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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 (OAS) AT
ITS THIRTY-SECOND REGULAR SESSION**

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EXECUTIVE SUMMARY

2001 saw increases in trends for the demand for narcotic and psychotropic substances in the hemisphere. Recent research and other sources of information have demonstrated that drug use appears to be increasing in the member states, while new combinations of drug use are detected in areas previously unaffected.

The Inter-American Drug Abuse Control Commission promotes and facilitates multilateral cooperation to control the use, production, and trafficking of illicit drugs in the hemisphere. Through its programs in 2001 - Multilateral Evaluation Mechanism (MEM), Demand Reduction, Supply Reduction, Alternative Development, Legal Development, Money Laundering Control, Institution Building, and the Inter-American Observatory on Drugs - CICAD endeavored to fully execute the ***Anti-Drug Strategy in the Hemisphere***; its top priority was the implementation and completion of the first round of evaluations of the MEM.

The MEM, after executing the first phase of the first round of evaluations with country and hemispheric reports being made public in January 2001, endeavored to carry out the second phase by way of two meetings of the Governmental Experts Group (GEG) to draft and review reports on the Implementation of the Recommendations given to each country during the first phase. The first meeting was held in Washington DC on October 1 – 5, 2001, and the second in Caracas, Venezuela on November 6 – 10, 2001. At these meetings, draft reports for each country, as well as a hemispheric report were prepared and consequently sent to the countries for comments. In December 2001 the GEG Alternates met to review the Hemispheric Sections to the 2001 Progress Report on the Implementation of Recommendations.

In April, at the third Summit of the Americas, celebrated in Quebec City, Canada, the Heads of State and Government reviewed the 1999-2000 results and recommendations. Leaders, in support of the MEM process, included in the Summit Plan of Action three mandates addressing support for the MEM process by member states and intensifying joint IDB-CICAD efforts in obtaining funds from the international donor community. The last week of April the Inter-Governmental Working Group (IWG) of the MEM met again in Washington, DC to review the evaluation process together with the indicators developed for the second round of evaluation. After extensive review the IWG presented the new reviewed indicators, and recommendations, to the Commission at its twenty-ninth regular sessions.

The objective of CICAD's Demand Reduction Program is reducing the demand for illicit drugs and other substances of abuse by discouraging and preventing initial use and treating the negative health and social consequences of abuse. CICAD provides training for professionals that manage prevention programs and deliver treatment services, rehabilitation and after-care programs in the member states. During 2001, the Expert Group on Demand Reduction met in Montego Bay, Jamaica to discuss issues of current practices and new developments in drug abuse treatment, while also looking at the challenges that substance abuse poses. The nursing education project, the drug abuse prevention program for street and working children, and the Caribbean drug abuse prevention and treatment training continued from previous years. Significant progress has been made with CICAD's on-line M.A. in addiction studies, that is still in its initial stages of development, while the development standards of care in drug abuse treatment program and fellowships in demand reduction were carried over from last

year. Three new programs started this year, including studies on the impact of drugs on women and the family, a partnership with the Association of non-governmental organizations working in prevention (RIOD), and the creation of the Caribbean sub-regional group of Demand Reduction Experts. Also, CICAD provided support to the government of Ecuador to develop a Demand Reduction project portfolio for the consultative group process begun there.

In the area of supply reduction, several training programs were carried out. In the Chemical Control Software project a training seminar was held in conjunction with the DEA in Lima Peru, in March. The Maritime Cooperation and Port Security Project hosted two conferences, one in Cartagena, Colombia and the other in Manta, Ecuador on the Port Security programs in the two countries. The Customs Cooperation Project conducted in September, along with the *Centre Interministériel de Formation Anti-Drogue* (CIFAD), in Fort-de-France, Martinique a counter drug training workshop. In the Caribbean Chemical Control Project the fifth seminar was conducted in Kingston, Jamaica in June. The Regional Andean Community Anti-Drug Intelligence School Project held two 8-week training seminars on counternarcotics intelligence analysis, the first in June/July and the second in October/November. Under the RETCOD Project new equipment was provided, expanding to include new agencies in countries that are already participating in the project, as well as the inclusion of two new countries, Argentina and Panama. A study was carried out in August 2001 on maritime drug trafficking in Colombia.

In Alternative Development, CICAD finalized the implementation of the Generalized Land-Use Evaluation and Management Tool (GLEAM) in Peru with the delivery of a workstation, field equipment, and training for CONTRADROGAS personnel. CICAD began to expand its use in other Andean region countries, primarily Bolivia. In Bolivia, work has primarily concentrated on compiling necessary information to implement GLEAM in parts of the Yungas region identified by the government. In the area of improvement of alternative development products, CICAD has expanded its work to include the Caribbean region, implementing the Organic Banana and Integrated Pest management Project in Jamaica, Saint Lucia, and Dominica. Two new initiatives in Bolivia were launched dealing with the improvement in the production and the introduction of new varieties of banana and cacao plants. In Colombia, CICAD has also started, in partnership with national organizations, to work with indigenous communities of the Cofán people and the Indigenous Councils of Valle Guamuez and San Miguel. In the area of Consultative Groups, CICAD is currently working with Ecuador and Paraguay to set up their respective Consultative Groups. Ecuador's Consultative Group took place on October 23, with a total of US\$ 266 million of support pledged.

The Legal Development section of CICAD continued to work in the areas of arms, explosives, and precursor chemical control. CICAD also worked with the Central American Permanent Anti-Drug Commission (CCP), providing technical support and legal support in the preparation of the Regional Action Plan (PAR). It also concluded a joint project with the United Nations Drug Control Programme (UNDCP) for the Center for Legal Cooperation and Development in Central America (CEDEJU). The Legal Development Section also represented the Executive Secretariat of CICAD at various meetings around the hemisphere, including the Inter-Parliamentary Forum of the Americas, UN Conference on tackling the trade in small arms and light weapons, and the fourth Joint Meeting of the Inter-Governmental Task Force on Drugs and Ministers of National Security.

In the area of Money Laundering Control, CICAD worked with the Inter-American Development Bank (IDB) on a series of projects aimed at strengthening financial institutions that work in the area, including state and private financial entities and the judicial branch of member states' governments. Training sessions were carried out aimed at preventing money laundering in financial institutions and training members of the judicial system in combating money laundering. Technical assistance was provided to Peru and Guatemala on corruption relating to Money Laundering. The Group of Experts to Control Money Laundering met in Peru from July 11-13, 2001. Specialists from the section also represented the Executive Secretariat in various international meetings.

The Institution Building section of CICAD carried on with its efforts to strengthen the National Drug Councils (NDC) of the member states by promoting the design or modernization of National Anti-Drug Plans. Another project, originally conceived to strengthen the National Observatories on Drug in the member states of Central America was expanded to include those of the Andean Region.

The Inter-American Observatory on Drugs, created in May of 2000, provides statistics on drug use in member states through the Inter-American Uniform Drug Use Data System (SIDUC). Summary statistics on the drug control side were compiled through the CICDAT data system. This was done by the automation of the CICDAT system and also by entering into partnerships with organizations throughout the hemisphere. The Observatory continued its efforts in developing a system for estimating the social and economic costs of drugs, in accordance with the mandate from the Summit of the Americas held in Quebec City, Canada in 2001. This year the Observatory cooperated with the UNDCP's statistics section on the revision of the demand reduction section of its Annual Reports Questionnaire (ARQ).

A new topic of research started in February 2001 was the investigation of the phenomenon of displacement, as it relates to the drug problem, in the hemisphere, with three working sessions been held in February, May, and November. As a result of these three working sessions displacement was defined as the global phenomenon of the mobility of the different manifestations of the drug problem. Also, a new indicator, which was approved at the thirtieth regular session of CICAD, was designed to be included in the Second Round of Evaluation of the MEM. At its third working session the group considered that they had completed their mandate and would only meet again if the Commission decided to reconvene the Working Group on an ad hoc basis in the future.

The Observatory also created the regional drug information web page designed as a collaborative effort between CICAD and the national observatories on drugs to provide information from throughout the hemisphere on the different aspects of the drug phenomenon. Through workshops and training seminars the Observatory also sponsored a project to aid member states develop information technology and national information systems.

CICAD has cooperated with many Inter-American and International organizations and with Permanent Observer countries in 2001. The United Nations System, the Pan American Health Organization (PAHO), the Caribbean Community (CARICOM), the Caribbean Epidemiology Center (CAREC), the Inter-American Development Bank (IDB),

the European Union/European Commission and other organizations joined with CICAD in all the areas to control the use, production, and trafficking of illicit drugs.

Permanent Observers providing either technical or financial assistance were France, Japan, and Spain.

France, Portugal, the Russian Federation, and Spain routinely participated in CICAD events, including regular sessions of the Commission and as observers to the Inter-Governmental Working Group of the Multilateral Evaluation Mechanism. Also, Johns Hopkins University, University of Purdue, Georgetown University, and Florida International University, along with various universities throughout the hemisphere cooperated with CICAD on projects in demand reduction and the Observatory on Drugs.

ANNUAL REPORT OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD) TO THE GENERAL ASSEMBLY OF THE ORGANIZATION OF AMERICAN STATES (OAS) AT ITS THIRTY-SECOND REGULAR SESSION

The Inter-American Drug Abuse Control Commission (CICAD) herein presents its annual report to the thirty-second regular session of the General Assembly of the Organization of American States (OAS), pursuant to the provisions of Articles 54 (f) and 90 (f) of the OAS Charter. The report follows the broad headings of the Anti-Drug Strategy in the Hemisphere.

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

A. MULTILATERAL EVALUATION MECHANISM (MEM)

In April 1998 in Santiago, Chile, at the Second Summit of the Americas, the Heads of State and of Government instructed CICAD to develop a multilateral evaluation mechanism which would make periodic recommendations to member states on improving their capacity to control drug trafficking and abuse and enhance multilateral cooperation on the matter. In the Plan of Action, they declared that their countries would:

“Continue to develop their national and multilateral efforts in order to achieve full application of the Anti-Drug Strategy in the Hemisphere, and will strengthen this alliance based on the principles of respect for the sovereignty and territorial jurisdiction of the States, reciprocity, shared responsibility and an integrated, balanced approach in conformity with their domestic laws;

This mandate guided the twenty-third regular session of CICAD (May 1998), which formed an Intergovernmental Working Group on the MEM (IWG-MEM). The Group met six times in 1998 and 1999 and negotiated the design of the Mechanism. This process was completed in September 1999 in Canada and the Governmental Experts' Group (GEG) conducted the first evaluation round in 2000. Over a course of three drafting sessions, the GEG produced hemispheric and national draft reports which were presented to CICAD for revision and subsequent approval at its December 2000 Special Session.

Evaluation of progress in drug control reports 1999-2000 and the Third Summit of the Americas – Mandates

The product of the first evaluation round, made public in January 2001, consisted of 34 national reports together with a report on drug control progress in the hemisphere. The evaluations included recommendations on how to strengthen cooperation and the capacity of member states to address the drug problem as well as to stimulate technical assistance and training programs as part of overall anti-drug efforts.

These results and recommendations were presented at the Third Summit of the Americas in Quebec City, Canada in April 2001. In its support for the MEM, the Summit declared in its Plan of Action that the Governments would:

“Note with satisfaction the creation and implementation of the MEM, and reiterate their commitment to make this instrument, unique in the world, a central pillar of assistance toward effective hemispheric cooperation in the struggle against all the component elements of the global drug problem;

Implement the proposals and recommendations found in the national and hemispheric reports, approved by CICAD, in accordance with the specific situation of each country;

Continue strengthening and reviewing the MEM to monitor national and hemispheric efforts against drugs, and recommend concrete actions to encourage inter-American cooperation and national strategies to combat this scourge;”

The Heads of State recognized the work accomplished by the Governmental Experts Group and highlighted the following recommendations from the MEM Hemispheric Report to Member states for combatting the drug problem:

“Intensifying joint IDB-CICAD efforts in order to obtain financial resources from the International Donor community, through consultative groups supporting anti-drug efforts, for alternative development, as well as demand reduction programs; Establishing units with financial intelligence functions in countries that have not yet done so, with the support of CICAD and international agencies specialized in this area, and for which, in this context, it is recommended that CICAD and IDB training efforts be expanded;

Developing, within the framework of CICAD, a long-term strategy that includes a three-year program to establish a basic and homogeneous mechanism to estimate the social, human and economic costs of the drug problem in the Americas, and to support countries through the necessary technical assistance.”

