. UWSA also undertook limited reprisals against rivals in Shan State in 2006 and 2007. In May 2006, UWSA units found and dismantled two clandestine laboratories operating in territory occupied and controlled by the UWSA-South in Eastern Shan State. When the UWSA units entered the lab sites, a firefight ensued, with eight people fatally wounded, four arrested, and 25 kg of heroin and 500,000 methamphetamine tablets seized by the raiding UWSA units. In June 2006, the UWSA passed custody of the contraband substances to GOB officials. The prisoners remained in the custody of the UWSA. These UWSA actions likely were motivated more towards eliminating the competition in their area than by a desire to stop drug trafficking. According to UNODC, opium addiction remains high in places of historic or current opium production, ranging from 1.27 percent of the total adult population in Eastern Shan State to 0.97 percent in Kachin State and an estimated 0.83 percent in the Wa region, the main area of opium production until 2006.

III. Country Actions against Drugs in 2008

Policy Initiatives. Burma's official 15-year counternarcotics plan, launched in 1999, calls for the eradication of all narcotics production and trafficking by the year 2014, one year ahead of an ASEAN-wide plan of action that calls for the entire region to be drug-free by 2015. To meet this goal, the GOB initiated its plan in stages, using eradication efforts combined with planned alternative development programs in individual townships, predominantly in Shan State. The government initiated its second five-year phase in 2004. Ground surveys by the Joint GOB-UNODC Illicit Crop Monitoring Program indicate a steady decline in poppy cultivation and opium production in areas receiving focused attention, due to the availability of some alternative livelihood measures (including crop substitution), the discovery and closure of clandestine refineries, stronger interdiction of illicit traffic, and annual poppy eradication programs. The UNODC estimates that the GOB eradicated 3,598 ha of opium poppy during the 2007 cropping season (ranging between July-March in most regions), compared to 3,970 ha in 2006.

The most significant multilateral effort in support of Burma's counternarcotics efforts is the UNODC presence in Shan State. The UNODC's "Wa Project" was initially a five-year, \$12.1 million supply-reduction program designed to encourage alternative development in territory controlled by the UWSA. In order to meet basic human needs and ensure the sustainability of the UWSA opium ban announced in 2005, the UNODC extended the project through 2007, increased the total budget to \$16.8 million, and broadened the scope from 16 villages to the entire Wa Special Region No. 2. Major donors that have supported the Wa Project include Japan and Germany, with additional contributions from the UK and Australia. The U.S. previously funded the UNODC Wa project, but halted funding over death threats issued by UWSA leadership against U.S. DEA agents following the January 2005 indictment of seven UWSA leaders in a U.S. district court for their role in producing and smuggling heroin to the U.S.

Law Enforcement Efforts. The CCDAC, which leads all drug-enforcement efforts in Burma, is comprised of personnel from the national police, customs, military intelligence, and army. The CCDAC, under the control of the Ministry of Home Affairs, coordinates 26 anti-narcotics task forces throughout Burma. Most are located in major cities and along key transit routes near Burma's borders with China, India, and Thailand. As is the case with most Burmese government entities, the CCDAC suffers from a severe lack of funding, equipment, and training to support its law-enforcement mission. The Burmese Army and Customs Department support the police in the police's drug enforcement role.

Burma is actively engaged in drug-abuse control with its neighbors China, India, and Thailand. Since 1997, Burma and Thailand have had more than 12 cross-border law enforcement cooperation meetings. This cooperation resulted in the repatriation by Burmese police of drug suspects wanted by Thai authorities: two in 2004, one in 2005 one in 2006, and one in 2008. According to the GOB, Thailand has contributed over \$1.6 million to support an opium crop substitution and infrastructure project in southeastern Shan State. In 2007, Thailand assigned an officer from the Office of Narcotics Control Board (ONCB) to its mission in Rangoon; this officer remains in country. Burma-China cross border law enforcement cooperation has increased significantly, resulting in several successful operations and the handover of several Chinese fugitives who had fled to Burma. While not formally funding alternative development programs, the Chinese government has actively encouraged investment in many projects in the Wa area and other border regions, particularly in commercial enterprises such as tea plantations, rubber plantations, and pig farms. China has assisted in marketing those products in China through lower duties and taxes. There are also indications that China conducted its own opium cultivation and production surveys in 2007 and 2008 in regions of Burma bordering the PRC, although they have not shared data resulting from those surveys with other parties.

After Burma and India signed an agreement on drug control cooperation in 1993, the two countries agreed to hold cross border Law Enforcement meetings on a bi-annual basis, though the last meeting was September 11, 2004, in Calcutta.

The GOB has to date taken no direct action against any of the seven UWSA leaders indicted by U.S. district court in January 2005, although authorities have taken action against other, lower ranking members of the UWSA syndicate. In 2007, one of the indicted leaders, Pao Yu-hua, died of natural causes. During 2008, the GOB arrested suspects connected with the UWSA who were involved in a local Ecstasy and methamphetamine distribution.

The GOB reports significant arrests in 2008, totaling more than 2,000 suspected drug traffickers, but several of these were low-level traffickers. The arrests had no noticeable effect on continuing large-scale methamphetamine pill trafficking from Burmese territory. In May, the GOB investigated 158 suspected drug cases, arresting 245 suspects, of which 201 were men and 44 women. In July and August, the police arrested more than 800

individuals involved with drug trafficking. In September, the GOB arrested 398 suspects, of which 300 were men and 98 were women, and investigated 253 drug-related cases.

On November 18, regime crony Maung Weik and four other defendants were convicted and sentenced to 15 years in prison for methamphetamine distribution. Maung Weik, a top Burmese businessman, was engaged in cyclone relief efforts in the Irrawaddy Delta at the behest of the Government when he was arrested in May.

On November 18, Thet Naing Win, who had been arrested by Thai ONCB and deported to Rangoon pursuant to a Burmese arrest warrant, was acquitted. Thet Naing Win was re-arrested on November 20, 2008 by the CCDAC for narcotics charges related to his association with USWA fugitive Ho Chun-t'ing and Wei Hsueh-kang.

Summary statistics provided by Burmese drug officials indicate that from January 2008 through October 2008, Burmese police, army, and the Customs Service together seized 1340 kilograms of raw opium, 2447 kilograms of low quality opium, 79 kilograms of opium oil, 78 kilograms of heroin, 206 kilograms of morphine base (#3 heroin), 760,213 methamphetamine tablets, 7.7 kilograms of methamphetamine ICE, 472 kilograms of ephedrine, 9179 liters of other precursor chemicals, and 1922 kilograms of precursor chemical powder

Corruption. Burma does not have a legislature or effective constitution, and has no laws on record specifically related to corruption. While little evidence emerges from the secretive Burmese regime to indicate that senior officials in the Burmese Government are directly involved in the drug trade, there are credible indications that mid-and-lower level military leaders and government officials, particularly those posted in border and drug producing areas, are closely involved in facilitating the drug trade. The Burmese regime closely monitors travel, communications and activities of its citizens to maintain its pervasive control of the population, so it strains credibility to believe that government officials are not aware of the cultivation, production and trafficking of illegal narcotics in areas they tightly control.

A few officials have been prosecuted for drug abuse and/or narcotics-related corruption. In May 2008, Burmese General Ye Myint was forced to retire from his senior position as Chief of Bureau of Special Operations 1, which some observers attribute to his son's involvement with narcotics. However, Burma has failed to indict any military official above the rank of colonel for drug-related corruption. Given the extent of drug manufacture and trafficking in Burma, it is likely that other individuals with high-level positions in the

Burmese regime, and their relatives, are involved in narcotics trafficking or misuse of their positions to protect narcotics traffickers.

Agreements and Treaties. Burma is a party to the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Burma is a party to the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in persons, and has signed but has not ratified the UN Corruption Convention.

Cultivation and Production. According to the UNODC opium yield estimate, in 2007 the total land area under poppy cultivation was 27,700 ha, a 29 percent increase from the previous year. The UNODC also estimated that the potential production of opium increased by 46 percent, from 315 MT in 2006 to 460 MT in 2007. The significant increase in potential opium production in 2007 indicated in the UNODC estimates reflect improved agricultural methods and an end to several years of drought, resulting in more favorable growing weather in major opium poppy growing areas, such as Shan State and Kachin State.

Burma as yet has failed to establish any reliable mechanism for the measurement of ATS production. Moreover, while the UNODC undertakes annual estimates of poppy cultivation and production, the U.S. has been unable to conduct its annual joint crop survey with Burma since 2004 due to the GOB's refusal to cooperate in this important area.

Drug Flow/Transit. Most ATS and heroin in Burma is produced in small, mobile labs located near Burma's borders with China and Thailand, primarily in territories controlled by active or former insurgent groups. A growing amount of methamphetamine is reportedly produced in labs co-located with heroin refineries in areas controlled by the UWSA, the Shan State Army-South (SSA-S), and groups inside the ethnic Chinese Kokang autonomous region. Ethnic Chinese criminal gangs dominate the drug syndicates operating in all three of these areas. Heroin and methamphetamine produced by these groups is trafficked overland and via the Mekong River, primarily through China, Thailand, India and Laos and, to a lesser extent, via Bangladesh, and within Burma.

There are credible indications that drug traffickers are increasingly using maritime routes from ports in southern Burma to reach trans-shipment points and markets in southern Thailand, Malaysia, Indonesia, and beyond. The UNODC claims there is evidence that Burmese methamphetamine tablets are also shipped to Bangladesh, India, and Nepal. The

UNODC also reports that heroin seizures in 2005, 2006 and 2007 and subsequent investigations revealed the increased use by international syndicates of the Rangoon International Airport and Rangoon port for trafficking of drugs to the global narcotics market. However, U.S. DEA information indicates that heroin transits the Thai/Chinese borders over land rather than by sea. According to UNODC, the GOB seized eight methamphetamine labs in 2006 and five labs in 2007.

Domestic Programs/Demand Reduction. The overall level of drug abuse is low in Burma compared with neighboring countries, in part because most Burmese are too poor to be able to support a drug habit. Traditionally, some farmers used opium as a painkiller and an anti-depressant, often because they lack access to other medicine or adequate healthcare. There has been a growing shift in Burma away from opium smoking toward injecting heroin, a habit that creates more addicts and poses greater public health risks. Deteriorating economic conditions will likely stifle substantial growth in overall drug consumption, but the trend toward injecting narcotics is of significant concern. The GOB maintains that there are only about 65,000 registered addicts in Burma. Surveys conducted by UNODC and other organizations suggest that the addict population could be as high as 300,000. According to the UNODC, Burma's opium addiction rate is 0.75 percent. NGOs and community leaders report increasing use of heroin and synthetic drugs, particularly among disaffected youth in urban areas and by workers in mining communities in ethnic minority regions. The UNODC estimated that in 2004 there were at least 15,000 regular ATS users in Burma; there are likely more now, although official figures are unavailable.

The growing HIV/AIDS epidemic in Burma has been tied to intravenous drug use. According to the National AIDS Program, one third of officially reported HIV/AIDS cases are attributable to intravenous drug use, one of the highest rates in the world. Infection rates are highest in Burma's ethnic regions, and specifically among mining communities in those areas where opium, heroin, and ATS are more readily available.

Burmese demand reduction programs are in part coercive and in part voluntary. Addicts are required to register with the GOB and can be prosecuted if they fail to register and accept treatment. Demand reduction programs and facilities are limited, however. There are six major drug treatment centers under the Ministry of Health, 49 other smaller detoxification centers, and eight rehabilitation centers, which, together, have provided

treatment to about 70,000 addicts over the past decade. Prior to 2006, the Ministry of Health treated heroin addicts with tincture of opium. However, based on high levels of relapse, the Ministry of Health in 2006 began to treat heroin addicts with Methadone Maintenance Therapy (MMT) in four drug treatment centers, found in Rangoon, Mandalay, Lashio, and Myitkyina.

As a pilot model, in 2003 UNODC established community-based treatment programs in Northern Shan State as an alternative to official GOB treatment centers. UNODC expanded this program, opening centers in Kachin State. In 2008, UNODC operated 12 drop-in centers. UNODC plans to open an additional five drop-in centers by 2009. Since 2004, more than 2,000 addicts received treatment at UNODC centers. In 2007 and 2008, an additional 6,000 addicts have sought medical treatment and support from UNODC-sponsored drop-in centers and from outreach workers who are active throughout northeastern Shan State. The GOB also conducts a variety of narcotics awareness programs through the public school system. In addition, the government has established several demand reduction programs in cooperation with NGOs. These include programs coordinated with CARE Myanmar, World Concern, and Population Services International (PSI), focused on addressing injected drug use as a key factor in halting the spread of HIV/AIDS.

While maintaining these programs at pre-existing levels, Burma has failed to expand demand-reduction, prevention, and drug-treatment programs to reduce drug use and control the spread of HIV/AIDS. The Global Fund, which had a budget of \$98.5 million to fight AIDS, TB, and malaria in Burma, withdrew in 2005. In 2006, a number of foreign donors established the 3 Diseases Fund (3DF) to provide humanitarian assistance for AIDS, TB, and malaria. The 3DF, with its budget of \$100 million over five years, supports the work of local and international NGOs, the United Nations, and government health officials at the township level. In 2008, the 3DF supported HIV/AIDS programs such as HIV surveillance and training on blood safety. The 3DF also provided funds for antiretroviral therapy and the MMT program.

IV. U.S. Policy Initiatives and Programs

Policy and Programs. As a result of the 1988 suspension of direct USG counternarcotics assistance to Burma, the USG has limited engagement with the Burmese government in regard to narcotics control. U.S. DEA, through the U.S. Embassy in Rangoon, shares drug-

related intelligence with the GOB and conducts joint drug-enforcement investigations with Burmese counternarcotics authorities. In 2006 and 2007, these joint investigations led to several seizures, arrests, and convictions of drug traffickers and producers. The U.S. conducted opium yield surveys in the mountainous regions of Shan State from 1993 until 2004, with assistance provided by Burmese counterparts. These surveys gave both governments a more accurate understanding of the scope, magnitude, and changing geographic distribution of Burma's opium crop. In 2005, 2006, 2007, and again in 2008, the GOB refused to allow another joint opium yield survey. A USG remote sensing estimate conducted indicated a slight increase in opium cultivation in 2007 and a significant increase in potential opium production, based on increased yields, mirroring UNODC survey results. Bilateral counternarcotics projects are limited to one small U.S.-supported crop substitution project in Shan State, which will receive its final grant of U.S. funds during FY 2009. No U.S. counternarcotics funding directly benefits or passes through the GOB.

In September 2008, the USG identified Burma as one of three countries in the world that had "failed demonstrably" to meet its international counternarcotics obligations.

