

# ORGANIZATION OF AMERICAN STATES



INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION

cicad

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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  
AT ITS THIRTY-THIRD REGULAR SESSION**

## TABLE OF CONTENTS

	Page
Executive Summary .....	2
Chapter I. The CICAD Program .....	5
A. Multilateral Evaluation Mechanism .....	5
B. Demand Reduction .....	5
C. Supply Reduction and Application of Control Measures .....	12
D. Alternative Development .....	15
E. Legal Development .....	21
F. Money Laundering Control .....	23
G. Institution Building .....	25
H. Inter-American Observatory on Drugs .....	27
Chapter II. Financial and Budgetary Considerations .....	32
Chapter III. Recommendations of CICAD to the General Assembly .....	39
Appendix A. Origins, Legal bases, structure, members, and purposes .....	43
Appendix B. 2002 General Assembly resolutions pertaining to CICAD .....	44

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(CICAD) TO THE GENERAL ASSEMBLY OF THE ORGANIZATION OF AMERICAN STATES  
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**Executive Summary**

CICAD's mission is to promote and facilitate multilateral cooperation throughout the hemisphere to control the use and production of and trafficking in illicit drugs and related crimes. Over the past year, the Commission has also addressed growing concerns about the linkages between terrorism, drug trafficking, money laundering and the smuggling of firearms. The Multilateral Evaluation Mechanism (MEM) now considers drug-related corruption as one of the yardsticks against which to measure a country's progress in reducing the drug problem.

Recent research and key sources of information indicate that substance abuse is rising in many OAS countries; drugs new to many countries such as Ecstasy and methamphetamines are being reported, and the misuse of prescription drugs is a serious and growing problem. Facing these new challenges, CICAD's demand reduction program now addresses all substances of abuse, including alcohol and tobacco, using a health promotion approach, and places increased emphasis on the relationship between HIV/AIDS, sexually-transmitted diseases, domestic violence and substance abuse.

CICAD's areas of action are:

- The Multilateral Evaluation Mechanism (MEM)
- Demand reduction
- Supply reduction and application of control measures
- Alternative development
- Legal development and cooperation
- Money laundering control
- Institution-building

The Inter-American Observatory on Drugs

**The Multilateral Evaluation Mechanism (MEM)**

The MEM completed its first evaluation with the publication on January 31, 2002 of the **2001 Progress Report in Drug Control – Implementation of Recommendations from the First Evaluation Round**. The Commission approved a revised set of indicators for use in the 2002 evaluation, and the Secretariat developed an on-line version of the questionnaire, to make it easier for the national coordinating entities to forward their questionnaires to the Governmental Experts Group (GEG). The GEG met three times in 2002 (April, July and October) and drafted 34 national reports, and the hemispheric report, all of which were approved by the Commission at its thirty-second regular session. The 2001-2002 evaluations from the second round were publicly released in a ceremony chaired by the Chairman of CICAD, Mr. Rafael Macedo de la Concha, on January 29, 2003.

Two highlights of CICAD's demand reduction program are a project to introduce substance abuse prevention issues into the undergraduate and graduate curricula of nursing schools in Latin America, and the Ibero-American Online M.A. in Addictions Studies, launched in October 2002. With over 300 applicants meeting the matriculation requirements for the program, a total of 127 students enrolled. A third achievement has been an expansion of the program to

institute standards of care in drug abuse treatment, with four national seminars during 2002, in Paraguay, the Dominican Republic, Venezuela and El Salvador. Fourteen member states have now approved mandatory standards of care.

A new program started in 2002 by CICAD's supply reduction section is on community policing, which unites police and community in a joint effort to address crime in the neighborhoods. In March, CICAD and the Royal Canadian Mounted Police co-hosted a seminar in Vancouver, Canada to present the RCMP community policing model to participants from thirteen countries. This pilot project will begin in the Dominican Republic in 2003.

CICAD's alternative development program has ongoing projects in six countries of South America and the Caribbean. Under an agreement signed in 2001 between CICAD and the Government of Bolivia, two alternative development projects began in 2002. The first is the titling of land in the North Yungas, being carried out in conjunction with the National Agrarian Reform Institute, in an effort to create new policies for planning, administration and distribution of investment. Approximately 60,000 hectares of land will be surveyed and some 1,000 land titles will be issued. Easier access to credit will also be made available to the new property owners.