Intergovernmental Working Group (IWG)

CICAD reconvened the Intergovernmental Working Group (IWG) to review the evaluation experience of the first round together with the indicators. A seventh IWG meeting was held April 23-27 in Washington D.C. during which a revised questionnaire of indicators was prepared with an emphasis on measuring effectiveness. This new version, consisting of 82 indicators, includes new areas such as corruption. The IWG developed a follow-up form for countries to complete regarding recommendation implementation. The MEM process and a calendar of activities for 2002 was also examined, while a schedule for the recommendation implementation report was prepared for the remainder of 2001.

Regarding the periodicity of evaluations, it was agreed that the Multilateral Evaluation Report should occur on a 2-year full evaluation cycle based on the questionnaire of indicators, with a follow-up evaluation report on implementation of recommendations between evaluations. In so doing, a publicly-available report from the MEM is produced on an annual basis.

Governmental Experts Group (GEG)

The 2001 progress report on implementation of recommendations, both national and hemispheric, represents the last phase of the first evaluation round. The Recommendation Implementation Report was drafted by the Governmental Expert Group (GEG) based on the responses to the recommendation follow-up form sent out to member states in June 2001. In total, 440 recommendations overall were assigned to individual member states, while in the hemispheric report 21 recommendations for action by Governments and CICAD.

The First GEG Drafting Session was held in Washington D.C. from October 1-5, during which the experts analyzed the information provided by countries on the status of implementation of the recommendations assigned to them in the 1999-2000 reports, as well as any obstacles encountered or any assistance required to implement these recommendations.

The Second GEG Drafting Session took place in Caracas, Venezuela where experts completed the drafting of the national and hemispheric reports. These drafts were subsequently sent out to countries for their comments before being reviewed by the GEG and approved by CICAD at its second special session. December 5-7, 2001 the Alternates to the GEG met in Washington, DC, to review the draft hemispheric report of the MEM.

At the thirtieth regular session the commission decided to convene the GEG for a third time on January 14 – 15, 2002 to review the comments submitted by the countries to their respective reports, and at the same time review the hemispheric sections of the follow up report. This would then be further reviewed and approved at a second special session of the commission, to be held January 18 – 20, 2002. The commission also decided to publish the finished product on January 30, 2002.

Second Evaluation Round 2001-2002

The second evaluation round commenced with the October delivery of the 2001-2002 MEM questionnaire. This document, now consisting of 82 indicators, has a cleaner, revised format as approved by CICAD at its twenty-ninth regular session, and has been prepared to operate 'on-line' to facilitate electronic data entry by the National Coordinating Entities (NCE's). The deadline for submission of data is February 28, 2002 after which the GEG will meet to evaluate the responses by member states to the indicators.

B. DEMAND REDUCTION

Reducing the demand for illicit drugs and other substances of abuse means discouraging and preventing initial use of drugs, as well as treating the negative health and social consequences of abuse through treatment, rehabilitation and after-care programs. For several years, CICAD's Demand Reduction Program has given priority to the education and training of a professional cadre of individuals who manage prevention programs and deliver treatment services in the member states.

Recent research and key sources of information indicate that drug use is rising in many member states, and new drugs and combinations of drugs are appearing in areas previously unaffected. Drug abuse prevention and treatment programs are therefore becoming of higher priority, and CICAD's demand reduction program helps support national governments and well-established and qualified civil society organizations that provide local community-level services in prevention and treatment.

Expert Group on Demand Reduction

In accordance with the decision of the twenty-seventh regular session of CICAD, the CICAD Expert Group on Demand Reduction met in Montego Bay, Jamaica on August 8-10, 2001, under the chairmanship of Dr. Charles Thesiger, Chairman of the Jamaican National Council on Drug Abuse (NCDA). The meeting considered issues of current practices and new developments in drug abuse treatment. The experts also examined challenges posed by a number of substances of abuse, and again stressed the importance of quality standards of care in drug treatment. The final report of the meeting is published as document CICAD/DREX/doc.4/01.

Nursing Education in Latin America: A Pilot Project to establish a Drug Demand Reduction and Health Promotion Curriculum

This program introduces drug abuse prevention and health promotion issues into undergraduate and graduate nursing school curricula. It began in 1997 with a three-year grant from the Government of Japan. In 1999 - 2001, the Governments of Canada and the United States also made financial contributions. The first phase of the project covered the nursing schools of the University of Carabobo (Venezuela), the National University of Colombia in Santafe de Bogotá (Colombia), and the National University of Córdoba (Argentina) and later the University of San Andrés in La Paz (Bolivia); the University of Guayaquil (Ecuador), and the Cayetano Heredia University in Lima (Peru).

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 health promotion, drug abuse prevention, and social reinsertion of former drug addicts into their communities. In order to measure the contribution that these nursing professionals will make to reducing the demand for drugs, the participating schools of nursing are preparing a method for long-term tracking of their graduates' careers. The Pan American Health Organization has provided technical support for this project.

The Impact of Drugs on Women and the Family

The concerns addressed by this project are both the use of drugs by women, and the impact that drug use in society at large has on women and their families. The project supports prevention programs and research on the effects of drug abuse on women and the family in OAS member states. It is designed to raise particular awareness of the problems of substance abuse by pregnant women, violence against women by their drug- and alcohol-abusing partners, and the difficulties faced by women seeking drug treatment.

CICAD began this project in the context of the *Inter-American Convention on the Prevention, Punishment, and Eradication of Violence Against Women* ("Convention of Belém do Pará") of 1994. In 2001, CICAD provided financial support for the production

and publication of the official proceedings of the meeting ***the Southern Node Seminars on Women and Drugs and the Family and Drugs*** organized by Fundación Proyecto Cambio of Argentina and the Ibero-American Network of NGOs working in Drug-Dependence (RIOD), under the auspices of the Argentine Secretariat of Programming for the Prevention of Drug Addiction (SEDRONAR).

Drug abuse prevention program for street and working children

This project supports institutions working on behalf of street children in the Americas, in the area of substance abuse prevention and treatment. A training program for educators of street children has been carried out since 1995, with the support of the United States Government, and from 1995 through 2000, more than six hundred professionals in the Andean region have received training in drug abuse treatment and rehabilitation.

In 2001, CICAD focused its efforts on Central America. As part of its Hurricane Mitch relief effort, the U.S. State Department provided CICAD with financial support to expand the street children program to include El Salvador, Guatemala, Honduras, and Nicaragua. Approximately two hundred Central American professionals attended training courses held in Colombia in 1999 - 2000. In May 2001, an advanced-level regional training course on therapeutic interventions with high-risk youth with substance abuse problems was given in Colombia. Follow-up activities include both national and regional training and direct technical assistance.

Caribbean Drug Abuse Prevention and Treatment Training

Since 1993, CICAD has been organizing and cosponsoring, in conjunction with the U.S. Department of State, a series of courses on drug abuse prevention and treatment throughout the English-speaking Caribbean. Nineteen courses have been held, and approximately 900 professionals have been trained. Course content includes counselling skills and techniques, pharmacology, stages of addiction, relapse prevention, substance abuse and HIV/AIDS, and substance abuse and domestic violence.

In May 2001, CICAD sponsored a course entitled **From Prison to Community: Sharing Models of Treatment**, which was held in Belize in conjunction with Belize's National Drug Council. This course exposed Caribbean drug treatment counselors and prison officials to different treatment modalities being offered in prisons and ways to connect them with community-based treatment programs and services.

Fellowships in Demand Reduction

CICAD continued to participate in the OAS Fellowship Program to develop technical expertise in the area of drug abuse prevention and treatment; in 2001, ten fellowships were awarded for addiction studies at the Complutense University in Madrid, Spain to enable students already enrolled to complete their two-year M.A. program. The Spanish Government, the OAS Department of Fellowships, and CICAD all provided support for these fellowships. The Executive Secretariat hopes to increase the number of fellowships offered in 2002.

On-line M.A. in Addictions Studies

The Spanish National Drug Plan Office and CICAD continued their work with 3 Spanish and five Latin American universities that already offer a post-graduate degree in addictions studies to form a network and develop an on-line M.A. The goal of the network is to improve the quality of graduate education in addictions, provide for the exchange of information and faculty, update curricula, promote cooperative research on drugs, and enable students to transfer credits from one participating university to another.

The universities have made great strides towards developing an on-line M.A. in addictions studies that would be recognized by all the universities of the network. At a meeting in Washington, D.C. in May 2001, the rectors and program coordinators of the participating universities signed an international cooperation agreement pledging to complete and use a common curriculum, and common teaching standards. The program is expected to be launched in 2002. It is estimated that some 12,000 new professionals will have been trained through this program and will be working in the field by 2010.

The Universities that signed the agreement were: the Simón Rodríguez University, in Venezuela; the National University of Costa Rica; the Luis Amigó University in Colombia; the Cayetano Heredia University and the Federico Villarreal University, both in Peru; and in Spain, the Complutense University of Madrid; the University of Deusto; the Miguel Hernández University in Alicante, and the Spanish National Distance Education University.

In November 2001, the course instructors, as well as technology experts from the participating universities, attended a training course in Plasencia, Spain, organized by the Spanish Distance Education University (UNED). The course was designed to help the faculty understand the process of putting their curriculum on line, and to adapt their teaching methods to an INTERNET environment.

The project has financial support from the National Drug Plan of Spain and from CICAD, which will cover the direct costs. The universities will cover the indirect costs such as professors, infrastructure, and student registration.

Association of Non-Governmental Organizations working in Prevention (RIOD)

The Spanish National Drug Plan office and CICAD cosponsored a workshop on drugs and cooperation, of the Ibero-American Network of NGOs working in the Addictions (RIOD), held in Cartagena de Indias, Colombia on August 6-10, 2001. NGOs from: Bolivia (CESE, CELIN, SEAMOS Y AIPE); Brazil (Desafío Joven de Brasilia, APOT); Costa Rica (Vida y Sociedad); Ecuador (Fundación Ayuda); El Salvador (FUNDASALVA); Guatemala (Grupo Prevención, Casa Alianza, Remar); Mexico (El Caracol); Nicaragua (GCPCD); Panama (Cruz Blanca); Paraguay (JOPACAD, GESA, PREVER); Dominican Republic (Pastoral Juvenil, Casa Abierta) participated.

The work stressed the importance of collaboration between governments and civil society organizations in carrying out the demand reduction sections of each member state's National Drug Strategy.

Standards of Care in Drug Abuse Treatment

CICAD continues to help member states develop and put into practice standards of care in drug treatment. This initiative, underway in CICAD since 1997, is designed to help governments develop a consensus in the national health care community around the desirability of establishing standards of care, and then to implement practices and guidelines. A long-term objective, recommended by CICAD's Expert Group on Demand Reduction (March 1998, and again in August 2001), is to develop systems of accreditation for treatment providers.

During 2001, CICAD organized and financed a workshop on the establishment of standards of care in Uruguay. A Spanish-language manual documenting the different experiences of each country in the implementation and adaptation of legislation was published by the Executive Secretariat in October 2000. The English version, published in July 2001, was used as a reference during the meeting of the CICAD Expert Group in Demand Reduction held in August 2001 in Montego Bay, Jamaica.

Caribbean Sub-Regional Group of Demand Reduction Experts

CARICOM and CICAD cosponsored a Sub-Regional Demand Reduction Forum in Georgetown, Guyana on September 17-18. The purpose of the meeting was to bring together individuals from the Caribbean member states to discuss the findings of an assessment relating to a regional demand reduction enhancement program, as well as to develop a strategic approach for carrying out future activities and assessments. The recommendations put forth at the forum were submitted to the Fifth Meeting of the Council for Human and Social Development (COHSOD V) in October 2001, and [to a preparatory meeting for a Caribbean Summit of Heads of Government in December 2001].