The Road Ahead. The Burmese government must reverse the increase in narcotics production in 2007 to restore the significant gains it made over the past decade in reducing opium poppy cultivation and opium production. This will require greater cooperation with UNODC and major regional partners, particularly China and Thailand. Large-scale and long-term international aid—including increased development assistance and law-enforcement aid—could play a major role in reducing drug production and trafficking in Burma. However, the ruling military regime remains reluctant to engage in political dialogue within Burma and with the international community. Furthermore, in order to be sustainable, a true opium replacement strategy must combine an extensive range of counternarcotics actions, including crop eradication and effective law enforcement, with alternative development options, support for former poppy farmers and openness to outside assistance. The GOB must foster closer cooperation with the ethnic groups involved in drug production and trafficking, especially the Wa, refuse to condone continued involvement by ceasefire groups in the narcotics trade, tackle corruption effectively, and enforce its counternarcotics laws more consistently to reach its goals of eradicating all narcotics production and trafficking by 2014.

The USG believes that the GOB must further eliminate poppy cultivation and opium production; prosecute drug-related corruption, especially by corrupt government and military officials; take action against high-level drug traffickers and their organizations; strictly enforce its money-laundering legislation; and expand prevention and drug-treatment programs to reduce drug use and control the rapid spread of HIV/AIDS. The GOB must take effective new steps to address the explosion of ATS production and trafficking from Burmese territory that has flooded the region by gaining closer support and cooperation from ethnic groups, especially the Wa, who facilitate the manufacture and distribution of ATS. The GOB must close production labs and prevent the illicit import of precursor chemicals needed to produce synthetic drugs. Finally, the GOB must stem the troubling growth of domestic demand for heroin and ATS.

Cambodia

I. Summary

Cambodia has a significant and growing illegal drug problem consisting of increased levels of consumption, trafficking, and production of dangerous drugs. Crackdowns on drug trafficking in Thailand and China in recent years have reportedly pushed traffickers to use other routes, including through Cambodia by land, river, sea, and air. Drug use, particularly of amphetamine-type stimulants (ATS) such as crystal methamphetamine (commonly referred to as "Ice"), is escalating and cuts across socio-economic lines. Recent improvements in Cambodia's counter-narcotics performance include effective law enforcement destruction of seized drug supplies, significant increases to the budget of the National Authority for Combating Drugs (NACD), and stiffening penalties for drug use and trafficking. However, continuing concerns about corruption, limited resources, and lack of capacity and coordination hamper government efforts. The NACD and the Cambodia Anti-Drug Department (CADD) cooperate closely with the U.S. Drug Enforcement Administration (DEA), regional counterparts, and the United Nations Office on Drugs and Crime (UNODC). Cambodia is a member party to the 1988 UN Drug Convention.

II. Status of Country

Cambodia continues to play a role in the regional transit of drugs from the Golden Triangle. A spill-over effect has seen the country's narcotics problem expand with higher domestic consumption and, as evidenced by the 2007 discovery of a large first stage chloroephedrine-reduction laboratory in Kampong Speu Province, an increased production capability for synthetic drugs like methamphetamine. Many experts believe additional

clandestine labs, both re-tableting as well as production, are operating in the country. Cambodia continues to be a producer and exporter of natural sassafras oil, which can be used as a precursor for Ecstasy (MDMA) as well as many licit products such as perfumes, insecticides, and soaps. The harvest, sale, and export of sassafras oil are illegal in Cambodia.

ATS and heroin enter Cambodia through overland transport in the areas bordering Laos, Thailand, and Vietnam in the northern provinces of Stung Treng, Preah Vihear, and Ratanakiri. Drugs are also brought into Cambodia by small vessel from Laos along the Mekong River. Small shipments of heroin and ATS exit Cambodia destined for Thailand and Vietnam. Larger shipments of heroin and possibly marijuana are thought to exit Cambodia concealed in shipping containers, speedboats, and ocean-going vessels. The Royal Cambodian Customs lacks necessary equipment such as x-ray machines, scanners, and other basic devices to perform adequate cargo searches. Drugs, such as heroin and crystal methamphetamine, are also smuggled by couriers on commercial flights concealed in small briefcases, shoes, and on/in the bodies of individual travelers.

ATS is the most prevalent narcotic in Cambodia, accounting for nearly 80 percent of drug use according to the NACD. Both ATS tablets, known locally as yama and crystal methamphetamine are widely available. Heroin addiction, currently associated with a relatively small number of users mainly in Phnom Penh, is acknowledged as a growing problem in Cambodia. Cocaine, ketamine, and opium are also available. Street children are often seen sniffing glue, which is also becoming more prevalent in the adult population. According to a recent Japanese-funded, community-based survey conducted by the UNODC, drug users in Cambodia can be characterized into types, such as sex workers, fishermen, sawmill workers, or laborers who use yama for increased stamina or energy or to be able to stay awake and work longer hours to increase their earnings; homeless or truant youth who become associated with gangs; or youth from more wealthy families who use drugs for recreation. NACD statistics reveal 80 percent of all drug users are below the age of 26.

III. Country Actions against Drugs in 2008

Policy Initiatives. The Cambodian government is legitimately concerned about the rise of drug trafficking and abuse, and remains dedicated to stemming the flow of illicit drugs through the country. However, Cambodia's primary counter-drug agency, the NACD, has been handicapped in its efforts by limited resources, lack of training, and poor institutional

law enforcement capacity. An ongoing UNODC project to build capacity at the NACD through structural and functional reform, managerial and technical capacity building, and a stronger national drug control network will conclude in March 2009.

The NACD continues to implement Cambodia's first 5-year national plan on narcotics control (2006-2010), which includes demand reduction, supply reduction, drug law enforcement, and expansion of international cooperation.

Over the past few years, the Cambodian government has worked to strengthen previously weak legal penalties for drug-related offenses. The current drug law provides for a maximum penalty of a \$25,000 fine and life imprisonment for drug traffickers and allows proceeds from the sale of seized assets to be used towards law enforcement and drug awareness and prevention efforts. However, some observers have noted that the law is too complex for the relatively weak Cambodian judiciary to use effectively. An amended drug law, which has been drafted with the help of CADD officials and UNODC to ensure it meets international standards, is currently undergoing government review. The proposed draft law aims to address the light penalties and procedural loopholes in several articles of the current law, and is expected to be enacted in 2009. A 2007 directive issued by the Ministry of Health increased penalties for safrole oil production and distribution to two to five years in jail, plus fines. There were no safrole oil-related arrests in 2008.

Law Enforcement Efforts. The NACD in conjunction with the CADD has made strides in becoming a more effective organization and is emerging as a leader in the region as reflected by the recent appointment of the head of the CADD to Chairman of the International Drug Enforcement Conference Far East Regional Working Group (IDEC-FERWG). Further illustrating the importance the government places on drug control, the budget for the NACD more than doubled in 2008 to 1.25 million U.S. dollars. A significant amount of the total has been directed to anti-drug units at the provincial and municipal levels to augment personnel and infrastructure.

Drug-related seizures declined in 2008, but the number of arrests increased in comparison with that of 2007. According to NACD reports, 317 people were arrested for various drug-related offenses in the first nine months of 2008, a 38 percent increase over the same period in 2007. Drug seizures included 115,555 amphetamine tablets, 1.406 kg of crystal methamphetamine powder, 10,161 codeine tablets, 72 Ecstasy tablets, 2.936 kg of heroin, 150 grams of cocaine, and 3.883 kg of dry cannabis. In 2007 there were almost four times as many amphetamine tablets seized, and five times the amount of heroin seized

compared to 2008. According to government officials, the decrease in seizures for a second straight year can be attributed to the use by drug smugglers of more sophisticated techniques to evade detection as well as scarce anti-narcotics equipment and resources. Increased law enforcement activity was observed in the months prior to the national election on July 27, 2008. As a result, there were more arrests, higher intake numbers, and overcrowding at drug rehabilitation centers. Korsang, a local harm-reduction NGO, expanded its scope and hours in order to accommodate the influx of displaced drug users. Methamphetamine abuse accounts for approximately 80 percent of drug use in Cambodia. Therefore, the majority of the arrests were for ATS abuse, often involving foreigners. On June 27, three foreign nationals were arrested on charges of possessing, consuming, and intending to sell large quantities of methamphetamines and cocaine. The drugs were purchased in Cambodia with the intent to sell in-country. One Cambodian national was also arrested in connection with the case. On September 30, two Thai women were arrested carrying 145 methamphetamine pills on the Cambodian side of the Thai border. The pills were brought to Cambodia from Thailand with the intent to sell to local casino customers.

Pharmaceutical drugs, which are not presently regulated in an effective manner and are readily available over the counter, provide further temptations for abuse by foreigners. On April 9, Interior Ministry police arrested a Danish woman in Phnom Penh on suspicion of attempting to mail more than 10,161 codeine tablets to the United States and Canada. While codeine is legal to buy and sell in Cambodia, the drug is considered a controlled substance by the UNODC, and is effectively controlled in most developed countries. On May 13, a drug dealer who was involved in a high-profile 2007 case where 870 amphetamine pills, 47 Ecstasy pills, 3 bags of ketamine, and nearly 250 grams of crystal methamphetamine were seized by Cambodian law enforcement, as well as machinery capable of producing 10,000 amphetamine pills per hour, was finally located and arrested by military police.

On June 20, 2008, Cambodian authorities in cooperation with Australian Federal Police (AFP) burned 33 tons of sassafras oil worth nearly 7.3 billion U.S. dollars. In addition to it being the first large-scale Cambodian destruction of the Ecstasy precursor, the burn is significant in that the government made a very public anti-drug statement by destroying the oil rather than selling it for legitimate use. Cambodian authorities have been working since 2002 to stem the distillation of safrole-rich oil. Since then, they have succeeded in

detecting and dismantling more than 50 clandestine laboratories capable of producing up to 60 liters a day.

Corruption. The Cambodian government does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances, or the laundering of proceeds from illegal transactions involving drugs, nor are senior government officials known to engage in or encourage such actions. Nonetheless, corruption remains pervasive in Cambodia, making Cambodia highly vulnerable to penetration by drug traffickers and foreign crime syndicates. Senior Cambodian government officials assert that they want to combat trafficking and illicit drug production; however, corruption, low salaries for civil servants, and an acute shortage of trained personnel severely limit sustained advances in effective law enforcement. On April 22, a municipal anti-drug police officer was shot dead and four fellow officers were seriously injured during a raid on an alleged methamphetamine dealer. The drug dealer himself was an Interior Ministry policeman.

Cambodia acceded to the UN Convention against Corruption in September 2007; however, there is no anticorruption law, and only a few provisions of other laws provide criminal penalties for official corruption. The World Bank's Worldwide Governance Indicators reflected that corruption was a severe problem in Cambodia in 2008. Public officials are not subject to financial disclosure laws. Meager salaries contributed to "survival corruption" among low-level public servants, while a culture of impunity enabled corruption to continue among senior officials. Public perception that corruption in Cambodia is rampant was widespread.

In 2008, a petition calling for the passage of an international standard anti-corruption law, containing the signatures and thumbprints of over 1.1 million voting age Cambodians, was presented to the National Assembly. The draft Law on Anti-Corruption, which was originally drafted in 1993, was raised at the first meeting of the Council of Ministers of the new government in September, but has yet to be presented to the National Assembly for approval.

Agreements and Treaties. Cambodia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. Cambodia is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and illegal

manufacturing and trafficking in firearms. Cambodia is a party to the UN Convention against Corruption.

Cultivation/Production. Cannabis-related arrests, eradication and seizures have declined dramatically over the past several years. In the first nine months of 2008, 3.883 kg of cannabis was seized and two men were arrested for cannabis trafficking. The Cambodian government announced recently that cannabis plantations have been completely eliminated on Cambodian territory. Although difficult to verify complete elimination given Cambodia's lush landscape, UNODC and others agree that cannabis production and cultivation have ceased to be a major concern with no reports of cross border seizures in 2008. However, anecdotal information of cannabis cultivation indicates the problem persists at a reduced level.

Drug Flow/Transit. Crackdowns on drug trafficking in Thailand and China in recent years have pushed traffickers to use other routes, including routes through Cambodia. ATS is typically trafficked to Thailand or Malaysia, while heroin is smuggled out to Vietnam, China and Taiwan. Heroin and ATS enter Cambodia by both primary and secondary roads and rivers across the northern border, transit through Cambodia via road or river networks, and enter Thailand and Vietnam. Effective law enforcement of the border region with Laos on the Mekong River, which is permeated with islands, is nearly impossible due to lack of boats and fuel among law enforcement forces. At the same time, improvements to National Road 7 to Laos and other roads is increasing the ease with which traffickers can use Cambodia's rapidly developing transportation network—a trend likely to continue as further road and bridge projects are implemented. Heroin, cannabis, and ATS are believed to exit Cambodia via locations along the Gulf of Thailand—including the deep-water port of Sihanoukville—as well as the river port of Phnom Penh.

Airports in Phnom Penh and Siem Reap suffer from lenient customs and immigration controls. According to the NACD, drug traffickers are increasingly using Cambodian airports to smuggle narcotics into and out of the country. On April 8, a Taiwanese national was arrested while allegedly trying to smuggle 2,150 grams of heroin in two bags onto a plane at Phnom Penh International Airport. In October, authorities seized three kilograms of cocaine at the Phnom Penh International Airport.

Domestic Programs/Demand Reduction. With the assistance of USAID, UNODC, UNICEF, WHO, the Japanese International Cooperation Agency (JICA), and several NGOs, the NACD is attempting to boost awareness about drug abuse among Cambodians through

the use of pamphlets, posters, and public service announcements. A UNODC treatment and rehabilitation project funded by Japan is working to increase the capacity of health and human service agencies to deal effectively with drug treatment issues. A number of NGOs such as Mith Samlanh, Family Health International, Korsang, and the Khmer HIV/AIDS NGO Alliance (KHANA) provide a range of services for high-risk and vulnerable populations, including health services related to illicit drug use, outreach/peer education, HIV prevention interventions, and drug treatment, rehabilitation, and reintegration. Most of these NGOs do not specifically target illicit drug users, but have identified illicit drug use as a significant risk factor for the populations they serve, such as street children, youth, and sex workers.

The popularity of crystal methamphetamine, or "Ice", has resulted in an increase in users in the injecting drug use (IDU) scene. As heroin and Ice become more widely available, which has been the trend over the past few years, there may be a rapid escalation in IDU and concomitant spread of HIV. Approximately 35 percent of injecting drug users is HIV positive. Via an annually renewable license from NACD, two NGOs, Mith Samlanh and Korsang, have harm-reduction programs in Phnom Penh. In addition to needle exchange, they provide counseling services, basic and emergency medical care, training on overdose management, and education sessions on harm reduction, HIV/AIDS, and reproductive health. They also provide referrals to drug detoxification and rehabilitation services, medical clinics and hospitals, sexual health clinics, monitoring, and other health and non-health services such as vocational training. Family Health International provides technical, programmatic and financial support to Government, NGOs and community partners in strategic information and HIV prevention, care, support, and treatment. KHANA is implementing a program to reduce drug-related HIV risk by raising awareness among the community about illicit drug use, educating drug users to understand and prevent HIV and health risks associated with drug use, and promoting correct and consistent condom use and responsible sexual choices. NACD and the World Health Organization are working to develop a pilot methadone maintenance program, which will be implemented at the Khmer-Soviet Friendship Hospital in partnership with Korsang, Mith Samlanh and other NGOs working on drug treatment and rehabilitation issues, starting in early 2009. Drug addicts have historically been treated as criminals by Cambodian authorities and society. However local NGOs claim that the NACD is making an effort to change perceptions and is

willing to work with local demand and harm-reduction NGOs to enhance cooperation and skill sharing.