The second initiative resulted from a request by the Bolivian Government in April 2002 that CICAD conduct an in-depth evaluation of the impact that the National Drug Control Plan (Dignity Plan) 1998-2002 has had on illicit drug trafficking, production and consumption in Bolivia. The evaluation of the four pillars of the Dignity Plan – alternative development; drug abuse prevention, treatment and rehabilitation; eradication, and interdiction – was completed in July, and showed a more than 90% reduction in illicit coca crops between 1998 and 2002, which resulted in an 80% drop in the supply of cocaine. There was also an increase of more than 60,000 hectares of alternative development crops during the Plan Dignity period, bringing to 120,000 hectares of licit crops in the country as a whole. However, the evaluation warned that coca cultivations could reemerge. It also underlined the crucial but complex link between development and coca crop eradication, which has economic and social repercussions for infrastructure and market access of licit crops, and the social conflict that eradication represents in the country.

In its legal development program, CICAD is actively promoting the control of firearms and related materials, through the application of the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunitions, Explosives and other Related Materials (CIFTA) and the CICAD Model Regulations for the Control of the International Movement of Firearms, their Parts and Components and Ammunitions. In February 2002, a regional seminar was held in Brazil, in cooperation with the United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean (UN-LiREC), to promote adoption of the CICAD Model Regulations throughout the hemisphere. UNLiREC and CICAD have also prepared arms control training seminars, which will be given in 2003. Computer software for managing the licenses and notifications called for in the Model Regulations was contracted in 2002, and will be delivered in 2003.

CICAD's program to train judges and public prosecutors in money laundering control trained 125 representatives of the judicial systems of Argentina, Bolivia, Chile, Ecuador, Peru, Uruguay, and Venezuela. In August 2002, CICAD began a joint project with the Inter-American Development Bank to strengthen Financial Intelligence Units, which address money laundering. Several member states received technical assistance in the development of legal frameworks, institutional development, training, and technological assistance in methods of information.

The Inter-American Observatory on Drugs, which is CICAD's statistics, information and research arm, has helped thirteen member states conduct surveys of drug use among high school students, thus fulfilling one of the MEM's important recommendations. The twenty-four month project to install basic capacity to acquire key data on the economic, social and human costs of drugs, mandated by the Third Summit of the Americas, began in 2002 by means of a pilot effort in four member states.

The institution-building program, together with the Governments of Argentina, Bolivia, Brazil, Paraguay and Uruguay, conducted an innovative program to prevent drug abuse in their common border areas, and to conduct research on drug use in twin cities along the border with Brazil. CICAD is also providing technical and financial assistance to Haiti, where the first national drug commission has been created and a national plan is being drawn up.

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

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

**A. MULTILATERAL EVALUATION MECHANISM (MEM)**

At the Second Summit of the Americas (1998, Chile), the Heads of State and of Government instructed CICAD to develop a multilateral evaluation mechanism that would make periodic recommendations to member states on improving their capacity to control drug trafficking and abuse and enhance multilateral cooperation on the matter. The Plan of Action stated that the member states would:

*Continue to develop their national and multilateral efforts in order to achieve full application of the **Anti-Drug Strategy in the Hemisphere**, and 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;*

*With the intention of strengthening mutual confidence, dialogue and hemispheric cooperation and on the basis of the aforementioned principles, develop, within the framework of the Inter-American Drug Abuse Control Commission, a singular and objective process of multilateral governmental evaluation in order to monitor the progress of their individual and collective efforts in the Hemisphere and of all the countries participating in the Summit, in dealing with the diverse manifestations of the problem.*

At its twenty-third regular session (May 1998), CICAD formed an Intergovernmental Working Group, which negotiated the design of the MEM over a period of fifteen months. The Governmental Experts' Group (GEG), made up of experts from all member states, use the results of a questionnaire and an introductory document presented by governments to carry out evaluations on a country-by-country basis. At present there are 83 indicators, covering all aspects of the drug problem.

**First MEM Evaluation 1999-2000**

The GEG conducted the first evaluation in 1999-2000, producing thirty-four national evaluations and a hemispheric report, with recommendations to the governments and to CICAD on strengthening regional cooperation and the states' capacity to address the drug problem.

In 2001, the GEG prepared its first progress report on how member states had implemented the recommendations from the first evaluation. The progress report was approved by the Commission at its second special session held on January 18-20, 2002, and was published on January 30, 2002, thus concluding the first MEM evaluation.

## **Regional Training Sessions for National Coordinating Entities**

At the Commission's request, the Executive Secretariat conducted regional training sessions for National Coordinating Entities to provide guidance on how to respond to the indicators for the second evaluation round of the MEM. Those training sessions were held in Costa Rica (February 11-12, 2002); Trinidad and Tobago (February 14-15), and Peru (February 18-19), with representatives from twenty-two countries participating.