Support for the Consultative Group process in Ecuador

As part of its support for Ecuador's Consultative Group process on drugs, the Executive Secretariat provided technical assistance on the development of the demand reduction project portfolio.

C. SUPPLY REDUCTION AND APPLICATION OF CONTROL MEASURES

Expert Group on Chemical (Pharmaceutical Products)

At CICAD XXVIII, the Delegation of Colombia raised concerns regarding the control of pharmaceutical products. The Commission directed the Expert Group on Chemicals to examine this issue. The Group met August 13 - 15 in Washington with representatives from Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Jamaica, Mexico, Peru, Dominican Republic, St. Kitts and Nevis, Trinidad and Tobago, United States, Uruguay, and Venezuela.

The experts identified 7 general problem areas in controlling pharmaceuticals: the existence and application of adequate legislation, national control systems, the availability and timely exchange of information and the availability of sufficient financial, technical and human resources. The Group developed 10 recommendations for consideration by the Commission and 7 more that were directed to the member states.

The report and recommendations were presented to the Commission by Dr. Maria Cristina Chirolla of Colombia, the Chair of the Expert Group.

The Group presented its final report at the thirtieth regular session. As one of the recommendations the group suggested the creation of a separate Experts Group on Pharmaceutical Products. The Commission decided that the group will meet for the first time in Washington DC, in March 2002, and will be chaired by Colombia.

Chemical Control Software

In response to requests by member states the Executive Secretariat continued its work in the development of a uniform chemical control database designed to assist countries in registering and reporting on precursor imports and exports, maintaining company records and generating pre-export notifications. The software was designed by the chemical control unit of the Ministry of Industry, Tourism, Integration and International Commercial Negotiations (MITINCI) of Peru.

During the first quarter of 2001, MITINCI performed a number of modifications on the software based on consultations with CICAD. These modifications created a general platform that countries could adopt and integrate into their national control systems. Each country may also perform modifications to the program in order to meet their individual needs. In March 2001, CICAD and the DEA hosted a detailed training seminar at MITINCI's headquarters in Lima for representatives from Venezuela's national drug commission (CONACUID) and from the Ministry of Production and Commerce (MPC). Argentina, Bolivia and Panama have also expressed formal interest in acquiring the software and are currently undergoing the preparations for installation.

Study of Maritime Drug Trafficking

In August 2001, the Secretariat conducted a maritime drug trafficking study in Colombia within the framework of its Maritime Cooperation Strategy in the Southeastern Pacific. A previous study was undertaken in Peru in 2000. The study in Colombia, which was conducted in coordination with the Office of Naval Intelligence and the Joint Interagency Task Force – East, focused on drug trafficking activities around coastal areas and waters, including port facilities. It also examined systems, resources, procedures, and capacity to monitor and interdict drug trafficking within the ports and adjacent to the coastline. A final report published in December 2001 made a series of recommendations to the Government of Colombia for consideration in its ongoing national maritime counter drug strategy. A third study will be conducted in cooperation with the Government of Chile in January 2002; the fourth and final study will focus on Ecuador. A regional assessment will also be completed in 2002. The goal of the project is to promote multinational coordination and cooperation.

Maritime Cooperation and Port Security Project

There is an increasing recognition of the role of the private sector in facilitating drug control. This is particularly important in the case of commercial companies active in airports and maritime ports. Governmental port authorities have traditionally been responsible for the administration of maritime ports, but the trend is toward private sector companies assuming these responsibilities.

Working in cooperation with Colombia's National Port Security Program, National Police, and the US Embassy Narcotics Affairs Sections (NAS), CICAD organized an international port security conference in Cartagena, Colombia on February 21-23, 2001. The objective of the conference was to present Colombia's unique National Port Security Program in an international forum in an effort to "regionalize" the program with CICAD's assistance. Participants included authorities from 15 countries representing government agencies, port authorities, security agencies/companies and private sector companies. As a result of the conference, the government of Ecuador decided to host a second conference, in coordination with CICAD, which was conducted at the port city of Manta, Ecuador on November 27-29, 2001. Participants included Ecuador's National Police, Customs, Attorney General's Office, Port Authorities of Guayaquil and Esmeraldas, and BASC Ecuador. A third regional conference is scheduled to take place in Venezuela in early 2002.

Customs Cooperation Project

In 2001 the Executive Secretariat promoted cooperation among officials and agencies through its Customs Cooperation project. By identifying, developing and implementing projects that promote communication, this program enhances the technical expertise of agents through training activities, while at the same time promoting network development. Working with the *Centre Interministeriel de Formation Anti-Drogue* (CIFAD), CICAD conducted a counterdrug customs training workshop in Fort de France, Martinique in September 2001. Participants included front-line customs officers from Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. The program presented included both classroom and practical sessions on, among other issues, profiling techniques, methods of smuggling and deception, container handling and search techniques.

Telecommunications Network for Precursor Chemicals (RETCOD)

Now in its fifth year of operation, the Inter-American Drug Control Telecommunications Network (RETCOD) continues to serve as an effective and reliable means of gathering and disseminating intelligence and other drug-related information. The network uses computer and high-frequency (HF) radio technology to enable users to encrypt and send both data and voice communications. Furthermore, the use of special HF software provides participants the capacity to exchange information via email with remote areas that do not have phone lines or standard Internet access.

During 2001, RETCOD was expanded to include new agencies in currently participating countries and two new countries: Argentina and Panama. In total, eighteen more sites were added during the year, bringing the total number of operative computer sites to ninety-four. To date, nine countries are actively involved in the network, including Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Panama, Peru and Venezuela. Participating agencies include Customs, national anti-drug police, administrative chemical control bodies, national drug commissions and the military.

Contributions from the government of France and cooperative efforts with NAS Quito and NAS Lima also enabled the expansion of the radio component of RETCOD. Four new sites were installed in Ecuador in September 2001. This equipment is being utilized by the counter-narcotics division of Ecuador's national police to fortify operational activity in the northern border area of the country and to facilitate communication with national

headquarters in Quito. During 2001, RETCOD equipment was used in other multinational operational activities, including "Operation Six Borders," "Operation New York," and "Operation Tango." At the thirtieth regular session of CICAD in Caracas, Venezuela, the Commission decided to undertake an external evaluation of the RETCOD project.

Caribbean Chemical Control

The Caribbean Chemical Precursors Control Project was initiated in 1999 with funds provided by the European Commission. The participating countries included Antigua and Barbuda, Bahamas, Barbados, Dominican Republic, Jamaica, Grenada, Guyana, St. Kitts and Nevis, Saint Lucia, Suriname and Trinidad and Tobago.

The assessment phase of the project was completed in March 2000 and identified various issues requiring attention to strengthen controls over chemicals in the participating countries. The Executive Secretariat carried out a series of training seminars for administrative and operative officials working in chemical control. Four of these seminars were conducted in 2000 with the last one being delivered June 5 to 7, 2001 in Kingston, Jamaica. Twelve officials from The Bahamas, Guyana, Jamaica and Trinidad and Tobago participated in this seminar.

These training seminars covered the international frameworks for control, the national control systems and mechanisms, drug production, the diversion of chemicals (routes, methods, investigation), clandestine laboratories, officer safety and the relationship with the private sector (chemical industry). Canada, Colombia, Spain and the United States provided instructors for these courses, through which 145 officers were trained.

The needs assessment identified a number of problems related to the chemical control legal and regulatory frameworks of the participating countries. Further to this finding CICAD and the United Nations International Drug Control Program (UNDCP) in the Caribbean implemented a project to provide technical support for legal development. Within the framework of this project, technical assistance is being offered to draft or update national chemical control legislation and regulations in the 11 participating countries as well as Dominica, Haiti and St Vincent and the Grenadines. Consultations by the technical expert assigned to this project have been carried out in Barbados, Trinidad and Tobago, the Bahamas, Haiti and the Dominican Republic.

Regional Andean Community Anti-Drug Intelligence School

This Regional School, created by a request from the First Conference of the Andean Regional Community for Anti-drug Intelligence, aims to develop academic activities to update the police personnel of the Andean region on anti-drug intelligence and evaluate, on an ongoing basis, the efficiency and effectiveness of the methods, techniques, and procedures for anti-drug intelligence being used in the region to fight international drug trafficking. It is seen as an essential investment in support of drug control efforts at the national, and regional multilateral level. This investment is required to ensure the highest possible level of professionalism and aid in the effective and efficient delivery of all drug control programs.

The School was officially inaugurated on 14 December 1999 in Lima, Peru. It is currently housed at the headquarters of DINANDRO (the anti-drug section of Peru's national

police). The school's Multinational Executive Board includes representatives from OAS/CICAD and each member country of the Andean Community, which includes Bolivia, Brazil, Chile, Colombia, Ecuador, Peru, and Venezuela.

In 2001, the school conducted two eight-week seminars on counternarcotics intelligence analysis. Twenty-eight intelligence analysts from member states attended the first course, which was held in June/July. The program covered techniques, tactical and strategic issues and financial and chemical precursor intelligence. It also included two special sessions on intelligence issues related to money laundering control and chemical control. Canada, Colombia, France, Peru and Spain provided instructors and presenters for the course. The second eight-week course was held in October/November 2001 for an additional twenty-four intelligence analysts. This particular course was primarily focused on operational police intelligence activities, including undercover operations, informant handling and controlled deliveries. Two additional courses are projected for 2002.

Supply Reduction 2002

In 2002, the Supply Reduction and Control Section will continue with current priority activities, focusing particular attention on dealing with emerging trends such as the spread of synthetic drugs, working with interested parties in different initiatives.

D. ALTERNATIVE DEVELOPMENT

The Inter-American Program of Action of Rio de Janeiro establishes as a priority line of action for CICAD the reduction and elimination of illicit crops, including measures designed to prevent their expansion to new areas of the region. Accordingly, CICAD programs contain measures aimed, within a framework of respect for human rights, at integration in national licit economies of populations involved in illicit cultivation. This is done by ensuring participation of local communities in the design, implementation, and evaluation of projects, in order to guarantee the sustainability of those projects, and by including cultural aspects, and preservation and rational use of natural resources. The CICAD Alternative Development Program has focused mainly on illicit production areas.

However, the new trends in the problem of illicit cultivation call for a broader and more inclusive approach. In this context, CICAD has developed projects of a nontraditional or preventive nature, which are carried out in potential illicit production areas, or areas where there is a high risk that the labor force might become involved in the production of illicit crops.

The Executive Secretariat of CICAD has continued its efforts to improve standards of living for populations that produce illicit crops, in order, thus, to discourage production and facilitate their integration in the legal economy without this causing further social and economic harm. That is possible thanks to the financial contributions of international donors, the technical contributions of international research organizations, and private sector participation. In this way CICAD has enhanced its scope of activities in the area of Alternative Development and increased its presence in member states through introduction or expansion of projects and programs.

Improvement of Production of Alternative Development Products

In 2001, CICAD and the governments of Jamaica, Saint Lucia and The Commonwealth of Dominica have worked together to restructure, in accordance with national needs, the regional initiative entitled Organic Banana and Integrated Pest Management Project that was presented in 2000. The project is designed to strengthen this sector of the economy and create incentives for farmers not to become involved in illicit production and to continue to produce legal crops. The Jamaica component of the project is based on adaptation of a laboratory for research on pests that attack bananas, experimental fields for implementation of the results obtained, and extension and technical training programs for farmers, as well as marketing assistance. In St. Lucia and The Commonwealth of Dominica activities will be carried out in the areas of organic banana production, certification, and marketing.

