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**ANNUAL REPORT OF THE
INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD) TO THE
GENERAL ASSEMBLY OF THE ORGANIZATION OF AMERICAN STATES
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The Inter-American Drug Abuse Control Commission (CICAD) herein presents its annual report to the thirty-fourth regular session of the General Assembly of the Organization of American States, pursuant to the provisions of Articles 54 (f) and 91 (f) of the OAS Charter. The report follows the broad headings of the *Anti-Drug Strategy in the Hemisphere*, approved in 1996.

EXECUTIVE SUMMARY

2003 was a year characterized by a number of activities and circumstances tending to further consolidate CICAD as the focal entity of the western hemisphere to oppose the phenomenon of drug abuse and take the wide-ranging measures necessary to deal with its treatment, reduction and control. Likewise 2003 bore witness to significant achievements in related areas such as in alternative development, money laundering control, firearms controls, institution building and statistical work. There was also an increase in the use of contemporary technologies in a number of project areas and a multiplier effect through the synergies created by the Commission's work with other organizations and entities having similar goals and objectives.

CICAD's Multilateral Evaluation Mechanism (MEM) continued to flourish, with the Commission approving revised indicators for the third evaluation round in 2004 and the addition of new indicators to address the subject of organized crime, revisions to the MEM's operational processes and new methods of monitoring progress on the implementation of recommendations from previous rounds. In addition, a significant number of projects under the MEM assistance mechanism for implementing MEM recommendations were begun in 2003.

The Demand Reduction section engaged in a variety of projects related to substance abuse prevention and drug treatment. It also addressed a novel aspect of drug use through projects to deal with the subject from the perspective of youth gangs and related violence in El Salvador and Honduras. 2003 marked the second year of the international on-line MA in addiction studies in which students from forty-eight cities and towns throughout the Americas are enrolled. The introduction of drug demand reduction into nursing school curricula in ten countries in South America and Mexico has born fruit as the first group of graduates entered the job market in 2003. Finally, cooperation with Civil Society organizations increased through several projects during the year.

Supply Reduction activities were characterized by a number of meetings with member states on controlling pharmaceutical and chemical products and included a special meeting devoted to pre-export notification and related information exchange. In addition, the section convened a working group to prepare a study of Maritime Narcotrafficking which, after the study's adoption by the Commission's thirty-fourth regular session, led to the creation of an Expert Group to carry out further work in this field. The section also conducted an extensive series of training activities, in fields such as maritime cooperation and port security, customs cooperation, counter drug intelligence and community policing.

Throughout 2003, Alternative Development activities took place in six CICAD member states in an attempt to provide alternatives for populations engaged in illicit drug cultivation. In Bolivia, in addition to the use of a mapping tool to endeavor to determine viable options, projects were

implemented to improve banana and cocoa production. A major innovation in this period was a proposal to register land titles in the names of licit agricultural producers in the Yungas region. Additional projects in Colombia, Dominica, Ecuador and Peru were directed at controlling diseases and pests to which licit crops are vulnerable and other measures directed at improving licit agricultural production.

In 2003 the Legal Development Section provided advisory services to CICAD and its Secretariat and, as required, individual member states on drug-related and other legislation, and advised CICAD expert groups in relation to firearms and money laundering issues. The section continued to be engaged in projects relating to firearms control through the application of the Inter-American Firearms Convention (CIFTA) and CICAD's Model Regulations and to controls relating to terrorism financing under CICAD's Money Laundering Control Program. The Section acted as the Organization's observer to the Central American Anti-Drug Commission (CCP) and was a co-sponsor and collaborator in firearms control projects of the United Nations Lima Regional Center for Peace, Disarmament and Development (UN-LiREC) and worked with the Bogotá office of the United Nations Office on Drugs and Crime (UNODC) to introduce adversarial proceedings through the holding of moot courts involving a money laundering case in several countries.

The Money Laundering Control Unit was active in a variety of training and technical assistance activities throughout the year, including, among others, two expert group meetings that modified CICAD's Money Laundering Model Regulations emphasizing measures to control terrorism financing. The Unit launched a technical assistance program for the countries of South America to establish and implement Financial Intelligence Units. The Unit's training activities included training judges and prosecutors in a number of countries on money laundering prosecutions on the one hand and training police forces in financial investigation on the other. The Unit also provided training to the judges, prosecutors and police of Argentina on recovery of the proceeds of corruption and money laundering. The Unit continued to be an active participant in meetings of the Caribbean (GAFIC) and South American Financial Action Task Forces (GAFISud) and in the Egmont Group.

In terms of institution building, CICAD's efforts in 2003 were directed at the designing and development of national anti-drug plans in four countries as well as the development and strengthening of previously existing National Drug Councils in a wide number of other countries. In June, the Section began a project to support National Drug Councils in the Andean region in the decentralization of drug policy with a view to promoting its implementation more at the local level.

The Inter-American Observatory on Drugs undertook a wide variety of activities including supporting National Drug Commissions in measuring the magnitude of drug use in a variety of institutions of selected countries, in their government offices, universities and schools, treatment centers emergency rooms etc. and, including, among these, MEM priority drug use survey projects. It also carried out coordination and training meetings on drug use surveys. The Observatory provided advisory services and technical support relating to statistics and published the eleventh annual Statistical Summary on Drugs. In relation to the Commission's mandate to measure the human, social, and economic costs of the drug problem in the hemisphere, the Observatory made progress through the countries identified for the pilot project of this exercise on the identification of a number of indicators and the methodology to be followed. During the year, the Observatory also developed several new information features on all facets of CICAD's operations and updated its software. Finally, the Observatory took a

proactive role in projects to strengthen the statistical operations of the National Drug Commissions of the countries of the Andean region.

During the thirty-third regular session of CICAD, held in Washington, D.C. in May 2003, the delegation of Mexico offered to host an Inter-American Technical Meeting to identify mechanisms for strengthening hemispheric cooperation to combat transnational organized crime.

In order to learn more about the nature of instruments and other measures available at the country level to combat organized crime, the Executive Secretariat circulated a questionnaire to all member states, asking about juridical instruments in force to address the problem; authorities responsible for controlling organized crime and the training they receive, as well as statistical data on the problem.

The meeting was held on October 6-8, and the participants from twenty-four countries presented their conclusions to CICAD for consideration at its thirty-fourth regular session. The meeting was chaired by the Deputy Attorney General of Mexico, José Luis Santiago Vasconcelos.

At its meeting in Montreal, Canada in November 2003, the Commission decided to include two new indicators on organized crime in the questionnaire for the Multilateral Evaluation Mechanism, and to convene an Ad Hoc Group to examine the possibilities for institution-building and other means of strengthening regional cooperation on the issue of transnational organized crime related to drug trafficking and related crimes.

CHAPTER I. THE CICAD PROGRAM TO IMPLEMENT THE ANTI-DRUG STRATEGY IN THE HEMISPHERE

A. MULTILATERAL EVALUATION MECHANISM (MEM)

OVERVIEW

The Multilateral Evaluation Mechanism (MEM) was established under the mandate of the Heads of State and of Government who met at the Second Summit of the Americas held in Santiago, Chile in April 1998. The MEM came into being as a result of the recognition by the countries of the hemisphere that the complex and transnational nature of the drug problem requires a comprehensive and balanced response by them, acting in concert under the principle of shared responsibility. The overall objective of the MEM process is to stimulate advances in all aspects of the world-wide fight against illicit drugs in all the countries of the Americas taking into account the different ways in which the drug problem manifests itself in each. The MEM pursues this goal by means of annual national and hemispheric evaluations that measure the counter-drug progress achieved by the thirty-four individual CICAD member states and by the hemisphere as a whole. Through this peer review process, which looks at institutional capacity, demand and supply reduction efforts and applied control measures, Member states learn of the strengths and weaknesses of their anti-drug programs, and are encouraged to correct deficiencies identified, seeking assistance from other members or CICAD as needed.

INTERGOVERNMENTALWORKING GROUP (IGW)

The Inter-Governmental Working Group (IWG) of the MEM met in Panama City, Panama from March 24-28, 2003. The group reviewed the indicators of the MEM Questionnaire that will serve as the basis for the Third Evaluation Round 2003-2004. In addition, important issues on the MEM evaluation process were reviewed and approved, such as the MEM operational process, profiles of experts, actions to be taken regarding the recommendations made, country visits, solidarity fund, sequence of activities for the Third Evaluation Round, financial and budgetary matters (2003-2004), as well as activities related to MEM dissemination and promotion and use of other sources of information.

During the thirty-third regular session of CICAD, held in Washington D.C. from April 29-May 2, 2003, the Commission reviewed and approved the following: revised MEM indicators for the Third Evaluation Round (2003-2004); a revised operational process; a revised form for evaluating progress on the implementation of recommendations (Second Evaluation Round 2001-2002); actions to urge countries to fulfill reiterated recommendations; the sequencing of activities for the Third Evaluation Round; financial and budgetary matters (2002-2003) and MEM dissemination and promotion with emphasis on the "International Day against Drug Abuse and Illicit Trafficking" on June 26.

Two additional MEM indicators in relation to transnational organized crime were approved by the Commission at its thirty-fourth Regular Session in Montreal, Canada, November 17-20, 2003. These indicators flowed from a proposal by Mexico which incorporated observations made by member states during the first Inter-American Meeting on Cooperation Mechanisms against Organized Crime held in Mexico City between October 6 and 8, 2003. The Commission also approved modifications to two existing indicators to address the subject of drug possession for personal use.

TRAINING

Training of the National Coordinating Entities (NCEs) for the Third Evaluation Round took place in Washington, D.C. on October 2-3, 2003. Preparations were made for the Training Workshop for National Coordinating Entities (NCEs) of the MEM process, which focused on the role of NCEs and on the Third Evaluation Round Questionnaire including the new web-based software to process information for the MEM reports.

FOLLOW-UP TO THE SECOND ROUND OF EVALUATION

The follow-up to the Recommendations of the MEM Second Evaluation Round (2001-2002) was carried out during 2003. The final evaluation reports had been previously approved by CICAD at its thirty-second Regular Session held in Mexico City, Mexico, in December 2002, and made public January 30, 2003.

In May, the Implementation of Recommendations forms (Second Evaluation Round 2001-2002) were delivered to the Member states. The countries report on progress achieved in implementing the recommendations made to them by CICAD in January 2003 (average of 10-12 recommendations per country). The information provided by the countries was analyzed by the Governmental Expert Group (GEG) in November 2003 when the first drafts of the 34 national and hemispheric draft reports on progress evaluation were made at Brasilia, Brazil. In March 2004, country comments on these drafts will be reviewed by the GEG in preparing final drafts for approval by CICAD in April 2004.

B. DEMAND REDUCTION

OVERVIEW

CICAD's Demand Reduction Program is designed to help member states respond both to drug use and to the public health, socioeconomic and criminal justice problems associated with addiction. Substance abuse is recognized by the Commission to be a public health problem, which should be addressed by drug abuse prevention and treatment programs that deal with all substances of abuse, both licit and illicit, in a health promotion approach, and that also encompass the relationship between HIV/AIDS, sexually-transmitted diseases and substance abuse.

CICAD's 2003 demand reduction activities have increasingly focused on cooperation among drug councils, other government ministries and non-governmental service providers; this inter-agency cooperation can be seen, for example, in the judicial and health care overlap in alternative sentencing measures, as well as in the diversity of professionals "crossing-over" from their primary discipline to enter the online M.A. program in addictions studies.

2003 has also found the Demand Reduction Program reaping the benefits of its investment in longer-term, large-scale programs. The online M.A. program is now self-financing, while this year nursing schools have produced thirty-five research studies on substance abuse in South American member states.

SUBSTANCE ABUSE PREVENTION

Caribbean Substance Abuse Prevention

CICAD provided funds and technical assistance to support drug council efforts to work with community organizations on prevention programs:

- Antigua and Barbuda, for development of a substance abuse education manual and its use in training workshops
- Trinidad and Tobago, for research on interventions with substance abusers, often female, at risk for HIV infection
- Saint Lucia, for training of NGOs in substance abuse prevention and treatment program evaluation.

Youth Gangs, Violence and Drugs

Responding to concerns about gangs, drugs and violence across the region, CICAD cooperated with the Honduran national drug council's "Yes, you can" initiative, sponsoring pilot drug and youth violence prevention activities in Choloma in Northern Honduras, and conducted on-site research on causal factors, law-enforcement responses, and rehabilitative possibilities in San Pedro Sula.

In El Salvador, CICAD is cooperating with the national drug commission (COSA) on three projects: a) a reforestation work program in several towns in the northeastern border region to offer a new start to young ex-offenders wishing to leave the gang lifestyle; b) an urban project in Soyapango aiming to attract youth gang members and their sympathizers to involve them in prevention and intervention activities, and c) an inventory of social service organizations that could help in the rehabilitation of former gang members.