As of September 2008, there were ten government-run treatment centers for men. There are no government-run treatment centers for women. Many of the shortcomings detailed in a 2007 joint NACD/Ministry of Health assessment of these centers still exist. While there has been some improvement in the past year, such as the incorporation of rehabilitation best practices learned from training funded by the State Department's Anti-Drug Program and provided by the U.S.-based NGO Daytop in 2007, much remains to be done. The centers do not have the capacity to conduct proper physical and psychological intake assessments, lack trained medical staff, do not obtain consent from patients over the age of 18, and do not have the resources to provide follow-up services nor do they refer patients to organizations that can provide those services. The centers have incorporated some group counseling methods in 2008, but continue to rely on confinement, military-style drills, exercise, and religious discipline as the mainstay of the rehabilitation program. The government-run centers are further hampered by lack of funding and rely solely on donations from local markets, parents of patients, and the Cambodian Red Cross. Medical treatment for acute distress from withdrawals consists of aspirin and a Chinese herbal spirit-calming supplement when funding permits.

Mith Samlanh operates a small residential rehabilitation program which offers medically-supervised detoxification, individual and group counseling, and referral into Mith Samlanh's extensive network of vocational training and other services.

During the first nine months of 2008, 1,005 drug users and addicts were admitted to the government-run centers and 122, including four females, had received such drug detoxification and rehabilitation services through Mith Samlanh.

The official 2008 NACD estimate of drug users in Cambodia was close to six thousand. However, this figure is only indicative of the number of drug users in contact with local authorities, and does not accurately reflect the extent of illicit drug use in Cambodia. Several NGOs indicate the UNAIDS projected estimate of over 48,000 is more realistic. Regardless of the number, it is clear that the need for drug treatment services far outstrips the available supply.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. While Cambodia has moved beyond its turbulent political history to a period of relative political stability, the country is still plagued by many of the institutional

weaknesses common to the world's most vulnerable developing countries. The challenges for Cambodia include: nurturing the growth of democratic institutions and the protection of human rights; providing humanitarian assistance and promoting sound economic growth policies to alleviate the debilitating poverty that engenders corruption; and building human and institutional capacity in law enforcement sectors to enable the government to deal more effectively with narcotics traffickers. One unique challenge is the loss by death of many of Cambodia's best trained professionals in the Khmer Rouge period (1975-1979); many of those who survived fled during the subsequent Vietnamese occupation. Performance in the area of law enforcement and administration of justice must be viewed in the context of Cambodia's profound human capacity limitations. Even with the active support of the international community, there will be continuing gaps in performance for the foreseeable future.

Bilateral Cooperation. The lifting of U.S. congressional restrictions on direct assistance to the Cambodian government in late 2006 has given the U.S. government increased flexibility in partnering with Cambodia in battling narcotics. The Defense Department's Joint Interagency Task Force-West (JIATF-West) conducted three counter-narcotics training missions in 2008, one in Preah Vihear and two at the newly renovated training facility in Sisophon. During FY 2008, PACFLT conducted a Partner Nation Assessment to determine the current level of Cambodian Maritime Security and Maritime Law Enforcement capabilities. Cambodia regularly hosts visits from Bangkok-based DEA personnel, and Cambodian authorities cooperate actively with DEA, including in the areas of joint operations and operational intelligence sharing. Over the past two years, DEA has provided training and equipment to the CADD.

Drug use among populations targeted for HIV prevention is a growing concern as needle sharing is the most efficient means of transmitting HIV. USAID HIV/AIDS programs work with populations at high risk of contracting HIV, including sex workers and their clients; men who have sex with men; and drug users. These groups are not mutually exclusive as many sex workers also use and inject drugs. Prevention programs targeting high-risk populations aim to reduce illicit drug use and risky sexual practices.

The Road Ahead. Recent government actions such as the NACD implementation of yearly action plans in addition to the five year plan; the imminent establishment of a government methadone maintenance program; the National Center for HIV/AIDS/Dermatology/STI's recent plan to refer prisoners to voluntary counseling and

testing, drug treatment and rehabilitation centers nationwide; and increased law enforcement cooperation with the DEA, FBI, the Australian Federal Police and others, indicate a strong determination to combat drugs. Cambodia is making progress toward more effective law enforcement against narcotics trafficking; however, its capacity to implement a satisfactory, systematic approach to counter-narcotics operations remains low. Instruction for mid-level Cambodian law enforcement officers at the International Law Enforcement Academy in Bangkok (ILEA) and for military, police, and immigration officers by JIATF-West has partially addressed Cambodia's dire training needs. However, after training, these officers return to an environment of scarce resources and pervasive corruption.

In FY09, JIATF-West will continue their training infrastructure renovation project, which will both facilitate future JIATF-West training and also build the capacity of Cambodian law enforcement and military authorities. State Department Anti-Drug Assistance (INL) funding for FY08 will be used to support UNODC's TREATNET II program, which aims to improve the quality of drug dependence treatment. USAID HIV/AIDS programs will continue to work with high-risk populations. Further INL funding projected for FY10 is expected to support a senior law enforcement advisor to provide technical assistance to Cambodian law enforcement institutions, specifically in the areas of customs, immigration and border control. The U.S. is encouraged that Cambodia has signed the UN Convention against Corruption and will continue to press the government to adopt effective anti-corruption legislation.

Canada

I. Summary

In 2008 Canada continued to implement its National Anti-Drug Strategy, involving three action plans to reduce the supply of and demand for illicit drugs as well as associated crime. Canada remains a country of concern due to the amount of MDMA (3, 4-methylenedioxymethamphetamine, commonly known as Ecstasy) and marijuana crossing into the U.S. from Canada. While Canada's passage of several additional regulations in recent years has reduced the large scale diversion of bulk precursor chemicals across the border, trafficking of marijuana and Ecstasy continues at high levels. Canada's demand reduction efforts include a national awareness campaign targeted at youth and their

parents, with a strong message discouraging drug use. However local and provincial authorities have embarked on a number of so-called "harm-reduction" programs, including drug injection sites. The government delivered a sharp message against these harm reduction programs in August, which is in line with the International Narcotics Control Board's recommendation for the Government of Canada to eliminate drug injection sites and drug paraphernalia distribution programs, stating that they violated international drug control treaties. Canada and the U.S. cooperate in counternarcotics efforts through increased information sharing and joint operations. Canada is a member of the UN Commission on Narcotic Drugs and party to the 1988 UN Drug Convention.

II. Status of Country

Like most developed countries, Canada's major narcotics problem is primarily drug consumption, but it is also a significant producer of methamphetamine and high potency marijuana; it is also a major source country for Ecstasy to US markets as well as a transit or diversion point for precursor chemicals used to produce illicit synthetic drugs (notably Ecstasy). The marijuana industry's production and distribution are sophisticated and diverse, while Ecstasy production continues to grow.

III. Country Actions against Drugs in 2008

Policy Initiatives. The Canadian government committed about \$84 million in funding over five years to support its National Anti-Drug Strategy's Enforcement Action plan, which provides for the hiring of additional police and prosecutors for counternarcotics teams involved in identifying and closing down grow operations and drug manufacturing sites, and enhancing the capabilities of the Canadian Border Services Agency (CBSA) to stop drugs at the border. Legislation on mandatory minimum penalties for serious drug offenders did not emerge from Parliament in 2008, but was part of the ruling Conservative Party's 2008 election campaign platform; the government said it expects to re-introduce the law in 2009.

Introduced in 2007, the National Anti-Drug Strategy enhanced the "proceeds of crime" program, enabling the government to seize funds and assets acquired through the sale of illicit drugs. In addition, the government has committed new funding of about \$24 million over five years to support a Prevention Action Plan, as well as approximately \$82 million in new funding over five years to support a Treatment Action Plan.

Law Enforcement Efforts. In 2008, Canadian and U.S. law enforcement agencies' bi-lateral efforts resulted in significant interdictions of narcotics arriving in Canada and the

U.S. by air, passenger vehicle, truck, small aircraft, and ship, as well as seizures from Canadian drug production operations. Seized drugs included marijuana, cocaine, heroin, methamphetamine, hashish, and Ecstasy. In a February 2008 operation, CBSA seized 518 pounds of cocaine from a tractor trailer truck at the Blue Water Bridge near Sarnia, Ontario, with an estimated street value of about \$28.7 million, the largest land border seizure of cocaine in Canadian history. In March, RCMP and Quebec First Nations Police in cooperation with DEA seized 253 pounds of marijuana and about \$2.6 million, and made 29 arrests in the Quebec/Ontario/St. Lawrence Seaway area.

In June, CBSA provided information to U.S. law enforcement authorities, which resulted in the seizure of a shipping container containing 100 pounds of cocaine, 60 pounds of methamphetamine, and 204 pounds of Ecstasy bound for Australia.

In July, a Royal Canadian Mounted Police/Canadian Border Services Agency (RCMP/CBSA) Greater Toronto Area investigation, in cooperation with U.S. law enforcement agencies, resulted in the seizure of approximately 524 pounds of marijuana and approximately \$1 million in cash.

Canadian authorities have also targeted precursor chemical trafficking. In April, Canadian law enforcement agents seized over 8,818 lbs of methamphetamine/Ecstasy at a laboratory production facility in Toronto. The same month, CBSA intercepted a container from China bound for Vancouver containing 3.7 metric tons of liquid MDP2P (3,4-methylenedioxy-phenyl-2-propanone, a chemical precursor of Ecstasy), enough to produce an estimated 6,000 pounds of Ecstasy.

In December, a British Columbia man pleaded guilty in Seattle to drug and money-laundering charges for his role in selling drugs on behalf of the Hells Angels motorcycle club. Another British Columbia man had previously pleaded guilty in November to drug and money laundering charges relating to the case. The undercover investigation resulted in the seizure of 770 kilos of cocaine, 3,175 kilos of marijuana, and over \$2.5 million in cash. The overall trend for 2008 law enforcement efforts continued previous trends of joint drug enforcement efforts against steady but diverse distribution patterns of traffickers.

However, lack of information sharing among law enforcement agencies has hampered counternarcotics enforcement efforts somewhat. For example, federal laws prevent agencies from sharing information about criminal activities of airport employees, including those involved in narcotics smuggling.

Corruption. Canada has strong anti-corruption controls in place and holds its officials and law enforcement personnel to a high standard of conduct. Civil servants found to be engaged in malfeasance of any kind are subject to prosecution. Investigations into accusations of wrongdoing and corruption by civil servants are thorough and credible. No senior government officials are known to engage in, encourage, or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. As a matter of government policy, Canada neither encourages nor facilitates illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Canada is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Canada is a party to the UN Convention against Corruption and to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Canada is also a party to the Inter-American Convention on Mutual Legal Assistance in Criminal Matters; the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials; and, the Inter-American Convention Against Corruption. Canada actively cooperates with international partners. The U.S. and Canada exchange forfeited assets through a bilateral asset-sharing agreement, and exchange information to prevent, investigate, and repress any offense against U.S. or Canadian customs laws through a Customs Mutual Assistance Agreement. Canada has in force 50 bilateral mutual legal assistance treaties and 66 extradition treaties. Judicial assistance and extradition matters between the U.S. and Canada operate under a mutual legal assistance treaty (MLAT), an extradition treaty, and related protocols, including the long-standing Memorandum of Understanding designating DEA and RCMP as points of contact for U.S.-Canada drug-related matters.

Cultivation/Production. Criminal groups composed of Canadians of East Asian origin (primarily Vietnamese and Chinese), outlaw motorcycle gangs, and Indo-Canadian criminal groups, are the most significant illicit drug producers and traffickers in Canada. Overall, Canada supplies a small proportion of the marijuana consumed in the U.S., however, large-scale marijuana cultivation does thrive in Canada. Legal sanctions for growers are less severe than in the United States, and it remains a significant domestic concern in

Canada. Organized crime organizations use technologically-advanced organic growing methods. Large-scale marijuana grow operations are primarily located in British Columbia, Ontario, and Quebec provinces. The Ontario Association of Chiefs of Police continues to say that 85 percent of marijuana growing operations in Ontario are linked to organized crime. Marijuana traffickers rely on profits from marijuana distribution to expand their involvement into other profitable illicit drug activities, such as expanding Ecstasy and methamphetamine production.

Organized crime dominates the methamphetamine trade. Criminal groups composed of Canadians of East Asian origin operate methamphetamine "superlabs" (which are capable of producing at least 10 pounds of methamphetamine per cycle) throughout the country. According to the 2008 Annual Report on Organized Crime prepared by Criminal Intelligence Service Canada (CISC), seizures of Canadian-produced methamphetamine took place throughout the world, including in Australia, Japan, New Zealand, and, to a lesser extent, the People's Republic of China, Taiwan, India, and Iran. Canada is now the primary source country for Ecstasy available in the U.S. British Columbia and Ontario continue to have the highest concentration of Ecstasy laboratories. Most of the Ecstasy laboratories dismantled in Canada in 2008 were capable of producing multi-kilogram quantities. Increased smuggling from Canada to the United States included both Ecstasy and combination tablets containing methamphetamine and other synthetic drugs. In 2007-2008, Canadian authorities increased seizures of clandestine labs capable of producing large amounts of combination tablets.

Drug Flow/Transit. The CISC's 2008 Annual Report on Organized Crime in Canada estimated approximately 900 organized crime groups in the country, of which most are involved in the illegal drug trade in some capacity. Rising methamphetamine production in Canada could lead to increased distribution in the U.S., particularly by polydrug traffickers, such as many Asian criminal groups and outlaw motorcycle gangs, using established Ecstasy or marijuana distribution networks.

Domestic Programs/Demand Reduction. Local and provincial authorities have embarked on a number of so-called "harm-reduction" programs. In 2003, the federal Department of Health (Health Canada) granted Vancouver "Coastal Health" a three-year exemption from the Canadian Controlled Drugs and Substances Act to establish North America's first supervised injection site research pilot project ("Insite"). Health Canada renewed the extensions of the exemption in September 2006 and October 2007, allowing

Insite to continue to operating legally until June 2008. British Columbia's provincial Ministry of Health funds Insite through Vancouver Coastal Health. British Columbia provincial judicial authorities are resisting federal government efforts to close Insite. In May 2008 the British Columbia provincial Supreme Court ruled that the federal government does not have the constitutional authority to close Insite, which the Court considered a health facility and within provincial jurisdiction, and gave the federal government until June 2009 to amend the Controlled Drugs and Substances Act. The federal government has appealed, and the British Columbia provincial Court of Appeal plans to hear the case in April 2009. Several cities, including Toronto and Ottawa, have also approved programs to distribute drug paraphernalia, including crack pipes, to chronic users.

