



I. INSTITUTIONAL BUILDING / NATIONAL ANTI-DRUG STRATEGY

Under Mexican legislation, the National Development Plan and programs based thereon remain in effect for a maximum of six years. The National Drug Control Program (PNCD) for 2001- 2006 was approved and published in the Official Gazette on November 4, 2002. (The Official Gazette of the Mexican State Federation is the record in which the government indicates the effective date of decisions). The budget allocated for the demand reduction component was in the amount of US\$1,503,771 and for supply reduction and control measures the budget comes from the 14 federal dependencies that participate in its execution.

The PNCD establishes the strategic objectives to be implemented by the federal government in coordination with local authorities and civil society, and provides, among fundamental thematic areas, for the strengthening of the Office of the Attorney General of the Republic (PGR) and the fight against drug trafficking, impunity, corruption, and organized crime, among others. The National Drug Control Program (PNCD) is part of the National Development Plan 2001-2006.

Regarding institutional building and as part of the restructuring of the Office of the Attorney General of the Republic, the Federal Investigation Agency was established, thereby consolidating the system for planning, investigation, and tactical analysis in police activity. Cooperation and coordination was strengthened among national and international agencies, and progress was made in the professionalization of human resources and extension of their work to include civil society.

The budget assigned to the central coordination agency and entities responsible for implementing the PNCD is part of the general budgetary allocation made to each by the government.

The Government of Mexico has signed the UN Convention against Transnational Organized Crime and the three Protocols thereto. Likewise, the Mexican Senate authorized the ratification of the Convention Against Transnational Organized Crime on October 22, 2002, as well as the Protocols against the Smuggling of Migrants by Land, Sea and Air and the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. In June 2001, it signed the Inter-American Convention on Mutual Assistance in Criminal Matters. The Senate authorized ratification of this treaty on October 10, 2002.

In the area of organization and dissemination of information, Mexico has made clear and substantial progress through federal government efforts. The Drug Control Statistics System (SECD), under the National Drug Control Planning Center, also has enabled it to keep records of national results since 1992, and to comply with international commitments to provide specialized multilateral agencies with statistical data on the situation prevailing in Mexico for annual reporting purposes. In addition, in 2001, publication began of the Epidemiological Drug Observatory, which includes information from various surveys, surveillance systems, and epidemiological records.

Also to be noted is the national drug hotline service of the National Council against Addiction (CONADIC) which, in 2001, with national 24-hour coverage, handled some 442,513 calls, mainly from students, parents, and teachers, who requested information on addiction-related problems and associated topics. The information provided by this program, when organized and analyzed, together with that contained in the SECD, is important to decision-making in formulating policy, programs, and projects.

II. DEMAND REDUCTION

Mexico has a demand reduction strategy, which is part of the National Drug Control Program (PNCD) and assigns responsibility for the implementation thereof to the Secretariat of Health and the Secretariat of Public Education.



In November 2001, CONADIC published the 2001-2006 Program to Fight Addiction, which it is responsible for developing and coordinating. Note that the Program reflects the priorities of the National Health Program for the same period and, in designing the Program to Fight Addiction, account was taken of the United Nations Guiding Principles of Drug Demand Reduction.

In general, drug use trends reveal that the most widely-used illicit drug is marijuana, with an increase in cocaine consumption and expansion of its use to low-income groups; heroin consumption is emerging on an epidemic scale in localized areas; the emergence of methamphetamine use, mainly among youth, with great vulnerability among children, adolescents, and women to initiating drug use. Regarding heroin consumption, the country has begun to gather data on morbidity associated with intravenous drug use.

In 2000, a survey of Federal District students showed that the drug most widely consumed was alcohol, followed by tobacco and marijuana. Heroin showed a "lifetime" prevalence of 10.0/1,000; an "in the last year" prevalence of 6.4/1,000; and an "in the last month" prevalence of 1.5/1,000. Methamphetamine consumption showed a "lifetime prevalence" of 37.2/1,000, without significant differences by gender. In general, the data show an increase from 12% to 14.7% in numbers of drug users.