DRUG TREATMENT

Caribbean Drug Treatment and Rehabilitation Training

Since 1993, CICAD has trained approximately one thousand Caribbean professionals in counseling skills, pharmacology, stages of addiction, relapse prevention, substance abuse and HIV/AIDS, and the relationship between substance abuse and domestic violence. In 2003, CICAD conducted an advanced level course in Jamaica for treatment staff from government agencies, community groups, religious organizations and NGOs, in conjunction with the National Council on Drug Abuse (NCDA). CICAD also provided scholarships for Caribbean professionals to attend the annual workshop of the Caribbean Institute on Alcohol and Other Drugs (CARIAD).

Alternatives to custodial sentencing for drug-abusing offenders

Previous CICAD training courses had introduced the concept of alternative judicial models that offer drug abuse treatment to addicted petty or first-time offenders, as part of a non-custodial sentence that limits exposure to drug-heavy prison lifestyles. In 2003, CICAD worked with the Belize National Drug Abuse Control Council (NDACC) and the Ministry of Health, in cooperation with UNICEF, to develop a nationwide alternative sentencing program, whereby first-time and juvenile offenders are given community service sentences in conjunction with drug treatment or counseling in cases where substance abuse is involved. Drug court professionals from Louisiana and the Washington, DC area helped Belizean authorities consolidate ministerial support for the program. CICAD also ran two nation-wide workshops in 2003 to train eighty officers, judges, police and community workers in handling alternative sentencing cases.

Treatment demand indicator

This pilot project is designed to test the feasibility and cost of setting up a systematic reporting system on the number of patients receiving treatment for drug dependence, their demographics and their drug-taking behavior. The SIDUC treatment center questionnaire has been adapted for use as a patient intake form; and a method whereby the central authority can conduct a yearly census of existing treatment programs has been developed. Argentina and Ecuador are participating in this project, with support from SAMHSA in the United States and the European Observatory on Drugs and Drug Addiction (EMCDDA). The project addresses the need for better information on how many people are receiving treatment for drug dependence, to enable Ministries of Health, National Drug Commissions and national congresses/parliaments to do informed planning of drug treatment services.

Standards of care in drug treatment

CICAD has helped fourteen countries establish standards to regulate the provision of drug treatment, and in 2003, provided assistance to the Government of Barbados, which is setting standards and licensing requirements for drug treatment programs. Following its assistance to the Government of Paraguay in previous years, in 2003 CICAD gave funding for the training of treatment providers in how to comply with the standards.

DEMAND REDUCTION POLICIES AND PLANS

Caribbean Regional Demand Reduction Strategy

Since 2001, CICAD has helped the CARICOM Secretariat develop a five-year demand reduction strategy for the Caribbean. The outline of the strategy was approved in October 2002 by the CARICOM Council for Human and Social Development (COHSOD), and the Caribbean Drug Demand Reduction Commission (CDDRC) was established to guide development of the strategy and its activities. In May 2003, CICAD sponsored the first meeting of the CDDRC

Steering Committee, to determine the specifics of the research, epidemiological surveillance, and prevention and treatment programs under the Strategy. Specific projects will be presented to potential donors.

CICAD's Expert Group on Demand Reduction: Development of guidelines on the organization of comprehensive national drug treatment systems

The fifth meeting of the CICAD Expert Group on Demand Reduction took place in Buenos Aires, Argentina, on October 22-24, 2003, under the Chairmanship of Dr. Wilbur R. Grimson, Secretary of SEDRONAR of Argentina. The final report of the meeting is published as document CICAD/doc.1262/03.

The Expert Group developed guidelines to assist member states in the development of national drug treatment systems that offer a continuum of care, with different modalities adapted to the individual needs of the patients requiring treatment. This model goes well beyond former approaches that used standardized programs and worked with patients in isolation. The Commission approved the report and its recommendations and indicated that the latter should be afforded a high priority. The Commission decided to convene the Group to meet again in the first half of 2004. Honduras offered to host the meeting.

PROFESSIONAL TRAINING IN DRUG ABUSE PREVENTION AND TREATMENT

International On-line M.A. in addiction studies

The International Online M.A. in Addiction Studies, a four-semester degree, was launched in October 2002, with 127 students from forty-eight towns and cities in eighteen countries. All of the students are working professionals, and about half are women. This first class will graduate in July 2004, and a ceremony honoring the graduates will be held at OAS headquarters in April 2004, during the thirty-fifth regular session of CICAD. The degrees will be awarded by the university in which the student matriculated.

These universities are: Simón Rodríguez University (Venezuela); National Distance Education University of Costa Rica; Luis Amigó University (Colombia); Cayetano Heredia University and Federico Villarreal University (both in Peru); and in Spain, University of Deusto; Miguel Hernández University (Alicante), and the Spanish National Distance Education University (UNED). In September 2003, faculty and tutors from these universities attended a training course, organized by UNED/Spain, to complete their training in adapting to an INTERNET teaching environment.

Regular meetings of the coordinators in each university with the CICAD Executive Secretariat, UNED/Spain and the Spanish National Drug Plan were held by videoconference, in order to adopt common regulations governing examinations, grades, management of matriculation fees, and resolve administrative issues.

The start-up and launch of the first class of graduates was made possible by financial contributions from the Governments of Spain and the United States, and considerable technical assistance and in-kind contributions from the Spanish National Drug Plan and UNED/Spain. Some national drug commissions and US Embassies provided fellowships and logistical support, and the OAS Fellowships Department granted thirty partial fellowships. OAS handled the receipt and disbursement of matriculation fees.

Introducing drug demand reduction into nursing school curricula, and faculty training programs in research methods on drugs

This project introduces substance abuse prevention and health promotion issues into undergraduate and graduate nursing school curricula and gives the nursing faculty intensive training in research methods on drug use and related problems. After six years, and for an average cost of approximately US\$17,000 per nursing school per year, some 11,000 nursing students in Latin America are currently being educated in health promotion, prevention of drug use and abuse, and aftercare for recovering addicts, and approximately 1,000 faculty have been trained to teach the new curricula. The first graduating class of approximately 1,750 nurses entered in the job market in 2003.

Forty-three nursing faculty were given advanced training on drug research, at two courses at the University of Sao Paulo school of nursing (Ribeirao Preto) and one at the University of Alberta (Canada) Faculty of Nursing. The OAS Fellowships Program provided partial scholarships.

The project has been financed by the Governments of Japan, Canada and the United States. The long-term goal is to ensure that nurses, as the largest segment of the health care workforce, are educated to play an active role in drug abuse prevention and community aftercare of former drug addicts.

Fourteen Latin American schools of nursing are participating in this project: National University of Cordoba, and National University of Rosario (both Argentina); Federal University of Santa Catarina, and State University of Rio de Janeiro (both Brazil); University of San Andres (Bolivia); University of Concepción (Chile); National University of Colombia (Bogotá, Colombia); University of Guayaquil (Ecuador); National University of Honduras; University of Nuevo León, Autonomous University of Queretaro, and Autonomous University of Guanajuato (all in Mexico); Cayetano Heredia University (Peru), and University of Carabobo (Venezuela).

In August 2003, in Lima, Peru, the deans, vice-deans and coordinators of graduate programs of the participating nursing schools, together with representatives of Canadian and US universities and nursing associations, prepared a draft of a five-year *Regional strategy on the contribution of the nursing profession to demand reduction in Latin America*. In spring 2004 consultations on the strategy will be held with national drug commissions, national science and technology councils, Ministries of Health, national and regional nursing associations, and with the CICAD Commission. The project coordinators are also developing a core curriculum on drugs for nursing students, based on the courses already prepared, which will be offered for adaptation and use by other nursing schools.

Introduction of demand reduction education into Schools of Public Health

With a grant from the Government of Turkey, matched by the Pan American Health Organization, CICAD surveyed fifteen Schools of Public Health in Latin America and the Caribbean, to determine their interest in introducing drug abuse prevention and treatment issues into their curricula, and their current capacity in demand reduction. Initial findings show that most of these public health schools do not include drug issues in their curricula, but are extremely interested in doing so. A progress report will be presented to CICAD at its fall 2004 session.

CICAD AND CIVIL SOCIETY

The Ibero-American Network of NGOs working in drug addiction (RIOD)

The Spanish National Drug Plan and CICAD have been providing support for five years to the 61-member RIOD network of NGOs, and in June 2003, in Antigua, Guatemala, sponsored a RIOD Seminar on Drugs and Cooperation, which called on member governments to place greater emphasis on research into and prevention of alcohol abuse, and to regulate advertising of alcohol in accordance with World Health Organization guidelines. RIOD agreed to accelerate efforts to comply with quality standards of care in drug treatment, and asked that RIOD members be included as members of national drug commissions in their own countries.

Accreditation of civil society organizations to the OAS

In accordance with the operative provisions of Permanent Council Resolution CP/RES.759 (1217/99) of December 15 of 1999, which set out the basis for the participation of Civil Society Organizations in the Activities of the OAS, the following non-governmental organizations working in demand reduction are now accredited to the OAS:

- The Center for Information and Education for Drug Abuse Prevention (CEDRO), Lima, Peru.
- EDUCREDITO, a private educational loan institution based in Caracas, Venezuela.
- The Inter-American Network of NGOs working in drug addiction (RIOD), with NGO members in Spain and in seventeen Spanish-speaking countries in the Western Hemisphere.
- Pequeña Casa de Nazaret, a drug treatment and rehabilitation center in Bahia Blanca, Argentina.
- The Mentor Foundation, with headquarters in Geneva

MEM ASSISTANCE PROJECTS

Four demand reduction projects presented by member states under the MEM assistance mechanism were funded by CICAD in 2003:

| Member state | Project name |
|--------------------------|--|
| Costa Rica | School-based drug abuse prevention (life-skills approach) |
| Guatemala | Treatment of drug use by prisoners in Pavon prison (pilot project) |
| Peru | Treatment & rehab. for drug dependent prisoners in 2 prisons |
| St. Vincent & Grenadines | Drug abuse treatment in Her Majesty's Prison |

Three of the projects address treatment for drug-abusing prisoners. CICAD has accordingly reserved funds for horizontal cooperation among Guatemala, Peru and Saint Vincent and the Grenadines, to compare approaches and results.

C. SUPPLY REDUCTION AND APPLICATION OF CONTROL MEASURES

OVERVIEW

The activities of the Supply Reduction and Control Section focus on assisting member states in strengthening their capacity to control both licit and illicit drugs, as well as related contraband. In addition, the Section seeks to contribute to the strengthening of legislation, regulation and other control measures over chemical substances generally associated with the production of drugs. Thus, the activities pursued in this section cover a wide range of enforcement and control issues, including the following:

Control of pharmaceutical products
Control of chemical substances
Maritime cooperation
Port security
Customs and law enforcement capacity building

Expert Group on Pharmaceutical Products

At its thirty-third regular session, the Commission directed the Expert Group on Pharmaceutical Products to examine the growing problem of controlling the diversion of pharmaceutical products. In fulfilling this mandate, the Group met from August 25-27, 2003 in Brasilia, Brazil. Thirty-nine experts attended the meeting, including representatives from Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Dominican Republic, Mexico, Peru, United States and Uruguay.

During the meeting, the experts reviewed and provided final edits to a draft guide on Elements for the Control of Pharmaceutical Products Containing Narcotics and Psychoactive Substances. The guide was initially prepared by Colombia prior to the October 2002 Group of Experts meeting. The governments of Mexico and the United States provided further elaboration of the document in preparation for its review by the experts at the August 2003 meeting.

In addition to the Elements guide, the experts also considered draft guides for industry and health professionals. While finding these draft guides to be comprehensive, the Experts agreed that their scope was beyond the original focus. These items will be further developed during future meetings of the Group, pending the approval of the Commission.

Expert Group on Chemicals

Following the recommendation set forth by the Commission at its thirty-third regular session, CICAD's Expert Group on Chemicals met in Brasilia, Brazil from August 27-29, 2003 to examine issues relating to chemical control. The meeting was attended by forty-eight experts from twelve countries, including Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Dominican Republic, Mexico, Peru, United States, Uruguay and Venezuela.

During the meeting's working sessions, the Experts reviewed hemispheric recommendations set forth in the second evaluation round of the Multilateral Evaluation Mechanism (MEM), including the need to optimize the use of pre-export notifications and strengthen hemispheric communication and cooperation. The Experts proposed to address these issues by making contact information for chemical control authorities available through CICAD's web page, reviewing best practices for communication and cooperation (inter-sectoral, inter-agency, international), and implementing a pilot project in Argentina, Bolivia, Chile, Colombia, Paraguay, and Uruguay, whereby participants agreed to acknowledge receipt of all pre-export notifications.

Chemical Control Software

A decision was reached during the thirty-third regular session of CICAD to adopt an Oracle - based software developed by the United Nations as the hemispheric standard for controlling chemicals and pharmaceuticals. The UN software has evolved to become a simple, secure and extremely versatile software package for automating the control and monitoring of chemical precursors and pharmaceuticals, including keeping track of licenses and permits. The Executive Secretariat is working with the United Nations to develop a plan that provides installation and management assistance to those countries that choose to adopt the software as part of their national control system.