The government delivered a sharp message against harm reduction and the Insite program in an August 18, 2008 speech to the Canadian Medical Association by then Minister of Health Tony Clement. Clement strongly criticized information on the Canadian Harm Reduction Network website which he described as promoting the idea that there are safe ways to use heroin and methamphetamine. Clement also stated that an expert advisory committee had determined that the Insite experiment had not reduced the transmission of HIV/AIDS to a meaningful degree. The committee also estimated that the Insite program lowered the annual overdose rate in Vancouver's eastside by only one person each year, leaving 50 overdose deaths per year.

The UN International Narcotics Control Board's (INCB) 2007 Report noted that the Vancouver Island Health Authority's approval of "safer crack kits," including the mouthpiece and screen components of pipes for smoking "crack," contravened Article 13 of the 1988 UN Drug Convention, to which Canada is a party. The INCB called upon the Government of Canada to eliminate drug injection sites and drug paraphernalia distribution programs, stating that they violated international drug control treaties. While Health Canada provides funding for drug treatment services, other programs such as delivery of demand reduction, education, treatment, and rehabilitation are primarily the responsibility of the provincial and territorial governments.

Canada's Anti-Drug Strategy includes a national awareness campaign targeted at youth and their parents, with a strong message discouraging drug use. Additional funding provides for modernized and new treatment services as well as improving their availability and effectiveness, more money for the provinces and territories to expand treatment

programs for addicted youth, and funding for a National Youth Intervention Program to enable police to enroll young drug users more quickly into assessment and treatment programs instead of detention.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. and Canada have continued information sharing and binational cooperation through the Cross-Border Crime Forum (CBCF) and other fora. At the CBCF's Spring Ministerial in March 2008, U.S. and Canadian officials jointly released the 2007 U.S.-Canada Border Drug Threat Assessment as a snapshot of cross-border narcotics issues and trends. The inter-agency forum also addressed counterterrorism, mass marketing fraud, human trafficking, organized crime, border enforcement, drug trafficking, and firearms smuggling – a particular concern for Canada. Provincial, state, and local governments also participate in the CBCF, as do police at the federal, state/provincial, and local/municipal levels. CBCF working groups met throughout the year to develop joint strategies and initiatives and collaborative law enforcement operations that were highlighted during the Ministerial meeting. Canada also regularly attends the annual National Methamphetamine Chemical Initiative (NMCI) meeting in the U.S. In spring 2008, two RCMP officers participated in DEA's International Drug Enforcement Conference (IDEC) in Turkey to share best practices and lessons learned. In October, DEA organized a clandestine laboratory school for Quebec Provincial Police in Montreal. DHS/ICE and DEA continue to meet regularly with RCMP officials to advance U.S. and Canadian efforts to disrupt and prosecute money-laundering operations, particularly in the area of bulk currency smuggling. Canada has also participated in supporting naval interdiction efforts as part of Joint Interagency Task Force South. DEA, CBP, ICE, CBSA, RCMP, and local and provincial officers consult regularly and maintain channels of communication in the field and at management level to ensure a high level of cooperation and effectiveness.

The United States and Canada opened negotiations concerning a bi-lateral shiprider agreement in the spring of 2008. The agreement will allow the exchange of shipriders and seamless maritime law enforcement operations across the U.S.-Canadian maritime border.

The Road Ahead. The U.S. and Canada will continue to cooperate in joint operations combating U.S.-Canada drug trafficking. The CBCF will continue to serve as a forum for senior law enforcement, justice, and homeland security officials to enhance and encourage intelligence sharing, investigative collaboration, and joint training opportunities. CBCF

working groups will meet throughout the year to develop joint strategies and initiatives including threat assessments and collaborative operations.

Canada's continued role as a source country for Ecstasy to U.S. markets highlights the need for greater cooperation in tracking precursor chemical activity. The U.S. urges Canada to take stronger action to curb the rise of methamphetamine production. The upsurge in Canadian methamphetamine production has raised the prospect of increased smuggling from Canada to international markets. Both Canada and the U.S. will seek improvements in their enforcement capacity and regulatory frameworks to promote industry compliance and avoid diversion of precursor chemicals and lab equipment for criminal use. A more effective and expansive inspection regime, in conjunction with expedited investigations and prosecutions, would also strengthen enforcement efforts. According to government officials, the government of Prime Minister Stephen Harper is committed to increased penalties for illicit drug production and trafficking, but will not consider them for drug use.

Canada should implement the INCB's recommendations to eliminate drug injection sites and drug paraphernalia distribution programs because they violate international drug control treaties. The U.S. and Canada will continue to seek agreement on an Integrated Marine Security Operations (IMSO) program that would facilitate more effective maritime counter-smuggling efforts by designating officers from each country to operate from one another's vessels or aircraft. The U.S. will continue to seek reciprocal agreement for U.S. federal maritime law enforcement officers to carry their weapons while transiting through Canadian waters.

The U.S. and Canada share common objectives of reducing the supply and consumption of illicit drugs and the serious consequences that they pose to our communities, particularly vulnerable youth. The U.S. and Canada plan to renew the joint U.S.-Canada border drug threat assessment, which the two governments update every three years, and to continue to strengthen bilateral cooperation in a wide range of working groups and forums.

Cape Verde

I. Summary

Because of its geographic location, Cape Verde is an important transit country for

narcotics entering Europe. Narcotics shipments come mainly from South America and Africa and are destined mainly to Europe. Narcotics enter Cape Verde by commercial aircraft and maritime vessels and yachts. Cape Verde works with international donors like UNODC and the Governments of Portugal, Spain, France, Germany, Brazil, and the United States to achieve counter narcotics objectives and on law enforcement capacity building development projects designed to enhance the capability of the Government of Cape Verde to suppress criminal activity and promote local demand reduction. Cape Verde is a party to the 1988 UN Drug Convention.

II. Status of Country

Cape Verde's strategic location on the maritime and aerial routes between Africa mainland, Europe and South America makes it an attractive location for drug transshipment of cocaine, heroin, marijuana and other illegal drugs from the Caribbean, Venezuela, Colombia, Brazil, and Europe. Drug smugglers use Cape Verde as a transit point to Europe. Numerous beaches and extensive territorial waters and an economic zone lacking adequate surveillance allow the drugs to transit. Cocaine is the most trafficked. In 2008, South American cocaine arrived in Cape Verde, largely from Brazil, Colombia and Venezuela. Other primary source countries for trafficked drugs transiting Cape Verde were Nigeria and Senegal. Cocaine enters Cape Verde by commercial aircraft and maritime vessels and yachts. Other drugs trafficked include crack cocaine and cocktail (a mixture of cannabis and crack, locally called "cochada") produced locally, cannabis, cultivated locally and Ecstasy imported from Europe. Drug abuse within the prison system and criminality linked to drug trafficking are a concern for authorities.

III. Country Actions against Drugs in 2008

Policy Initiatives. Cape Verde law makes the "consumption, drug trafficking, and revenues resulting from drug trafficking" a criminal offense, punishable with one to twenty years imprisonment. In June, a mission by the UNODC (United Nations Office on Drugs and Crime) took place in Cape Verde to analyze the local training needs. A joint UNODC/EUROPOL mission also surveyed conditions in Cape Verde in June to address the issue of illegal migration. The Judiciary Police acquired ten vehicles to reinforce its

capacity to fight drug trafficking. The Judiciary Police have also received equipment for a scientific laboratory and personnel have been trained to operate it. The government is carrying out the second phase of a Criminality and Corruption Study initiated in November 2007.

Law Enforcement Efforts. Cape Verde has two separate law enforcement agencies that deal with narcotics: the Judiciary Police (PJ) and the National Police (PN). The PJ is a unit of the Ministry of Justice with overall responsibility for coordination of criminal investigations. The PN reports to the Ministry of Interior. The PJ detained 71 persons for drug trafficking, and seized 189.5 kilograms of cocaine in the capital city, 576 kilograms of cannabis, and 9.6 grams of Ecstasy. The traffickers are reported to be mostly Cape Verdean and Portuguese citizens. Due to Cape Verde's law enforcement efforts, traffickers have been shifting increasingly to Guinea-Bissau. A few indicative seizures are described below:

- On April 1st, PJ officers in Praia arrested one suspected narco-trafficker for transporting 104 kilograms of cocaine in the city of Praia.
- On June 10, PJ officers in Praia arrested one suspected narco-trafficker for transporting 9.6 grams of Ecstasy in the city of Praia.
- On June 25, PJ officers in Praia arrested one suspected narco-trafficker for transporting 9 kilograms of cocaine in the city of Praia.
- On September 28, PJ officers in Praia arrested two suspected narco-traffickers for transporting 5 kilograms of cocaine on a flight from Fortaleza, Brazil.
- In October, PJ officers at the Port of Praia seized 171.5 kilograms of cocaine, which were hidden on a scrap metal cargo vessel, to be shipped to Portugal.
- In October, PJ officers arrested two suspected narco-traffickers on the island of Sal.

Corruption. Cape Verde's government does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. In June, three PJ officials were arrested for diverting over 135 kilograms of cocaine seized in a drug investigation to the illicit market; the PJ conducted a full investigation and charged suspects with the crime.

Agreements and Treaties. Cape Verde is a party to the 1988 UN Drug Convention, the

1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Cape Verde is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. On April 23, 2008, Cape Verde ratified, the UN Convention against Corruption.

Cultivation/Production. Cape Verde is not a significant producer of narcotics. In 2008 the PJ seized 576 kilograms of cannabis cultivated on Santiago Island.

Drug Flow/Transit. Cape Verde's strategic location on the maritime and aerial routes between Africa mainland, Europe and South America makes it an attractive location for drug transshipments of cocaine, cannabis and other illegal drugs from the Caribbean, Colombia, Brazil, and Europe. Numerous beaches and extensive territorial waters and economic zone lacking surveillance allow the drugs to transit. The U.S. has not been identified as a significant destination for drugs transiting through Cape Verde.

Domestic Programs/Demand Reduction. Cape Verde has a National Commission for Combating Drugs (CNLCD), under the Ministry of Justice, that holds responsibility for coordinating Cape Verde's drug programs. The CCCD gathers statistics, disseminates information on narcotics issues and manages government treatment programs for narcotic addictions. CNLCD also runs a hotline and manages several public awareness campaigns. Cape Verde has a rehabilitation shelter located on Santiago Island.

Cape Verde has a group called CAVE INTERCRIN (CAPE VERDE INTEGRATED CRIME AND NARCOTICS PROGRAMME) which is an administrative governmental body aimed at supporting a self-sustainable and healthy development of Cape Verde through preventing the spread of illicit drugs, crime, and other anti-social behaviors. CAVE INTERCRIN's immediate objectives are: to improve control of borders through increased mobility, communication and intelligence capabilities; to improve preventive/reaction capabilities in maintaining law and order through upgraded patrolling and communication capabilities; and to improve the detection and interdiction capabilities of national law enforcement agencies through updated training curricula delivered by computer based training.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA-Madrid and FBI-Dakar cooperate with the Cape Verdean PJ and PN. In September 2008, the FBI funded two training courses for the PJ: one on finger prints and another on investigation. Right after these trainings, the PJ seized 5 kilograms of cocaine on a flight from Fortaleza, Brazil, and 171.518 kilograms of cocaine at Praia port. The U.S. supported Cape Verde with USD 35 000 to help organize an ECOWAS (Economic Community of Western African States) Inter-ministerial conference on drugs trafficking and Organized Crime Conference, and also is planning to implement several narcotics-related capacity building projects funded by State Department (INL) counternarcotics assistance. The USCG conducted an assessment to determine the feasibility of implementing long term sustainable fisheries and law enforcement training programs in 2008.

In June 2008, a U.S. Coast Guard cutter deployed to work with Cape Verdean authorities, in support of Africa Partnership Station (APS) initiative to enhance maritime safety and security in the region. This operation served as a proof of concept for employing a foreign Law Enforcement Detachment (LEDET) aboard a U.S. vessel. The cutter's deployment was a major breakthrough in the nature of U.S. maritime engagements in Africa. The participation of the Cape Verdean Coast Guard, French Navy, and U.S. Coast Guard marked the first multilateral combined maritime law enforcement operation ever conducted in Africa. It was also the first time a non-U.S. Law Enforcement Detachment (LEDET) operated with a USCG LEDET to conduct law enforcement operations from a U.S. military vessel. The combined LEDET boarded six vessels enforcing Cape Verde law. In addition to the capacity building dimension, major upgrades were made to the Cape Verde Operations Center that allowed the Cape Verdean leadership to communicate in real time, using translation software, simultaneously with the cutter and with US officers coordinating the operation from Naples, Italy. This allowed for closer coordination of the boarding team, and provided the ability to immediately consult with leadership when key legal and jurisdictional issues arose.

The Road Ahead. On October 27, 2008, Cape Verde hosted an ECOWAS (Economic Community of Western African States) Inter-ministerial Conference on Drug Trafficking and Organized Crime. As a result of the conference, an action plan will be submitted to the Security Council for ratification. The Plan will also be sent for review by a Summit of

Heads of State and Governments of ECOWAS. Cape Verde's Minister of Justice said at the Conference that the situation of drug trafficking in the region was a threat to West African countries, and called for concrete steps to be taken to develop more effective ways to combat this scourge. The Justice Minister also announced during the conference that Cape Verde is planning to strengthen its laws relating to drug trafficking.

Chile

I. Summary

Chile is a transit country for Andean cocaine shipments destined for Europe, with perhaps small amounts coming to the United States. Chile has a domestic cocaine and marijuana consumption problem, and an increasing problem with use of the amphetamine-type drug MDMA (Ecstasy). Chile is also a potential source of precursor chemicals for use in cocaine processing in Peru and Bolivia. Chile is a party to the 1988 UN Drug Convention.

II. Status of Country

Chile's long, difficult-to-monitor borders with Peru, Bolivia, and Argentina and international ports make it an appealing transit country for cocaine from the Andean region en route to Europe. Authorities report increased domestic consumption of cocaine hydrochloride (HCl), though abuse of "cocaine base" (a crude coca-derived product known locally as "pasta base") is more prevalent. Chile ranks fourth in cocaine consumption and first in marijuana consumption among South American countries, according to the United Nation's 2008 World Drug Report. Some marijuana is cultivated in Chile, but most is imported from Paraguay for use by Chilean teenagers and young adults. Chile's National Drug Control Commission (CONACE), which is responsible for formulating and implementing drug policies, released a study in 2008 that revealed increased availability of marijuana among students between 2005 and 2007.