The most important advances made in the demand reduction area are: strengthening the regulatory framework, in which public, societal, and private sectors participated; implementation of community prevention programs; and expansion of education sector program coverage.

Although the 1999-2000 First Evaluation Round showed that the primary school population benefited most from school prevention programs, in the current evaluation period 2001-2002, coverage was greatest at the secondary level, and the university population is emerging as one showing a large number of participants. This demonstrates a clear advance in Mexico in education sector program coverage, as its school prevention programs cover almost one million students. It should be noted that, in addition to prevention programs at different educational levels, the education sector also has training programs targeting teachers. Parents have also become prevention program beneficiaries, thereby extending coverage to other groups involved in education.

Other beneficiary populations of community programs are youth leaders, social and health workers, police, and journalists. Such programs have broad coverage.

The prevention programs targeting key populations, such as prisoners and prison officers, and out-of-school youth, are implemented on an ongoing basis, as was indicated in the report "Implementation of the Recommendations of the First Evaluation Round-2001"

With respect to programs targeting street children, the National System for Integral Family Development implements prevention programs at the three levels of government: federal, state and local. In addition, several nongovernmental organizations carry out activities to address the problem of addiction among these groups of minors.

To be noted is the coverage acquired by the "Build an Addiction-Free Life" model, developed by CONADIC, and adopted by the Secretariat of Public Education, thereby becoming official support material in schools throughout the country as of the 2000-2001 academic year.

A significant advance in program evaluation was the incorporation within CONADIC of a specialized evaluation area, which will be responsible for follow-up on the goals of the Program



to Fight Addiction and for monitoring campaign effectiveness and coverage, among other activities. The CHIMALLI evaluation prevention program, designed by the Institute for Prevention Education and Risk Reduction (INEPAR) to work with youth ages 12-18, through program evaluation, has become a prevention model implemented at the national level in schools and communities via the state governments. The Model Program for Workers, designed by the National Institute of Psychiatry, has proven effective owing to its adaptability and flexibility for incorporation within different Mexican companies.

The country offers different types of professional training, ranging from short courses for university students to master's degrees, postgraduate courses, and doctorates. These are offered mainly in the social science and health faculties of the National Autonomous University of Mexico (UNAM).

Mandatory minimum standards of care for drug abuse treatment have been established. In the treatment services area, coverage by primary and secondary care units is gradually being expanded, and specialized services have been established in emergency and detoxification units. In addition, there is a specialized network on addiction, which offers improved quality and quantity of services in the health and education areas, among others. The early detection, aftercare, and referral capacity of institutions has been strengthened, and coverage expanded of the Epidemiological Surveillance System on Addictions (SISVEA).

In 2000 and 2001, 45,511 persons (in 61 centers) and 53,700 persons (in 68 centers) were treated for drug use problems, and 9 new treatment centers were opened.

No national evaluations of treatment and rehabilitation programs have been conducted, although the country has carried out preparatory activities related to human resources training and pre-certification of health centers at the national level. In a subsequent phase, treatment services will be certified through an evaluation mechanism that determines the degree of compliance with the Official Mexican Regulation for Addiction Prevention, Treatment, and Control (NOM-028-SSSA2-1999).

The country collects information on drug-related morbidity based on data from emergency rooms, the police, and the morgue. Regarding mortality, in 2001 the Epidemiological Surveillance System for Addictions (SISVEA) recorded 1,550 drug-related deaths; of those, 88 deaths were related to use of heroin, 97 to cocaine, 95 to ecstasy, 71 to marijuana, and 1,199 to alcohol.

RECOMMENDATION:

- 1. REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO SEE THAT THE COUNTRY HAS A SYSTEM TO EVALUATE TREATMENT AND REHABILITATION CENTERS.**

III. SUPPLY REDUCTION

A. Drug Production and Alternative Development

The main manifestations of the drug problem in Mexico are drug production and illicit drug trafficking. The policy for fighting them has been geared towards strengthening the legal framework, interagency coordination at the three levels of government, and international cooperation and enhancing land and port control mechanisms by installing the latest technology.