## **Second MEM Evaluation 2001-2002**

The second MEM evaluation began with the October 2001 delivery of the revised 2001-2002 questionnaire, newly designed for on-line completion, and expanded from 62 indicators to a total of 83. The indicators cover optimization of national anti-drug strategies, demand reduction, supply reduction and control measures. New questions on corruption and displacement were included for 2001-2002.

The GEG met three times in 2002 to prepare evaluations of each country and a hemispheric report. At the first meeting (April 15-26), the GEG analyzed the governments' responses and prepared preliminary reports, which were then sent to countries for their comments. The new GEG Coordinator and Deputy Coordinator were chosen during this meeting, to serve for the duration of the second evaluation round. During the second (July 15-26) and third (October 7-11) sessions, the GEG considered comments and new information submitted by countries and completed first evaluation drafts with recommendations. For the last session, the Secretariat was asked to prepare a working document for the GEG to use as a basis for the hemispheric evaluation. All draft reports contain information updated for 2002 where possible, with countries being given an extended deadline of November 25 for presentation of critical data.

The final evaluation drafts were approved by the Commission at its thirty-second regular session (Mexico, December 2002), and were publicly released in a ceremony chaired by the Chairman of CICAD, Mr. Rafael Macedo de la Concha, on January 29, 2003.

With the MEM now in its fourth year of operation and the second evaluation round having been completed, the Commission stressed the importance of publicizing the MEM process and its final product, in order to increase support for the process within the hemisphere.

The MEM Coordinator was appointed and took up his position in the Executive Secretariat in July 2002.

## **B. DEMAND REDUCTION**

CICAD's Demand Reduction Program is designed to discourage and prevent the initial use of licit and illicit drugs, promote early intervention with occasional or non-dependent drug users, and address the negative health and social consequences of dependency through treatment, rehabilitation and after-care programs. It stresses the education and training of professionals to design and manage prevention programs and deliver treatment services in the member states.

Recent research and key sources of information such as the MEM indicate that substance abuse is rising in many member states; drugs such as Ecstasy and heroin are appearing in areas previously unaffected, and the misuse of prescription drugs is a serious problem. Facing these new challenges, at its thirty-first regular session the Commission agreed that

comprehensive drug abuse prevention and treatment programs should deal with all substances of abuse, both licit and illicit, in a health promotion approach, and that these programs should place more emphasis on the relationship between HIV/AIDS, sexually-transmitted diseases and substance abuse. CICAD's demand reduction programs described below are addressing these new needs.

### **On-line M.A. in addictions studies and fellowships**

MEM indicator No. 10 seeks to evaluate member states' progress in providing university education for personnel working in drug abuse prevention and treatment. Early in 2000, the Spanish Ministry of the Interior's National Drug Plan and CICAD began a two-year preparation for the October 2002 launch of the Ibero-American Online M.A. in Addictions Studies.

Three hundred and twenty applicants from Spain and Latin America met the Universities' matriculation requirements and were accepted into the program. A total of 127 students enrolled, the remainder being unable to afford the fees of US\$2,000 for the two-year program. The graphics below show the countries of origin of this first class of students, and the numbers of fellowships and low-interest student loans awarded, by country.

The participating universities are: the Simón Rodríguez University, in Venezuela; the National Distance Education 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 University of Deusto; the Miguel Hernández University in Alicante, and the Spanish National Distance Education University (UNED).

In 2002, the faculty and tutors from the participating universities attended a training course in Coral Gables, Florida, organized by UNED/Spain, to complete their training in adapting to an INTERNET teaching environment.

**Fig. 1: Number of students enrolled from each country**

Venezuela:	46	Argentina:	5	Brazil:	3	Mexico:	2
Colombia:	14	USA:	5	Honduras:	3	Paraguay:	2
Spain:	10	Chile:	4	Uruguay:	3	Dominican Rep.:	2
Costa Rica:	8	Panama:	4	Ecuador:	2	Nicaragua:	1
Peru:	8	Bolivia:	3	El Salvador:	2		

### **Gender Impact**

The gender breakdown of students matriculated in the first class is: 71 women, 54 men. Among applicants, including those not matriculated, the breakdown was 142 women, 119 men, 2 with names that could not be identified as male or female.