III. Country Actions against Drugs in 2008

Policy Initiatives. Chile recognizes the threat posed by illicit narcotics and has adopted policies and enforcement efforts that contribute to worldwide drug control efforts. In 2008, Chile changed its criminal statutes to align penalties for trafficking marijuana with penalties for trafficking cocaine, heroin, and other drugs. Previously, convictions for marijuana trafficking did not have the same severity under the law as convictions for trafficking in other drugs such as cocaine or heroin. The change is a response to the increase in importation of marijuana from Paraguay.

In 2008, CONACE expanded its drug court pilot program to the cities of Iquique and Antofagasta. There are now 18 drug courts in Chile which are similar to U.S. drug courts in offering rehabilitation to drug offenders under judicial supervision. CONACE also signed an agreement with the Public Ministry's office to evaluate the drug court initiative.

Chile completed its transition from an inquisitorial to an adversarial judicial system in 2005. The process is still maturing, and feedback in 2008 suggests that there is greater public acceptance of the new system and faster resolution of cases. There are still challenges in training judges, prosecutors, and law enforcement officials on evidence collection and analysis, law enforcement techniques such as undercover operations, courtroom presentation methods, and court administration procedures.

Law Enforcement Efforts. Through September 2008, Chile reported seizures of approximately 1,421 kilograms (kg) of cocaine; 3,200 kg of cocaine paste; 7,087 kg of processed marijuana; and 23 units of illegal pharmaceutical drugs. Statistics were not available for heroin, Ecstasy, or LSD. Noteworthy operations included the April 2008 seizure of 29 kg of cocaine and other drug ingredients from the "Los Gaete" Drug Cartel that resulted in ten arrests.

The Carabineros de Chile (uniformed national police) and the Policia de Investigaciones (investigative police–PICH) have primary responsibility for counternarcotics law enforcement. Both the Carabineros and the PICH have dedicated anti-drug units that are considered highly professional and competent. Chile's long coast-line and international ports contribute to a heightened threat of maritime drug trafficking. In 2008, the PICH created a Maritime Container Investigations Unit designed to target drug trafficking organizations using ports in Chile for the transit of narcotics and chemical precursors. The Carabineros de Chile also launched "Plan Vigia" (Plan Lookout), an effort to focus on drug traffickers in northern Chile. "Plan Vigia" provided more resources to the northern region, specifically near Calama, in response to an increase in the trafficking of Bolivian cocaine. Chile also formed the Border Intelligence and Analysis Group in 2008, which is designed to increase intelligence collection and dissemination among various law enforcement agencies. The group is composed of members of the Carabineros, PICH, Customs Service, and the Bureau of Prisons. This inter-agency effort builds on the success of the Arica Narcotics Investigations Task Force, launched in 2007.

Corruption. As a matter of policy, no senior Government of Chile (GOC) official or the

GOC encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Narcotics-related corruption among police officers and other government officials is not considered a major problem in Chile, and no current Chilean senior officials have been accused of or engaged in such activities. In cases where police are discovered to be involved in drug trafficking, or in protecting traffickers, simultaneous termination and initiation of an investigation are immediate. Chile is traditionally considered one of the least corrupt countries in the Western Hemisphere and ranked as the fifth least corrupt country in the Americas in the 2008 Corruption Perception Index Survey released by Transparency International.

Agreements and Treaties. Chile is a party to the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Chile is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in person and migrant smuggling, and the UN Convention Against Corruption. The 1900 U.S.-Chile Extradition Treaty is currently in force. (Note: This was signed in 1900 and entered into force in 1902.) The United States and Chile continue to negotiate a new extradition treaty. While the U.S. and Chile do not have a bilateral mutual legal assistance treaty (MLAT), both countries are parties to the Organization of American States' 1992 Inter-American Convention on Mutual Assistance in Criminal Matters, which facilitates mutual legal assistance.

Cultivation/Production. Chile produces a small amount of marijuana that is consumed domestically.

Drug Flow/Transit. In addition to maritime routes, narcotics enter Chile via land borders with Peru, Bolivia, and Argentina. Within Chile, narcotics move along Route 5, the main north-south corridor and part of the Pan American Highway. Narcotics transit out of Chile to Europe via maritime routes. Efforts to intercept illegal narcotics in the northern ports are inhibited by inspection restrictions established by the treaty signed after the War of the Pacific which require Chilean authorities to seek permission from the governments of Bolivia and Peru to inspect cargo originating in those countries. This allows some cargo to pass through ports in Arica, Iquique, and Antofagasta without Chilean inspection.

Domestic Programs/Demand Reduction. CONACE offers a full range of programs designed to reduce domestic drug consumption. The programs focus on drug prevention

in schools, the workplace, and the community. There is a national movement aimed at increasing family involvement in preventing drug abuse, and CONACE has several programs designed to help parents talk to their children about the danger of drugs. The GOC also provides rehabilitation treatment for drug addicts through CONACE and the Ministry of Health. Chile does not promote or sanction harm reduction programs, such as needle exchanges for addicts.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. USG-sponsored anti-narcotics programs in 2008 focused on increased police intelligence capabilities, enhanced interagency cooperation among Chilean law enforcement agencies, and support for anti-money laundering efforts. The overall objective was to increase the ability of Chilean law enforcement agencies to combat some of the most challenging aspects of the drug trade in Chile.

Bilateral Cooperation. The USG and GOC have a strong record of bilateral anti-narcotics cooperation. In 2008, the USG and GOC worked together to address police intelligence gathering capabilities, interagency cooperation, and maritime security through training and exchanges. In June, Drug Enforcement Administration (DEA) officers in Santiago conducted a three-day Law Enforcement Tactical Training Course for members of the PICH anti-narcotics unit. In November, DEA conducted an undercover operations course for 15 Carabineros and 15 PICH detectives. DEA offices in Santiago, La Paz, Lima, Buenos Aires, and Asuncion continued to support an Officer Exchange Program among their respective host nations in 2008. PICH officials traveled to the DEA Training Academy in Quantico, VA, and the Department of Homeland Security's Customs and Border Control (DHS/CBP) Canine Training Academy in Front Royal, VA. CBP also carried out seaport interdiction training designed to enhance customs officers' counternarcotics capabilities. Chilean officials traveled to Houston/Galveston and U.S. Coast Guard (USCG) facilities in California to learn about port security and maritime security. The USCG provided resident, mobile and on-the-job training in maritime law enforcement, professional development and command and control to the Chilean Navy.

The Road Ahead. Future USG support for Chile's counternarcotics efforts will focus on enhancing interagency cooperation and its ability to conduct complex investigations. The USG encourages Chile to address its status as a transit country and intensify its efforts to

disrupt major trafficking organizations. As the President of the Inter-American Drug Abuse Control (CICAD) in 2009, Chile will be in a position to provide leadership in the Western Hemisphere on the issue of drug control.

China

I. Summary

The People's Republic of China serves as a major drug transit country for international drug markets (though not the United States). Drugs, particularly heroin, come mostly from the Golden Triangle, but Afghanistan is also an important drug source area. China continues to have a domestic heroin consumption problem along with an upsurge in the consumption of synthetic drugs such as Ecstasy and crystal methamphetamine, known as "ice." Chinese authorities view drug trafficking and abuse as a major threat to China's national security, its economy and its national and regional stability, but corruption in far-flung drug-producing and drug transit regions of China limits what dedicated enforcement officials can accomplish. Authorities continue to take steps to integrate China into regional and global counternarcotics efforts and cooperation with U.S. counternarcotics officials improved over the past year. China is a party to the 1988 UN Drug Convention.

II. Status of Country

Mainland China is situated adjacent to major narcotics producing areas in Asia, Southeast Asia's Golden Triangle, Southwest Asia's Golden Crescent, and Northeast Asia's Golden Azalea (North Korea). Burma continues to be the major source of opiates entering China. While the Golden Triangle area poses a longstanding problem, Chinese officials note that the Golden Crescent is the source of increasing amounts of heroin trafficked into Western China, particularly Xinjiang Province. China's 97-kilometer border with Afghanistan is remote, but Chinese authorities are increasingly concerned that heroin and opium from Afghanistan can find its way into China through other countries in South and Central Asia. Methamphetamine produced in North Korea continues to appear in China's northeastern provinces. Beijing claims that there are no heroin refineries in China.

China is a major producer of the dual-use precursor chemicals for methamphetamines, ephedrine and pseudoephedrine. There is a widespread belief among law enforcement agencies throughout the world that large-scale methamphetamine producers in other

countries are using Chinese-produced ephedrine and pseudoephedrine, and there are numerous examples from criminal investigations to confirm this suspicion. Diverted Chinese precursor chemicals that are often transshipped through other countries may sustain synthetic drug production in other countries as far away as Mexico, Belgium, and the Netherlands. Although China enacted enhanced precursor chemical control laws in November 2005 and is fully engaged in multilateral and bilateral efforts to stop diversion from its chemical production sector, it has not matched the size of its large chemical industry with sufficient resources to effectively ensure against diversion.

Statistics on drug usage within China are contradictory. The National Narcotics Control Commission (NNCC) recently claimed that the number of drug users had declined.

However, data from non-government sources indicate that drug abuse continues to grow at a moderate rate. 2007 NNCC statistics claim there are 955,000 registered drug users in China, but some officials acknowledge the actual number of addicts is much higher and there have been published reports that China might have as many as 15 million drug abusers. According to Chinese Government reports, 78 percent of all registered drug addicts are heroin users. Youth below the age of 35 comprise the largest percentage of registered addicts (62.08 percent), fueled largely by an increase in the disposable income of urban youth. The government reported that 38.5 percent of China's HIV positive and AIDS patients were infected through intravenous drug use.

As China's economy has grown and its society has opened up over the last decade, the country's youth have come to enjoy increasing levels of disposable income and freedom. This has been associated with an increase in drug abuse in young people in large and mid-sized cities. The number of abusers of new drugs is increasing and drugs such as crystal methamphetamine, Ecstasy, ketamine and triazolam have become more popular. Ecstasy's popularity is increasing among the young in night clubs and karaoke bars along China's wealthy east coast, particularly in Beijing, Shanghai, Nanjing, Guangzhou and Shenzhen. With a large and developed chemical industry, China is one of the world's largest producers of precursor chemicals, including acetic anhydride, potassium permanganate, piperonylmethylketone, pseudoephedrine, ephedrine and ephedra. China produces and monitors all 22 of the chemicals on the tables included in the 1988 UN Drug Convention. China continues to be a strong partner of the United States and other concerned countries in implementing a system of pre-export notification of dual-use precursor chemicals. China

strictly regulates the import and export of precursor chemicals, but motivated criminals have regularly found a way around this control regime.

III. Country Actions against Drugs in 2008

Policy Initiatives. China takes active measures to combat the use and trafficking of narcotics and dangerous drugs and is a party to the 1988 United Nations (UN) Drug Convention and the UN Convention Against Transnational Organized Crime. China's Ministry of Public Security (MPS) is in the fourth year of its National People's War on Illicit Drugs, begun in 2005 at the initiative of Chinese President Hu Jintao. MPS has designated five campaigns as part of this effort: drug prevention and education; drug treatment and rehabilitation; drug source blocking and interdiction; "strike hard" drug law enforcement; and strict control and administration, designed to inhibit the diversion of precursor chemicals and other drugs. In November 2005, China passed the Administrative Law on Precursor Chemicals as well as the Administrative Regulation on Narcotic Drugs and Psychotropic Substances. In the same month, China issued Provisional Administrative Regulations on the Export of Precursor Chemicals to Special Countries, strengthening the regulation of exports of 58 types of precursor chemicals to countries in the Golden Triangle. Twenty three of these precursor chemicals were classified as more stringently controlled.

In March 2007, Chinese agencies involved in drug control completed the construction of an online database of drug users. China's new Narcotics Control Law was passed in late 2007 and went into effect on June 1, 2008. The law lays out drug control principles including education, administration, treatment and international cooperation. In June 2007, MPS Minister and NNCC Director Zhou Yongkang announced China would intensify its war against drugs and called for reinforced efforts to fight heroin and curb the spread of new types of drugs, especially amphetamine type stimulants. The People's Procurator's Office and the Supreme Court have improved legal standards for cases involving new types of drugs. Current MPS Minister Meng Jianzhu has also emphasized the importance of anti-drug work in speeches since his appointment in 2007.

In October 2008, the State Food and Drug Administration (SFDA) introduced new regulations enhancing the control on the sale and production of ephedrine and pseudoephedrine pharmaceutical preparations. Launched jointly with the National Narcotics Control Commission (NNCC), the regulations are expected to prevent extraction of ephedrine and pseudoephedrine active ingredients from Ephedrine Hydrochloride and

Diphenhydramine Hydrochloride (EHDH) tablets, as well as curb the diversion and illicit trade in these products.

China has actively participated in an international cooperative effort with its neighbors in the Golden Triangle to reduce poppy cultivation in Laos and Burma. China continues to participate in United Nations Office of Drug Control (UNODC) demand reduction and crop substitution efforts in areas along China's southern border and has worked closely with Burma to implement an alternative crops program. In May 2006, the State Council authorized a 250 million Renminbi (RMB) fund (approx. USD 32.5 million) for crop substitution projects in Northern Burma and Laos. The NNCC reported that Chinese authorities launched 27 joint drug law enforcement operations with Laos and Burma in 2007, seizing 6,443 kilograms of illicit drugs and 4,795 kilograms of precursor chemicals. Nevertheless, Burma remains the major source of opium entering China, and it is probable that much of Burma's drug refining uses diverted precursor chemicals from China.

Law Enforcement Efforts. According to the 2008 Annual Report on Drug Control in China, Chinese authorities were involved in 56,000 drug-related cases and apprehended 67,000 suspects in 2007. China seized 4.6 tons of heroin (a 20.6 percent decrease from 2006), 1.2 tons of opium (a 30 percent decrease from 2006), 2.21 million Ecstasy tablets (a nearly five fold increase from 2006), 6 tons of ketamine (3.35 times as many tons as 2006), and 5.8 tons of methamphetamine (a 2.59 percent increase from 2006.) According to NNCC, Chinese authorities investigated 1,553 cases involving precursor chemicals in 2007 and seized 592 tons of precursor chemicals.

In the first seven months of 2008, Chinese authorities seized 6.6 tons of drugs and arrested 15,707 people for drug related crimes. During this time period, authorities seized 2.74 tons of methamphetamine and 3.59 tons of ketamine, according to MPS.

The Chinese Government continues its aggressive counternarcotics campaign. In China, three agencies have primary responsibility for controlling the licit/illicit drug markets: the Ministry of Public Security (MPS), the State Food and Drug Administration (SFDA) and the General Administration of Customs (GAC). All three are part of the National Narcotics Control Commission (NNCC) that formulates drug policy in China, similar to the Office of National Drug Control Policy (ONDCP) in the United States.