Regarding Marijuana and poppy crops are found in the foothills of the Sierra Madre Occidental



and the Sierra Madre del Sur, and some areas in the southern ranges of the Sierra Madre Oriental. There is an increasing tendency for rural communities to become involved in production, owing largely to their extreme poverty, isolation, and illiteracy. In general, activities to counter drug production deal with crop eradication, discouraging expansion in areas where crops are present, and with reorganization of the population to make poverty reduction policies more effective.

Regarding illicit crops, the table below shows the eradication activities carried out by Mexico. As illustrated in the table, poppy eradication in 1999 and 2000 was stable, but rose 21.6% in 2001 over the previous year. For marijuana, there is a slight downward trend. The figures show

ERADICATION OF ILLICIT CROPS				
	1999	2000	2001	2002*
Poppy	15,747	15,717	19,115	14,942
Marijuana	33,351	31,046	28,699	26,778

*The information is from the period 1/2/2002 to 31/10/2002

consistent action and a growing commitment by the Mexican government to eradication. In addition, in recent years, the diversification of synthetic drug production has become evident, as seen in the rise in methamphetamines, and psychotropic and chemical substances seized and the increase in numbers of laboratories destroyed as compared with 1999.

Mexico continues to move forward in implementing a system to determine the extent of illicit crops and opium gum yields per hectare and identify new crops within the national territory. In 2001, opium gum yields per hectare and varieties of poppy planted were determined in accordance with agricultural, pharmacological, morphological, genetic and geographic criteria. This first stage made it possible to establish geographic locations with large percentages of illicit crops. In 2002, the study on poppy ends and the study on marijuana will begin so as to obtain, in the latter half of the year, an estimate of production, extent, and new areas of cultivation, which will enable Mexico to develop a monitoring and follow-up system to control the crop and drug production problem. This will be a highly valuable decision-making instrument.

During the First Evaluation Round 1999-2001, Mexico reported that alternative development among other things through Comprehensive Rural Development policies that provide for prevention of drug production, among other aspects. Specific policies are geared towards promoting economic and social development alternatives in areas at risk for drug production, through social development programs, infrastructure works, and support for farm workers, providing legal sources of jobs that give them an alternative for economic sustenance. Therefore it does not have alternative development programs, as it considers that its Comprehensive Rural Development Program has objectives of wider scope in preventing the involvement of the population in illicit drug production. In 2001, 51.9 million persons benefited from that Program.

With respect to destruction of drug laboratories, it is noteworthy that in 2000 and 2001, 44 synthetic drug laboratories with low production capacity (under 100 kilos) were destroyed. If you compared this figure with 1999, in which 12 laboratories were destroyed, it may be seen that despite Mexico's efforts to strengthen institutional detection capacity¹ and implement legal and operational actions to combat production of and trafficking in synthetic drugs. None the less, production of these drugs continues to increase and constitutes a challenge for Mexico.

¹ Increased capacity to detect laboratories could also be the reason for the increase in the number of laboratories destroyed.



B. Supply Reduction and Control of Pharmaceutical Products and Chemical Substances

The Secretariat of Health, with the support of state agencies, controls the import, export, manufacture, distribution, and storage of controlled chemical substances (Tables 1 and 2 of the 1998 UN Convention). It also makes the appropriate inspections and imposes administrative sanctions with a view to preventing and controlling their diversion.

The country did not report any sanctions imposed for diversion of controlled substances. In the case of civil sanctions imposed for the diversion of pharmaceuticals, the Secretariat of Health does not have information available.

In 2000, 639 pre-export notifications were issued for controlled chemical substances, and in 2001, 678 similar notifications were issued, mainly to countries in the Hemisphere. Information is not provided on the percentages of replies received from those countries, as export operations are only processed when the respective import license has been received. It may be seen from the report that, in the case of chemical substances, customs documents are taken as prior notification. However, apart from the corresponding customs procedures, CICAD considers that the use of this mechanism of pre-export or pre-import notifications has proven effective in preventing the diversion of controlled chemical substances in countries, which have that system.