**Fig. 2:  
Fellowships from  
OAS/AICD  
by Country**

Argentina	2
Bolivia	2
Brazil	2
Chile	2
Colombia	1
Costa Rica	3
Ecuador	2
El Salvador	1
Honduras	3
Mexico	1
Nicaragua	1
Panama	3
Paraguay	2
Peru	2
Dominican Rep.	1
Uruguay	2

Breakdown of fellowships: the OAS Inter-American Agency for Cooperation and Development awarded thirty scholarships covering the tuition costs of the program; Venezuela received five fellowships from the United States Embassy in Venezuela; the National Drug Commission of Venezuela (CONACUID) was able to obtain 22 scholarships from the banking sector; and the EDUCREDITO Foundation, also in Venezuela, assisted ten students through general and educational loans to cover program tuition. For 2003, CICAD proposes to intensify its efforts to obtain more fellowships and/or student loans from private institutions, banks and governments. While the M.A. was designed to be self-financing, the economic downturn in the hemisphere has clearly limited the students' ability to pay. However, this educational initiative represents an innovation in OAS programming, in that it should become self-financing in 2004.

### **Nursing education in Latin America: a project to establish drug demand reduction and health promotion curricula, and research capacity-building programs**

This project introduces substance abuse prevention and health promotion issues into undergraduate and graduate nursing school curricula and gives the nursing faculty intensive training in qualitative and quantitative research methods to study drug issues and related problems. After six years, and for an average cost of less than US\$17,000 per nursing school per year, some 6,000 nursing students in Latin America are currently being educated in health promotion, prevention of drug use and abuse, and social integration issues, and approximately 500 faculty have been trained to teach the new curricula.

The project began in 1997 with a grant from the Government of Japan, whose contributions have continued through 2003. In 1999 - 2002, the Governments of Canada and the United States also made financial contributions. 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.

Ten Latin American schools of nursing are participating: the University of Carabobo (Venezuela), the National University of Colombia in Santafe de Bogotá (Colombia), the National University of Córdoba (Argentina), the University of San Andrés in La Paz (Bolivia); the University of Guayaquil (Ecuador), the Cayetano Heredia University in Lima (Peru), the University of Concepción, (Chile); the University of

Nuevo León, (Mexico); the State University of Rio de Janeiro (Brazil); and the Federal University of Santa Catarina (Brazil).

CICAD has partnered with the University of Sao Paulo, Ribeirão Preto campus (Brazil); the University of Alberta (Canada); the University of Michigan and the University of Maryland (both in the United States) to give courses in research methods for faculty from the participating nursing schools. In 2002, CICAD and Ribeirão Preto organized the first such training course for two faculty members from each of the participating schools, to enhance their capacity to supervise graduate dissertations on substance abuse issues. The OAS Fellowships Program provided partial scholarships for the students.

The deans and vice-deans of the participating nursing schools, together with representatives of universities and nursing associations in Canada and the United States, met in Florianópolis, Brazil in August 2002, to present the achievements of the last year and plan future activities. They reported that about 6,000 nursing students are now being taught the new curriculum on the addictions. The first graduating class will enter the job market in 2005. In order to measure the contribution that these nursing graduates will make to reducing the demand for drugs, the nursing schools will be tracking their graduates' careers.

At its thirty-second regular session, the Commission selected this project as one of three to be formally evaluated in 2003.

### **Gender Impact**

The overwhelming majority of the participants in this project are women. One of the effects of the project has been to enhance the leadership skills of the largely female nursing faculty, and put them in a position to affect policy and practice in substance abuse prevention and aftercare. In addition, the nursing faculty have gained additional research skills, through intensive training and the production of research on a wide variety of topics related to drug abuse and treatment.

### **Standards of Care in Drug Abuse Treatment**

MEM Indicator No. 13 speaks to the existence of standards of care for drug abuse treatment programs and centers. CICAD is providing technical and financial support for the development and implementation of such standards, the purpose of which is to enable health professionals in each country to reach a national consensus on government regulation of the provision of care to clients in drug treatment. These standards help governments and NGOs create a national registry of treatment programs and services, and set standards for the accreditation and periodic evaluation of treatment programs, to guarantee patients the right to professional treatment that will give them the best chance to recover.

In 2002, CICAD organized and financed workshops in Paraguay, the Dominican Republic and Venezuela. To date, CICAD has helped the following countries develop standards of care and supervision of treatment programs: in 1993, Chile and Venezuela; Bolivia (1994); Costa Rica (1996); Panama (1996); Peru (1997); Ecuador (1998); El Salvador (2000); Uruguay (2001); Mexico (2001); and in 2002, Paraguay, and a follow-up in El Salvador, Venezuela and the Dominican Republic. Fourteen countries now have mandatory standards of care, which can be found on CICAD's web page at:

[http://www.cicad.oas.org/Reduccion\\_Demanda/esp/Normas/documentos.htm](http://www.cicad.oas.org/Reduccion_Demanda/esp/Normas/documentos.htm).