Pre-Export Notification Meeting

From October 6-9, ten countries from the hemisphere (including Argentina, Brazil, Canada, Costa Rica, Ecuador, Mexico, Panama, Peru, the United States and Venezuela) met in Valencia, Spain with member states from the European Union to discuss the precursor chemical pre-export notification process and potential measures that can be undertaken to fortify this important control measure. During the course of the meeting, participants examined topics such as routes and methods of chemical diversion between Europe, the Caribbean, and Latin America and the problems and disparities currently faced by countries in implementing the pre-export notification system.

Maritime Narcotrafficking

Further to directions received from the Commission during its thirty-third regular session, CICAD established a working group to examine the issue of maritime narcotrafficking. The task assigned to the group included designing and executing a hemispheric study of this issue and generating a report with recommendations for consideration by the Commission during its thirty-fourth regular session.

The working group, chaired by Peru, included experts from Argentina, Brazil, Barbados, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Mexico, Panama, Trinidad and Tobago, the United States, Venezuela and the Inter-American Committee Against Terrorism (CICTE).

During the first meeting in Washington (June 30 – July 1), the working group finalized the questionnaire to be used in the study and the methodology that it would follow in preparing its report. The second meeting of the group took place in Miami, Florida (Oct 20-24) during which the experts finalized their report and recommendations. The report was prepared drawing on information from the country responses to the questionnaire and other sources of information including existing studies, reports and papers.

The thirty-fourth regular session of the Commission held in Montreal, Canada (November 17-20) approved the report and recommendations and decided to establish an Expert Group to continue addressing the implementation of the recommendations, including the following:

- Creation of a standardized matrix of threat/risk assessment that will enable countries to measure vulnerabilities and deficiencies in port security, coastal zones and maritime control methods;
- Development of model legislation on maritime control (or a composite of laws and regulations to this end) for use by countries in updating their respective laws and regulations to ensure adequate jurisdiction and maritime security;
- Development of a model maritime operations guide for inter-institutional cooperation and coordination for use by countries to organize national operational procedures among the various entities in accordance with national laws and regulations;
- Analysis and evaluation of current data collection systems used in ports and the development of a reference guide for use by member states for the development or improvement of national systems;
- Development of a reference guide of best practices of the methods for interchange of anti-drug intelligence and information used in programs of port security

Maritime Cooperation and Port Security

During 2003, CICAD continued to expand its program in maritime cooperation and port security. The program has two primary areas of focus. They are 1) training and 2) enhancing port security through increased inter-agency cooperation and private sector involvement. Increasingly, government agencies and port authorities have been recognizing the important role that the private or commercial sector can play in the ensuring the security of ports and minimizing the smuggling of drugs and related contraband through airports and maritime ports.

Working in conjunction with the US Embassy Narcotics Affairs Section (NAS) - Colombia, U.S. Customs, BASC-Guayaquil and the Royal Canadian Mounted Police (RCMP), CICAD conducted a regional airport security-training workshop in Ecuador (November 3-7). The workshop included 125 participants primarily from law enforcement agencies, private sector security personnel and business executives. These training programs focused primarily on anti-drug monitoring/interdiction and chemical control operations, stressing the importance of inter-agency and inter-sectoral cooperation and the role of the private sector.

In 2003, CICAD continued its partnership with Colombia's National Port Security Program, National Police, and the US Embassy Narcotics Affairs Section (NAS), to organize a regional port/airport security seminar involving port authorities, Customs, private industry, national police, coast guard, and other interested parties. The seminar took place in San Pedro Sula, Honduras (April 7-11) involving 120 participants from 9 countries representing government agencies, port authorities, security agencies/companies and private sector companies. The objectives of the conference were to share Colombia's experiences regarding their National Port Security Program and to promote the introduction of similar programs in other countries in an international forum in an effort to "regionalize" the Colombian experience.

Customs Cooperation and Training

In 2003, the Executive Secretariat continued its close collaboration with France's *Centre Interministeriel de Formation Anti-Drogue* (CIFAD). During the week of September 29 to October 3, CICAD and CIFAD co-hosted a training seminar in Fort de France, Martinique for Customs officers on container and passenger profiling. 14 front-line Customs officers from Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic attended the seminar. The program included both classroom and practical sessions on, among other issues, profiling techniques, methods of smuggling and deception, container handling and search techniques.

Andean Community Regional Counter drug Intelligence School

The Andean Community Region Counter drug Intelligence School (ERCAIAD) based in Lima, Peru, completed its fourth full year of operations in 2003. Participating countries include Bolivia, Brazil, Chile, Colombia, Ecuador, Peru and Venezuela, but the school invites officers from other CICAD member states to participate. The school was established to increase the capacity for counter-drug intelligence analysis in the region, develop common approaches in intelligence development and analysis, and promote cooperation and information exchange.

The program for 2003 included three seminars, one on the analysis of Strategic Intelligence and two on Operational Intelligence. The school will continue its training program in 2004 and its leadership will develop a strategic plan that will include narcoterrorism and provide an advanced curriculum for specialization in various areas of counter drug intelligence.

Community Policing

In March 2002 CICAD and the Royal Canadian Mounted Police (RCMP) co-hosted a seminar on community policing in Vancouver, Canada, to introduce this concept to interested CICAD member states. Following this seminar, a pilot project was implemented in the Dominican Republic with technical assistance from CICAD and the RCMP. The project focuses on the historic area of Santo Domingo. Technical experts from CICAD and the RCMP worked with the National Police of the Dominican Republic to initiate the project in February via a training seminar and related activities. In December, the organizers delivered a series of activities including an evaluation of the project in Santo Domingo. The objective of this exercise was to assess the pilot project and the lessons learned in preparation of a possible future expansion of the program in the Dominican Republic and in other interested CICAD member states.

International Observer Attachment Program

The International Observer Attachment Program (IOAP) is a joint initiative by CICAD and the Royal Canadian Mounted Police (RCMP). Through this program, law enforcement officers from member states are brought together for training that includes classroom work and practical training followed by assignment to RCMP detachments to work with officers in the field. The program covers a range of counter drug-related issues including general drug enforcement, money laundering control, undercover operations and handling informants

The IOAP program for 2003 began with a one-week training session in Halifax, Canada (September 29 – October 5). A total of 16 officers from Antigua & Barbuda, Bahamas, Barbados, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Guyana, Jamaica, Mexico, Panama, Peru, the Dominican Republic, and Trinidad and Tobago participated in the program. During the next phase of the program (October 6-10) the officers were assigned to RCMP detachments in, Montreal, Toronto, Kingston, Ottawa, Winnipeg, Calgary, Edmonton and Vancouver.

D. ALTERNATIVE DEVELOPMENT

OVERVIEW

The focus of the Alternative Development Unit is to promote development actions that contribute to the overall macro-economic development of the country with a particular emphasis on areas that are used to grow illicit crops. In 2003, CICAD had programs underway in six CICAD member states focused primarily on agriculturally based projects. The Alternative Development Unit has broadened the scope of its work by addressing activities of specific interest to individual member states that may fall outside the scope of traditional alternative development work in that they focus on projects to prevent the cultivation of illicit crops or the migration of labor to illicit production. This year also marks the completion of two important projects in Colombia and Peru.

BOLIVIA

Rehabilitation and Modernization of Organic Banana Production in Alto Beni for Market Export

Activities under this project focus on improving production, harvesting, and packaging techniques; training and extension courses; economic and market studies; technology transfer; and, technical assistance. In 2003, the "Centro de Comercialización Alto Beni SRL" was

established with the commercial name “BANABENI” as the enterprise responsible for marketing the fruit produced under the project. The project has rehabilitated 620 hectares of banana and has been granted the Organic Production Methods Certificate from SKAL International, a recognized international certifier of organic products.

Modernization of Organic Cacao Production in Alto Beni

This project is a collaborative effort by CICAD the Vice-Ministry of Alternative Development and the Tropical Agricultural Research and Training Center (CATIE). The project seeks to diversify and increase the production and yield of organic cacao, promote farmers’ organizations and ultimately achieve organic certification. The project currently involves 1270 participants and expects to increase the volume of certified and marketable organic cacao from the Alto Beni by 30%.

Generalized Land-Use Evaluation and Management Tool (GLEAM)

GLEAM is a tool that is designed to assist member states in formulating, executing, monitoring and evaluating alternative development projects and programs. In addition to providing current land-use information, the GLEAM Tool enables member states to design development programs in a GIS-based platform using national economic data. CICAD completed the design of GLEAM over 500,000 hectares identified by the Government of Bolivia in the North and South Yungas regions in 2002. In 2003, CICAD met with the government of Bolivia and personnel from the F-57 UNDCP Illicit Crop Monitoring Program. It was agreed that GLEAM and F-57 technologies would be used to help the Government of Bolivia in identifying illicit crop areas and formulating national economic plans.

Integrated Land Titling Program [Catastro Legal (CAT-SAN)], in the Department of La Paz, North Province of Yungas – Arapata and Coripata Cantons

Under this project, CICAD and the National Institute of Agricultural Reform (INRA) propose to provide registered land titles to peasants who have occupied and been farming certain lands formerly held by elites with large land holdings in the Yungas region. The program was launched in November 2002, in the Department of La Paz, Province of North Yungas, Cantons of Arapata and Coripata. It is anticipated that over 1000 titles will be issued in accordance with Law No. 1715.

COLOMBIA

Program to Develop the Economic and Production Component of the Plan de Vida of the Cofán People and Indigenous Councils of the Guamuez and San Miguel Valleys

This project was completed in July 2003, achieving 98% of coca eradication despite the difficult situation in the area. To sustain the eradication efforts and achieve the desired goals, the project emphasized full community participation in all aspects from project design to execution. In 2003 the first soil study in the Department of Putumayo was conducted and identified the lands suitable for agricultural production as well as the land requiring environmental remediation. The food security component of the project contributed to the recovery of traditional crops for 387 families. Although the project was initially scheduled for three years the new policy focus of the Uribe Administration has resulted in an internal evaluation on the merits of this type of program.

DOMINICA

Organic Banana Production and Integrated Pest Management in the Caribbean

CICAD and the Ministry of Agriculture of Dominica initiated the "Organic Banana Production and Integrated Pest Management in the Caribbean" project in 2002. The objective is to improve banana production and thus create incentives to dissuade farmers from turning to marijuana cultivation. Project activities focused on organic banana certification. In 2003, the project focused on the establishment of an experimental field plots where data was used to determine better field practices and to improve natural resource management.

ECUADOR

Northern Border Alternative Development Program

The project began on June 1, 2002, in Puerto El Carmen, Province of Sucumbios, Ecuador. The objective is to provide legitimate income generating opportunities through viable agricultural production/marketing programs oriented to preventing the expansion of illicit crop cultivation to Ecuador or the migration of labor to coca farms in Colombia. During 2003, producers from six communities concentrated their efforts towards the formation of agro-ecological farms, the incorporation of an agro-forestry system, and improvements in animal management. An increase of an average of 300% in agricultural production yield was noted for the crops that were included in the program. Production costs were lowered significantly through the improvement of field management techniques. As a result, there was an increase of 40% in gross family income.

PERU

The Institutional Framework of the Drug Fight in Peru: Evaluation of DEVIDA

In August 2002, DEVIDA requested CICAD and the Inter-American Development Bank (IDB) to undertake a comprehensive evaluation of the entire question of drugs in Peru with a view to revamping the Consultative Group process to support Peru's National Drug Plan. The evaluation encompassed a review of the institutional framework, project management and the issue of illicit drug production, use and trafficking. The evaluation was undertaken during the last months of 2002 and the final report along with specific recommendations was delivered to DEVIDA in February 2003. As a result, DEVIDA was able to make some significant modifications to national legislation, inter-agency cooperation and project management/design.

Use of Antagonistic Fungi for Biological Control of Cacao Diseases

The Alternative Development program of "Biological Control of Cacao Diseases" in Peru, was launched in 1998, and was designed and implemented in conjunction with the U.S. Department of Agriculture Agricultural Research Service (USDA/ARS) and the Peruvian Agricultural Health Service (SENASA). The objective of the program is to identify the potential uses of antagonistic fungi to reduce the negative impact of various diseases on Theobroma Cacao and thereby increase production. The programs are focused is in areas where coca and cacao are prevalent, including Tingo Maria, the Apurimac River Valley and Cuzco/Quillabamba.

The project was completed in 2003. Results after three years of laboratory and field research have demonstrated that some of the fungi have achieved positive results in reducing monilia in

cacao in some of the project test fields. Although a minimum of one more year of field testing is required to verify the results, SENASA has initiated the development of a dissemination protocol. Although CICAD completed its obligations to the programs, future activities will be undertaken by SENASA with National funding.