In Bolivia CICAD has launched activities under two projects designed to improve production and introduce new varieties of banana and cacao under the National Alternative Development Program that the Bolivian government is advancing in the Yungas and Alto Beni regions. The banana project consists of restoring production of banana and plantain to the levels that existed before a massive outbreak of black *sigatoka* (*Mycosphaerella fijiensis*) and yellow *sigatoka* (*Mycosphaerella musicola*). Activities will be carried out in conjunction with the Vice Ministry for Alternative Development, *inter alia*, in the areas of research, training, technology transfer, and marketing. In addition, the projects will introduce new banana varieties with characteristics acceptable in the local, regional, and international markets. The aim of the cacao project is to increase and improve organic cacao production in the area of Sapecho, as well as to introduce high-quality, disease resistant varieties. To that end, the project proposes to carry out research in such areas as crop diversification and integrated pest management at the facilities of the Bolivian Institute for Agricultural Technology (IBTA) in order. In addition, a cooperative will be appropriately equipped to provide technical advisory and extension services for local farmers.

The effort in Ecuador was formally begun in October 2001, when CICAD launched its first alternative development project in the town of Puerto El Carmen, Sucumbios Province, in the Canton of Putumayo. The project is being carried out in conjunction with the Northern Development Unit (UDENOR), a governmental agency nominated by the government to carry out the project. The purpose of this project is to mitigate the impact of illicit crop cultivation through agroindustrial, integrated farm, food security, and technology transfer programs. The project and all of its components are directed to small farmers, those most vulnerable to these influences.

Generalized Land-Use Evaluation and Management Tool (GLEAM)

CICAD has been working in close cooperation with the governments of the Andean Region countries on the Generalized Land-Use Evaluation and Management Tool (GLEAM), which is designed to provide member states with current land-use information. It also provides the means to enable design, formulation, implementation, and evaluation of alternative development programs that make better use of available resources. This tool also facilitates negotiations with potential donors and the international financial community. The GLEAM tool is a decision aid that enables governments to map existing land-use activities, both legal and illegal, through rapid data acquisition (airborne and satellite), assimilation, assessment and integration via a geographic information system

(GIS) and a computerized image analysis system (IA), using commercial satellite images, aerial photographs, and on-site verification to that end. The GLEAM tool makes it possible to map and evaluate the environmental repercussions of land use, identifies the potential for improvement or development of new infrastructure, evaluates and/or proposes alternative land-use options by identifying the crops with the most potential to bring economic development to a given area, and contributes to the construction of a land-titling database

As a result of the project launched in 1998, in 2001 CICAD delivered the GLEAM project to the Government of Peru, including a work station, field equipment, and training for CONTRADROGAS personnel in the use of the system. With this technology the government of Peru can effectively determine the viability of proposed projects as well as develop new projects in production areas, and those with potential to be used for illicit cultivation.

In Bolivia, the Vice Ministry for Alternative Development, through its Monitoring Office, has been working, in cooperation with CICAD, to compile the necessary information to implement GLEAM over 500,000 hectares of traditional coca production areas identified by the government in the North and South Yungas region. This was done based on a request from the Bolivian Government.

Alternative Development Projects in Indigenous Communities

CICAD, in conjunction with the Foundation ZIO-A'I "Unión de Sabiduría" and the National Alternative Development Plan of Colombia (PNDA), seeks to develop the economy and production component of the Life Plan (Plan de Vida) of the Cofán People and the Indigenous Councils of Valle Guamuez and San Miguel, as a socioeconomic development plan that offers an alternative to coca cultivation for these indigenous communities in the Department of Putumayo, southern Colombia. The project was designed by the communities through the Life Plan and it has become the instrument to ensure the physical and cultural survival of these indigenous communities and to bring social and economic development to their peoples and to the region they inhabit, by seeking, at the same time, to ensure licit alternative development and eradication of coca cultivation from their lands. The purpose of this project is to strengthen the culture, organizations, businesses, and economic development of indigenous communities; identify lands suitable for farming and lands that require environmental restoration; implement a crop, livestock, and animal breeding program, as well as sustainable production systems to enable the recovery of traditional crops in order to provide food security and produce marketable surpluses. The overall objective is to create a strong and sustainable licit economy.

Support for Regional Initiatives

CICAD has been providing financing and participating as technical adviser, along with other Inter-American and International agencies such as the Inter-American Institute for Cooperation in Agriculture (IICA), to the Andean Committee for Alternative Development (CADA). Through this consultation and coordination forum for multilateral dialogue and decision making, the Andean countries exchange information and experiences to develop and apply a regional strategy to enable them to implement joint measures, strengthen bargaining capacity, and promote marketing of alternative products, taking into consideration all sectors of society and agreements among governments. This

forum seeks to promote a shared vision and common goals by strengthening institutions involved in alternative development, based on a joint, balanced, and harmonious regional policy in accordance with the needs and demands identified in each participant country. An outcome of the CADA meeting was a May 2001 an Andean Meeting on Monitoring Systems, held in Bogota, Colombia, during which the Andean countries and the agencies attending presented the different monitoring systems and technologies currently in use. As a result of the efforts of CICAD with the GLEAM project and of its positive results in Peru and Bolivia, the government of Colombia, through the National Alternative Development Plan (PNDA), has officially requested the possibility of implementing the GLEAM tool under a pilot project in an area yet to be determined.

CICAD will continue to provide support for regional mechanisms in order to promote a balanced, regional vision based on the principle of shared responsibility for alternative development and illicit crops.

Consultative Groups

Since 1998, CICAD has been working in conjunction with the Inter-American Development Bank (IDB) and with the Government of Peru on its consultative group for financing the alternative development and prevention and rehabilitation components of its National Anti-Drug Plan.

CICAD and the IDB also initiated activities in April to provide assistance to the Government of Ecuador to set up a consultative group held on October 23, 2001, with a view to implementation of alternative development and prevention and rehabilitation activities. CICAD and the IDB are currently working with the Government of Paraguay on analytical studies to set up a consultative group.

E. LEGAL DEVELOPMENT

Control of Arms and Explosives

On August 8 and 9 the Legal Development Section of the Executive Secretariat held a seminar in coordination with the United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean, in Port of Spain, Trinidad. The seminar was directed at promoting the application of the CICAD Model Regulations for the Control of the International Movement of Firearms, their Parts and Components and Ammunition, in accordance with the individual countries' national legislation. Representatives from the pertinent ministries of countries of the Caribbean as well as representatives from Canada attended this seminar.

Similar seminars were held by the Section, October 31 to November 1, 2001 at the Universidad de la Paz in Costa Rica for the Central American countries and the Dominican Republic and in December 2001 in Brasilia, Brazil, for the countries of South America. In the Central American seminar, presentations were made by representatives from Canada, the United States and Mexico. In the South American seminar presentations were made by Canada, the United States and by Argentina.

The Section also represented CICAD's Executive Secretariat in the 2001 UN Conference: Tackling the Illicit Trade in Small Arms and Light Weapons in all its

Aspects, held in Ottawa, Canada, May 23 – 24, 2001. This conference brought together government representatives, non-governmental organizations and international organizations together to discuss various issues on the illicit trafficking of small arms and light weapons and the impact the UN Conference in Small Arms held in July, 2001 would have on the member states of the OAS.

As a follow-up to the UN Conference in Small Arms, the Executive Secretariat gave presentations on the work of CICAD in promoting the adoption of the Model Regulations on firearms in the member states of the OAS and acted as a rapporteur for discussions on the national laws in place to control the international movement of firearms at the seminar on Latin America and Caribbean Initiatives on Illicit Trafficking in Small Arms and Light Weapons in all its Aspects: A Practical Agenda for Beyond 2001, held in November 2001 in Santiago, Chile.

Precursor Chemical Control

Proposals and procedures for coordinating controls over the movement of chemicals into Panama including measures for application in the Free Zone, which the Legal Development Section had worked on with Panamanian authorities, were incorporated into Panamanian regulations passed in September 2001.

The Section provided technical assistance to the UNDCP project entitled Precursor Control Legislation in the Caribbean to combat illicit drug production. It reviewed and commented on draft bills from five countries, ensuring their consistency with major international and regional instruments, such as the OAS/CICAD Model Regulations on Controlled Chemical Substances.

Central American Permanent Anti-Drug Commission (CCP)

The Legal Development Section provided technical assistance to the CCP at its four meetings held throughout the year; in March in Antigua, Guatemala, in June in San Salvador, in September in Honduras and in October in Guatemala City. It also made concrete recommendations for strengthening the structure of the Organization and, in response a request by the Commission, proposed amendments to the organization's charter document, the Convenio Constitutivo. The Section also provided technical assistance to the initial stages of the development of a Regional Action Plan (PAR) for CCP countries.

Center for Legal Cooperation and Development in Central America (CEDEJU)

The six-year CEDEJU project in Central America, involving Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama came to an end in December 2001. During the year, the Executive Secretariat met four times with the Project's other Supervisory Committee counterparts, UNDCP and the Central American Anti-Drug Commission (CCP) to review Project work. The Project concluded with a series of round table discussions in each country and one regional round table. The purpose of the meetings was to evaluate and inform on the achievements of the training and to present recommendations to legislators on needs identified for the improvement of national laws based upon the training received.

Participation in Meetings, Conferences and Seminars

The Legal Development Section was an active participant a variety of international and regional meetings and conferences.

- In March, a Section representative provided assistance to the Inter-Parliamentary Forum of the Americas held in Ottawa, Canada for drafting recommendations in the area of drugs and crime to be presented at the third Summit of the Americas.
- In May, the Section was represented at and participated actively in the OAS and the 2001 UN Conference on tackling the trade in small arms and light weapons held in Ottawa, Canada.
- In June, a Section representative provided technical assistance to the Chairman of CICAD at the Fourth Joint Meeting of the Inter-Governmental Task Force on Drugs and Ministers of National Security held in Antigua and Barbuda.
- In October, a Section representative gave presentations on money laundering at the University of Lima's Instituto de Investigación Científica and to Money Laundering Alert's Latin American Conference in Mexico City.
- In November, a Section representative gave presentations on the work of CICAD in firearms and acted as a rapporteur for discussions on national laws at the seminar on Latin America and Caribbean Initiatives on Illicit Trafficking in Small Arms and Light Weapons held in Santiago, Chile.
- Continued to compile national legislation, regulations and other legal instruments in a variety of fields for inclusion on CICAD's web page.

Legal Development 2002

In terms of firearms control, the section proposes to provide technical assistance for the information data base and electronic communications features of CICAD's firearms model regulations as well as assistance in legislative updating. It will also continue to be involved, as required, in chemical control activities in the Caribbean and will be engaged extensively in the Central American region in particular in the work of the Permanent Central American Anti-Drug Commission (CCP), including the PAR and other projects that it supports.

F. MONEY LAUNDERING

The Group of Experts to Control Money Laundering

The CICAD Group of Experts held their fourteenth meeting in Lima, Peru from July 11-13, 2001. In accordance with the Work Plan approved by CICAD at its twenty-eighth regular session held in Port of Spain, Trinidad and Tobago from October 24-26, 2000 (CICAD/doc.1104/00 rev.2), the group discussed and made recommendations on the following matters: a) legal analysis of the money laundering offense; b) typology exercises and studies; and c) a study on Financial Intelligence Units (FIUs). Moreover, the group was informed on money laundering typologies focusing on the Vladimiro Montesinos case.

[he Group of Experts identified various topics for the 2002 – 2003 Work Plan, published as CICAD/doc. 1124/01, and was informed of the offer by the delegation of Mexico to host the next meeting of the Group.]

The conclusions and recommendations of the Group of Experts meeting were approved by the Commission at its thirtieth regular session that was held in Caracas, Venezuela from November 12-15, 2001.

Project to Prevent Money Laundering in Financial Institutions

The course that was carried out for Colombia, Peru, Chile, Uruguay and Argentina as part of the project co-financed by the Inter-American Development Bank (IDB), CICAD and the participating countries, was extended to Bolivia and Ecuador due to the efficient use of the funds provided by the IDB. In this way, beyond the 270 persons that were to receive training, 100 more were added.

The steps taken with the private sector to use the materials designed for the project in exchange for a fee to make the program sustainable were successful. CICAD and the IDB entered into an agreement with the Banco Bilbao Vizcaya Argentaria (BBVA) by which a non-exclusive license was ceded to the BBVA in exchange for them to take the same steps for a course to be developed by them with the materials. Moreover, the BBVA, in collaboration with the Government of Brazil and under the supervision of CICAD, will design a course solely for Brazil to address its needs. It is estimated that from this starting point, the training course developed by CICAD will reach more than fifty thousand staff members of the BBVA group in South America.