### **Substance abuse prevention program for street and working children**

This training program supports institutions working on behalf of street children, and has trained more than a thousand professionals in Central and South America in drug abuse treatment and rehabilitation for youth at high risk for substance abuse. Made possible by the support of the United States Government since 1995, the training covers topics such as early detection, detoxification, counseling, family therapy and social reintegration. In February 2002, an advanced-level course on therapeutic interventions for high-risk youth with substance abuse problems provided training to Honduran and Colombian educators and social workers. The course was given by the staff of the San Gregorio therapeutic community in Bogotá, Colombia.

In July and October 2002, CICAD cooperated with the Chilean National Drug Council (CONACE) and the CREDHO Foundation to deliver nationwide training courses to approximately 150 Chilean social and health professionals. The courses focused on family therapy, codependency and relapse prevention. Technical assistance was also provided to CONACE to restructure policies for youth at risk and foster inter-agency collaboration with Ministries of Education, Youth, Justice and Health. CICAD plans to continue in 2003 to provide CONACE with technical assistance to structure the delivery of early intervention, rehabilitation and social reintegration services to youth at risk.

### **DEMAND REDUCTION IN THE CARIBBEAN**

Moving beyond the 1996 Barbados Plan of Action, and in response to initiatives presented by Caribbean member states as a result of the MEM, CARICOM and the CARIDIN drug epidemiology program recently set in motion an effort to improve demand reduction programming and execution in the region. CICAD is cooperating fully in this effort, through strategic planning sessions, training for counsellors in drug treatment and rehabilitation, information exchange, and support for small projects aimed at increasing cooperation between governments and NGOs.

### **Caribbean drug treatment and rehabilitation training**

In February 2002, CICAD and the National Drug Council of Belize held a course entitled ***From Community to Prison to Community***, at which police officers, magistrates, correctional officers, drug treatment counselors, parole officers and community members learned about models for drug treatment within prisons, alternatives to sentencing, and ways to connect offenders with community-based treatment programs and services on their release from prison.

CICAD has been organizing and cosponsoring training courses, in conjunction with the U.S. Department of State, on drug abuse treatment and rehabilitation throughout the English-speaking Caribbean since 1993. Over twenty courses have been held, and approximately one thousand professionals have been trained in counselling skills, pharmacology, stages of addiction, relapse prevention, substance abuse and HIV/AIDS, and the relationship between substance abuse and domestic violence.

### **Caribbean substance abuse prevention**

In order to increase cooperation throughout the region among governments and NGOs, CICAD organized a workshop (Jamaica, June 2002) to foster drug abuse prevention networks. Drug

abuse prevention specialists and community leaders from governmental and non-governmental institutions generated plans to share the demand reduction resources available in the region.

Thirteen countries participated: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago. CICAD's follow-up to the meeting included direct financial support for countries to carry out national community mobilization and education activities, and the creation of CICAD's Caribbean Demand Reduction Web Resource. (Visit at:

<http://www.cicad.oas.org/OID/Topics/CaribbeanWebResources/default.htm>)

### **Caribbean regional demand reduction strategy**

In 2001, CARICOM, and CICAD began joint planning for a five-year demand reduction strategy for the Caribbean, to enhance the region's capacity to carry out substance abuse prevention, treatment and research programs in a coordinated way. The Strategy, based on a needs assessment financed by the Government of the United Kingdom and further refined in two meetings sponsored by CICAD, includes the formation of the Caribbean Demand Reduction Council. The Strategy was approved by the Council for Human and Social Development (COHSOD) at its meeting in October 2002.

### **CICAD and civil society: the Inter-American Network of NGOs working in drug addiction (RIOD)**

Following the Commission's decision to seek closer working relations with civil society, the Spanish National Drug Plan and CICAD have been providing support for three years to the 61-member Inter-American Network of NGOs working in drug addiction (RIOD). In 2002, they sponsored the Fifth RIOD Seminar on Drugs and Cooperation: NGO Management and Youth Programs (Antigua, Guatemala, September 2002). The seminar helped fulfill one of the network's goals – the increased professional training of staff working in substance abuse treatment and prevention. See RIOD's web page [www.riod.org](http://www.riod.org).