Tropical Crops Research Institute (ICT) – Biological Control of Cacao Diseases

CICAD, in association with the NAS/Peru country team, has continued to maintain its support for the tropical crops institute (ICT) in Tarapoto, Peru. The ICT was created in 1998 as a means to provide DEVIDA with technical scientific research that can be used to backstop the execution of alternative development projects. A laboratory was constructed in 2000 and in 2003 a soils testing lab was added to the existing structure utilizing high tech equipment to determine soil quality and its use.

E. LEGAL DEVELOPMENT

OVERVIEW

CICAD's Legal Development Program provides advice, technical assistance and training to member states on drug-related legal matters, and in particular on criminal law issues related to the control of organized crime, illicit drugs, money laundering, terrorism financing, firearms and precursor chemicals.

CONTROL OF ARMS AND EXPLOSIVES

In this aspect of its work, the Legal Development Section promotes implementation of the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA) and to that end coordinates with the Consultative Committee established under the Convention. It also promotes the adoption, in national legal instruments CICAD's Model Regulations for the Control of the International Movement of Firearms, their Parts and Components and Ammunition, through its seminars and project proposals through the application of the control system contained in the Regulations.

Expert Group on Firearms Control

In accordance with the authorization of the thirty-second regular session of the Commission, the Executive Secretariat convened between April 6 and 9, 2003, a meeting of the CICAD Group of Experts to update CICAD's firearms Model Regulations in relation to end user certificates and delivery verification documentation, stockpile management and firearms marking as well as regulations to control firearms brokers. The proposed revisions to the Model Regulations were presented to and adopted by the 34th regular session of the Commission.

Other Related Firearms Control Work

The Section participated with the United Nations Lima Regional Center for Peace Disarmament and Development in Latin America and the Caribbean (UN-LiREC) in the development of firearms control training seminars for officials working in the field in June. An initial seminar to prepare trainers from the relevant government agencies to train workers in the field of firearms control proposed to be held in San Jose, Costa Rica in the fall was temporarily postponed for technical reasons and has been rescheduled for March 2004. The section also participated with UN-LiREC in a firearms destruction event in Paraguay in October.

The section also carried out a comparative analysis of legislation and administrative practices to control firearms in the countries of the hemisphere. The analysis is being included in CICAD's

and UN-LiREC's data bases and forms the basis of a "white book" for use by scholars and for the meetings of Latin American parliamentarians in which the Section participates.

In May, the Section participated in the fourth Inter-Parliamentary Conference on Firearms in Latin America and the Caribbean, held in Panama, Panama, attended by parliamentarians from Costa Rica, El Salvador, Honduras, Nicaragua, Panama, Spain and Sweden. The Section's presentation focused on the importance of ratification of the Inter-American Convention and adoption of the Model Regulations. It also presented its study on the status of firearms legislation in the countries of Central America and led a working group on measures to promote the harmonization of national laws to control firearms, ammunition, explosives and other related materials.

A project on computer software for managing the licenses and notifications called for in the Model Regulations was presented to the thirty-third regular session of CICAD. The software was developed during 2003 with application expected to be initiated on a pilot basis in the Caribbean in early 2004.

CENTRAL AMERICAN PERMANENT COMMISSION FOR THE ERADICATION OF THE PRODUCTION, TRAFFIC, CONSUMPTION AND ILLICIT USES OF DRUGS AND PSYCHOACTIVE SUBSTANCES (CCP)

CICAD, together with the United Nations Office on Drugs and Crime (UNODC), the U.S. and Spain, supports the CCP both technically and through promotion of the development of the CPP as a central coordination mechanism for the control of drugs and other related matters in the sub-region. The Legal Program represented CICAD at the CCP meeting held in Panama in February.

MOCK TRIAL TRAINING PROGRAM WITH UNODC (BOGOTÁ)

The Legal Section in coordination with UNODC (Bogotá) carried out three mock trials throughout the course of the year, in El Salvador, in Nicaragua and in Colombia for prosecutors, police and judges using the countries' recent criminal procedural codes in a money laundering trial based upon a case under consideration in a member state. The facilitators of the event prepared a hypothetical case for the mock trial, which was then presented and tried by the local prosecutors, police and judges, in accordance with local criminal procedure. The program provides an opportunity for practical training in both the use of recently-adopted oral proceedings in a number of countries and in the prosecution of a money laundering case.

OTHER SECTION ACTIVITIES

In January, the Section attended and gave a presentation to the third regular session of CICTE in San Salvador on its work in the field of terrorism financing control and firearms control.

- In February the chief of section attended and gave a presentation on its firearms control efforts to the Organization of Security and Cooperation meeting (OSCE) in Bucharest, Romania. The meeting focused largely on the subject of export and import controls in particular controlling the activities of firearms brokers.
- Also in February, CICAD presented a paper on the need to regulate firearms brokers to the preparatory meeting of the Special Conference on Security held in Mexico City in October 2003.

- In August the Chief of Section attended and gave a presentation on the common law adversarial system as it applies to criminal proceedings at the 13th annual Conference of Judges and Prosecutors in Villavicencio, Meta, Colombia.
- The section attended and provided technical support to the first Inter-American Meeting on Cooperation Mechanisms to Fight against Organized Crime held in Mexico City between October 6 and 8, 2003.

Advisory Services

- At the request of the Attorney General of Ecuador, in May and November, the Legal Development Section reviewed and provided technical advice on proposed legislation in the fields of drug control and money laundering.
- The Section also provided technical advisory support to the Expert Group meetings on Money Laundering held in Washington, D.C. in July and November.

F. MONEY LAUNDERING CONTROL

OVERVIEW

The Money Laundering Control Section carries out a wide range of cooperation and technical assistance activities with member states, including, among others, training of the different sectors engaged in its prevention and control, support for the development and strengthening of Financial Intelligence Units and support for the development and updating of the national legal framework in relation to money laundering in the member states. Among its activities, the Section promotes horizontal cooperation among similar entities of member states and the permanent observer countries. Likewise, the section coordinates its activities with those of other international bodies that specialize in this field and participates in a variety of fora and events related to the activities that it advances.

GROUP OF EXPERTS

In keeping with the work plan adopted at the thirty-second regular session of CICAD, held in Mexico, the Group of Experts held two meetings during 2003, the first between June 24 and 26 and the second from November 4 to 7. The meetings which were chaired by Ms. Mary Lee Warren, Assistant Attorney General of the United States Department of Justice, were held in Washington D.C. and introduced changes to the Model Regulations for the Control of Money Laundering including a legal definition of the offense of financing terrorism; methods for blocking terrorism assets; the control of informal remittance networks; and, measures for improving forfeiture of laundered assets. (CICAD/doc.11293/03). In addition, the Group developed typologies exercises on corruption, at the behest of Mexico, while the Peruvian and U.S. delegations presented the Montesinos case and the international cooperation that was used in the investigation. Finally, case studies were presented for the purpose of demonstrating linkages between money laundering and the predicate offense on the basis of a suspicious activity report of a drug investigation and which was presented on the basis of an effective use of experts and information. The Commission approved the experts report and their recommendations at its thirty-fourth regular session.

TRAINING ACTIVITIES

Combating Money Laundering through the Judicial System (Inter-American Development Bank (IDB) /CICAD project)

This program, developed in coordination with the IDB was implemented in 2002 and was replicated in Argentina in May and in Uruguay in August, respectively. The courses were one-week long and a total of 70 judges and prosecutors of the above-mentioned countries participated. The courses focused primarily on new trends in prosecuting and convicting persons charged with money laundering offenses and, in particular, the anatomy of the offense, evidence, and judicial cooperation.

The program's basic material was also used to extend training to include countries where none had been previously offered, such as Brazil and Colombia. The project for these two countries was launched in October 2003, and is in the execution phase.

Training for police forces in financial investigation (CICAD/Government of France)

With support from the Government of France, training courses were conducted on investigation of the economic and financial aspects of money laundering and the financing of terrorism. The courses were intended for specialized Law Enforcement Units of Bolivia, Argentina, and Uruguay, and focused on how assets of criminals or criminal organizations are to be investigated.

Based on the positive experience gained through these courses, a hemispheric project was designed, to be executed in 2004 with the participation of the Government of France and the Inter-American Committee against Terrorism (CICTE/OAS).

Training on recovery of the proceeds of corruption and money laundering

As a result of the positive experience of the presentation on typology exercise on the Montesinos case carried out at the first meeting of the Group of Experts held in June 2003, the Government of Argentina requested assistance from CICAD in this area. Judges, prosecutors, and police of the Argentina Republic participated in the courses, which were given by Argentine, Peruvian, and United States experts. The courses focused on different aspects of recovering assets: predicate offenses, money laundering, and methods of achieving effective international cooperation regarding anti-corruption issues.

The Government of the Argentine Republic, through the National Penal Policy Office, undertook to replicate this course for officials of the Republic of Uruguay.

TECHNICAL ASSISTANCE

Financial intelligence units

In August 2002, the General Secretariat of the OAS and the Inter-American Development Bank (IDB) signed Non-Reimbursable Technical Cooperation Agreement No. ATN/MT-7884-RG, whereby CICAD, as executing agency, will carry out a project to establish and implement financial intelligence units (FIUs) in South America. This US\$1.9 million project benefits Argentina, Bolivia, Brazil, Chile, Ecuador, Peru, Uruguay, and Venezuela.

The program was launched in September 2002 and, depending on the needs of the countries and the status of implementation of their FIUs, provides for four areas in which assistance is provided: (1) development of the legal framework; (2) institutional development; (3) training; and (4) information and communications technology.

The following additional activities, among others, were carried out in 2003:

- Study and evaluation of the strategic plans presented by the seven countries that replied, and the corresponding modifications thereof. The strategic plan of Ecuador in its entirety was developed with that country;
- Formulation of the project's general strategic plan in keeping with the intervention areas and strategic plan of each country, and the respective schedule of activities;
- Design of a training system with a view to continuing the project in the region on an ongoing basis;
- Development of profiles, by intervention area for all countries, taking into account the education, experience, knowledge, capabilities, and skills of the participants;
- Contracting of experts for the Republic of Peru in the four intervention areas (development of the legal framework; institutional development; staff training; and information and communications technologies). Study of terms of reference;
- Contracting of the expert for the Bolivarian Republic of Venezuela in the following intervention areas: institutional development; information and communications technologies; configuration of the UNIF server; and evaluation of bids;
- For the Republic of Chile, contracting of an expert in institutional development, and adjustment of the strategic plan in light of the new law;
- For the Argentine Republic, contracting of one expert on institutional development and another on information and communications technologies.

Participation in the Financial Action Task Force for South America (GAFISUD)'s evaluation of Ecuador

CICAD participated as an observer in GAFISUD's evaluation mission to Ecuador. In addition CICAD, in that capacity, informed the Plenary Meeting of GAFISUD of the mission's results in the legal area.

PARTICIPATION IN CONFERENCES AND SEMINARS

- *XV Congreso de Derecho Penal*, University of Salamanca, Spain
- VII Plenary Meeting of GAFISUD (July 2003) and VIII Plenary Meeting of GAFISUD (December 2003), Buenos Aires
- XI Meeting of the Egmont Group, Australia, July 2003
- *X Encuentro Iberoamericano de Educación Superior a Distancia*. Costa Rica, July 2003
- Caribbean Financial Action Task Force (CFATF) Plenary meeting, Panama, March 2003
- International Symposium on Organized Crime, Brasilia, June 2003
- CFATF Council of Ministers and Plenary meeting, Antigua and Barbuda, October 2003

ORGANIZED CRIME (see Section I below)

The Unit was responsible for organizing the First Inter-American meeting on Mechanisms for Cooperation in the Fight against Organized Crime, compiling country responses to the questionnaire sent out earlier, and delivering an analysis of those responses (CICAD/doc.1268/03).

G. INSTITUTION-BUILDING

OVERVIEW

In 2003, CICAD worked with the Governments of Bolivia, Ecuador, Guyana, Jamaica, and Haiti to design and draft their national anti-drug plans. It continues to work on the project for the organizational development and strengthening of the national drug councils (NDCs) and national anti-drug systems, underscoring modernization of anti-drug legislation; decentralization of the national strategy with a view to its implementation by local government; and development of NDC capability to obtain the technical and financial resources necessary to implement the national strategy. In addition, CICAD continued with the project to strengthen the national drug observatories of the Andean countries, in coordination with the Inter-American Observatory on Drugs.

NATIONAL DRUG PLANS, OBSERVATORIES AND COMMISSIONS

Design and formulation of national anti-drug plans

At present, the 34 member countries have national anti-drug plans. Since December 1998, 24 countries have requested technical and economic assistance from CICAD in developing or modernizing their national drug plans; of these, as of December 2003, in 20 countries, plans had been adopted; in one, a plan is being drafted; and in three, plans are awaiting adoption. In October, Ecuador, Guyana, Peru, and Trinidad and Tobago requested CICAD's cooperation in updating their national strategies.