Of the total pre-export notifications received by the country, 63.48% were replied to in a timely manner. With a view to more expeditious reply, established procedures in this area are being reviewed. In fact, in 2001, systematization was begun of information on prior notifications received.

In 2000 and 2001, numbers of seizure operations involving pharmaceuticals remained relatively constant (335 and 305 respectively), but quantities of substances seized differed considerably. In 2000, 3,418,369 units of psychotropic substances were seized, compared to 8,313,151 in 2001 and 144,128 in the first half of 2002.

Seizures of liquid chemical substances rose in 2001 over 2000. The greatest increase in terms of volume was in seizures of ethyl ether, followed by acetone, sulfuric acid, ethyl alcohol, and hydrochloric acid. Regarding solid substances, seizures in 2001 fell as indicated in the following table:

SEIZURES OF LIQUID SUBSTANCES (LITERS)			
Substances	Unit measures	2000	2001
Hydrochloric acid	lts	90.4	875.75
Sulfuric acid	lts	16.1	172.92
Ethyl ether	lts	0.81	11,000.08
Acetone	lts	22.94	19,202.47
Acetic anhydride	lts		4.7
Ethyl alcohol	lts	82	800.5
Benzene	lts	25.8	
Chloroform	lts	15	
Anhydric acid	lts	20	
TOTAL	lts	273.05	32,056.42



SEIZURES OF LIQUID SUBSTANCES (kilograms)			
Substances	Unit measures	2000	2001
Sodium carbonate	kg		0.025
Potassium carbonate	kg		0.038
Permanganate Potassium	kg		1.00
Sodium hydroxide	kg	21.590	6.8
Red phosphorus	kg	38.82	29.02
Potassium bicarbonate	kg	0.0069	
Iodine	kg	59,79	
Dimethyl sulfoxide	kg	19	
Potassium hydroxide	kg	135	
Sodium hydroxide	kg	9.48	
TOTAL	kg	283.69	36.88

RECOMMENDATIONS:

1. CONTINUE EFFORTS TO MEASURE DRUG CROPS AND PRODUCTIVITY, IN ORDER TO HAVE A TOOL TO MONITOR AND SUPERVISE THE DYNAMIC OF ILLICIT CROPS IN THE COUNTRY AND EVALUATE THE EFFECTIVENESS OF ERADICATION ACTIVITIES.
2. EVALUATE THE IMPACT OF COMPREHENSIVE RURAL DEVELOPMENT PROGRAMS TO PREVENT THE INVOLVEMENT OF FARMERS IN ILLICIT CROP PRODUCTION, IN ORDER TO DETERMINE THE DEGREE OF SUCCESS OF SUCH PROGRAMS IN PREVENTION.
3. ESTABLISH AN ADMINISTRATIVE VERIFICATION MECHANISM FOR INDIVIDUALS OR COMPANIES EFFECTING CHEMICAL SUBSTANCE TRANSACTIONS SO AS TO STRENGTHEN PREVENTION OF DIVERSION OF SUCH SUBSTANCES.
4. UPDATE LEGISLATION ON CONTROLLED CHEMICAL SUBSTANCES IN VIEW OF THE NEW TRENDS IN THEIR DIVERSION.
5. IMPLEMENT THE PRE-EXPORT NOTIFICATION MECHANISM FOR CONTROLLED CHEMICAL SUBSTANCES IN KEEPING WITH ARTICLE 12 OF THE VIENNA CONVENTION.

IV. CONTROL MEASURES

The illicit drug trafficking phenomenon in Mexico has different manifestations: local production of marijuana, methamphetamines, and heroin; aspects related to drugs produced in other countries (cocaine and heroin); and aspects related to precursor chemicals and chemical substances used in processing methamphetamines and heroin.