### **Assessing the demand for drug treatment and planning for treatment services**

CICAD and the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) are developing a program to help member states assess the current and potential demand for substance abuse treatment services, and thus plan for a range of treatment programs to meet different patient needs at different stages of their recovery (see MEM indicator No. 15). At its thirty-second regular session, the Commission approved this program for execution as a pilot in Argentina and the Dominican Republic.

### **Combatting gangs and drug-related violence**

Since 2000, CICAD has been conducting regional seminars and national events on drug-related gangs and violence in member states. Seminars on these problems were attended by participants from Costa Rica, the Dominican Republic, Guatemala, Honduras, Nicaragua, Panama, Canada, Colombia, Haiti, Jamaica, Mexico, Trinidad and Tobago, Venezuela and the United States.

Based on the Commission's approval at its thirty-first regular session of the Executive Secretariat's report on gangs and drug-related violence in the hemisphere (CICAD/doc.1162/02

rev 1), CICAD has helped define pilot projects in the Dominican Republic and Honduras. In the Dominican Republic, research on the profile of gang members will be carried out as part of current community policing efforts and the Government's regionalization of drug control. In Honduras, CICAD will cooperate with the national initiative "YES YOU CAN!" to carry out pilot training activities in select high-risk communities. These activities will continue in 2003.

### **Gender Impact**

Most, but not all, youth gang members are male. Some are returnees/deportees from the US, Canada and the UK, with many cultural adjustment problems. They are largely unemployed, violent, and have unhealthy relationships with adolescent females. This project will pay attention to these neglected young men.

### **Expert Group on Demand Reduction**

At its thirty-second regular session, the Commission convened the CICAD Expert Group on Demand Reduction to meet in 2003 to develop protocols and practice guidelines for drug treatment, and elected Argentina to chair the Group for the year.

## **C. SUPPLY REDUCTION AND APPLICATION OF CONTROL MEASURES**

### **Expert Group on Pharmaceutical Products**

At its twenty-eighth regular session, the Commission directed the Expert Group on Chemicals to examine the control of pharmaceutical products. The Group, which met in Washington, D.C. on August 13–15, 2001, recommended the establishment of a separate Group of Experts on Pharmaceutical Products. This recommendation, along with others prepared by the Group, was accepted by the Commission at its thirtieth regular session, held in Caracas, Venezuela in November 2001.

The first meeting of the Group of Experts on Pharmaceutical Products took place at OAS headquarters on October 22-24, 2002. The Group was chaired by Ms. Martha Ballesteros, Director of the National Narcotic Drugs Fund of Colombia. Sixteen countries attended the meeting: Antigua and Barbuda, Argentina, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Guyana, Mexico, Peru, Saint Kitts and Nevis, the United States and Venezuela.

The Group addressed several problems associated with the control of pharmaceutical products, such as outdated legislation and regulations, the shortcomings of national control systems and inadequate application of regulations, and the need for training for inspectors and health professionals. The experts established a work plan to address these problems, including the development of manuals and reference guides. At its thirty-second regular session, the Commission approved the convocation of the Expert Group during 2003 to complete its work plan (CICAD/doc.1204/02), and named Brazil as the Chair of the Group for the year.

### **Maritime Cooperation and Port Security**

The role of the private sector in facilitating drug control is gaining increasing recognition, particularly 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 the Royal Canadian Mounted Police (RCMP), CICAD conducted a training workshop on intelligence-driven counternarcotics port security investigations in Cartagena, Colombia on February 18-21, 2002. Participants included police and customs personnel from South and Central America. The program included both classroom and practical sessions on undercover operations and investigative techniques, among others.

In July 2002, working 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 Panama City, Panama. The objective of the conference was to present Colombia's National Port Security Program in an international forum in an effort to "regionalize" the Colombian experience. Participants included authorities from thirteen countries representing government agencies, port authorities, security agencies/companies and private sector companies. As a result of the conference, the government of Venezuela expressed its interest in hosting a similar regional seminar at its Port of Cabello in 2003, in an effort to study the feasibility of establishing a similar national port security program in that country.

### **Customs Cooperation**

In 2002, the Executive Secretariat promoted cooperation among customs officials and agencies by identifying, developing and implementing projects to promote communication and network development, and enhance the technical expertise of agents through training activities. Working with France's *Centre Interministeriel de Formation Anti-Drogue* (CIFAD), CICAD conducted a counterdrug customs training workshop in Santo Domingo, Dominican Republic in November 2002 for front-line customs officers from Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama and the host country. The program included both classroom and practical sessions on, among other issues, profiling techniques, methods of smuggling and deception, container handling and search techniques.