Development of national observatories on drugs

In coordination with the Inter-American Observatory on Drugs, the Executive Secretariat, with funds from the Government of Spain, contributed to the implementation of the national drug observatories of the Andean region. With funds from the Government of the United States of North America (INL), CICAD continues to cooperate with the National Drug Observatory of Haiti.

The objectives of the project are: (a) to enhance NDC capability to integrate into a national system the different government agencies and non-governmental organizations with responsibility in this area and that generate statistics and information, with a view to establishing a national observatory network; (b) update the database and drug information system on an ongoing basis, in particular, via the Internet; (c) arrange for studies and technical scientific research to be conducted to ascertain trends in consumption in its different manifestations and in the licit and illicit trade in controlled substances; (d) prepare regular reports on the status of consumption and supply of licit and illicit drugs; and (e) carry out related activities.

Organizational development of NDCs

At its thirty-first regular session, CICAD adopted the NDC organizational development project. CICAD first considers that no country can successfully address the drug problem without an established and dynamic national commission or similar body that enjoys political support, and has legal authority, an effective budget, and permanent specialized staff to ensure ongoing coordination, planning, advisory services, and evaluation among the different ministries, provincial, state, and local government, and civil society.

The objective is to upgrade internal structures of NDCs as lead entities, which plan, provide advisory services, and coordinate and evaluate national drug strategy, and serve as liaison bodies that coordinate international cooperation.

ANDEAN DRUG POLICY DECENTRALIZATION PROJECT

This project, begun in June 2003, and funded by the Government of Spain's *Agencia Española de Cooperación Internacional* (AECI) and the Government delegation for the National Drug Plan, provides support for building NDC institutions to enhance their organizational, planning, and evaluation capabilities to coordinate the process of decentralizing drug policy with a view to its implementation by local entities. The project also provides for cooperation with member states in creating local drug-related institutional and administrative structures and formulating municipal drug policy in specific municipalities in the five participating countries.

Direct contacts have been made with the national entities involved in order to adjust the general budget in view of the status of drug policy in each participating member state. Proposals for cooperation with each participating country were discussed in the context of an Andean seminar on drug policy decentralization, to be held in December 2003, in Cartagena de Indias, Colombia. This encounter resulted in an exchange of information on different national decentralization strategies that were used for a preliminary diagnosis of needs of each of the countries.

H. INTER-AMERICAN OBSERVATORY ON DRUGS

OVERVIEW

The Inter-American Observatory on Drugs (OID) was created in 2000 as CICAD's statistics, information and research branch. The OID's mandate is to promote and build a drug information network with and for CICAD Member states that offers objective, reliable, up-to-date and comparable information on the production, trafficking, use/abuse, and societal impact of drugs. Informed by a sound, evidence-based picture of the drug phenomenon at the national and hemispheric levels, CICAD member states, individually and collectively, can better understand -- and design and implement policies and programs to confront -- the drug problem in all its dimensions.

The OID provides the underpinnings for the MEM indicators and for national anti-drug efforts by:

- § helping countries improve the collection and analysis of drug-related data;
 - § promoting the establishment of national observatories and the use of standardized data;
- providing scientific and technical training for and the exchange of experiences among professionals working on the drug problem. In fulfillment of its objectives, the OID carried out the following activities in 2003.

DRUG USE STATISTICS

Summary of OID activities in 2003 related to consumption

In 2003, the statistical unit of the Inter-American Observatory on Drugs (OID) expanded its program to support the National Drug Commissions (NDC) in measuring the magnitude of drug use. Specific methodologies for surveys of households, university students, patients at treatment centers and at hospital emergency rooms were prepared under the Inter-American System for Uniform Data on the Consumption of Drugs (SIDUC) and the following activities were carried out:

- **Household Surveys**
In the second half of 2003, a methodology for household surveys on drug use was developed as part of the SIDUC project, and used to implement these surveys in Panama and Paraguay. Publication of the findings is expected in the first half of 2004.
- **Secondary School Student Surveys**
In 2003, the OID statistical unit working jointly with the NDCs implemented national secondary school student surveys using SIDUC methodology in El Salvador, Guatemala, Nicaragua, Panama, Paraguay, the Dominican Republic, and Uruguay. Findings from some of these surveys will be available before the end of 2003; the others in the first half of 2004.
- **University Student Survey**
The specific methodology for a university student survey was developed, and technical and financial support was provided to Venezuela to conduct this national level survey.
- **Survey of Patients in Rehabilitation Centers**
Methodology to conduct drug use surveys of patients in rehabilitation centers was completed with the preparation of a plan of analysis and of a software program for data processing. Support was provided to Argentina and Nicaragua for conducting these surveys.
- **Emergency Room Surveys**
The OID Statistical Unit developed the instruction manuals, plan of analysis and data-processing software for emergency room surveys, and began implementation of the surveys in 2003 in Argentina, The Bahamas, and Suriname.
- **Government employee surveys**
The customized questionnaire for surveys of government employees was designed, and implementation initiated in Grenada and St. Kitts-Nevis.
- **Coordination and training meetings**
In March 2003, a SIDUC Latin American National Coordinators meeting was held in Buenos Aires to exchange experiences on already completed SIDUC drug use surveys and to schedule future activities. In Miami, in May, a meeting for the Caribbean SIDUC National Coordinators focused on reviewing data obtained from student surveys conducted in 2002 in connection with the European Commission-financed Drug Abuse Epidemiology Surveillance System (DAESSP) project, and on drafting reports on these surveys.

Meetings were held in Buenos Aires and Washington, D.C. to coordinate the preparation of 10 Latin American and Caribbean MEM priority drug use survey projects subsequently submitted to the thirty-third regular session of CICAD for its consideration.
- **Comparative studies on drug use**
A study comparing the results of SIDUC secondary school student surveys which had been conducted in 2001-2002 in seven Latin American capital metropolitan areas (Quito, San Salvador, Guatemala City, Managua, Panama City, Montevideo and Caracas) was published in 2003. A similar comparative study on the findings of student surveys carried

out in 2002 in Belize, Barbados, and Guyana also was drafted and will be published in the first quarter of 2004.

STATISTICAL SUPPLY CONTROL INDICATORS

CICDAT national coordinators Meetings

CICDAT national coordinators from Spanish speaking countries met in Buenos Aires, and English speaking countries in Miami, to share experiences on CICDAT indicators and to receive training on new information sources and on the use of CICDAT (supply control information) software. The national coordinators agreed to expand CICDAT indicators to include additional information necessary for the MEM, including the introduction of financial information forms to collect data related to the control of money laundering.

Update of CICDAT Software

The OID has begun to update CICDAT's Internet-based drug control data software to facilitate the standardization of information and its transmission within and among member countries, and to the Executive Secretariat. The updated software also will allow those institutions within each country responsible for generating the data, such as the national police, customs service, and army, to send it electronically to the national coordinating entity for on-line review, approval, and Internet transmission to the Executive Secretariat.

Annual Statistical Summary

The eleventh edition of the annual Statistical Summary on Drugs was published in December 2003, with information covering the 1997-2002 period.

Advisory Services

Advisory services and technical support relating to statistics were provided to other areas of CICAD, in particular to the MEM.

RESEARCH ON ESTIMATING THE HUMAN, SOCIAL AND ECONOMIC COSTS OF DRUGS IN THE AMERICAS

In 2003, the OID moved forward on its program to develop methodologies to estimate the human, social and economic costs of the drug problem in the Hemisphere. The Costs Program responds to a mandate from the Plan of Action of the Third Summit of the Americas. Impetus for this program also arose from a similar recommendation from the Multilateral Evaluation Mechanism (MEM) Hemispheric Report 1999-2000. The Costs Program is of particular importance to the CICAD Member states, because by arming them with specific data on the economic impact of drugs on their societies, they can make much better informed decisions about where to target scarce government resources to confront drug-related problems and, potentially, to cut the associated costs. Four pilot countries -- Barbados, Costa Rica, Mexico and Uruguay -- are participating in this program to develop the costing methodology and to use that methodology to complete initial costing studies.

At the Second Meeting of the Cost Program Pilot Country Group July 8-9, 2003 in Washington D.C, the pilot countries reviewed the advances made during the first half of the year and agreed on a new work plan to complete their activities for cost program. With the guidance of the lead research team from the University of Medicine and Dentistry of New Jersey Robert Wood Johnson Medical School (UMDNJ/RWJMS), the pilot countries identified 16 indicators, stratified by level of complexity that would form the basis of the cost methodology under development.

During 2003, the pilot countries focused their efforts on the simplest indicators (level 1), producing estimates on the direct economic impact of drug use to their governments for activities relating to drug control (police, customs, judicial and prison systems) and drug demand reduction (treatment and prevention activities). Also, the UMDNJ/RWJMS research team developed a manual on the methodology for the first phase of the Cost Program. The manual, written in plain language so that any member state will be able to employ the methodology, was delivered to the Commission at its thirty-fourth Regular Session in November.

In addition, the preliminary cost estimates from three studies performed in Barbados, Costa Rica and Uruguay and the complete estimates of direct costs to the government of Mexico, were presented to the Commission. These studies are of particular importance as they represent the first practical results produced by the CICAD Cost Program.

INFORMATION

In 2003, the Observatory's information unit focused on the promotion and dissemination of drug-related information through the Observatory's Web page (<http://www.cicad.oas.org/oid>) by launching a Help-Desk and on-line newsletter, *The Observer News*. In addition, the *Transnational Digital Government project* entered its second year of execution with the design of a preliminary system to exchange information. Finally, the OID continued to support member states' ability to collect information for the MEM and to develop and strengthen national observatories, including through the design of a joint assistance project with the French Observatory on Drugs (OFDT) to detect emerging drug trends in the Caribbean.

The OID Help-Desk

The OID inaugurated a Help-Desk in January to respond requests for information on CICAD programs, documents, projects, as well as for other drug-related information and documentation. To date, the Help-Desk has provided responses to 45 e-mail and telephone requests from government officials, researchers and the general public from various countries across the hemisphere.

The Observer News

In April, the OID launched *The Observer News*, an electronic quarterly newsletter in English and Spanish. Its purpose is to showcase research, studies, and other interesting projects being carried out in all of the 34 OAS/CICAD member states. *The Observer News* also keeps countries updated and informed on the progress of specific CICAD projects, including new trends in drug use. The first edition featured an interview with the Mexican Attorney General and CICAD Chair, and an article on how the Government of Colima, Mexico, is using digital government initiatives to combat corruption. The second issue featured the work being undertaken by the Chilean Observatory on Drugs and its new drug information portal (www.conacedrogas.cl).

Transnational Digital Government Activities

In 2002, meetings were held in the Dominican Republic to launch the *Transnational Digital Government (TDG) project*. This effort, funded by the U.S. National Science Foundation, will test the applicability of five advanced communications technologies to the regulation of immigration at remote ports of entry in Belize and the Dominican Republic.

At a February 2003 University of Florida-hosted meeting attended by representatives from the 7 participating US, Belizean and Dominican Republic universities, researchers reached

consensus on the nature of and responsibilities for the development of an initial system that can be tested among all participating university sites. Researchers have visited specific ports of entry in both the Dominican Republic and Belize to familiarize themselves with the on-the-ground reality of each country so that they can produce a prototype appropriate for field deployment by national immigration and other governmental agencies. A second technical meeting, held in September 2003 at Carnegie Mellon University in Pittsburgh, served to integrate the separate research components of the project being conducted by the participating universities. This meeting prepared the ground for a technical meeting and initial prototype field test in Belize in December 2003.

PROJECT ON INSTITUTION-BUILDING IN ANDEAN NATIONAL DRUG COMMISSIONS

The main objective of this project, financed by the Spanish Government, is to strengthen the national drug commissions of the Andean countries, which will make possible the development of national drug information and research systems (national observatories), which are the basic tools for strategic planning of national drug policies. The project has continued to move forward despite the region's social and political instability and constant changes of officials and technical staffs of the national institutions involved.

- **Bolivia**

The project seeks to incorporate national demand reduction data into the existing National Drug Information System (SINALTID). An early 2003 coordination mission introduced new data sources into the system (Vice Ministry of Prevention and Rehabilitation, Ministry of Education, Ministry of Health, and National Statistics Institute, as well as NGOs, universities, and research institutes), to identify the equipment needed by participating institutions, and to define the process for purchasing it. Delivery will take place once the Bolivian Government makes staffing decisions and selects a locale for the Observatory's technical team. A development workshop for the Bolivian Observatory is scheduled for the near future to define a national map of stable indicators along the lines of the SIDUC drug use and CICDAT supply control systems of the Inter-American Observatory on Drugs, pending a positive reply from the Bolivian Government.

- **Colombia**

Under this project, support is being provided to strengthen the Colombian Drug Observatory, which was organized by the National Drug Council around SIDCO (Drug Information System of Colombia). The project will enable SIDCO to be updated and improved and to have an Internet site. Proposals are also being considered for the development of a national epidemiological surveillance system, put together by the Social Protection Ministry's Office of Public Health.