Golden Crescent drug smuggling has "increased" according to the 2008 report of the NNCC. In 2007, Chinese authorities conducted joint counternarcotics operations with Afghanistan, which resulted in the seizure of five kilograms of heroin and the arrests of

four suspects; with Pakistan, which resulted in the capture of six suspects and 7 kilograms of heroin and with Tajikistan, which resulted in the capture of 590 grams of heroin and three suspects. To curb the growing Golden Crescent heroin threat, Chinese authorities have stepped up border and airport checks in Guangdong, Beijing, Shanghai and Xinjiang. NNCC expects drug use to continue to move from traditional to synthetic drugs. However, because almost 80 percent of China's drug addicts use heroin, the Golden Triangle and Golden Crescent will continue to remain areas of serious concern for China.

In 2007, in cooperation with Laos, Burma, Thailand and the Philippines, Chinese authorities continued to carry out operation "Nail Eradication," capturing 30 Chinese nationals living outside of China who were wanted as suspected leaders of drug trafficking rings, according to the NNCC.

In 2007, China continued to strengthen its cooperation with United States law enforcement agencies. This included successes in joint operations with DEA. On a case-by-case basis, MPS provides DEA with strategic and operational intelligence which is used to target international drug rings. MPS has allowed DEA to interview witnesses in China and has allowed DEA to jointly conduct other investigative activity to help identify drug rings. In addition, MPS helps to facilitate the travel of U.S. law enforcement personnel based at the U.S. Embassy in Beijing. DEA has received several drug samples from MPS and Customs for analysis and, in 2008, China agreed to provide samples to participate in the DEA heroin signature program. In the same year, MPS, with the investigative assistance of DEA, seized 142 kilograms of cocaine in Southern China. On June 4, 2008, MPS, in a joint investigation with DEA-Beijing, seized 530 kilograms of cocaine in Guangzhou.

According to the NNCC, China and Pakistan have strengthened counter-drug cooperation, to include information-sharing and joint operations. Philippines, Hong Kong, Guangdong, and Beijing police counterparts worked together to break up an international "ice" making and trafficking gang headed by a Fujian Province native. As described above, China also carried out joint counternarcotics operations with other neighboring countries including Laos, Burma, Afghanistan, Pakistan and Tajikistan.

Corruption. Chinese leaders acknowledge that China has a very serious corruption problem. Anticorruption campaigns have led to arrests of many lower-level government personnel and some more senior officials. Most corruption in China involves abuse of power, embezzlement and misappropriation of government funds, but payoffs to "look the other way" when questionable commercial activities occur are another major source of

official corruption in China. While narcotics-related official corruption exists in China, it is seldom reported in the press. The Chinese press does, however, report instances of other types of official corruption, including embezzlement and bribery. In September 2008, for example, two former Bank of China managers and their wives were convicted of money laundering and racketeering in the United States.

MPS takes allegations of drug-related corruption seriously, launching investigations as appropriate. Most cases appear to have involved lower-level district and county officials. There is no specific evidence indicating senior-level drug-related corruption. Nevertheless, the quantity of drugs trafficked within China raises suspicions that official corruption is a factor in trafficking in certain provinces bordering drug producing regions, such as Yunnan, and in Guangdong and Fujian, where narcotics trafficking and other forms of transnational crime are prevalent.

Official corruption cannot be discounted among the factors enabling organized criminal networks to operate in certain regions of China, despite the best efforts of central-level authorities. China continues to be engaged in an anticorruption dialogue with the United States through the U.S.-China Joint Liaison Group on Law Enforcement Cooperation (JLG). Narcotics-related corruption does not appear to have adversely affected ongoing law enforcement cases in which United States agencies have been involved.

As part of its efforts to stem the flow of corrupt Chinese officials who embezzle public funds and flee abroad to evade punishment, China ratified the United Nations Convention Against Corruption in January 2006, shortly after the Convention entered into force in December 2005.

Agreements and Treaties. China actively cooperates with other countries to fight drug trafficking and has signed over 30 mutual legal assistance agreements with 24 countries. China has also signed 58 bilateral treaties on legal assistance and extradition with 40 countries. China is a party to the 1988 UN Drug Convention, as well as to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol and the 1971 Convention on Psychotropic Substances. The United States and China cooperate in law enforcement efforts under a mutual legal assistance agreement signed in 2000. There is no extradition treaty between the United States and China. In January 2003, the United States and China reached agreement on the Customs Mutual Assistance Agreement (CMAA). China cooperates with international chemical control initiatives in Operation Purple and accounts for 70 percent of the worldwide seizures of potassium permanganate that have been

made under that operation. China also participates in Operation Topaz, an intergovernmental operation to detect and prevent precursor chemicals used for the illicit manufacture of heroin, and Project Prism, targeting synthetic drug chemicals. China continued its participation in the ASEAN and China Cooperative Operations in Response to Dangerous Drugs (ACCORD).

Cultivation/Production. China eliminated large-scale drug crop cultivation in China years ago. At present, China's mountainous and forested regions where illegal cultivation can occur are subject to aerial surveillance, field surveys, and drug eradication to eliminate any significant return to the cultivation of drug crops. Due to China's effective law enforcement, opium poppies are only grown in small quantities by ethnic minority groups for local consumption. Chinese officials state that there are no heroin refineries in China. China is a main source for natural ephedra, which is used in the production of ephedrine. China is also one of the world's largest producers of ephedrine, licit synthetic pseudoephedrine, and ephedra products. China has a large pharmaceutical industry and these products all have legitimate medicinal use, but they can also be used in the production of ATS. The Chinese Government, supplemented by stricter controls in critical provinces such as Yunnan and Zhejiang, makes efforts to control exports of these key precursors. Despite these efforts, there is a widespread belief among law enforcement authorities in Asia that large-scale production of methamphetamines, most notably in super and mega-labs, in the Asia Pacific Rim, for example in Indonesia, use China-produced ephedrine and pseudoephedrine. Large-scale seizure of Chinese-made chemicals that have been diverted is almost commonplace in law enforcement investigations around the world.

Chinese authorities continued to seize clandestine methamphetamine laboratories. In the past, the majority of the labs were discovered and/or seized in Fujian and Guangdong Provinces, although recently there have been laboratories seized in northeast China, specifically Shenyang and Liaoning Provinces. On August 7, 2008, a special operations unit of MPS seized a methamphetamine manufacturing factory in Hui Zhou, China. Six suspects were arrested and nearly 1,700 kilograms of mixed liquid substance containing methamphetamine were seized.

Drug Flow/Transit. China continues to be used as a transshipment route for drugs produced in the Golden Triangle, despite counternarcotics cooperation with neighbors such as Vietnam, Thailand and Burma. In their 2008 report, the NNCC noted that the

Golden Triangle is the single greatest source of foreign produced drugs in China. Chinese authorities report that the majority of heroin produced in Burma travels via China to the international market. China shares a 2000-kilometer border with Burma, much of which lies in remote and mountainous areas, providing smugglers unrestricted crossing into China. In addition, there are many official crossings on the Burma/China border that also provide access. Transit of drugs through Yunnan and Guangxi to Guangdong for storage, distribution, or repackaging has been especially widespread. Smaller amounts of heroin are also coming from Laos, Vietnam and other Southeast Asian countries. Traffickers continue to use Guangzhou, Shenzhen and Zhuhai in Guangdong Province as transit and transshipment points for heroin and crystal methamphetamine leaving China. In addition, Xiamen and Fuzhou in Fujian Province have also recently become major exit points. Chinese anti-drug police also strengthened their efforts in Yunnan in 2007 by enhancing interdiction capabilities at border posts, airports, railway stations and post offices. Yunnan investigated 9,838 drug trafficking cases and seized 7.09 tons of drugs in 2007, according to statistics published by the NNCC.

Chinese authorities acknowledge that western China is experiencing significant drug trafficking problems as well. They report that drugs such as opium and heroin are being smuggled into Xinjiang Province for distribution throughout China. They are concerned about opium from the Golden Crescent and have seen a steady increase in the flow of heroin from that region, specifically from Afghanistan. There has been an increase in the number of Afghan heroin seizures in western China to confirm that trafficking is indeed taking place. MPS and DEA report that Pakistan serves as a key trafficking route for heroin from Afghanistan into China.

Domestic Programs/Demand Reduction. The most recent MPS statistics indicate there are over 955,000 registered drug users in China, but officials acknowledge the actual number of addicts is higher, with some published reports indicating there may be as many as 15 million drug abusers. The Chinese Government reports that 78 percent of all registered drug addicts are heroin users. Youth under the age of 35 comprise the largest percentage of addicts. The government reported that 38.5 percent of China's HIV positive and AIDS patients were infected through intravenous drug use.

In addition to the standard reform through labor camps, the government is using media campaigns, the establishment of drug-free communities, compulsory drug rehabilitation treatment, and voluntary rehabilitation centers to reduce drug demand. The NNCC reports

that China has recruited more than 1 million drug control volunteers nationwide whose job it is to publicize drug control efforts and help patrol recreational venues. NNCC and MPS set up an online drug abusers database to improve monitoring and information sharing across agencies. In 2007, the Chinese Government allocated funding for 23 pilot drug rehabilitation centers across the country. As of November 2007, China had treated 249,629 drug users in compulsory treatment centers and 62,163 in labor camps.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Counternarcotics cooperation between China and the United States is focused on a number of ongoing investigations and initiatives, including use of precursors in the production in China of steroids and human growth hormones that are subsequently illegally exported to the United States. The October 2008 U.S.-China Joint Liaison Group (JLG) Meeting on Law Enforcement included a discussion of narcotics cooperation issues during which specific objectives for continuing cooperation were agreed to, with implementation to follow.

Road Ahead. A continuing significant problem in bilateral counternarcotics cooperation remains the lack of progress toward concluding a bilateral Letter of Agreement (LOA) enabling the U.S. Government to extend counternarcotics assistance to China. Reaching agreement on an LOA is a major U.S. goal that, if achieved, would greatly increase counternarcotics cooperation between the two countries. While China has provided the DEA on a case-by-case basis with some samples of drugs, the U.S. Government would welcome routinely receiving samples of all drugs seized by Chinese authorities. Another important issue for both sides is access to witnesses and other evidence in a timely fashion so that it can be used in investigations and trials. Despite these issues, bilateral enforcement cooperation remains on track and is expected to continue to improve over the coming year.

Colombia

I. Summary

The Government of the Republic of Colombia (GOC) remains committed to fighting the production and trafficking of illicit drugs and has made great progress, including aerial and manual eradication removing hundreds of tons of coca from production each year; a

decrease in estimated coca yields by 24 percent from a high point of 700 metric tons of cocaine in 2001 to 535 metric tons of cocaine in 2007; and Colombia's transition to a new accusatorial system of justice and the extension of a police and other government agencies' presence throughout the country. However, Colombia remains a major drug producing country. In 2008, the GOC continued its aggressive interdiction and eradication programs, seizing over 223 metric tons (MT) of cocaine and cocaine base, which is an all-time record for the GOC. The GOC also extradited a record number of persons charged with crimes in the U.S. About 230,000 hectares of illicit crops were eradicated, over 133,000 hectares through aerial eradication by the Colombian National Police (CNP) Anti-Narcotics Directorate (DIRAN), and over 96,000 hectares by manual eradication efforts. Colombia is a party to the 1988 UN Drug Convention.

II. Status of Country

Colombia remains the principal supplier of cocaine to the world. While the majority goes to the U.S., an increasing percentage is now destined for Europe and Brazil. Nearly 90 percent of the cocaine entering the U.S. is processed in Colombia, and the country remains the primary source for heroin used east of the Mississippi River. Colombia is a leading market for precursor chemicals, and significant money laundering activity continues to occur. Narcotraffickers exploit Colombia's infrastructure and geography, including multiple international airports, an expanding highway system, ports on the Atlantic and Pacific coasts, and extensive rivers for their operations. Illegal drugs are still primarily exported; however domestic consumption is rising in Colombia. The GOC is making a concerted effort to consolidate its demand prevention efforts into a unified policy.

The U.S. has designated three illegal armed groups as Foreign Terrorist Organizations (FTOs) in Colombia. The Revolutionary Armed Forces of Colombia (FARC) and, to a lesser degree, the National Liberation Army (ELN) exercise considerable influence over areas with high concentrations of coca and opium poppy cultivation, and their involvement in narcotics is a major source of violence and terrorism. While the United Self-Defense Forces of Colombia (AUC) completed demobilization in 2006, a significant number of former mid-level AUC commanders continue their involvement in the drug trade, with the Organization of American States (OAS) and several NGOs warning in late 2008 that new criminal groups were gaining strength in areas of former AUC influence.

III. Country Actions against Drugs in 2008

Policy Initiatives. The GOC continues to improve its criminal justice proceedings in order to increase its capability to prosecute criminals, including drug traffickers. On January 1, 2008, Colombia completed a nationwide transition to an accusatorial system of criminal justice. While many cases previously initiated must still be adjudicated under the old system, the new system has allowed criminal cases to be resolved in months instead of years, and conviction rates have risen from less than three percent to over sixty percent under the new system.

Colombia's manual eradication program grew in 2008, resulting in the eradication of more than 96,000 hectares of illicit crops. The Colombian National Police (CNP), Colombian Army (COLAR) and Colombian Marines (COLMAR) manually eradicated illicit crops and their role in providing security and aviation support increased as operations expanded. Drug traffickers and terrorist organizations continued to act violently against manual eradicators, causing the deaths of 24 civilian eradicators and security personnel in 2008, up from 16 in 2007.

The Colombian Anti-Narcotics Police (DIRAN) maintains support for a special judicial police unit established in 2006 which gathers evidence for asset forfeiture proceedings against property owners who use their land for the cultivation or processing of illegal crops. In 2008, this unit continued to develop and investigate cases for the Prosecutor General's Office. This asset seizure initiative is an important step towards better deterrence of cultivation and replanting after eradication. According to some estimates, the value of illicitly obtained assets seized in 2008 may exceed \$1 billion. While the management of these seizures has grown in complexity, legislative and regulatory changes are needed to improve the GOC's ability to properly handle criminal assets and to benefit from their forfeiture.

Law Enforcement Efforts. In 2008, according to the GOC, Colombian security forces seized 223.8 MT of cocaine and coca base, 198.3 MT of marijuana, 640 kg of heroin, over 3 million gallons and 4 million kg of precursor chemicals, while destroying 301 cocaine hydrochloride (HCL) labs and 3,238 coca base labs. The CNP's Mobile Rural Police Squadrons (Carabineros), the unit which expands and maintains police presence in areas of conflict throughout Colombia, captured over 9 MT of cocaine, more than 1,100 weapons, and over 300,000 rounds of ammunition. These Carbinero units are also the police's primary security force for manual eradication security and currently have over half of their 68 squadrons dedicated to this task. Additionally, Carbineros have captured

several high-value targets (HVTs), the most notable being Luis Arnulfo Tuberquia, aka "Memin," a key leader of the notorious "Black Eagles" gang, in September 2008.