In December 2002, CICAD conducted an airport security training seminar in cooperation with US Customs and US Narcotics Affairs Section (NAS) in Barranquilla, Colombia. Participants included port authorities, customs administrations, security agencies/companies and private sector companies from Costa Rica, Dominican Republic, Ecuador, Guatemala, Panama, Peru, Venezuela, and the host country. The program included modules on the latest drug smuggling methods as well as the latest technology employed to counter such methods.

### **Regional Andean Community Anti-Drug Intelligence School**

This Regional School, created in cooperation with the Andean Regional Community for Anti-drug Intelligence, is in its third year of operation in Lima, Peru at the headquarters of Peru's national counter drug police (DINANDRO). The participating countries are Bolivia, Brazil, Chile, Colombia, Ecuador, Peru and Venezuela. The School's objectives are to increase the capacity for counter-drug intelligence analysis in the region, develop common approaches in intelligence development and analysis, and promote cooperation and information exchange.

In 2002, the School conducted two six-week seminars on counternarcotics intelligence analysis (operational and strategic) and one two-week financial intelligence analysis course. Twenty-five law enforcement 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. Colombia, France, Peru and Spain provided instructors and presenters for the course, and a team from the Executive Secretariat delivered a presentation on information management using a real-life situation involving a private aircraft that was shot down over the Peruvian Amazon as a case study. The presentation will be retained as a component of future courses, and the case study method will be utilized more frequently for other parts of the School's programming.

A second six-week course was held in November/December involving twenty-six intelligence analysts, with instructors from Colombia, France, Germany, Peru and Spain. The course focused on operational police intelligence activities, including undercover operations, informant handling and controlled deliveries.

A two-week financial intelligence course was held in August/September, in which eighteen police officers received instruction on money laundering investigations. The course was conducted in cooperation with the Government of France, through the financial crimes unit of the Federal Police.

### **Community Policing**

Community policing aims to unite police and community in anticipating, preventing and solving local problems by drawing on the skills and resources available in the neighborhood. To that end, CICAD co-hosted a seminar on community policing with the Royal Canadian Mounted Police (RCMP) in Vancouver, Canada (March 19-21, 2002), to introduce the RCMP community-policing model to representatives from Antigua and Barbuda, Bahamas, Barbados, Dominican Republic, Ecuador, Grenada, Guatemala, Haiti, Jamaica, Peru, Suriname and Venezuela. The seminar focused on the client-centered service nature of community policing and the importance of partnership and buy-in by the community, law enforcement and the relevant political entities.

Participating countries were invited to submit proposals to CICAD for a pilot project on community policing, and project proposals were forwarded by the Dominican Republic, Ecuador, and Suriname. The pilot project will be implemented in 2003 in the Dominican Republic, in conjunction with RCMP experts. The pilot will serve as a model for the expansion of the program to other interested countries.

### **Chemical Control Software**

In response to requests from countries, the Executive Secretariat continued to make available to member states 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 Production of Peru. During the last quarter of 2002, the software was installed in Venezuela's national drug control commission and in its Ministry of Production and Commerce.

### **Inter-American Drug Control Telecommunications Network (RETCOD)**

Now in its sixth year of operation, the Inter-American Drug Control Telecommunications Network (RETCOD) serves as an effective and reliable means of gathering and disseminating drug-related intelligence and information among member states, by the use of computer and high-frequency (HF) radio technology to encrypt and send data and voice communications. The use of special HF software provides countries with the capacity to exchange time-sensitive

tactical information via e-mail in remote areas that do not have phone lines or standard Internet access.

In April 2002, the project was evaluated as requested by the Commission at its thirtieth regular session. The evaluation team from Canada and Uruguay made site visits to participating member states and used the results of project questionnaires. The evaluators made a report on the strengths and weaknesses of RETCOD to the Commission at its thirty-first regular session. The Commission accepted the report and concluded that the project should continue, but on a revised basis that would look for greater direct investment or contributions by the countries participating in or benefitting from the network.

The Executive Secretariat thus consulted the countries participating in RETCOD, sharing the results of the evaluation and the Commission's discussions, and asked about their ability to invest in the network. The countries provided information about their network needs but advised that they were not able to provide equipment or otherwise invest in RETCOD. The Executive Secretariat presented the results of this follow-up effort during the thirty-second regular session of the Commission. The Commission directed that the Executive Secretariat use the remaining funds currently available to proceed with as much of the implementation plan as possible. The network would then continue to function at that level with no further expansion. Early in 2003, the Executive Secretariat will develop a plan of action to complete the foregoing and proceed with implementation during the balance of the year.