- **Ecuador**

Throughout 2002, the project consolidated the development of the Ecuadorian Drug Observatory. In 2003, CICAD has carefully followed the Observatory's progress, primarily because of senior management position changes in the National Drug Commission (CONSEP).

- **Peru**

Following the definition of the Peruvian Drug Observatory's work plan at a workshop held in November 2002, the process was finalized for procurement and delivery of computer equipment to national institutions participating in the Observatory. Moreover, the technical

unit of the Observatory has been officially placed within the National Drug Commission of Peru (DEVIDA) and the drug documentation center of the NGO, CEDRO, the most important and complete of the country, has been strengthened and modernized.

- **Venezuela**

The project supports the strengthening of the Venezuelan Drug Observatory within the National Commission (CONACUID). In September, coordination meetings were held with officials from the Venezuelan Observatory to define the contents of technical assistance from CICAD and Spain's National Drug Plan, with a view to executing these activities. A decision was made to hold a national workshop, with the participation of all institutions that are currently sources of information on drugs in the country, in order to set up the Venezuelan Observatory's data system. The beginning of this collaboration with CONACUID coincided with the unfreezing of an important project on the development of the Observatory, financed by the European Union.

In addition to the individual work done in each of the member states, in July 2003, those responsible for the NDC's and the technical heads of the national observatories of Bolivia, Colombia, Ecuador, Peru, and Venezuela (as well as Paraguay) visited the headquarters of the Government Delegation for the National Drug Plan of Spain to see firsthand the work done by institutions participating in Spain's National Drug Plan.

STRENGTHENING AND DEVELOPING NATIONAL OBSERVATORIES IN THE EASTERN CARIBBEAN

At a meeting in Martinique in September, representatives of the French Observatory on Drugs (OFDT), the OFDT's monitoring sites in Martinique and French Guiana, the Inter-American Observatory on Drugs (OID), plus representatives from Dominica, French Guiana, Guyana, Haiti, Martinique, St. Kitts-Nevis, St. Lucia and Suriname together developed a proposal for a joint OFDT/OID assistance project to conduct timely, cost effective national assessments of emerging drug trends. OFDT training for the 6 countries will take place in 2004.

I. TRANSNATIONAL ORGANIZED CRIME

As decided by CICAD at its thirty-third regular session, a technical meeting was convened to identify ways of strengthening hemispheric cooperation to combat transnational organized crime. The meeting was held in Mexico on October 6-8, and was chaired by the Deputy Attorney General of Mexico, José Luis Santiago Vasconcelos.

The meeting addressed the following issues:

- a) technical reports by international experts on various aspects of organized crime;
- b) findings of a questionnaire on legal, operational and statistical aspects, and a report thereon by the Executive Secretariat;
- c) indicators on organized crime, to be included in the questionnaire of the Multilateral Evaluation Mechanism (MEM).

The representatives of Argentina, The Bahamas, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, United States, Uruguay and Venezuela decided to submit the following conclusions to CICAD, for

consideration at its thirty-fourth regular session to be held Montreal, Canada, in November 2003:

1. *To emphasize the necessity that CICAD maintain its efforts against different transnational organized crime expressions related to drug trafficking and related offenses, with a view to the need for establishing coordination and cooperation mechanisms with relevant OAS institutions, in order to optimize its efforts and ensure that the OAS consolidates itself as a regional forum that makes cooperation against organized crime effective.*
2. *To recommend to CICAD that it reflect upon the most effective means of dealing with all transnational organized crime expressions linked with drug trafficking and related offenses and, in this respect, to complement the Anti-Drug Strategy in the Hemisphere, and to consider its present functions with a view to their expansion preserving nevertheless the current characteristics of the Multilateral Evaluation Mechanism.*
3. *To recommend that CICAD join its efforts in the hemispheric sphere with others, such as the Meeting of Ministers of Justice and General Attorneys of the Americas, whose commitments lead to the strengthening of legal and judicial cooperation against the different expressions of transnational organized crime.*
4. *To recommend that CICAD, in its thirty-fourth regular session, consider the possibility of creating an Ad Hoc open ended Group among the member states, which will continue to reflect on institutional development options and evaluate ways to strengthen regional cooperation on fighting drug trafficking and transnational organized crime with relation to illicit drug trafficking and related offenses; develop, under the Convention of Palermo and its Protocols, model legislation against organized crime; ensure exchanges of experience; establish points of contact in relation to different aspects of focus on this problem such as the judicial, non-judicial, law enforcement, administrative and political areas, and provide training and information exchange.*
5. *To call upon OAS member states that have not yet done so to ratify or adhere to the UN Convention against Transnational Organized Crime and its Protocols, and to adapt their national legislation to those instruments.*

Bearing in mind these recommendations, the Commission discussed the matter, and decided as follows:

“... to form an Ad Hoc Group with open membership, charged with examining the issue of organized crime, its links with the drug problem and the activities of CICAD, and reporting back to the Commission at its thirty-fifth regular session. The ad hoc group would take as its basis the document containing the conclusions and recommendations of the First Inter-American Meeting on the matter.”

Concerning the inclusion of two new indicators on transnational organized crime, the first entitled: “Prevention, control and repression of Transnational Organized Crime in relation to illicit drug trafficking and related crimes”, and the second, “Enforcement of laws against Transnational Organized Crime in relation to illicit drug trafficking and related crimes”, the Commission:

“...decided to refer them to the member states with a view to their inclusion in the set of indicators for the third evaluation round of the MEM.”

CHAPTER II. FINANCIAL AND BUDGETARY CONSIDERATIONS

A. CURRENT BUDGETARY SITUATION OF CICAD

The external funds received by CICAD are the product of its policy of cooperation with traditional and new or potential donors. Consultation with donors, presentations and negotiation leads to agreement on project proposals. Funding for CICAD activities for 2003 includes financial contributions from the OAS Regular Fund and from external donors, as well as special and in-kind contributions. The external funds can be for multi-year projects or received within the donor's fiscal year budget to be applied in the succeeding year. This reflects very diverse systems of budgeting and financial management among donor states and entities. Total cash contributions received by CICAD through October 2003 are US\$9,829,608. The following table shows details of all contributions (cash and in-kind) through October 2003:

| Financial Contributions to CICAD (2003) | |
|--|-----------------------|
| United States | US\$ 6,211,264 |
| OAS Regular Fund | 2,217,252 |
| Canada | 569,136 |
| Spain | 222,700 |
| United Kingdom | 158,210 |
| European Union | 123,586 |
| Japan | 85,840 |
| University of Florida | 85,000 |
| Mexico | 72,000 |
| UN Department for Disarmament Affairs | 30,000 |
| Inter-American Development Bank | 29,000 |
| Argentina | 6,000 |
| Jamaica | 5,000 |
| Chile | 5,000 |
| Turkey | 3,000 |
| Interest | 6,620 |
| Sub-Total | US\$ 9,829,608 |

| Special and In-Kind Contributions (Approximate amounts) | | |
|---|-------------|-------------------|
| France | US\$ | 99,600 |
| Univ. of Medicine & Dentistry of New Jersey– Robert Wood Johnson Medical School (UMDNJ/RWJMS) | | 79,101 |
| Spain | | 43,300 |
| US | | 13,500 |
| Peru | | 12,000 |
| INIBAP-Regional Off for Lat. America & the Carib. | | 10,000 |
| Universidad Mayor de San Andrés-Bolivia | | 8,000 |
| El Ceibo (Agrarian Cooperative-Bolivia) | | 5,500 |
| Panama | | 3,115 |
| Bolivia | | 1,100 |
| Sub-Total | US\$ | 275,216 |
| TOTAL CASH & IN-KIND: | US\$ | 10,004,824 |

OAS Regular Fund:

In 2003 CICAD received a total of US\$2,217,252 from the OAS Regular Fund. Of this total, approximately 70% (US\$1,535,922) was used to cover cost of salaries and benefits of half of the CICAD staff. The balance was used to support the Multilateral Evaluation Mechanism (MEM), US\$419,197; the organization of two statutory meetings of the Commission, US\$55,630; and non-discretionary (i.e., supplies, space, communication, photocopying, postage, etc.) operating expenses of the Executive Secretariat of CICAD, US\$206,503

B. FUNDS REQUESTED AND RECEIVED

1. United States Contribution: US\$6,211,264

a. Bureau of International Narcotics and Law Enforcement Affairs (INL) - US State Department: US\$6,000,000. (USFY02) As of October US\$4,143,689 have been distributed according to priorities on a case by case activity among the following CICAD areas: US\$868,543 to Demand Reduction; US\$230,000 to the Multilateral Evaluation Mechanism (MEM); US\$1,000,000 for the Implementation of MEM Recommendations (Demand Reduction & Statistics); US\$100,000 to Institutional Building; US\$747,172 to the Inter-American Observatory on Drugs; US\$821,974 to Supply Reduction; US\$209,000 to Legal Development; US\$157,000 to Anti-Money Laundering; US\$10,000 contribution from CICAD to CICTE. The remaining US\$1,856,311 will be used for project activities for the remainder of 2003 and the first quarter of 2004.

b. US Department of Agriculture (USDA): US\$ 211,264. In support of the following Alternative Development projects: Support to Peruvian Cacao program US\$50,000; Research Site Tarapoto-Peru US\$60,264; Caribbean Sigatoka US\$40,000; Ecuador Northern Border - Alternative Development US\$32,775; Support to Alternative Development Programs US\$28,225.

2. Canadian Contribution: US\$569,136 (CDN\$850,000). The Canadian contributions are received as reimbursements for expenditures already made in the projects with other sources of financing (usually US/INL funds). CICAD received contributions from:

a. Department of Foreign Affairs and International Trade (DFAIT):

- i) annual contribution of US\$401,109 (CDN \$600,000). As per agreement corresponding to its 2003-2004 fiscal year, funds were allocated as follows: Approximately US\$200,000 (CDN \$300,000) as general funding of which US \$94,218 went to the Supply Reduction area; US \$75,201 to the Inter-American Observatory on Drugs (IOD), including US \$34,558 to the Social and Economic Costs of Drugs Costs project; and US \$40,643 to IOD technical/administrative support). In addition, Canada contributed approximately US\$100,000 (CDN \$150,000) as funding for the "International Nursing Training Program for the Study of the Drug Phenomenon in Latin America"; and approximately US\$100,000 (CDN \$150,000) as funding in support for the Multilateral Evaluation Mechanism (MEM);
- ii) one-time funding provided through DFAIT's Human Security Program of approximately US\$100,000 (CDN \$150,000). This funding supported five different projects: Source Witness Protection Workshop, Cross-border Regional Forum, Undercover Training Workshop, Project Sleipnir- Analytical Threat Measurement and, Integrating Health and Enforcement.

b. Solicitor General of Canada: Reimbursement contribution of US\$68,027 (CDN\$100,000) in support of the following Supply Reduction projects: Andean Counter-drug Intelligence School; Customs and Maritime support; and, Community Policing.

3. Government of Spain: US\$222,700. From the Spanish Agency for International Cooperation (AECI): US\$222,700 for a new project in CICAD's Institution Building area: *Decentralization of National Anti-drug Policies in Andean Countries*.

4. United Kingdom: US\$158,210. In support of the *Colombia Aerial Fumigation Monitoring Project*, within CICAD's Alternative Development program. To be used to contract the members of the Scientific Assessment Team (SAT). The SAT will be the coordinating body of the study and will have a permanent membership of five scientists with expertise in areas such as human health, environmental sciences, and toxicology. It will conduct the risk assessment based on analysis of data collected, write the final report and present the results to the public.

5. European Union: US\$123,586. Final payment as per Contract B7-6210/CAR-99/4 (Inter-Regional Training and Capacity-Building Program in Drug Abuse Prevention and Treatment for the Caribbean Basin, Central and South America --total sum of contract EUR191,200). This is a reimbursement for expenditures made against other CICAD funds.

6. Government of Japan: US\$85,840. For the Demand Reduction-Nursing School project ("International Graduate Education Programs for Multiprofessionals in the Americas on the Drug Phenomenon, Prevention, and Treatment of Drug Abuse").

7. University of Florida: US\$85,000. First payment as per agreement signed with CICAD for a project on Transnational Digital Government. Total expected contribution under this agreement is US\$300,000 over a three year period (2003-2005). Beginning September 2003 this project has become a joint CICAD/OAS Office of Science & Technology (OS&T) activity. OS&T will receive, manage and execute funds; CICAD will remain a technical support partner.

8. Government of Mexico: US\$72,000. From its Procuraduría General:

- US\$50,000 received in June 2003 for CICAD's General Fund account.

- US\$22,000 received in October 2003 for CICAD's Money Laundering area in support of the First Inter-American Meeting on Mechanisms to Fight Organized Crime, held in Mexico City, October 6-8, 2003.