Another example of the success of this program in the private sector is that the Bank of Montevideo of Uruguay has asked permission from CICAD and the IDB to use the materials developed by CICAD to train all their staff, which is more than four thousand persons. This permission was granted in exchange for a commitment by the Bank of Montevideo to organize, at its own cost, a course for the staff of the Uruguayan State, and among others, the Bank of the Oriental Republic of Uruguay, the Mortgage Bank of Uruguay, the Superintendency of Banks and the recently created Financial Intelligence and Analysis Unit. The director and staff members of the Financial Intelligence Units of Paraguay were especially invited to these courses.

Combatting Money Laundering by the Judicial System

On August 8, 2001, the Secretary General of the OAS, through CICAD, and the IDB entered into Technical Cooperation N° ATN/SF- 7485- RG, “Combatting Money Laundering from the Judicial System” Program. In a 14-month time frame, the program will be executed in Argentina, Bolivia, Chile, Ecuador, Peru, Uruguay and Venezuela.

Courses “Legal Cooperation/CICAD – National Drug Plan of Spain”

CICAD, in association with the Government of Spain through the National Drug Plan and Spanish Agency for International Cooperation, carried out the last two modules of the Course for Judges and Prosecutors in the “Seminar on Money Laundering and Investigative Techniques under the Framework for International Legal Cooperation CICAD-National Drug Plan of Spain.” This program concentrated on specific areas such as international legal cooperation; investigative techniques, cautionary measures;

seizures; confiscations and the handover of assets. The course is intended to benefit judges and prosecutors, which now number 35, of the Spanish speaking countries of Central and South America so that they may participate as either instructors or students.

Participation in Conferences and Seminars

CICAD participated actively in various international and regional conferences on money laundering. A representative from the Anti-Money Laundering Unit made presentations to the meetings of the Financial Action Task Force (FATF) that was held from June 4 – 6 in the plenary sessions and in the Coordination Meeting of International Organizations and the FATF Ad Hoc Working Groups on South America and the Caribbean. Presentations were also made on CICAD's activities to the Caribbean Financial Action Task Force (CFATF) that was held in the Dominican Republic from October 9 – 11 and the South American Financial Action Task Force (GAFISUD), of which CICAD is an advisory member, in Montevideo, Uruguay and Santiago, Chile in June and December respectively. The Anti-Money Laundering Unit was also represented at the Eleventh Meeting of the Egmont Group that was held in The Hague, Netherlands in June of this year during which a presentation was made on the activities of the Unit on the issue of Financial Intelligence Units.

The Unit participated in two training courses on examiners and mutual evaluations. One was carried out by the CFATF in Caracas, Venezuela in March and the other was carried out by the GAFISUD in Santa Cruz de la Sierra, Bolivia in September.

CICAD made presentations in the courses organized by the aforementioned Bank of Montevideo, in the "Second Annual Latin-American Conference on Money Laundering" held by Global Alert Media in Mexico City on October 19 and 20, in the "Organized Crime and Money Laundering" seminar organized by the University of Lima in October 10 – 12 and in the "Pan-American Congress for the Control and Prevention of Money Laundering" that was held in Cartagena, Colombia from October 24 – 16.

Technical Assistance

Technical assistance was provided to Peru and Guatemala.

Money Laundering Activities 2002

For the year 2002, the Unit will convene a meeting of the Group of Experts, which will be held in Mexico City in the month of July.

G. INSTITUTION BUILDING

Between January 2001 and December 2001, the Institution Building Section promoted the design and preparation/updating of National Anti-Drug Plans, the reactivation of the Permanent Central American Commission, and the preparation of the Regional Plan of Action for Central America, as well as the Organizational Development and Strengthening of the Observatories of the National Drug Councils in the member states of Central America, the Dominican Republic and the Andean countries.

Design and Preparation/Updating of National Anti-Drug Plans

Bearing in mind the objective of this project, which is to provide technical support to the National Drug Control Commissions (NDC) in the process of designing and preparing/updating their National Anti-Drug Plans (NADP), and complying with the mandate contained in the Anti-Drug Strategy in the Hemisphere and the recommendations of the Multilateral Evaluation Mechanism for 2000 (MEM), the Institution Building Section organized, or participated in, the following activities:

- **Paraguay**, February. The NADP was approved by the legislative and judicial branches.
- **Panama**, March. With the participation of 61 representatives of 30 public and private institutions, it was possible to systematize the information needed to draw up a first draft of the NADP, and submit it to the appropriate authorities before November 2001.
- **Barbados**, May. With the participation of some 65 representatives of public and private institutions, the information needed to draw up the NADP was compiled. It was presented to the Attorney General of Barbados in late August, and is expected to be approved by the Cabinet in late 2001.
- **Venezuela**, August. One hundred ten representatives of 60 public and private institutions participated in this national effort. In eleven departmental workshops, held the month before, participants identified and selected the policies and projects that will make up the NADP, which will be sent to the President of the Republic for approval before November 2001.
- **Jamaica**, September. Visits were conducted to public and private institutions in an attempt to increase awareness and obtain the information needed to prepare the NADP, which will be drawn up and sent to the Parliament for approval in January 2002.

During the last quarter of 2001 the same type of technical/financial assistance activities are planned for Grenada and the Bahamas.

Cooperation with the Permanent Central American Commission (CCP) in the Preparation of the Regional Plan of Action for Central America

In July 2000, in Guatemala City, the Republics of **Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama**, all members of the CCP, signed the Declaration of Guatemala, which calls for preparing and implementing a Regional Plan of Action for Central America (PAR) identifying specific measures for tackling different aspects of the drug problem. They agreed to identify needs in Central America, as well as steps that would be taken to comply with the commitments assumed.

CICAD and the Government of Spain, through the office of the National Drug Plan, have been cooperating with the CCP, participating as observer members, and directly in the

process of developing the PAR. As a result, in March 2001, a regional workshop was held at the *Agencia Española de Cooperación Internacional* (AECI) Ibero-American Training Center in Antigua, Guatemala, to develop the Plan, with technical and financial support from CICAD and the Government of Spain. The Spanish Government has contributed funds to hire a regional coordinator of the Plan.

In August 2001, the National Coordinators of the member countries of the CCP and representatives of the Regional Coordination Office met in Tegucigalpa, Honduras, to review the first draft of the PAR. Also participating was the Regional Office of the United Nations International Drug Control Programme (UNDCP), another observer member of the CCP.

In developing the PAR, the CCP will design and adopt updated regional policies aimed at providing a comprehensive response to the drug problem through the identification and implementation of specific, modern, effective and integral actions.

Organizational Development of the National Drug Councils (NDCs)

The objective of organizational development is to improve the internal structure of the NDC, enabling NDC personnel to plan, administer, coordinate, supervise and evaluate, national anti-drug efforts. The purpose of this project, administered by the Institution Building section of CICAD, is to give NDCs the capability to function as an oversight body for implementation of the NADP, as well as for liaison with and coordination with international cooperation agencies.

To meet these objectives, the NDCs need up-to-date legislation, an effective operating and budgetary structure, a permanent trained workforce, equipment, training, access to the Internet, and data observatories for generating statistics and detecting trends in the different manifestations associated with the supply of and demand for controlled substances. In very many instances, a great deal of work – and application of resources – will be necessary to be realistically successful.

Through this project CICAD provided technical and economic assistance to Paraguay in the organization of a workshop to draw up a new set of anti-drug laws, which took place in Asuncion from July 31 to August 2, 2001, and was attended by 76 representatives of 32 public and private institutions. The technical/financial assistance consisted of a review of the proposed law, as well as the monitoring and approval of the new law by Senate, and its implementation.

For the period between January 2001 and June 2001, the Internet access fee was again paid for the NDC in 10 countries: Antigua and Barbuda, Barbados, Bolivia, El Salvador, Grenada, Haiti, Nicaragua, Trinidad and Tobago, St. Kitts and Nevis, and St. Vincent and the Grenadines.

Strengthening of the National Observatories of the National Drug Councils in the Member States of Central America, the Dominican Republic and the Andean Countries

The goal of this project is to centralize information and national statistics on drugs, which can then be applied in planning, evaluation, study and research, and creating a single, dependable reference center at the national and international levels. This objective will be

achieved through the creation of a National Observatory on Drugs in each one of the participating countries, to later be integrated into the hemispheric system of the Inter-American Observatory on Drugs.

In 2001, implementation of the project Strengthening of the National Observatories of the NDCs has worked on three fronts:

- **Central America:** In Central America, the project entered the final phase. In February and March, workshops were held to launch the National Observatories on Drugs in Honduras, El Salvador and Guatemala. They had already been held in Nicaragua, Costa Rica and Panama in November of 2000. The outcome of these workshops was the creation of a technical team in each Observatory, made up of representatives of each one of the institutions involved, and the commitment to complete the national “map” of indicators, draw up a set of regulations for the Observatory and create a web page for the dissemination of information.

In December 2000, and during a week of work in Madrid, the Executive Secretaries of the NDC and the technical personnel responsible for the National Observatories learned about the operation of the Spanish Observatory on Drugs, and the other courses of action adopted by the Delegation of the Government for the National Plan on Drugs, and by other institutions and entities that work in the field of drugs in Spain. At the same time equipment was delivered to the Statistics, Information and Documentation Centers of the National Observatories, and other participating national institutions.

In September and November 2001, follow-up meetings were held in all the countries participating in the project.

- **Dominican Republic:** The inclusion of the Dominican Republic in this project was possible due to additional economic support from the Delegation of the Government for the National Plan on Drugs, of Spain. The first coordination visit was in October 2001, and the workshop to launch the Observatory, took place in November 2001. During this time, equipment will be acquired and delivered to the Statistics, Information and Documentation Center of the Observatory, and to other participating institutions.
- **Andean Countries:** The project began in Bolivia, Colombia, Ecuador, Peru and Venezuela in August. The actions that will be carried between now and the end of the project, scheduled for June 2003, are technical/financial assistance, to evaluate the operation of the project and design strategies for collaboration in improving NDC capabilities. Based on this study, participants will: a) draw up a plan for acquiring equipment for implementation; b) design a training plan to complement resources involved in the project related to the creation and implementation of the observatories; and c) conclude with coordination visits to the countries between late August and early 2002.

At the “Ibero-American Meeting on National Observatories on Drugs”, held in Cartagena de Indias, Colombia, from September 19-22, 2001, a presentation was made on the project to all the countries. At this meeting, organized by the presidential program known as RUMBOS, of Colombia, technical/financial support was provided by CICAD and the National Plan on Drugs, of Spain.

H. INTER-AMERICAN OBSERVATORY ON DRUGS

The Inter-American Observatory on Drugs was created by the Commission in May 2000 as an umbrella for and production catalyst of drug-related statistics, information and research in the hemisphere.

The Inter-American Observatory covers both statistical and non-statistical information related to the drug problem, and attempts to integrate the demand side with supply side statistics and documentation. It gives high priority to the use of new information technologies, and is geared to developing or enhancing national drug information systems (national "observatories" on drugs) to support the work of the National Drug Commissions and component Ministries. The Inter-American Observatory cooperates with CICAD's program to strengthen national drug commissions in the member states, financed by the Government of Spain. The Inter-American Observatory has as a key goal the objective of harmonizing data collection methodologies, including such programs as CICDAT, SIDUC, and the MEM.

Statistics in 2001

In the statistics area, the Observatory's goal is to improve the collection and analysis of drug-related data in the member states, promote the use of standardized data systems, and provide for scientific and technical training and the exchange of experiences among statisticians and researchers working on the drug problem. The Observatory provides technical, material and financial support for the development and strengthening of national drug statistics and information systems, including customized forms, questionnaires and software developed by CICAD for the systematic gathering, analysis and reporting of drug-related statistics: CICDAT, for reporting statistics on the supply and control of illicit drugs, and SIDUC, the Inter-American Uniform Drug Use Data System, for surveys on drug use.