Cocaine trafficking from South America currently takes place by sea along the Pacific coast via shipping containers. In the case of heroin trafficking, alternative methods are used, such as via northern border airports and routes through central Mexico. In 2001, heroin seizures increased, which would reflect an increase in production in the states of Guerrero, Sinaloa, Chihuahua, Durango, and Nayarit. The seizures also showed that white heroin from Colombia and Panama are present in the country.



A. Illicit Drug Trafficking

Reinforcement of the federal government's surveillance and interception system begun in 1998 and 1999, exchanges of operational information, collaboration among national and international authorities, and better distribution of resources among other actions have contributed substantially to decreasing the entrance of airplanes coming illicitly from Central and South America.

In addition to air interdiction operations, the country is also moving to update its legislation, strengthen land control mechanisms, establish interagency review points in the trafficking centers detected as most active, and apply cutting-edge technology in maritime points, among other things.

To achieve control and prevent maritime trafficking warning, search and information exchange mechanisms have been developed based on an interagency coordination system involving the Secretariat of the Navy of Mexico, the Secretariat of Defense, the Office of the Attorney General of the Republic, the Federal Prevention Police, and the Port Authority. In this interagency coordination context, the Mexican Navy randomly inspects ships, vehicle, and aircraft to prevent any type of illicit activity.

In the law enforcement area, in 2001 and the first three months of 2002, Mexican authorities were able to dismantle important organizations involved in drug trafficking and related offenses. During 2000, 11,409 persons were arrested for illicit drug trafficking, 8,464 were prosecuted and 6,348 convicted in connection with illicit drug trafficking. In 2001, 8,773 arrests were made, 8,727 persons prosecuted and 6,550 convicted.

Drug seizures made by Mexican law enforcement agencies are shown in the table below.

Type of drug	Unit	2000	2001	2002*
Opium	Kg.	469.44	485.54	251.6780
Poppy Seeds	Kg.	1,036.27	1,068.34	591.8799
Morphine	Kg.	4.48	0.53	0.0017
Heroin	Kg.	299.10	244.97	229.7938
Cocaine Hydrochloride	Kg.	23,195.83	29,292.87	11,169.1790
Crack Cocaine	Kg.	0.11	0.15	0.2009
Leaf Cannabis (grass)	Tons.	2,050.4	1,808.8	953,296.3666
Cannabis Resin (hashish)	Kg.	0.0047	29.47	0.0350
Cannabis Seed	Kg.	10,353.8	7,592.75	7,029.5591
Amphetamine/ Methamphetamine	Kg.	70.47	28.4	359.6857
MDMA (Ecstasy)	Kg.	644.45	396.32	5.0440
	Kg.	32.30	2.70	0.0031

* The data information is from the period 1/01/02 to 31/10/02

Data provided by Mexico on requests for judicial cooperation made and received under bilateral agreements by the PGR in its capacity as central authority show that, in 2000 and 2001, Mexico made 22 requests for cooperation to the United States, Panama, and Peru, and received 28 replies. For its part, it received 31 requests for cooperation from countries such as Canada, Colombia, United States, Italy, the Netherlands, and Panama and responded to 31.



MEXICO

In the extradition area, in the same years, Mexico made four requests to countries in the Hemisphere, all of which were acceded to, and for which the respective temporary arrest warrants for extradition purposes, although issued, have yet to be served. In addition, in 2000, Mexico received 32 requests, and in 2001, 44 requests in connection with extradition cases for illicit drugs, which were acceded to. The respective decisions in connection with the extraditions requested have not yet been made.

The Federal Penal Code defines corruption-related offenses in keeping with the Inter-American Convention against Corruption. Accordingly, it includes the offenses of bribery, transactions with unlawful proceeds, illicit enrichment, breach of public duty, misappropriation of public funds, and influence peddling, among others. It also establishes penal and administrative sanctions.

In 2000, 4 government officials were convicted of corruption-related offenses, and 2 were convicted in 2001. Two public officials in 2000, and 3 in 2001, were convicted of illicit drug trafficking.