9. United Nations Department for Disarmament Affairs – Regional Center for Peace, Disarmament and Development in Latin America and the Caribbean (UN-LiREC): US\$30,000.

To CICAD Firearms project. Pursuant to Memorandum of Understanding with CICAD on *Cooperation in Respect of Measures to Reduce Illegal Trafficking in Firearms, their Parts and Components and Ammunition and Other Related Matters.*

10. Inter-American Development Bank (IDB): US\$29,000. Final payment under agreement ATN/SF-7485-RG: *Combating Money Laundering from the Judicial system.* Maximum amount of agreement was US\$241,500. The activities for this project were fulfilled at a lower cost, therefore the total contribution for this project amounts to US\$211,047.

11. Government of Argentina: US\$6,000. For the Multilateral Evaluation Mechanism-MEM.

12. Government of Jamaica: US\$5,000. For CICAD's General Fund account.

13. Government of Chile: US\$5,000. For CICAD's General Fund account.

14. Government of Turkey: US\$3,000. For a new Demand Reduction project to *Strengthen Schools of Public Health in the Areas of International Global Health and the Drug Phenomenon through Distance-Learning Education in Latin America.*

15. In-kind and special contributions:

- **Government of France: US\$99,600** approximately. Professional technical assistance through the allocation of a French official specialized in anti-money laundering matters to work at CICAD headquarters. Level of position is equivalent to a P-4, which would have an annual approximate cost of US\$99,600 to CICAD.

- **University of Medicine and Dentistry of New Jersey – Robert Wood Johnson Medical School (UMDNJ/RWJMS): US\$79,101.** Professional/technical assistance to CICAD project on *Estimating the Human, Social and Economic Costs of Drugs in the Americas*, through professional staff work time.

- **Government of Spain: US\$43,300** approximately.

(1) **AECI (Spanish Agency for International Cooperation): US\$6,000** for three scholarships for students of the Ibero-American Master On-line on Drug Addictions.

(2) **Spanish National Plan on Drugs: US\$10,800** (approx.) for lodging and food for 12 participants in a visit to the Spanish National Plan on Drugs (June 4-8, 2003) within the context of the project on Strengthening National Drug Commissions in Andean Countries.

(3) **(UNED) National University of Distance Education: US\$26,500.** For the International On-line M.A. in Drug Addiction Studies Project: US\$3,500 in coordination expenditures; US\$10,500 for professional assistance; \$8,200 for logistics and venue for meeting in Elche, Spain (September 17–20, 2003); US\$1,800 for communications and video conference expenses; US\$2,500 for travel to meetings.

- **Government of the United States of America: US\$13,500** approximately. (1) To CICAD's Alternative Development program: Through the US Embassy in Peru-NAS, provided in-country helicopter for over-flight of Jaen-Bagua coca fields including security (June 2003) approximate cost US\$10,000; (2) To CICAD's Anti-Money Laundering program: Two FBI lecturers from Miami, for a meeting of the Expert Group on Anti-Money Laundering, Washington, D.C., June 2003. Cost of travel, lodging, food plus professional support for 2 days, US\$3,500 approx.

- Government of Peru: US\$12,000** approximately. For the Fifth course for anti-drug intelligence analysts at ERCAID-Lima (Andean Counter-Drug Intelligence School), June 2-July 18: instructors, administrative and technical personnel from the National Police; local transportation and conference facilities for US\$12,000 approx.

- **INIBAP (International Network for the Improvement of Banana and Plantain) Regional Office for Latin America and The Caribbean: US\$ 10,000** approx. To CICAD's Alternative Development program: Provided one ripening container for project on Rehabilitation and Modernization of Organic Banana Production for the Export Market in Bolivia.

- **Universidad Mayor de San Andrés (UMSA-Bolivia): US\$ 8,000** approx. To CICAD's Alternative Development program: Provided eight undergraduate candidates' work on research pertaining to project on the Modernization of Organic Cacao Industry in Alto Beni-Bolivia.

- **El Ceibo (Agrarian Cooperative-Bolivia): US\$ 5,500** approx. To CICAD's Alternative Development program: Provided information on local variety of germplasm sources, field experience and training for project personnel of the Modernization of Organic Cacao Industry in Alto Beni-Bolivia.

- **Government of Panama: US\$3,115** approx. To MEM: Support staff during the meeting of the Inter-Governmental Working Group (IGW/MEM) held in Panama (March 25-28, 2003): 5 secretarial/assistance staff @ US\$10/hour; 1 copier technician @ US\$12.50/hour; 1 computer/systems specialist @ US\$123/day.

- **Government of Chile: US\$2,000** approx. For fellowships for the Maestría Iberoamericana on-line on drug addiction studies program.

- **Government of Bolivia, Alternative Development Vice-Ministry (VIMDESALT): US\$ 1,100** approximately. To CICAD's Alternative Development program by providing one Canon Digital Camera, with a value of US\$ 500, and one Global Position System (GPS) with a value of US\$ 600, for the Rehabilitation and Modernization of Organic Banana Production for the Export Market project in Bolivia.

C. RESULT OF EFFORTS TO OBTAIN EXTERNAL FINANCING

Because more than 75% of CICAD's funding is derived from external financing, the Commission's Executive Secretariat draws up detailed project proposals related to CICAD's policies and mandates, which are then presented to possible donors for their consideration.

| Cash Contributions to CICAD by Year – External Funds | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| <u>Year 1998</u> | <u>Year 1999</u> | <u>Year 2000</u> | <u>Year 2001</u> | <u>Year 2002</u> | <u>Year 2003</u> |
| \$2,527,730 | \$5,828,440 | \$4,811,220 | \$10,992,682 | \$6,709,264 | \$7,490,356 |

D. SOURCES OF FUNDING FOR THE YEAR 2004

The Government of the United States, through the INL, has advised that notice of its contribution to CICAD against its fiscal year 2003 (USFY2003) will be sent shortly.

The Inter-American Development Bank will send a total of US\$1,320,000 during a period of 40 months (November 2002-February 2006) as per agreement No. ATN/MT-7884-RG *Support to the Creation and Establishment of Financial Intelligence Units in South America*. An approximate amount of US\$300,000 is expected in 2004.

An increased contribution from DFAIT Canada is also anticipated.

CHAPTER III: DRAFT RECOMMENDATIONS OF CICAD TO THE GENERAL ASSEMBLY

CICAD recommends to the General Assembly that it pass a resolution containing the following elements at its thirty-fourth regular session:

1. To note with satisfaction the holding of the Intergovernmental Working Group (IWG) meeting on the Multilateral Evaluation Mechanism (MEM), held in Panama, in March 2003 and the agreements reached which employ the dynamic and strengthening process of the mechanism itself that were subsequently approved by the Commission at its thirty-third regular session.
2. To congratulate CICAD on the holding of the training seminar for the National Coordinating Entities (NCE's) for the third evaluation round held in Washington D.C. in October 2003, which acknowledges the important coordinating and processing of information role performed by the NCE's on the MEM process.
3. To acknowledge the progress achieved in the process of drafting the national and hemispheric follow-up reports on the implementation of the recommendations formulated in the second evaluation round, as a significant advance in the consolidation of the MEM.
4. To urge member states:
 - a. To renew their commitment to the MEM and to continue to participate in an active, full and timely manner in the third round of evaluation, in particular in their responses to the questionnaire and by ensuring the presence of their experts in the various stages of the process.
 - b. To increase their financial contributions to CICAD to enable it to augment its support to the member states in their efforts to comply with MEM recommendations. To also urge the Permanent Observers and the international financial institutions to continue to contribute to CICAD activities devoted to the same ends.

- c. To incorporate into their respective national laws the CICAD Model Regulations for the Control of the International Movement of Firearms, their Parts and Components and Ammunition, including the amendments adopted at the thirty-fourth regular session of the Commission held in Montreal, Canada, updating the model regulations and introducing controls to regulate firearms brokers.
 - d. To strengthen cross-border co-operation, in particular the exchange of experiences in subject-matters related to drug control.
 - e. To enhance international cooperation and coordination through the implementation of the recommendations of the Expert Group on Maritime Cooperation in particular, the conclusion of bilateral and regional agreements, and other arrangements to suppress illicit trafficking by sea and eliminate safe havens used by smugglers.
 - f. To incorporate in national law the provisions of CICAD's Model Regulations to control Money Laundering including those adopted at the thirty-fourth regular session of the Commission, referring to the financing of terrorism and improving the effectiveness of asset forfeiture regimes and international cooperation in this regard.
 - g. To endeavor to support alternative development projects that improve the conditions of member states affected by the presence of illicit crops as well as those that are particularly vulnerable to the cultivation of those crops.
 - h. To continue to strengthen the various aspects of their national drug control systems, including national drug commissions, national drug plans and strategies generally, and the legal and regulatory framework adapted to the actual conditions of the problem in each country, among other elements.
 - i. To sign and ratify the United Nations Convention Against Transnational Organized Crime and its three Protocols, as well as the United Nations Convention Against Corruption, the Inter-American Convention Against Corruption, the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials, and the Inter-American Convention on Mutual Assistance in Criminal Matters.
5. To recommend to the Executive Secretariat of CICAD:
- a. That it continue to assist member states, where appropriate, to comply with the recommendations that flow from the application of the Multilateral Evaluation Mechanism.
 - b. That it make a special effort to prioritize the programs developed by CICAD in accordance with the needs of member states in all areas, and that it explore new technologies and other measures to reduce costs with a view to adjusting to the current financial problems of the Organization.
 - c. That it promote adoption of CICAD's Model Regulations for the Control of International Movements of Firearms, their Parts and Components and Ammunition, especially those provisions concerning firearms brokers that were

adopted at the thirty-fourth regular session of CICAD in Montreal, Canada, and to advance in the implementation of the SALSA program as an instrument to improve the application of the controls set out in the Model Regulations as well as those in the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials (CIFTA).

- d. That it continue to work with prosecutors, police, judges and other officials of the judicial sector through training programs, technical assistance and other activities such as mock trials which focus on criminal procedure and legislation in order to facilitate criminal proceedings against money laundering.
- e. That it continue to develop its efforts to facilitate the provision of technical and financial assistance to member states, with the objective of consolidating the different aspects of institutional and legal strengthening in the field of drug control.
- f. That it continue to promote the creation and strengthening of national drug observatories, or national information and research systems on drugs which comprise fundamental tools for the strategic planning of national drug policies.
- g. Through the Inter-American Observatory on Drugs, that it support member states in the development and maintenance of uniform systems for the compilation of data on the problem of drug consumption at the national level so as to permit measurement of the problem and follow-up on new trends of illicit use.
- h. That it assist member states to strengthen control measures to prevent the diversion of pharmaceutical products, controlled chemical substances and illicitly-produced synthetic drugs and to improve the exchange of information on matters related to the application of control measures, in accordance with the plans of action developed by the expert groups on chemical substances and pharmaceutical products, as approved at the thirty-fourth regular session of the Commission.
- i. That it continue, where appropriate, to provide technical and financial assistance for the execution of alternative development programs both in those states affected by illicit crop production as well as in those that are vulnerable to the appearance of those crops.
- j. That it assist member states in the strengthening of financial controls through the establishment and implementation of Financial Intelligence Units (FIU) and through the training of judges and prosecutors and financial sector personnel.
- k. Through technical assistance and training that it support the efforts of member states to strengthen their capabilities in the areas of maritime drug trafficking control and port security in accordance with the recommendations of the Expert Group on Maritime Drug Trafficking.
- l. That it continue to monitor emerging trends in illicit drugs, including synthetic drugs such as methamphetamines, and that it help member states with the

development of programs to address these trends through a multi-sectoral approach.

- m. That it profit from the experiences of the Andean Community Regional Counter drug Intelligence School (ERCAIAD), to endeavor to increase the participation of officials from other countries of the Hemisphere and explore opportunities to apply these experiences in other sub regions.
- n. That it complete the program to develop methodologies for estimating the human, social and economic costs of drugs in the hemisphere with the pilot project countries and to promote the use of the methodology proposed in other member states.
- o. That it support the work of the groups of experts devoted to the advancement of CICAD's work in the following thematic areas: firearms, money laundering, chemical substance and pharmaceutical products control, and demand reduction, and the promotion of cooperation and coordination as well as information exchanges among member states in these fields.
- p. That it strengthen cooperation and information exchange with the various Inter-American Commissions and mechanisms in particular, the Inter-American Committee Against Terrorism (CICTE) and the Consultative Committee established under the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms Ammunition, Explosives and Other Related Materials (CIFTA), the Inter-American Ports Committee, the Working Group on Mutual Legal Assistance in Criminal Matters, and other relevant organs of the Inter-American system.
- q. That it continue to support the development and broadening of the International on-line M.A. in Addictions Studies and that it attempt to involve new universities in offering the program.