In 2001, in order to help member states improve their capacity to collect and analyze drug-related statistical information and to address the needs of the MEM, the Observatory carried out the following activities:

- Published the ninth annual ***Statistical Summary on Drugs*** using figures for the year 2000 provided by the member states.
- Assigned user names and passwords to the National Drug Commissions to allow them access to the CICDAT on-line/off-line software CICDAT. The new INTERNET-based software, agreed on at a technical standardization meeting of twenty-five member states in Mexico City in November 2000, is now being used by some countries, and in its initial phase, is proving a more efficient means of collecting and reporting data on drug-related arrests, crop eradication, destruction of drug laboratories, seizures of drugs and chemicals and other law enforcement data.
- Completely revised the methodology for conducting surveys under the Inter-American Uniform Drug Use Data System (SIDUC), produced new questionnaires and a Procedures Manual for national SIDUC coordinators.

- Organized a general meeting of national SIDUC coordinators (Dominican Republic, February 2001), at which the new SIDUC methodology was considered and approved for use by all member states, if they so wish.
- The reports from the first round of the MEM recommended to most member states that they endeavor to estimate the prevalence of drug use in their countries; as a result, the Inter-American Observatory has begun a program to help countries conduct periodic surveys of drug use among secondary school students. In the second half of 2001, Belize, El Salvador, Nicaragua, Paraguay, Uruguay and Venezuela conducted surveys, and other countries will do so in the first half of 2002. The Observatory prepared a series of instructional manuals for the various types of personnel participating in these surveys (supervisors, field staff, coordinators and data entry clerks), selected probability samples, and provided technical and financial assistance for the surveys themselves.
- Signed an agreement with the Caribbean Epidemiology Center (CAREC), to assist, along with UNDCP, in planning and executing the Drug Abuse Epidemiological and Surveillance System Project, financed by the European Union and executed by CAREC. This project supports the fifteen CARIFORUM member states in improving their information on drug use using the SIDUC methodology. The project, set to last for two years, began in May 2001. CICAD is providing its SIDUC methodology as the basis for the project, and is conducting the training component of this combined effort.
- The pilot high school survey conducted by the National Drug Abuse Control Council (NDACC) in Belize, with the technical and financial support of CICAD, will serve as a model for nine other countries in the Caribbean that are planning to do similar surveys in 2002, with the coordinated support of CAREC, UNDCP and CICAD.
- Helped the countries of Central America, Panama and the Dominican Republic complete the PACARDO drug abuse research program, which is being led by Dr. James Anthony of the Johns Hopkins University. This project, built on CICAD's existing drug epidemiology research infrastructure, explored high concentrations or "clusters" of drug use among high school students. The U.S. National Institute on Drug Abuse (NIDA) funded the research. The preliminary reports were completed, and the consolidated findings are expected to be published in late 2001 or early 2002.

Estimating the Social and Economic Costs of Drugs

Governments, policy-makers and research agencies have shown a growing interest in examining the economic and social impact of drugs, and the first round of CICAD's Multilateral Evaluation Mechanism included an indicator on this subject. The Plan of Action of the III Summit of the Americas recommended "developing within the framework of CICAD, a long-term strategy that includes a three-year program to establish a basic and homogeneous mechanism to estimate the social, human and economic costs of the drug problem in the Americas, and to support countries through the necessary technical assistance."

Some preparatory work has been done on methods that might be used to estimate the impact of drug abuse on the economy. In November 1998, CICAD, with the support of the Canadian and Chilean governments, held a seminar in Santiago, Chile on how to identify realistically obtainable data and determine the most appropriate theoretical

model for that country. Since that time, the Canadian Centre on Substance Abuse (CCSA), working with CICAD, has brought together a group of researchers from around the world to develop detailed methodologies, and has published some important monographs on the subject of the costs of drugs.

In 2001, in response to the Summit mandate, the Executive Secretariat developed a plan to strengthen in the member states existing machinery or systems that provide basic statistics for cost estimation (SIDUC on prevalence of drug use, for example; emergency room admissions for morbidity figures; Ministry of Health data on life expectancy, etc.). The plan is tailored to the data collection capacity of member states.

Cooperation in the revision of the UN Annual Reports Questionnaire

The Observatory cooperated with UNDCP's statistics section on the revision and simplification of the demand reduction portion of the Annual Reports Questionnaire (ARQ). The Executive Secretariat participated in several technical meetings that led to development of the new reporting form, adopted by the UN Commission on Narcotic Drugs at its forty-fourth session. The demand reduction indicators for the second round of the Multilateral Evaluation Mechanism were designed to reflect as closely as possible the core data reported by member states using the ARQ, to avoid duplication of effort.

Displacement

At the twenty-seventh regular session of CICAD in May 2000, delegations from Argentina and Venezuela requested the inclusion of "displacement" as an agenda item for the following regular session. During the twenty-eighth regular session, the Commission directed the Executive Secretariat to begin a study, in cooperation with interested governments, on drug-related displacement.

During 2001 three meetings of the national Coordinators on Displacement were held. At the first CICAD meeting on the subject (February 2001 in Miami, Florida), attended by national coordinators from seventeen member states, the group agreed on the working definition for displacement as the global phenomenon of the mobility of the different manifestations of the drug problem. In a second meeting in May 2001, fourteen member states presented reports on their findings and recommended to the Commission that in-depth, ongoing research and monitoring of the displacement phenomenon should continue as well as the development of an indicator on the subject to be included in the Second Round of Evaluation of the MEM.

A third meeting on the subject was held in November 2001 in Caracas, Venezuela. At this meeting an indicator was developed and later approved by the Commission at its thirtieth regular session. Having accomplished this the group decided that it had fulfilled its mandate and that it would not meet again except if the Commission reconvened it on an ad hoc basis.

CICAD ON THE WEB

In 1996, the Executive Secretariat of CICAD constructed a website www.cicad.oas.org that described the Commission's Statute and its Regulations. Since that time the website, frequently updated, has been greatly expanded to report on new projects and events, and keep the member states up to date on developments with the Multilateral

Evaluation Mechanism. An electronic bulletin board with restricted access for special interest groups was established in 2001.

The Inter-American Observatory also provided help and technical assistance to national drug commissions in designing and updating their own web sites.

The Observatory's Regional Web Page

The Observatory has also developed a regional drug information web page, which can be accessed at <http://www.cicad.oas.org/oid>. The regional web page is designed to be a collaborative effort among national observatories on drugs and the Inter-American Observatory, to provide links to virtual libraries, national congresses, universities, media sources, regional/international organizations, and national drug commissions. It is tailored to meet the information needs of member states in executing both the MEM and the *Anti-Drug Strategy in the Hemisphere*.

Support for National Drug Commissions in the Development of Information Technology and National Information Systems

Positive feedback from member states on the Observatory's promotion of national drug information systems resulted in continuation and enhancement of these efforts in 2001.

In early 2001, Observatory sponsorship of earlier workshops to promote national drug information systems in Saint Kitts and Nevis and Belize resulted, in Belize, in the formulation of a national plan for automating MEM-related information exchange. Belize's National Drug Abuse Control Council (NDACC) formed inter-ministerial Committees to work on this activity, for which it is also receiving technical support from the University of Belize. Similar national workshops to develop drug information systems were held in Trinidad and Tobago and the Dominican Republic during the second half of the year.

The Observatory has also worked with the NSF to develop a project to foster communications between Colombia's central government and the country's Siona Indian population. The project will make possible automatic and instantaneous computer translation between Spanish and the language of the Siona. Discussions are underway for the implementation of a similar project utilizing Quechua as the target language.

To provide CICAD representatives and national drug council executives with topical and current drug-related information, the Observatory developed and published five issues of an on-line bulletin. It expanded the content of its regional WEB page by uploading the results of the various workshops and adding to the information available in the sections on each country. Country pages are for the use of national drug councils for publicizing their work and achievements.

The project monitoring software developed for the Government of Peru by the Anti-Drug Foundation of El Salvador (FUNDASALVA), under contract to CICAD, was translated into English in 2001. Subject to the availability of funding, software installation and training in interested countries are projected for early 2002.

CHAPTER II. COOPERATION WITH OTHER INTER-AMERICAN AND INTERNATIONAL ORGANIZATIONS, PERMANENT OBSERVERS AND OTHER PARTNERS

CICAD works in cooperation with various Inter-American and international organizations as well as with Permanent Observer countries to avoid duplication of efforts:

United Nations System

CICAD has regularly worked with the offices of the UNDCP in Central America, South America, and the Caribbean in various projects covering all aspects of the drug war. Also, the legal development section of CICAD has worked closely with the United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean (UN-LiREC). The UNDCP representatives regularly participate in CICAD meetings, and CICAD participates as an observer at the meetings of the U.N. Commission on Narcotic Drugs.

Pan American Health Organization (PAHO)

PAHO has continued to support CICAD in several of its initiatives in the hemisphere particularly in the area of demand reduction. PAHO provided technical assistance to CICAD in the Nursing Project.

Caribbean Community (CARICOM)

CICAD provided financial support to the CARICOM Secretariat in the area of demand reduction for a Sub-Regional Demand Reduction Forum of Demand Reduction Experts. No report has been received as of yet from this meeting.

Inter-American Development Bank (IDB)

The IDB has continually worked with CICAD in various areas, specifically the continued cooperation in sponsoring and organizing Consultative Groups, this year working in Ecuador. In the area of money laundering control, the IDB has been instrumental in financing and implementing training programs to train financial institution officers as well as judges and prosecutors in the area of money laundering.

European Union (EU)/European Commission

CICAD has continued working with the EU in various projects and areas including the Chemical Control Project in the Caribbean Regional. CICAD has also strengthened its ties with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), with a representative of the EMCDDA regularly attending the Regular Sessions of CICAD as an observer.

Other International Organizations

CICAD maintains strong working relationships with various other organizations both on the hemispheric level and the international level. A new partnership was developed this year between the Inter-American Observatory on Drugs and the Caribbean Epidemiology Centre (CAREC). In the area of supply reduction CICAD has continued

working with the *Centre Interministeriel de Formation Anti-Drogue (CIFAD)* in the area of customs control.

Permanent Observer Countries

Permanent Observers that provided either technical or financial assistance were France, Japan, and Spain. While France, Portugal, the Russian Federation, and Spain regularly participated in CICAD events.

Other Cooperation Partners

CICAD has worked with Johns Hopkins University, University of Purdue, Georgetown University, and Florida International University, along with various universities throughout the hemisphere on various research efforts. While in the area of demand reduction CICAD has partnered with the Ibero-American Network of NGOs working in Drug Dependence (RIOD) for the studies of the impact of drugs on women and the family.

CHAPTER III. FINANCIAL AND BUDGETARY CONSIDERATIONS

A. CURRENT BUDGETARY SITUATION OF CICAD

Funding for CICAD activities for 2001 includes financial contributions from the OAS Regular Fund and from external donors, as well as special and in-kind contributions received during this year. Economic contributions include the balance of the US Government (INL) pledge for 2000 (received at the beginning of 2001) and part of its 2001 contribution, as well as funds received from different sources during 2001. The following table shows details of all contributions through December 31, 2001:

Financial Contributions * (Table i.)		
United States*:		US\$9,355,913
INL-USFY2000		3,855,913
INL-USFY2001 (Alternative Development)		5,500,000
OAS Regular Fund		2,300,107
Spain		536,931
Canada		453,487
Japan		155,000
México		100,000
European Union		127,451
Inter-American Development Bank		57,300
NSF/Purdue University		10,748
Peru		11,000
Chile		5,000
Brazil		70,000
France		29,316
Interest ** (thru 3 rd qtr. 2001)		80,536
Sub-Total		US\$13,292,789
Special and In-Kind Contributions		
NSF/Purdue University		8,000
Spain		154,689
Peru		25,000
Jamaica		20,000
Francia		5,000
University of Colombia		5,152
National University of Cordoba, Argentina		1,260
Cayetano Heredia University, Peru		15,700
University of Guayaquil, Ecuador		7,500
Various Latin American universities		See page 32
Florida International University		See page 32
Sub-Total		US\$242,301
TOTAL:		US\$13,535,090

* Many of these funds and/or accounts are multi-year

** Interest was credited to CICAD accounts after a deduction of one-third to cover costs incurred by the General Secretariat of the OAS for administrative support to CICAD

OAS Regular Fund:

In 2001, CICAD received a total of **US\$2,300,107** from the OAS Regular Fund. Of this total, approximately 66% (**US\$1,521,735**) is directed towards the cost of salaries and benefits of half of the CICAD staff. The balance is used to support the Multilateral Evaluation Mechanism (MEM) **US\$482,800**, the organization of two statutory meetings of the Commission, **US\$66,800**, and non-discretionary operating expenses of the Executive Secretariat of CICAD, **US\$228,772**.