B. Firearms and Ammunition

With respect to arms trafficking, it has been determined that Mexican territory is an important corridor for shipment of firearms to other countries. Criminal organizations located along the northern border maintain a flow of firearms to the drug-producing regions of South America. In 1999 and 2001, the number of firearms seized increased from 7,270 to 8,201. For their part, seizures of ammunition fell between 1999 and 2000 from 629,775 to 135,662. In 2001, the figure was 464,941 units.

As illicit trafficking in firearms, ammunition, and explosives is a federal offense, the Interagency Coordination Group for the Prevention and Control of Trafficking in Firearms, Ammunition and Explosives, comprised of federal, state and municipal authorities, exchanges and evaluates information related to activities aimed at producing institutional guidelines for preventing and constraining this offense.

In enforcing the law against trafficking in firearms and ammunition in 2000, 4,865 arrests were made, 8,260 prosecutions brought, and 7,123 convictions made in connection with trafficking in firearms. In 2001, the country reported 5,426 arrests, 9,779 prosecutions, and 7,813 convictions.

Seizures of firearms: In 2000, 11,042 firearms were seized, while in 2001, quantities fell to 7,666, a 30% reduction vis-à-vis the preceding year. Similarly, ammunition seized in 2001 fell considerably with respect to 2000. During 2000 and 2001, 22.8% and 13.8% of firearms confiscated were related to illicit drug trafficking. As regards final disposal, confiscated items are destroyed, donated, or sold to government agencies.

Regarding extradition for trafficking in firearms, Mexico received 32 requests in 2000 and 44 requests in 2001, and acceded to all of them. For its part, Mexico made 4 requests to countries in the Hemisphere in the First Evaluation Round 1999-2000, which were acceded to. In all cases, the respective temporary arrest warrants for extradition purposes were issued and, in some cases, these have been served.

In 2000, Mexico made 3,734 requests for information to the United States regarding shipments of firearms and ammunition, to which it received replies to 73%. In 2001, of the 5,814 requests made by Mexico, it received replies to 81%.

In addition, to a legal framework in keeping with the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials (CIFTA) and institutionally-defined controls and responsibilities to prevent the diversion of firearms



to illicit purposes, and to controlling its traffic, the Government of Mexico appointed the Interagency Coordination Group (GC-Armas) as the national coordinating body and made the Secretariat of Foreign Affairs the international coordination point of contact in order to adopt action to fight illegal trade in firearms. This provides a coordinated, organized infrastructure to handle this issue.

C. Money Laundering

Mexico has a legal and regulatory framework to prevent, prosecute, and punish money laundering that is consistent with provisions and recommendations from international instruments and international organizations on the topic to which Mexico is a party. Article 400 bis of the Federal Penal Code criminalizes transactions using funds of illicit origin (money laundering). For the purposes of that article, predicate offenses are any offenses, serious or otherwise, in the general or federal jurisdiction that produces resources likely to be laundered.

Bearing in mind that current provisions do not include administrative controls of the activities of offshore banks, casinos, real estate brokerages, attorneys, notaries, and accountants, Mexico is currently moving forward in updating the legal framework in the area of prevention and detection of money laundering, which includes bills to amend the General Law on Lending Institutions and Lending-Related Activities, the People's Savings and Loan Act, and financial legislation governing money transfer companies. Similarly, there are currently no administrative controls on cross-border movements of cash or negotiable bearer instruments nor is an obligation imposed on financial institutions or other responsible sectors to appoint enforcement officials.

The Office of the Deputy Director General for Investigation of Transactions (DGAIO) is the entity having financial intelligence and investigative functions in alleged cases of money laundering and, since 1997, it has been part of the Egmont Group. The DGAIO also participates in the GAFIC and GAFISUD regional groups, and has cooperation agreements in force with the United States, France, and Spain. In 2000, it was accepted as a full member of the International Financial Action Task Force (FATF).