ORIGINS, LEGAL BASES, STRUCTURE, MEMBERS, AND PURPOSES

ORIGINS

The OAS General Assembly (resolution AG/RES.699 (XIV-0/84), convened the Inter-American Specialized Conference on Traffic in Narcotic Drugs to review all aspects of the drug problem. The Conference, held in Rio de Janeiro, Brazil in 1986, concluded with the unanimous approval of the Inter-American Program of Action of Rio de Janeiro against the Illicit Use and Production of Narcotic Drugs and Psychotropic Substances and Traffic Therein. The General Assembly also established the Inter-American Drug Abuse Control Commission (CICAD), (AG/RES.813 (XVI-0/86)), and approved its Statute. By AG/RES.814 (XIV-0/86), it adopted the Inter-American Program of Rio de Janeiro, and by resolution AG/RES.841 (XVI-0/86), authorized the Permanent Council to approve the Statute of the Specific Fund for the Inter-American Program of Rio de Janeiro to finance CICAD activities. The Permanent Council approved that Statute on September 9, 1987 by resolution CP/RES.482 (709/87).

LEGAL BASES

CICAD is a technically autonomous entity of the OAS, operating under the Inter-American Program of Rio de Janeiro and in accordance with the mandates of the General Assembly. In October 1996, the Commission adopted amendments to its Statute, which were approved by the General Assembly in its resolution AG/RES.1457 (XXVII-0/97) in June 1997. In November 1997, the Commission adopted amendments to its Regulations, pursuant to Article 31 of the amended Statute.

STRUCTURE AND MEMBERS

Under Article 3 of the amended Statute, the Commission is composed of all the member states of the Organization that are elected, at their request, by the General Assembly. Each member state must designate a principal representative, and may also appoint alternate representatives and advisors, as it deems appropriate. CICAD comprises thirty-four member states.

PURPOSES

The Commission's objectives are to expand and strengthen the capacity of member states to prevent and treat the abuse of licit and illicit drugs, and to combat effectively the illicit production of and traffic in narcotic drugs and psychotropic substances. The Commission promotes regional programs in drug-related research, exchange of information, specialized training, and technical assistance.

The Commission is guided by the principles and declarations of the Inter-American Program of Rio de Janeiro, by the Anti-Drug Strategy in the Hemisphere, adopted by CICAD in October 1996 and endorsed by the General Assembly in resolution AG/RES.1458 (XXI-0/97), and by the Plan of Action approved at the Second Summit of the Americas in Santiago, Chile in April 1998, and endorsed in resolution AG/RES.1654 (XXIX-0/99) deciding on the establishment of the Multilateral Evaluation Mechanism (MEM). Mandates emanating from the Third Summit of the Americas in Quebec City, Quebec, Canada are the latest policy guidelines received.

2003 GENERAL ASSEMBLY RESOLUTIONS PERTAINING TO CICAD

AG/RES. 1949 (XXXIII-O/03)

**OBSERVATIONS AND RECOMMENDATIONS ON THE ANNUAL REPORT
OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION**

(Adopted at the fourth plenary session held on June 10, 2003)

THE GENERAL ASSEMBLY,

HAVING SEEN the observations and recommendations of the Permanent Council on the annual report of the Inter-American Drug Abuse Control Commission (CICAD) (CP/doc.3711/03);

REAFFIRMING its commitment to the principles and purposes set forth in the 1986 Inter-American Program of Action of Rio de Janeiro against the Illicit Use and Production of Narcotic Drugs and Psychotropic Substances and Traffic Therein and in the Anti-Drug Strategy in the Hemisphere, in particular, that anti-drug efforts are a common and shared responsibility that require a comprehensive and balanced approach with respect to the principles established in the UN Charter and in international law;

PROFOUNDLY CONCERNED by the grave threats posed by the links between illicit drug trafficking, terrorism, and other national and transnational criminal activities, such as money laundering, corruption, the illicit trafficking in arms, and the diversion of precursor chemicals;

RECOGNIZING that alternative development is an important component of national anti-drug policies, which creates and promotes sustainable licit economic options to replace the cultivation of illicit crops, and that alternative development programs require continued funding;

NOTING WITH CONCERN the rising trend in the abuse of synthetic drugs and pharmaceuticals in the Hemisphere, in addition to an increase in injecting drug use and related negative health consequences;

FURTHER CONCERNED by the significant increase in heroin trafficking in the Hemisphere in recent years, as suggested by a greater volume of seizures;

NOTING with satisfaction the approval by CICAD at its thirty-second regular session of the hemispheric report and 34 national reports resulting from implementation of the second round of the Multilateral Evaluation Mechanism (MEM), and

CONSIDERING that in the CICAD Declaration in Mexico City (CICAD/doc.1206/02 rev. 3), the member states reaffirmed the priorities for inter-American cooperation in the area of drug control, and in particular, by enhancing integral prevention actions with special emphasis on supply and demand reduction, while combating corruption and transnational organized crime; renewing their commitment to the Multilateral Evaluation Mechanism, and recognizing that hemispheric cooperation is the path to follow,

RESOLVES:

1. To thank the Inter-American Drug Abuse Control Commission (CICAD) for presenting its annual report for 2002 (CP/doc.3711/03).

2. To recognize the important role that CICAD plays in the control of all aspects of the drug problem, and to note with appreciation the progress made in the programs and projects undertaken by CICAD under the mandates issued in the plans of action of the Second and Third Summits of the Americas concerning efforts to combat the world drug problem.

3. To urge member states to continue to strengthen their drug abuse prevention policies and programs for specific populations deemed to be high risk, and to carry out research in order to determine the true dimensions of the problem of drug abuse, in order to design appropriate prevention, treatment, and rehabilitation programs in accordance with the needs of each country.

4. To urge member states, permanent observers, and international trade institutions to seek to maintain and strengthen existing trade preference systems that support alternative development programs aimed at reducing illicit crops in the region, and to continue to contribute funding for those programs and projects in order to ensure that they continue.

5. To urge member states and permanent observers, in line with the principle of shared responsibility, to promote the opening of markets, where appropriate, for products of alternative development programs designed to eliminate the production of illicit crops, in order to improve the competitiveness of those products and enhance the sustainability of these programs

6. To urge member states that, with the goal of preventing, controlling, and eliminating the funding of terrorist activities and, in general, all criminal acts of transnational organized crime, they incorporate into their respective national legislation the provisions of the CICAD Model Regulations on Money Laundering Control, including the amendments to them proposed by the CICAD Group of Experts and adopted at the thirty-second regular session of CICAD in Mexico City, making terrorist financing a predicate offence to money laundering and incorporating the eight special recommendations on terrorist financing drawn up by the Financial Action Task Force (FATF).

7. To urge countries to strengthen the mechanism for pre-export notification of chemical substances used in the production of organic and synthetic drugs, established in Article 12 of the United Nations Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 as an effective instrument to prevent the diversion of these substances to illicit markets, among other methods for the effective control of chemical substances.

8. To encourage states to strengthen international judicial cooperation and extradition mechanisms among member states, in order better to address crimes related to the global drug problem, corruption, and the manifestations of transnational organized crime, as well as to combat their impunity.

9. To invite member states to incorporate into their national legislations the provisions of the CICAD Model Regulations for the Control of the International Movement of

Firearms, Their Parts and Components, and Ammunition, including measures to reinforce controls on exports, imports, and transit of firearms, and to urge CICAD at its thirty-fourth regular session to consider the draft Model Regulations on Arms Brokering, prepared by the CICAD Group of Experts on Firearms Control, in order to strengthen controls over the brokering of firearms.

10. To thank CICAD for the recommendations it made to the Preparatory Body of the Special Conference on Security (CICAD/doc.1203/02 rev. 5), in accordance with General Assembly resolution AG/RES.1882 (XXXIII-O/02).

11. To instruct the Executive Secretariat of CICAD:

- a. Through the Inter-American Observatory on Drugs, to step up efforts to assist member states to develop and maintain uniform data collection systems that will make it possible to measure the problem of substance abuse, and to follow up on new trends in drug abuse.
- b. To promote the evaluation of substance abuse prevention and treatment programs, to determine which are the most effective and have the greatest positive impact on the target groups.
- c. To assist member states and nongovernmental organizations to develop substance abuse prevention programs for primary school children and step up its professional training programs in the demand reduction field.
- d. To assist member states to strengthen actions to control the diversion of controlled pharmaceutical products and chemical substances used in the production of organic and synthetic drugs and to improve the mechanisms for timely information exchange on matters related to the application of control measures.
- e. To continue to provide technical and financial assistance for implementation of alternative development projects in member states affected by the presence of illicit crops, and to continue to identify viable funding sources for programs that aim to prevent and eliminate illicit crops.
- f. To give priority to providing technical assistance to member states to help them strengthen their national drug control commissions and other national entities involved in combating the drug problem in all of its manifestations.
- g. To continue, where appropriate, assisting member states in strengthening financial controls through the establishment and implementation of their Financial Intelligence Units (FIU) and the training of prosecutors and financial sector personnel.
- h. To assist member states in the adoption of national laws and regulations, in accordance with pertinent international instruments, including the CICAD Model Regulations on Money Laundering Control, to prevent the

activities of the financial and non-financial sectors from being used to launder assets deriving from drug trafficking and other related crimes.

- i. To help member states incorporate into their national legislations the provisions of the CICAD Model Regulations for the Control of the International Movement of Firearms, their Parts and Components, and Ammunition, including measures to strengthen controls over the exports of firearms.
- j. To support the work programs and activities of the CICAD Expert Groups dedicated to the following five thematic areas: Firearms Control, Pharmaceuticals, Chemical Precursors, Money Laundering, and Demand Reduction; so that they may continue to improve and facilitate cooperation and coordination and information exchange among member states in these areas.
- k. To strengthen cooperation and information exchange among the various pertinent inter-American committees and mechanisms, in particular, the Inter-American Committee against Terrorism (CICTE), and the Consultative Committee of the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA), whose work is related to control of the drug problem and other manifestations of transnational organized crime.
- l. To prepare a study on the status of illicit maritime drug trafficking in the Hemisphere.

AG/RES. 1950 (XXXIII-O/03)

**IMPLEMENTATION OF THE MULTILATERAL EVALUATION MECHANISM
OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION**

(Adopted at the fourth plenary session held on June 10, 2003)

THE GENERAL ASSEMBLY,

HAVING SEEN the observations and recommendations of the Permanent Council on the annual report of the Inter-American Drug Abuse Control Commission (CICAD) (CP/doc.3711/03);

RECALLING that during the Second Summit of the Americas, with the intention of strengthening mutual confidence, dialogue, and hemispheric cooperation, the Heads of State and of Government undertook to establish a singular and objective process of multilateral governmental evaluation based on the principles of respect for the sovereignty and territorial jurisdiction of the states, reciprocity, shared responsibility, and an integrated, balanced approach, in order to monitor the progress of their individual and collective efforts in dealing with the diverse manifestations of the drug problem and related crimes;

RECOGNIZING that the Multilateral Evaluation Mechanism (MEM) is a central pillar of hemispheric cooperation and a necessary instrument for the design of effective policy in combating all manifestations of the drug problem;

NOTING that the hemispheric report and the 34 national reports resulting from the implementation of the second round of the MEM were approved by CICAD at its thirty-second regular session, held in Mexico City in December 2002, and were published, with their recommendations, in January 2003; and

WELCOMING the Declaration of CICAD in Mexico City, adopted by the Commission at its thirty-second regular session, in which member states renewed their commitment to the MEM,

RESOLVES:

1. To note with satisfaction the hemispheric report and the 34 national reports resulting from the implementation of the second round of the Multilateral Evaluation Mechanism (MEM) approved by CICAD at its thirty-second regular session.

2. To endorse the recommendations contained in those reports, and to request CICAD to report to the General Assembly at its thirty-fourth regular session on the implementation of those recommendations.

3. To urge the member states to continue to carry out activities designed to meet fully the national and hemispheric recommendations formulated during the first and second rounds of implementation of the Multilateral Evaluation Mechanism, and to renew the commitment demonstrated during the first and second evaluation rounds and continue to participate actively and fully, and in a timely fashion, in the third round of the MEM.

4. To express its appreciation and recognition of the work of the Governmental Experts Group (GEG) responsible for preparing the evaluation reports.

5. To urge member states, permanent observers, and international financial institutions to increase their financial contributions to CICAD to enable it to step up its assistance to member states as they seek to comply with the recommendations of the MEM.

6. To instruct CICAD:

- a. To continue fulfilling the mandates given by the Third Summit of the Americas held in Quebec City, specifically those that refer to refining and promoting the Multilateral Evaluation Mechanism process and its results, and those that refer to the provision of assistance to member states for effective implementation of the recommendations;
- b. To focus resources on those areas identified by the MEM as priorities, such as the development of national information systems and the strengthening of information exchange mechanisms and national and international cooperation on all aspects of the problem; and
- c. To continue to assist member states in complying with the recommendations contained in the national and hemispheric MEM reports, "Evaluation of Progress in Drug Control 2001-2002," and in participating fully in the next round of evaluations of the MEM process.