B. FUNDS REQUESTED AND RECEIVED

1. United States Contribution:

- In addition to the **US\$625,000** received earlier in 2000, during 2001 CICAD worked with the balance of the U.S. contribution for fiscal year 2000 (**USFY00**) of **US\$3,855,913** received between October and December 2000. This amount was distributed as follows:
 - Inter-American Observatory on Drugs \$724,667; Demand Reduction \$691,933; Alternative Development \$525,695; Supply Reduction \$554,842; Institutional Building \$342,525; MEM \$184,118; Money Laundering Control \$162,077; Legal Development \$448,700; CICAD/Executive Secretariat (for contracts and purchase of equipment) \$69,607. The remaining \$151,749 will be used for technical support to CICAD projects during the first quarter of 2002.
- In August 2001, the INL made a contribution of **\$5,500,000** from its FY2001 account for the area of Alternative Development, to the following projects:
 - \$1,800,000 Bolivia banana Sigatoka mitigation and increased production;
 - \$1,700,000 Bolivia cacao; \$1,500,000 GLEAM Bolivia; \$350,000 Cofan indigenous community; \$100,000 Colombian cacao; \$50,000 Support to alternative development in Colombia.
- The National Science Foundation (NSF) contributed **US\$10,747.79** through Purdue University towards the financing of a major portion of the "Transnational Digital Government Research and National Information Grid Alliance Workshop" (Belize, May 9-11, 2001).

2. Government of Spain:

The Spanish contribution to CICAD during 2001 was **US\$536,931**, for the project Strengthening of the National Drug Control Commissions in Central America, from the following sources:

- US\$179,455 Spain-National Drug Plan (January 2001)
- US\$357,476 Spanish Agency for International Cooperation (AECI)

3. Canadian Contribution:

During 2001 CICAD received **CDN\$700,000 (US\$453,487)** corresponding to the Canadian contribution for fiscal year 2000, from the following sources:

- Foreign Affairs-Canada US\$389,517 (CA\$600,000)
 - Solicitor General US\$ 63,970 (CA\$100,000)
- US\$453,487**

This contribution was a reimbursement for expenditures incurred between April 2000 and March 2001, applied to CICAD projects that had been financed with US/INL funds during 2000. As a result the following projects were benefited:

- | | | |
|------------------------------|--------------|-------------|
| • RETCOD | CDN\$ 65,998 | US\$ 42,753 |
| • SIDUC | CDN\$ 16,000 | US\$ 10,398 |
| • Nursing School | CDN\$ 71,000 | US\$ 46,195 |
| • National Anti-drug Plans | CDN\$ 32,437 | US\$ 21,013 |
| • CEDEJU | CDN\$ 36,353 | US\$ 23,549 |
| • Supply Reduction support | CDN\$ 98,714 | US\$ 63,946 |
| • Andean Intelligence School | CDN\$100,000 | US\$ 64,655 |

• Drug courts	CDN\$ 14,000	US\$ 9,148
• Cost of Substance Abuse *	CDN\$ 94,000	US\$ 60,735
• Legal Development support	CDN\$ 21,498	US\$ 13,926
• MEM support	CDN\$ 90,000	US\$ 58,301
• MEM Solidarity Fund	<u>CDN\$ 60,000</u>	<u>US\$ 38,868</u>
	CDN\$700,000	US\$453,487

(*) Contribution to CCSA

4. Government of Mexico:

During 2001 Mexico contributed **US\$100,000** to the following CICAD programs:

- \$50,000 General Fund CICAD
- \$50,000 MEM

5. Inter-American Development Bank (IDB):

During 2001 CICAD received **US\$57,300** from the IDB under the following agreements:

- ATN-SF-6304 Support for the Creation and Organization of Financial Intelligence Units – FIU” (January 2001) US\$ 6,000
 - ATN-NT-5909 Ensuring the Integrity of Financial Markets (June 2001) US\$ 3,000
 - ATN/SF-7485 (new agreement) Combating money laundering from the Judicial system (August 30, 2001) US\$48,300
- US\$57,300**

6. Government of Japan:

In February 2001 the Government of Japan made a contribution of **US\$155,000** for the “International graduate education program for multi-professionals in the Americas on the drug phenomenon, prevention and treatment of drug abuse”.

7. European Union:

Funds received from the European Union totaled **US\$127,451 (EU\$141,360)**, according to the following agreements:

- Contract B7-6210/PREC/98/06, project “Caribbean Chemical Precursors-Control Systems”, second payment of EU\$81,360 (US\$73,009) received in September 2001.
- Project ALR/B7-6210/IB/96/366 “Inter-American Drug Information system (IADIS): On-Line Management”, second payment of EU\$60,000 (US\$54,442) received in October 2001.

8. Government of Peru:

Two contributions totaling **US\$11,000** for the following:

- US\$ 8,000 to CICAD General Fund.
- US\$3,000 to the MEM

9. Government of Brazil: Contribution of **US\$70,000** for the MEM, received on December 28, 2001.

10. Government of France: Contribution of **\$29,316** to the RETCOD project (received on December 28, 2001).

11. The **Government of Colombia** sent a contribution of \$50,000 at the end of 2001 through the FEMCIDI, \$30,000 for the MEM and the rest for the regular operations of the Secretariat; however, the transfer to the CICAD accounts will not take place until January 2002. Therefore, this contribution will be recorded as a 2002 contribution.

12. **In-kind and special contributions:**

- **Government of the U.S:** The National Science Foundation (NSF) contributed **US\$8,000** through Purdue University for travel and lodging expenditures of four experts from US universities functioning as facilitators at the "Transnational Digital Government Research and National Information Grid Alliance Workshop" (Belize, May 9-11, 2001).
- **Government of Spain:** (1) December 2000: Covered cost of tickets of 14 participants from Central America to Madrid to attend a one-week training and exchange information seminar organized by the "Plan Nacional de Drogas de España" (PND). In addition, the PND provided them with local transportation, arranged working meetings with various Spanish organizations and provided a set of documents for the documentation centers at their newly created Observatories. Approximate contribution **US\$19,000**. (2) March 2001: Workshop on the creation of the CCP Central American Regional Action Plan, Antigua, Guatemala. AECI paid for travel and lodging of 58 Central American participants, as well as for venue facilities at the "Centro Iberoamericano de Formación". Also, the Spanish PND sent an expert in drug policy planning. Approximate Spanish contribution for this workshop **US\$33,000**. (3) Two tickets for the participation of two delegates from Venezuela for a meeting of the Master On-line project, June 2001, **US\$2,759**. (4) Eleven scholarships during 2001 (course will continue through February 2002) for graduate studies on all aspects of drug abuse at the Universidad Complutense in Madrid, through the Spanish Agency for International Cooperation/Ibero-American Institute for Cooperation. The approximate monthly cost per student is \$833.00 for a period of ten months. Therefore, the estimated Spanish contribution is approximately **US\$91,630**. (5) The Universidad Nacional de Educación a Distancia (UNED), Spain, contributed approximately **US\$8,300** in professional support and facilities and logistics for a meeting of the "Maestría Iberoamericana On-line en Drogodependencia", held in Plasencia (Nov. 28-Dec.2, 2001). Total in-kind contribution **US\$154,689**.
- **Government of Peru:** Provided all the logistics and some of the instructors for the Third Intelligence Analysis Course and for the First Operational Intelligence Course of the Andean Community Regional School for Anti-drug Intelligence, held during June-August and October-December 2001, respectively. The total approximate value was **US\$25,000**.
- **Government of Jamaica:** Provided logistical support and meeting site for the fourth meeting of CICAD's Expert Group on Demand Reduction (August 2001), for an approximate value of **US\$20,000**. This included meeting venue, conference personnel, office space for CICAD staff, and equipment (computers, printer, copier, projectors, screen, and office supplies).
- **Government of France:** Provided all the logistics and instructors, through their *Centre Interministeriel de Formacion Anti-Drouge* (CIFAD), for the Counterdrug Customs Training Course for Central American countries held in September 2001 in Fort de France, Martinique. The approximate value was **US\$5,000**.
- **Government of Venezuela:** Through the Comisión Nacional Contra el Uso Ilícito de las Drogas (CONACUID), the Government of Venezuela provided logistical

support and meeting site for the third meeting of CICAD's Group of Coordinators on Displacement (November 2001). This included meeting venue, conference and technical personnel, related transportation in Caracas, office space for CICAD staff, and equipment (computers, printer, copier, projectors, screen, and office supplies). The exact value of the contribution was undisclosed.

- **Various Latin American universities:** The Demand Reduction Nursing Project for Latin America received "In-kind contributions" from ten universities. The following four universities have disclosed their in-kind contributions: National University of Colombia, **US\$5,152** approx., related to human resources, project administration, publications, fellowships, and education/curriculum; National University of Cordoba, Argentina, **US\$1,260** approx., related to human resources, project administration, publications, equipment, education/curriculum and miscellaneous; Cayetano Heredia University, Peru, **US\$15,700** approx., related to human resources, project administration, publications, purchase of bibliographic material, fellowships, education/curriculum, research, community outreach programs and miscellaneous. University of Guayaquil, Ecuador, **US\$7,500**, related to human resources, equipment, seminars, stationery, publications, research and miscellaneous. The following six universities, have not sent a monetary value for their in-kind contributions, related to faculty time, office space, publications, flyers, and miscellaneous items: University of Carabobo, Venezuela; University Mayor of San Andres, Bolivia; University of Concepción, Chile; University of Nuevo León, Mexico; Federal University of Santa Catarina, Brazil; State University of Rio de Janeiro, Brazil. These in-kind contributions complemented CICAD's financial support for the project activities.
- **Florida International University, Latin American and Caribbean Center:** Provided logistical and other support for the First Displacement Coordinator's meeting in February. FIU provided secretarial and conference personnel support prior, to and during the meeting. Also, participants received the on-campus rate for the entire event. There is no information on dollar amount for this support.

C. RESULT OF EFFORTS TO OBTAIN EXTERNAL FINANCING

Since more than 70% 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 – External Funds					
<u>Year 1996</u>	<u>Year 1997</u>	<u>Year 1998</u>	<u>Year 1999</u>	<u>Year 2000</u>	<u>Year 2001</u>
\$1,226,876	\$2,205,000	\$2,527,730	\$5,828,440	\$4,811,220	\$10,992,682*

(*) As detailed above.