Regarding application of existing legislation in the money laundering area, in 2000, 21 persons were arrested, all of whom were prosecuted that year, and 14 were convicted. In 2001, 35 persons were arrested, 35 prosecuted and 7 convicted in this connection.

From April 2001 to August 2002, no sanctions were imposed on any financial institutions required to report and to enforce money laundering prevention regulations. Nonetheless, 19 legal proceedings have been launched to impose sanctions for violations of the aforementioned regulations; one involved credit institutions, two involved limited-purpose financial companies, and 16 involved currency exchanges.

During 2000, 53 suspicious transactions were reported, 4 of which were part of prior investigations, and 3 prosecutions were brought. During 2001, 31 suspicious transactions were reported, of which 3 were part of prior investigations and 3 prosecutions were brought. As a result of the mentioned prosecutions 12 persons were convicted.

In 2000, Mexico issued one extradition request in connection with money laundering and, in 2001, it also issued one request. In both these cases, the respective warrants for temporary arrest have yet to be served. In turn, Mexico received four extradition requests in connection with the same offense in 2000, and eight in 2001, which are being processed.

During the evaluation period 2001-2002, Mexico made requests to four countries to freeze assets in money laundering cases. It received replies to two of these. The country also received similar requests from two countries and acceded to one.



As Mexican law permits the lifting of bank secrecy and, as the country is party to bilateral and multilateral agreements for mutual legal assistance and the exchange of financial information, Mexico provided requested documents and financial records to 3 countries for use in money laundering cases. Similarly, in 2000, the Office of the Attorney General of the Republic and the Secretariat of the Treasury and Public Credit, the administrative units with competence to receive such requests, received 36 requests of which they acceded to 17; in 2001 they received 22 and acceded to 32 (these include requests from the preceding year); and, through the Egmont Group Security Network, intelligence was exchanged with 16 countries; in that context, in 2000, 11 requests for information were received and 11 were fulfilled and in 2001, 18 were received and 17 fulfilled.

In 2000, two public prosecutors were trained and, in 2001, 189 prosecutors were trained. Some of them participated in exchanges of technical expertise in the money laundering area at both the national and the international levels. In addition, in the 2000-2001 period, 24 officials from the Financial Intelligence Unit (FIU) and other administrative regulatory entities received training. They continue to work in the entities that provided their training.

RECOMMENDATIONS:

- 1. OPTIMIZE CONTROL OF ILLICIT TRAFFICKING VIA MARITIME ROUTES FREQUENTLY USED BY CRIMINAL ORGANIZATIONS AND ESSENTIALLY ESTABLISH EFFICIENT CONTROL MECHANISMS FOR PORT TERMINALS, GIVEN THE FREQUENCY WITH WHICH SHIPPING CONSTRAINING ARE USED TO TRANSPORT COCAINE.**
- 2. ENSURE THAT LEGISLATION IN THE MONEY LAUNDERING AREA INCLUDES ADMINISTRATIVE CONTROLS FOR THE ACTIVITIES OF OFF-SHORE BANKS, CASINOS, REAL STATE BROKERAGES, ATTORNEYS, NOTARIES AND ACCOUNTANTS AND FOR THE MOVEMENT OF CASH AND NEGOTIABLE BEARER INSTRUMENTS, AND THAT THE OBLIGATION IS ESTABLISHED IN THE CONTROLLED SECTORS TO APPOINT ENFORCEMENT OFFICIALS.**

V. CONCLUSIONS

Mexico has made significant progress in the fight against drugs over the last two years (2000-2001), in particular, in demand reduction and trafficking control. In the demand reduction area, it has strengthened its institutional capacity and regulatory framework to address the upward trend in and diversification of consumption. The implementation achieved in prevention programs in Mexico results largely from its decentralized coordination structure: municipal committees, state councils, and a federal council, with responsibility for coordinating government agencies, and private and civil society institutions, which carry out activities at their respective levels of government, and for coordinating the epidemiological surveillance system, which enables data from different sources to be obtained to update, on a regular basis, evaluations of the drug problem. In spite of the Mexico's commitment in this area, the increase of these trends in consumption of drugs in recent years.