The CNP's main interdiction force, the DIRAN's Jungle Commandos (Junglas), or airmobile units, are largely responsible for the significant number of HCL and coca base labs destroyed in 2008. DIRAN maintained its strong commitment to working with international partners in 2008 by sending a mobile training team to train Mexican police at Jalisco, Mexico, for two months, hosting a twelve-week International Antinarcotics Canine Course, which included 11 Peruvian students, and hosting approximately 20 representatives from ten countries at the 18-week International Junglas Commando Course conducted at the CNP Rural Training Center in Tolima.

The CNP DIRAN Heroin Task Force completed many bilateral priority target heroin investigations resulting in 113 arrests (31 for extradition to the U.S.), seizures of 294.5 kg of heroin, 915.35 kg of cocaine HCl, 72.09 kg of cocaine base, 28,697.50 gallons of liquid chemicals, 18,426 kg of solid chemicals, and assets valued at \$2,634,155.

Port Security. Significant drug seizures in Colombia's ports were the result of improvements in port security by the GOC and private seaport operators, aided in part by USG support. In 2008, more than 27 MT of cocaine, 11 kg of heroin, and 69 kg of marijuana were seized by DIRAN in the ports. At Colombia's international airports, DIRAN units confiscated 41 kg of heroin, 958 kg of cocaine, more than 400 kg of marijuana, and made over 72 drug-related arrests.

High-Value Targets (HVTs). In 2008, the GOC achieved crucial successes against the FARC leadership, including, most notably, the July rescue of fifteen hostages, including three American contractors and a former Colombian presidential candidate, Ingrid Betancourt. The three U.S. hostages, Thomas Howes, Marc Gonsalves, and Keith Stansell, held by the FARC's 1st Front since 2003, were rescued in a complex GOC operation. FARC 1st Front Commander Gerardo Aguilar-Ramirez, AKA "Cesar," was arrested and is pending extradition to the United States under an indictment obtained during a FARC leadership investigation.

In March 2008, FARC commander Luis Edgar Devia-Silva aka "Raul Reyes" was killed during a Colombian Government operation; FARC Commander Manuel Munoz-Ortiz, aka "Ivan Rios" was killed at the hands of his own chief of security; and FARC founding member Manuel Marulanda-Velez, aka "Pedro Antonio Marin," died from an alleged heart attack.

In June 2008, the Colombian government also conducted an operation that resulted in the surrender of 47 FARC members near the port city of Buenaventura and captured 13 FARC guerillas from the 30th Front. One of the captured FARC guerillas had a provisional arrest warrant issued from the state of Alabama for drug trafficking. In July 2008, the Colombian government conducted an operation targeting the FARC 10th Front, during which the 10th Front Deputy Commander Fernelli Rizo-Carrascal, aka "Jurga Jurga," was killed.

In September 2008, the Colombian government conducted an operation against FARC 43rd Front Commander Gener Garcia-Molina, aka "Jhon 40," resulting in the deaths of nine FARC guerillas, the capture of two guerillas, and the seizure of \$1 million, various weapons, explosives, laptop computers, and other media devices. Garcia-Molina, a key player in the FARC's drug trafficking operations, escaped from the camp, but reportedly suffered serious wounds as a result of the GOC operation.

The GOC also had unprecedented success against other high value targets—arresting, killing, or extraditing 12 individuals as a direct result of Colombian security forces investigative and/or operational efforts. As a result of CNP and U.S. Drug Enforcement Administration (DEA) assistance to the Spanish authorities, on September 9, 2008, Edgar Vallejo Guarin was arrested in Spain and awaits extradition to the U.S. On August 22, 2008, Norte Valle Cartel leader Juan Carlos Ramirez-Abadia, aka "Chupeta," was extradited from Brazil to the U.S., and the CNP Judicial Police Headquarters (DIJIN) seized nearly \$1 billion in cash and assets from Ramirez-Abadia. On June 9, 2008, Eugenio Montoya Sanchez, the brother of Diego Montoya Sanchez, was extradited to the U.S. Diego Montoya Sanchez was also extradited on December 12, 2008.

On May 2, 2008, CNP operations led to the capture of AUC commander Miguel Mejia Munera and the death of his brother, AUC commander Victor Mejia Munera on April 29, 2008. Also in May 2008, the CNP reported the death of AUC commander Jose Vicente Castaño Gil by unknown assailants, although this has not been confirmed. On January 31, 2008, Norte Valle Cartel member Wilber Alirio Varela was killed by unknown assailants in Merida, Venezuela.

Demobilization. Colombia developed two programs for demobilization, collective and individual, in order to facilitate the dismantlement of FTOs and to help reintegrate former guerillas and paramilitaries into civilian life. Under the Colombian legal framework for disarmament, demobilization, and reintegration of illegally armed groups, the High Commission for Peace oversees peace negotiations with illegal armed groups and the

subsequent collective demobilization program. While available to all FTOs, the program had only been applied to the AUC.

The individual demobilization or deserter program is managed by the Ministry of Defense, and accounts for FTOs and any other illegal armed group in Colombia. Since 2006, the Office of the Presidential Advisor for Reintegration has directed the GOC Reintegration Program for demobilized combatants from illegal armed groups. Between 2002 and 2008, the GOC estimates that more than 49,000 persons have demobilized—17,600 under the individual desertion program and over 31,000 under the collective program. In 2008, another 3,193 guerrilla fighters deserted from the FARC

However, since October 2007, the GOC has not accepted additional AUC members into either demobilization program. Any AUC members who now turn themselves in will be investigated and prosecuted under normal Colombian law and can no longer benefit from the Justice and Peace law.

Corruption. The GOC does not, as a matter of government policy, encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. While criminal organizations are greatly weakened, concerns remain over their corrupting influences. In September 2008, two CNP generals, Antonio Gomez Mendez and Marco Pedreros, were fired as a result of alleged ties to narco-paramilitary leader, Daniel “El Loco” Barrera. Separately, several members of the GOC were found to have supported right-wing paramilitary groups. Seventy members of the 2006-2010 Congress and 15 current and former governors have been investigated in the “para-political” scandal, with 34 congressmen and eight governors jailed as a result of the aggressive investigations. Both the Supreme Court and a special unit within the Prosecutor General’s office are continuing their investigations of alleged paramilitary ties to politicians and other sectors of society. On November 4, Colombian Army Commanding General Mario Montoya Uribe resigned his post. Montoya stepped down less than a week after President Uribe dismissed 27 military officers, including two division and three brigade commanders, for their roles in the disappearance and subsequent murders of young men from Soacha and Antioquia. Montoya had been the subject of multiple human rights complaints during his tenure. Colombia is party to both the Inter-American Convention against Corruption and the UN Convention against Corruption.

Agreements and Treaties. The GOC is a party to the 1988 UN Drug Convention against illicit traffic in narcotic drugs and psychotropic substances, the OAS Convention on Mutual Legal Assistance, the UN Convention against Transnational Organized Crime, and the Protocol on Trafficking in Persons. Colombia signed a multilateral counternarcotics agreement in 2008 as part of the Regional Summit on the World Drug Problem, Security, and Cooperation held in Cartagena. This agreement primarily focuses on information sharing, but could include training and technical assistance. In addition, Colombia and Mexico formed a tri-party group with the U.S. that consists of the DEA Administrator, the Colombian Minister of Defense, and the Mexican Attorney General. This group meets at least twice a year to discuss counternarcotics and other issues of mutual interest. The GOC's 2003 National Security Strategy (Plan de Seguridad Democrática) meets the strategic requirements of the UN Drug Convention, and the GOC is generally in line with its other requirements.

A Maritime Ship Boarding Agreement signed in 1997 continued to be successfully used by the GOC and USG. This agreement facilitates faster approval to board Colombian-flagged ships in international waters and has improved counternarcotics cooperation between the Colombian Navy and the U.S. Coast Guard (USCG). Since 2006, semiannual meetings have been held to iron out problems and strengthen operating procedures. In 2007, the meeting was expanded to include Ecuador, and in 2008 both Panama and Mexico participated.

The 1999 Customs Mutual Assistance Agreement provides a basis for the exchange of information to prevent, investigate, and repress any offense against the customs laws of the U.S. or Colombia. In 2004, Colombia and the U.S. signed a revised agreement establishing the Bilateral Narcotics Control Program, which provides the framework for specific counternarcotics project agreements with the various Colombian implementing agencies. This agreement has been amended annually and is the vehicle for the bulk of U.S. counternarcotics assistance.

Extradition and Mutual Legal Assistance. There is no bilateral Mutual Legal Assistance Treaty (MLAT) in force between the U.S. and Colombia, but the two countries cooperate extensively via multilateral agreements and conventions, including the OAS Convention on Mutual Legal Assistance and the 1988 UN Drug Convention.

The GOC extradited a record 208 defendants in 2008, including 15 former senior leaders of the demobilized AUC—Diego Fernando Murillo Bejarano (alias “Don Berna”), Salvatore Mancuso Gomez, Carlos Mario Jiménez (alias “Macaco”), Rodrigo Tovar Pupo (alias “Jorge 40”), Ramiro Vanoy Murillo (alias “Cuco Vanoy”), Francisco Zuluaga Lindo (alias “Gordo Lindo”), Guillermo Perez Alzate, Diego Alberto Ruiz Arroyave, Nodier Giraldo Giraldo, Hernan Giraldo Serna, Edwin Mauricio Gomez Luna, Martin Peneranda Osorio, Juan Carlos Sierra Ramirez, Eduardo Enrique Vengoechea Mola, and Manuel Enrique Torregrosa Castro. In addition, two key FARC members, Jose Maria Corredor-Ibague (alias “Boyaco”) and Carolina Yanave-Rojas (alias “La Negra”), were extradited.

On December 12, 2008, Diego Montoya Sanchez, alias “Don Diego,” a former FBI top-ten most wanted fugitive and principal leader of the Norte Valle Cartel, was extradited from Colombia to the U.S. to face federal charges. Montoya-Sanchez faces drug-trafficking-related charges in the Southern District of Florida and the District of Columbia.

Since December 1997, when Colombia revised its domestic law to permit the extradition of Colombian nationals, 855 individuals have been extradited to the United States, including 789 since President Uribe assumed office in 2002.

The Colombian Office of the Prosecutor General, along with other GOC agencies, continued to assist the USG with high-profile prosecutions and trials. Most notable among these is Hernando Gomez Bustamante (alias “Rasguno”), who admitted that he was a leader of the Norte Valle drug cartel, which engaged in murder, bribery, money laundering, and drug trafficking in moving billions of dollars worth of cocaine to the U.S.

Cultivation/Production. The 2007 USG estimate of 167,000 hectares of coca under cultivation in Colombia was a slight increase from the 2006 estimate of 157,200 hectares (the 2008 estimates will not be available until mid 2009). However, because of the success of aerial eradication, the coca yields from these fields decreased by 24 percent from its high point of 700 metric tons of cocaine in 2001 to 535 metric tons of cocaine in 2007.

While the estimated area under cultivation has remained relatively static, cocaine productivity from Colombian fields is dropping. Illicit cultivation continues to be a problem in Colombia’s national parks, indigenous reserves, and along the border with Ecuador and Venezuela, where aerial eradication is not utilized. The GOC does not conduct aerial spraying within 10 kilometers of international borders due to objections from neighboring countries. Manual eradication does occur in some of these areas, yet it is a lengthy and

dangerous process, due to the often rugged and isolated terrain, as well as the strategic importance of the border and certain parklands to the FARC.

Poppy cultivation in Colombia has decreased dramatically since 2001. A full estimate of poppy cultivation and heroin production was not completed in 2007, but a partial survey showed a 25 percent drop in poppy cultivation in directly comparable areas and a subsequent 27 percent decrease in production potential of export-quality heroin. In 2008, Colombia manually eradicated 381 hectares of poppy, compared to 375 hectares in 2006, and 1,929 eradicated in 2007. The decline in poppy eradication figures and seized heroin purities over the last several years corresponds to the substantial decrease in poppy cultivation since 2001. The average wholesale purity of Colombian heroin seized at U.S. ports of entry has also decreased significantly, corroborating the decreasing trend seen in USG cultivation estimates.

Although Colombian drug trafficking organizations do profit from the illicit trafficking of ephedrine, a key ingredient in decongestant medication, there is little evidence that the traffickers are using the substance as a chemical precursor in large-scale methamphetamine production. Ephedrine seizures in Colombia decreased significantly in 2008, with only about 20,603 tablets seized. There have been minor seizures of Ecstasy in Colombia, but no indication of significant production or export. The GOC has held a number of seminars and training sessions on this emerging threat.

Environmental Safeguards. Biannual verification missions, in which soil and water samples are taken before and after spray of herbicide for analysis, continue to show that aerial eradication causes no significant damage to the environment or human health. Residues in these samples have never reached a level outside the established norms. The aerial spray program follows strict environmental safeguards, monitored permanently by several GOC agencies, and adheres to all GOC laws and regulations, including the Colombian Environmental Management Plan. The OAS, which published a study in 2005 positively assessing the chemicals and methodologies used in the aerial spray program, is currently conducting further investigations, with results to be released in early 2009 regarding spray drift and other relevant issues.

As of December 31, 2008, the GOC had received 8,570 complaints alleging damage to legal crops by spray planes since the tracking of complaints began in 2001. The GOC has finished the investigation of 7,750 complaints, and 1,452 were processed in 2008. One hundred seventeen complaints have been found to be valid between 2001 and December

2008, and the USG paid approximately \$472,481 in compensation to farmers. The GOC investigates all claims of harm to human health alleged to have been caused by aerial spraying. Since spraying began, the Colombian National Institute of Health has not verified a single case of adverse human health effects linked to aerial spraying.

Drug Flow/Transit. Shipments of cocaine and heroin are transported by road, river, and small civilian aircraft from the Colombian source zone in the mainly southern regions of the country, to the transit zone north and west of the Andes Mountains. Lax antinarcotics enforcement as well as a permissive and corrupt environment in Venezuela, has prompted traffickers to increasingly use that country to stage shipments of illicit drugs originating in Colombia for onward shipment to Mexico, the Caribbean, the U.S., Europe, and Africa. The Pacific coast of Colombia is also increasingly utilized by traffickers seeking to evade interdiction forces.

It is estimated that up to 40percent of the cocaine leaving Colombia goes through the complex river network in the south-central region to the south-western coastal shore, mainly in shallow draft boats. There, the narcotics are readied for bulk maritime shipment in go-fast boats. Commercial fishing vessels, formerly a popular conveyance, have fallen out of favor since the GOC began requiring such vessels to be equipped with vessel monitoring systems. Traffickers have increasingly turned to semi-submersible crafts to move multi-ton loads of cocaine. These vessels constructed of fiberglass or steel, anywhere from 45 to 82 feet in length, have a range of 2000 miles and can carry three to four crew members and an average of around 5 MT of cocaine. In 2007 and 2008, eight semi-submersibles were interdicted or scuttled with more than 40 MT of cocaine estimated to be on board.