CONTRIBUTIONS BY PROJECT

Organization Name	Project Name	Amount
MEM	REG. FUND-Technical/logistical support	\$ 482,800
	EXT.FUNDS-Technical/professional/logistical support	\$ 365,419
	MEM-Solidarity Fund	\$ 38,868
MEM Total		\$ 887,087

Demand Reduction	Demand Reduction-Expert Group	\$ 60,000
	Fellowships in Dmnd. Reduction	\$ 155,500
	Drug Courts	\$ 9,148
	Gangs	\$ 40,000
	Nursing Schools Training	\$ 401,195
	Minimum Standards of Care	\$ 29,621
	Regional Initiative on Demand Reduction	\$ 20,000
	Demand Reduction Treatment	\$ 25,000
	Tech. Adm Supp.	\$ 161,812
Demand Reduction Total		\$ 902,276

Supply Reduction	RETCOD/ Precursors	\$ 143,934
	Andean Intelligence School	\$ 308,655
	Supp Reduction-Adm/Technical Support	\$ 149,423
	Caribbean Chemical Precursors Control	\$ 86,509
	Customs/Maritime Cooperation	\$ 100,000
	Pharmaceuticals-Experts Group	\$ 40,000
Supply Reduction Total		\$ 828,521

Alternative Development	Ecuador-Frontera Norte	\$ 500,000
	GLEAM Bolivia	\$ 1,500,000
	Bolivia Cacao	\$ 1,700,000
	Bolivia Sigatoka	\$ 1,800,000
	Alternative Dev. - Colombia	\$ 140,000
	Colombian Indigenous Communities	\$ 350,000
	General Support	\$ 35,695
Alternative Development Total		\$ 6,025,695

Legal Development	Dev. & Judicial Coop. CEDEJU	\$ 226,549
	Firearms-Model Reg. Implem.	\$ 132,000
	Legal Development - Support	\$ 127,626
Legal Development Total		\$ 486,175

Money Laundering	Money Laundering - Expert Groups	\$ 40,000
	Money Laundering Support	\$ 97,077
	Ensuring the Integrity of Financial Markets	\$ 3,000
	Supp. for the Creation and Org. of FIU	\$ 6,000

	Comb. Money Laund. from the Judicial System	\$	48,300
	Money Laundering train- Judicial	\$	25,000
Money Laundering Total		\$	219,377

Institutional Building	Institutional Building- Technical Assistance	\$	26,500
	Institutional Building- National Plans	\$	315,313
	Integracion Legislativa Interamericana	\$	21,725
	Institutional Building Central America	\$	179,455
	Institutional Building- Andean Countries	\$	357,476
Institutional Building Total		\$	900,469

Observatory	Displacement	\$	132,300
	IADIS	\$	54,442
	SIDUC-Sist. Estadistico Uniforme	\$	320,398
	SIDUC- Caribbean	\$	95,500
	Observatory Administrative/Technical Support	\$	186,867
Observatory Total		\$	789,507

GRAND TOTAL		\$	11,039,108
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D. POSSIBLE SOURCES OF FUNDING FOR THE YEAR 2002:

- The Government of the United States, through the INL has pledged US\$2,800,000 as its contribution for fiscal year 2001 (USFY2001). These funds are expected during the first quarter of 2002.
- The Government of Canada, through DFAIT will reimburse CICAD for expenditures incurred in several projects up to CDN\$600,000 (approx. US\$383,500). This reimbursement, expected between January and March 2002, will liberate funds to be used in those same projects during 2002. In addition, the Office of the Solicitor-General of Canada plans a contribution. Finally, Canada provides continuing in-kind support for various events and endeavors.

CHAPTER IV. DRAFT RECOMMENDATIONS TO THE GENERAL ASSEMBLY

The Commission during the year proceeded to fulfill its mandates given by the Third Summit of the Americas celebrated in Quebec City, specifically to refine and promote the MEM process. To this end the Commission finalized the follow-up report on the Implementation of Recommendations from the 1999-2000 Evaluation and recommends to the General Assembly that it:

1. Take note of the recommendations contained in the follow up report to the MEM.
2. Exhort member states to comply fully with the national and hemispheric recommendations contained therein.

3. Encourage all member states to participate fully in the next round of evaluations of the MEM process.

CICAD for its part will endeavor to assist member states in meeting their individual and collective obligations. In 2002 the Commission will concentrate its activities in the following thematic areas.

Institution Building

CICAD will prioritize providing technical assistance, aimed at strengthening their institutional structures to face the drug problem in all of its manifestations, to all member States requiring it. These efforts will include a regional workshop to promote the modernization of the institutional frameworks of the institutions involved, as well as training programs for all personnel working in drug control.

Demand Reduction

Focus resources on those areas identified in the MEM follow up report notably data collection systems that measure the dimensions of the drug use problem, treatment and prevention training, and community awareness and mobilization.

Supply Reduction and Application of Control Measures

Assist countries in improving their control mechanisms and enhancing technical capabilities in all areas. CICAD should give special attention to controlled chemical substances and pharmaceuticals, including the development of a uniform system for the control of chemical substances. CICAD will promote the improvement of information exchange among member states.

Money Laundering Control

Assist member states to strengthen financial controls through the establishment and implementation of their Financial Intelligence Units (FIU), and training of prosecutors and financial sector personnel.

Alternative Development

CICAD will continue to provide technical and financial assistance to Alternative Development projects in member states, and provide assistance in procuring sources of financing to national programs.

Legal Development and Information Systems

Recognizing that progress in the above areas is highly dependant on sound legal foundations and information exchange among member states CICAD needs to devote to additional resources in these areas.

APPENDIX A**ORIGINS, LEGAL BASES, STRUCTURE, MEMBERS, AND PURPOSES****ORIGINS**

The General Assembly, based on 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.

That same year, the General Assembly established the Inter-American Drug Abuse Control Commission (CICAD), through resolution AG/RES.813 (XVI-0/86), and approved its Statute. By AG/RES.814 (XIV-0/86), it approved the Inter-American Program of Action of Rio de Janeiro, and by resolution AG/RES.841 (XVI-0/86) it authorized the Permanent Council to approve the Statute of the Specific Fund for the Inter-American Program of the Action of Rio de Janeiro to finance CICAD activities under the Program. The Permanent Council approved that Statute on September 9, 1987 in its resolution CP/RES.482 (709/87).

LEGAL BASES

CICAD is a technically autonomous entity of the Organization of American States. It performs its functions under the Inter-American Program of Action of Rio de Janeiro and in accordance with the mandates of the General Assembly of the Organization. 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 reduce the demand for illicit drugs and prevent the abuse of licit drugs, and to combat effectively the illicit production of and traffic in narcotic drugs and psychotropic substances. The Commission also promotes regional initiatives and activities in the fields of research, exchange of information, specialized training, and technical assistance.

The Commission is guided by the principles and objectives of the Inter-American Program of Action of Rio de Janeiro; the Anti-Drug Strategy in the Hemisphere, which

CICAD adopted in October 1996 and which was endorsed by the General Assembly in resolution AG/RES.1458 (XXI-0/97); and 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.

APPENDIX B

2001 CICAD CALENDAR OF EVENTS

2001	Meeting	Place
January		
22 – 25	Meeting to establish National Observatory on Drugs (CICAD)	St. Kitts and Nevis
25 - 27	Building a National Information Grid Alliance (CICAD)	St. Kitts and Nevis
February		
14 – 16	Meeting on Displacement (CICAD)	Miami, Florida
19 – 20	Workshop on Observatories on Drugs (CICAD)	Guatemala
21 – 23	Anti-drug Port Security Seminar	Cartagena, Colombia
21 – 23	IV Trans-Atlantic Inter-Parliamentary Conference on Drug Control	Santa Cruz de la Sierra, Bolivia
22 - 23	Workshop on Observatories on Drugs (CICAD)	Honduras
March		
5 – 7	Meeting on the Inter.-American Uniform Drug Use Data System (SIDUC) (CICAD)	Dominican Republic
12 – 16	Workshop for the elaboration of the Regional Plan of Action of the CCP	Antigua, Guatemala
19 – 20	Workshop on Observatories on Drugs (CICAD)	El Salvador
20 – 29	United Nations Commission on Narcotic Drugs	Vienna
21 – 26	United Nations Committee of the Whole of the Commission on Narcotic Drugs	Vienna
26 – 30	Workshop for the Elaboration of the National Anti-Drug Plan of Panama (CICAD)	Panama
April		
17 - 20	Minimum Standards of Treatment for Drug Addiction in Uruguay (CICAD)	Montevideo, Uruguay
20 – 22	III Summit of the Americas	Quebec, Canada

23 - 27	Inter-Governmental Working Group of the Multilateral Evaluation Mechanism (MEM) (CICAD)	Washington, D.C.
23 – 27	Round Table for Central American prosecutors, judges and legislators (CEDEJU)	To be determined
23 – May 5	Workshop on Therapeutic Interventions for Adolescent Drug Users	Santa Fé de Bogotá, Colombia
30 – May 4	From Prison to Community: Sharing Models of Treatment (CICAD)	Belize City, Belize
	Meeting on the elaboration of a new Anti-Drug Lay for Ecuador	Quito, Ecuador
May		
7 – 10	Workshop on the elaboration of a National Anti-Drug Plan for Barbados	Barbados
9 – 10	Training Seminar for Mutual Evaluation Examiners	Caracas, Venezuela
9 – 11	Transnational Digital Government Research and National Information Grid Alliance Workshop CICAD – US National Science Foundation NDACC - UB	Belize City, Belize
16 - 18	Workshop on the On-Line M.A. in Addiction Studies Spanish National Drug Plan / (CICAD)	Washington, D.C.
21 June 1	United Nations International Narcotics Control Board, seventy-first session	Vienna
21 – 25	Third Module of the Continuing Judicial Training Course – National Drug Plan of Spain – CICAD	Antigua, Guatemala
24 - 25	Second displacement meeting (CICAD)	Washington, D.C.
29 – June 1	Twenty-Ninth Regular Session of CICAD	Washington, D.C.
June		
3 – 5	XXXI General Assembly of the OAS	San Jose, Costa Rica
3 – 6	III Meeting of the Andean Committee for Alternative Development (CICAD)	Santa Cruz, Bolivia
4 – 5	Second Plenary Meeting of the GAFISUD	Montevideo, Uruguay
4 – 8	Workshop on asset seizure for prosecutors and judges (CEDEJU)	Panama

5 – 7	Caribbean Chemical Control Project – Workshop for control officers	Kingston, Jamaica
11 – 12	III High level Meeting of the Coordination and Cooperation Mechanism in Latin America, the Caribbean and the European Union	Cochabamba, Bolivia
13 – 15	8th. Meeting of the Egmont Group	La Haya, Holanda
20 – 22	Third meeting of the FATF Plenary XII	Paris, Francia
25 – 29	Technical/Training Seminar – Nursing School Education in Drug Abuse Prevention (CICAD)	Washington, D.C.
25 – Aug. 10	Third Training Course in Anti-Drug Intelligence of the ERCAIAD	Lima, Peru
July		
11 – 13 12	Money Laundering Expert Group Meeting CICAD Inauguration of the National Drug Council of the Federation of St. Kitts and Nevis	Lima, Peru Saint Kitts and Nevis, Basseterre
30 – Aug. 3	Elaboration of New Legislation on Drugs and SENAD's Modernization	Asunción, Paraguay
August		
8 – 9	Seminar on how to apply the CICAD Model Regulations for the Control of the International Movement of Firearms, their Parts and Components and Ammunition	Port of Spain, Trinidad and Tobago
8 – 10	Group of Experts on Demand Reduction of CICAD	Montego Bay, Jamaica
13 – 15	Group of Experts on Chemicals (Pharmaceutical products) of CICAD	Washington, D.C.
20 - 21	Meeting of National Coordinators of the Permanent Central American Commission (CCP) for the Elaboration of the Regional Plan (PAR)	Tegucigalpa, Honduras
20 – 24	Workshop on chemicals diversion (DECEJU)	Guatemala
September		
24 – 28	Meeting of the Governmental Experts Group (GEG) – Drafting of MEM Recommendation Follow-up Reports	Washington, D.C.
October		
1 – 5	Meeting of the Governmental Experts Group (GEG) – Draft reports to the Implementation of the MEM Recommendations	Washington, D.C.

2 – 5	Commission on Narcotic Drugs, meeting of heads of national drug law enforcement agencies, Latin America and the Caribbean region	Panama City
29 – 15 Nov.	International Narcotics Control Board, seventy-second session	Vienna

November

5 – 9	Workshop on firearms trafficking (CEDEJU)	Honduras
6 - 10	Meeting of the Governmental Experts Group (GEG) – Draft reports to the Implementation of the MEM Recommendations	Caracas, Venezuela
8 – 9	3rd. Meeting on Displacement in the Americas	Caracas, Venezuela
12 - 15	Thirtieth Regular Session of CICAD	Caracas, Venezuela

December

5 – 7	United Nations Commission on Narcotic Drugs	Vienna
12 – 14	United Nations Commission on Narcotic Drugs	Vienna