Mexico has strengthened its institutional and operational infrastructure in the enforcement area, which has led to the capture of important drug traffickers from the country's main criminal organizations. As a result of effective air interdiction efforts throughout the country, drug trafficking via the Pacific Ocean, traversing the country from South America to reach countries to the north, would appear to pose a new challenge for Mexican authorities.



Mexico must pay particular attention to control of the diversion of controlled chemical substances. While it has a clear organizational and control structure for pharmaceuticals, no specific mechanisms have been noted to prevent the diversion of chemical substances to illicit purposes. As a producing country of acetic anhydride, Mexico must implement, without delay, the prior notification mechanism to replace its control system based on customs documentation.

Another matter taking shape as a great challenge to the country, despite tremendous efforts by authorities, is the growing trend towards production of synthetic drugs. For this reason, the country must pay particular and ongoing attention to trends in this phenomenon.

Lastly, it is necessary to underscore the commitment Mexico has demonstrated in the process of establishing and implementing the Multilateral Evaluation Mechanism (MEM). The Mexican government has also played an important role in promoting the MEM's achievements which no doubt has contributed to its strengthening and to its recognition internationally.



SUMMARY OF RECOMMENDATIONS

1. REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO SEE THAT THE COUNTRY HAS A SYSTEM TO EVALUATE TREATMENT AND REHABILITATION CENTERS.
2. CONTINUE EFFORTS TO MEASURE DRUG CROPS AND PRODUCTIVITY, IN ORDER TO HAVE A TOOL TO MONITOR AND SUPERVISE THE DYNAMIC OF ILLICIT CROPS IN THE COUNTRY AND EVALUATE THE EFFECTIVENESS OF ERADICATION ACTIVITIES.
3. EVALUATE THE IMPACT OF COMPREHENSIVE RURAL DEVELOPMENT PROGRAMS TO PREVENT THE INVOLVEMENT OF FARMERS IN ILLICIT CROP PRODUCTION, IN ORDER TO DETERMINE THE DEGREE OF SUCCESS OF SUCH PROGRAMS IN PREVENTION.
4. ESTABLISH AN ADMINISTRATIVE VERIFICATION MECHANISM FOR INDIVIDUALS OR COMPANIES EFFECTING CHEMICAL SUBSTANCE TRANSACTIONS SO AS TO STRENGTHEN PREVENTION OF THE DIVERSION OF SUCH SUBSTANCES.
5. UPDATE LEGISLATION ON CONTROLLED CHEMICAL SUBSTANCES IN VIEW OF THE NEW TRENDS IN THEIR DIVERSION.
6. IMPLEMENT THE PRE-EXPORT NOTIFICATION MECHANISM FOR CHEMICAL SUBSTANCES IN KEEPING WITH ARTICLE 12 OF THE VIENNA CONVENTION.
7. OPTIMIZE CONTROL OF ILLICIT TRAFFICKING VIA MARITIME ROUTES FREQUENTLY USED BY CRIMINAL ORGANIZATIONS AND ESSENTIALLY ESTABLISH EFFICIENT CONTROL MECHANISM FOR PORT TERMINALS, GIVEN THE FREQUENCY WITH WHICH SHIPPING CONSTRAINING ARE USED TO TRANSPORT COCAINE.
8. ENSURE THAT LEGISLATION IN THE MONEY LAUNDERING AREA INCLUDES ADMINISTRATIVE CONTROLS FOR THE ACTIVITIES OF OFF SHORE BANKS, CASINOS, REAL ESTATE BROKERAGES, ATTORNEYS, NOTARIES, ACCOUNTANTS AND FOR THE MOVEMENT OF CASH AND NEGOTIABLE BEARER INSTRUMENTS AND THAT THE OBLIGATION IS ESTABLISHED IN THE CONTROLLED SECTORS TO APPOINT ENFORCEMENT OFFICIALS.