Small aircraft from clandestine airstrips in eastern and southeastern Colombia are also used to transit drugs to neighboring countries, where it is either consumed or transferred to airplanes and maritime vessels for onward shipment. As of October 1, 2008, there have been less than 50 illegal flights in Colombia. The reduced number of illegal flights in Colombia has allowed Air Bridge Denial assets to perform maritime patrols, resulting in eleven vessels impounded and one self-propelled submersible scuttled in 2008.

The majority of Colombian heroin originates from the rural areas of Pasto and Ipiales in the Department of Nariño, where it is transported to the southwestern coast, mainly around the Pacific port of Buenaventura, and then shipped in containerized cargo concealed in furniture, machine parts, and other items. Multi-kilogram heroin shipments

are also combined with cocaine on go-fast boats shipped from the Atlantic coast. In addition, smaller amounts of heroin are often transported by human carriers in clothing, in luggage, or swallowed.

Domestic Programs/Demand Reduction. The GOC, under the leadership of the Ministry of Social Protection, made substantial gains in consolidating its drug demand prevention efforts and launched a national drug demand prevention strategy in November 2008. In coordination with the USG, the United Nations Office on Drugs and Crime (UNODC), and OAS support, the Colombian Ministry of Social Protection and the National Directorate of Dangerous Drugs (DNE) initiated a national drug use survey in late 2008, making it the first nation-wide drug use survey to take place in more than 12 years. In 2008, the USG sponsored various capacity-building training events for students, police officers, journalists, and community leaders. The USG worked with UNODC, DIRAN, the Colombian Vice President, and the Ministry of Social Protection to organize a two-day Youth Drug Prevention Forum and to develop four drug consumption prevention commercials. The USG also supported the Drug Abuse Resistance Education (DARE) program's National Drawing Contest organized by the CNP.

On November 7, 2008, the U.S. Ambassador launched the "No Apagues Tu Luz" ("Do Not Turn Off Your Light") drug demand reduction initiative which aims to foster community development and social mobility opportunities for children at risk of getting involved in drug use. High-level participants such as the UNODC Representative, Mayor of Cartagena, representatives from the Ministry of Social Protection, the DNE, and various NGOs sought to raise awareness of the problem of drug consumption in Colombia.

IV. U.S. Policy Initiatives and Programs

Strategies to maximize the use of eradication resources remain a priority for collaboration between the GOC and USG. Working closely with President Uribe's "Program against Illicit Crops," the CNP, COLAR, and the USG have developed coordinated strategies and plans for aerial and manual eradication taking advantage of the strengths of both methods. COLAR's Counter-Drug (CD) Brigade continues to be actively involved in supporting operations to protect spray aircraft. By sharing targeting information and coordinating movements, aerial and manual eradication missions aim to break the cycle of replanting, which to date has allowed grower-processors to continue production during periods when no eradication was taking place in an area.

Nationalization, or the effort to transfer funding and operational responsibilities for counternarcotics programs from the USG to the GOC, continued at a rapid pace in 2008. The USG removed 18 UH-1N helicopters from the COLAR Aviation contract and extended the loan/lease program until December 2009. The USG is training technicians, building spare parts inventory and logistics systems, and upgrading aircraft sensors as part of the effort to transfer the Air Bridge Denial program to the GOC, with completion planned by December 2009. As of October 1, 2008 the GOC took over responsibility for paying for aviation fuel used by the police and military for eradication and interdiction operations. Nationalization also extends to fleet rationalization, which involves consolidating available types of aircraft and maintenance functions to simplify operations. In early 2008, three additional AT-802 aircraft were delivered, allowing the USG to retire two other models of aircraft and leave just one model for the GOC to support for aerial eradication. The CNP will also begin assuming maintenance funding for a number of aircraft to which it already holds title. DIRAN's aviation unit (ARAVI) is training more pilots and mechanics within Colombia, which will eventually eliminate the need and expense of contracting pilots and mechanics to service the unit's 18 fixed-wing and 58 rotary-wing aircraft. Further, the USG's social assistance programs, ranging from alternative development to vulnerable populations to governance, have made strides in turning programming over to the GOC, and plans call for a substantial and strategic shift in the GOC's management and funding of the initiatives in the coming years.

U.S. Customs and Border Protection (USCBP) continued to provide training, coordination, and technical assistance to CNP units stationed in the ports and airports. This included training in areas such as firearms handling, passenger documentation analysis, and the inspection of containerized cargo. USCBP also provided three sets of inspection equipment for use by Colombian law enforcement.

USCBP, in coordination with Immigration and Customs Enforcement (ICE), provided two bulk currency smuggling training courses to GOC Customs officers to increase their basic skills and counternarcotics capabilities. In December 2008, USCBP provided passenger processing training at the Port of Cartagena. USCBP also provided international rail interdiction training in December. The USCBP-led Container Security Initiative (CSI), implemented in 2007, is just beginning to produce results.

In addition, the USCBP provided small boat interdiction training to the Colombian Navy, including high-speed pursuit tactics, risk mitigation, arrest techniques, and routine boat

maintenance procedures. As an extension of the Air Bridge Denial program, USCBP conducted maritime patrol aircraft training to Colombian C-560 and C-26 Air Force pilots and crew. The training included vessel identification, profiles and rigging, search techniques, communications and reporting, photography, and computer formatting. The USCBP also supported the private sector-led Business Alliance for Secure Commerce (BASC) program, which drew participation from hundreds of Colombian companies. The USCG continues to improve interdiction operations with the Colombian Navy through training. Training activities in 2008 focused on leadership, crisis management, port security, counterterrorism, and contingency planning. In addition, the USCG participated in the first Annual Maritime Counter Drug Symposium of the Americas, held in Colombia, which provided executive-level discussion for the Navy and Coast Guard Commanders of South America, the Caribbean, and Central America.

Alternative Development. The USG and GOC increased joint efforts to encourage farmers to abandon the production of illicit crops in an area of roughly one-half of the country, covering about 80 percent of Colombia's population. By mid-2008, USG alternative development (AD) initiatives were supporting the cultivation of over 238,000 hectares of legal crops and completed 1,212 social and productive infrastructure projects in the last seven years. More than 291,000 families in 18 departments have benefited from these programs. In addition, to ensure that Colombians are provided with alternatives, the USG has worked with Colombia's private sector to create an additional 273,000 full-time equivalent jobs and to leverage over \$700 million in private capital to fund AD initiatives. Further, the USG is working with the GOC in three regions of the country to pilot integrated counternarcotics initiatives that include security, eradication, and development under one implementation umbrella. These pilot initiatives will increase the impact of counternarcotics initiatives in future years.

Support for Democracy and Judicial Reform. The USG is helping reform and strengthen the criminal justice system in Colombia through the Justice Sector Reform Program (JSRP) and rule of law assistance. The transition to an oral accusatory criminal justice system began in 2005, and was fully implemented throughout the country on January 1, 2008. The JSRP has provided training and technical assistance to support the new roles of judges, prosecutors, public defenders, private criminal defense lawyers, police investigators, and law students by focusing on practical "hands on" training, including crime scene and courtroom simulations. Training elements include the collection

and presentation of evidence, understanding the stages of the proceedings, advocacy techniques, and mock trials. The program has provided accusatorial system training to more than 65 thousand prosecutors, judges, public defenders, criminal investigators, and forensic experts. Additionally, the USG has helped to refurbish or build 45 physical court rooms in urban areas and six virtual court rooms in rural zones, and have either refurbished or equipped 15 public defender offices. Finally, the USG has assisted the GOC to construct 49 justice houses throughout Colombia that have provided formal and informal justice sector services to over 7.2 million Colombians.

Military Justice. With USG support, the GOC has begun an aggressive plan to train and educate military attorneys, judges, officers, and commanders in international human rights law, rules of engagement sensitive to civilian casualties, extrajudicial killings, effective judicial procedures, and government ethics. Between 2007 and 2008, ten conferences were held at strategic “centers of gravity” locations throughout Colombia, and over 500 Colombian military participants were trained. Key GOC leadership attended and spoke at these events, including the Minister of Defense. The training emphasized the importance of human rights norms, effective operational law standards, professionalism in judicial conduct, and values-based ethical behavior. In early 2008, the Ministry of Defense issued a Comprehensive Human Rights and International Humanitarian Law Policy signed by the Minister of Defense, the Commander in Chief of the Armed Forces, and Director of the National Police.

The Road Ahead. In 2009 the GOC will continue to dismantle the FTOs and illegal armed groups that control the drug trade in Colombia, hoping to build on the success of the many HVTs captured and extradited to the U.S. As these groups are defeated, a challenge remains in finding and derailing smaller and less-organized successor criminal groups. Nationalizing counternarcotics funding and operations currently supported by the USG, while maintaining successful operational results, will remain a top priority, especially in the area of aviation and social assistance programming, which are critical to all counternarcotics efforts in Colombia.

Other challenges for 2009 include consolidating the gains made under Plan Colombia and preventing a backslide by successfully coordinating aerial and manual eradication efforts and alternative development programs to inhibit the rapid replanting of coca and increased illicit cultivation in no-spray zones. To consolidate the progress from 2008 and prior years, the GOC will need to continue to strengthen government presence in conflict

areas while improving institutional capacity to provide services and economic opportunities. One program in Macarena, the Coordination Center for Integrated Action, may serve as a template for this effort. This program coordinates all elements of the government to quickly facilitate the strategy of "clear, hold, and develop" in conflict areas, and is beginning to pay dividends. However, much remains to be done in Macarena and in other parts of the country to replicate the process. The GOC still must make efforts to gain control of the vast Pacific coastal zones and border areas, demobilize and reintegrate ex-combatants, and advance the reconciliation and victim reparations processes.

V. Statistical Tables

COLOMBIA STATISTICS (1998-2008)

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|--|---------|--------------------|---------|------------------|---------|---------|---------|---------|---------|
| Coca | | | | | | | | | |
| Net Cultivation ¹ (ha) | | 167,000 | 157,200 | 144,000 | 114,000 | 113,850 | 144,450 | 169,800 | 133,000 |
| Aerial Eradication (ha) | 133,496 | 153,133 | 171,613 | 138,775 | 136,555 | 132,817 | 122,695 | 84,251 | 47,000 |
| Manual Eradication (ha) | 95,732 | 66,396 | 42,111 | 31,285 | 10,991 | | | | |
| HCl (Cocaine): Potential ^{1,2} (mt) | | 535 | 550 | 525 | 415 | 445 | 585 | 700 | 530 |
| Opium Poppy | | | | | | | | | |
| Net Cultivation ¹ (ha) | | 1,000 ³ | 2,300 | N/A ⁴ | 2,100 | 4,400 | 4,900 | 6,540 | 5,000 |
| Aerial Eradication (ha) ⁵ | | | 232 | 1,624 | 3,060 | 2,994 | 3,371 | 2,583 | 9,200 |
| Manual Eradication (ha) | 381 | 375 | 1929 | 497 | 1,497 | | | | |
| Heroin: Potential ¹ (mt) | | 1.9 | 4.6 | | 3.8 | 7.8 | 8.5 | 11.4 | 8.7 |
| Seizures | | | | | | | | | |
| Coca Base/Paste (mt) | 41 | 60.6 | 48.1 | 43.8 | 28.3 | 31.1 | 30.0 | 26.7 | 0.0 |
| Cocaine HCl (mt) | 182.8 | 130.7 | 130.2 | 179.0 | 138.6 | 114.0 | 94.0 | 57.3 | 69.0 |
| Combined HCl & Base (mt) | 223.8 | 191.3 | 178.3 | 222.8 | 166.9 | 145.1 | 124.0 | 84.0 | 69.0 |
| Heroin | 0.64 | 0.6 | 0.5 | 0.7 | 0.7 | 0.5 | 0.8 | 0.8 | 0.6 |
| Arrests/Detentions | | | | | | | | | |
| Arrests/Detentions | 54,041 | 59,652 | 64,123 | 82,236 | 63,791 | | 15,868 | 15,367 | 8,600 |
| Labs Destroyed | | | | | | | | | |
| Cocaine HCl | 301 | 240 | 205 | 137 | 150 | 83 | 129 | | |
| Base | 3,238 | 2,875 | 1,952 | | | | | | |

| | | | | | | | | | |
|--------|---|---|---|---|---|---|---|---|----|
| Heroin | 4 | 1 | 9 | 6 | 8 | 3 | 3 | 6 | 13 |
|--------|---|---|---|---|---|---|---|---|----|

¹ A 2008 USG estimate for net cultivation, and consequently production, was not available in time for this report.

² Estimates of Colombian potential pure-cocaine production for 1999-2006 were revised based on the results of coca-leaf yield studies completed in 2007 and early 2008.

³ Only a partial survey was completed in 2007.

⁴ Cloud cover in key opium poppy growing areas of Colombia precluded an opium estimate in 2005.

⁵ Aerial eradication of poppy was discontinued in April 2006 in order to put all aerial assets against coca cultivation.

Comoros

I. Summary

The Union of the Comoros is composed of three islands in the Indian Ocean (Grande Comore, Anjouan, and Moheli) and claims a fourth, Mayotte, (which France currently governs). Until March 25, 2008, renegade Colonel Mohamed Bacar was the illegitimate leader of Anjouan, having declared himself island president (governor) in June, 2007.

II. Status of Country

The Comoros is a transit country for illegal drugs and possibly a source; particularly in Anjouan during the Bacar regime.

III. Country Actions against Drugs in 2008

On October 26, 2008, Comoran authorities seized 200 kilograms of marijuana at the port of Moroni and arrested a customs official suspected of being implicated in the transshipment of these illicit drugs.

Drug Flow/Transit. There is evidence that drugs transit Comoros, but the quantities are unlikely to be large.

Agreements and Treaties. The Comoros is a party to the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime, and the UN International Convention for the Suppression of the Financing of Terrorism.

IV. U.S. Policy Initiatives and Programs

Comoran police participate in the International Law Enforcement Academy (ILEA) training program and Comoran army and gendarmes in International Military Education and Training (IMET). Comoran security forces are inadequate to provide border security and prevent drug trafficking. The U.S. will continue to offer Comoran law enforcement training opportunities at ILEA to improve enforcement capacity.

[1] These numbers track closely with USG estimates of 200,000 ha for 2007 and 160,000 for 2008. In this section of the INCSR we provide the UN figures because those figures are used by the international donor community, including the United States, to coordinate assistance, including under the Good Performer Initiative that provides assistance to provinces that have dramatically reduced poppy cultivation. For USG estimates, please refer to page 34.