#### **D. ALTERNATIVE DEVELOPMENT**

CICAD's alternative development program executes and coordinates alternative development projects in regions that produce illicit drug crops, and now employs an expanded concept of alternative development in areas with the potential to be used for illicit crop production, aiming to offer incentives for legal livelihood, and prevent the cultivation of illegal crops.

#### **BOLIVIA**

The following programs and projects began in 2002 under the Framework Cooperation Agreement between the General Secretariat of the OAS and the Government of Bolivia on alternative development projects, signed in August 2001.

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

- 3,000 direct beneficiaries and 1,950 indirect beneficiaries over a period of two years.
- Higher income and improved standard of living for families associated with the project .
- Strengthening of associations of banana and plantain producers.
- Credit available for direct project beneficiaries.
- Increased availability of better quality bananas and plantains for export.

The project is a joint effort by the Vice Ministry for Alternative Development (VIMDESALT), farmers in Alto Beni, CICAD, and the International Network for the Improvement of Banana and Plantain (INIBAP), to promote the production and marketing of organic bananas as a profitable legal crop. Activities focus on improving production, harvesting, and packaging techniques; training and extension courses; economic and market studies; technology transfer, and technical assistance. The first commercial shipment took place early in 2003.

In 2002, eight associations of banana producers were established and organized, and demonstration sites were identified in seven of the eight associations, which are used for training on the agricultural management of this crop. Most of the 500 producers benefiting from the project are using improved technology, including organic fertilizer, and better labeling to indicate the age of the fruit.

Detailed topographical surveys were conducted in the communities of San Antonio, El Litoral, Villa Porvenir, Puerto el Carmen, Piquendo, Sapecho, San Miguel de Huachi, and Mercedes. A total of 3,500 hectares were characterized as potential production areas.

#### **Modernization of Organic Cacao Cultivation in Alto Beni, Bolivia**

- 1,000 direct beneficiaries and 7,000 indirect beneficiaries over a period of three years.
- Yield of cacao plantations rises from 300 to 600 kilos per hectare in a three-year period.
- Increase in total cacao production from 1,200 to 2,400 tons per year.
- Diversification of production on cacao farms.
- Sixty percent (60%) increase in volume of organic cacao certified and marketed.

CICAD, together with VIMDESALT, farmers in Alto Beni, and the Tropical Agricultural Research and Training Center (CATIE), has formulated a project that seeks to diversify and increase the production and yield of organic cacao plantations, and increase and promote organizations of producers to obtain certification of organic cacao and other farm products. It will introduce high-yield, disease-resistant clones, organize farmers into producers' cooperatives, and support Bolivia's participation in international cloning trials. This program is run by the Agricultural Research Service of the U.S. Department of Agriculture (USDA/ARS).

In 2002, thirteen community nurseries and three central nurseries were established and are fully operational; they are growing approximately 150,000 rootstock plants and some 120,000 grafted plants will be transplanted to the field in March 2003. At present, 15 associations of producers have been formed, with a total of 625 partners along with the 650 members of the El Ceibo cooperative, for a total of 1,275 affiliated producers.

#### **Generalized Land-Use Evaluation and Management Tool (GLEAM)**

- GLEAM was adapted for use in the Yungas de la Paz
- Covers 500,000 hectares.
- Geo-referencing of coca and other traditional crops.
- Soil use mapping.
- Creation of hypothetical economic models.
- Formulation, implementation, administration, and evaluation of alternative development projects.

GLEAM is a tool that can help governments identify current land use, both licit and illicit; determine which crops can best be produced to replace illicit crops, and create models on the potential environmental impact. GLEAM uses three types of technology available on the open market: remote sensors, geographic information systems (GIS) and geo-economic models.

VIMDESALT and CICAD have compiled the information needed to implement GLEAM over 500,000 hectares identified by the Government of Bolivia in North and South Yungas. In 2002, project execution activities included: acquisition of satellite images and geographic information, on-site verification, software development, creation of the economic model, integration with the GIS, and installation of the software in VIMDESALT. In 2003, GLEAM will be used to perform the economic analysis of the alternative development projects chosen.

**Comprehensive Land Title Regularization Program (CAT-SAN)  
Department of La Paz, Province of North Yungas, Cantons of Arapata and Coripata**

- Approximately 60,000 hectares will be surveyed over a 10 month period
- Issuance of approximately 1,000 land titles.
- Issuance of resolutions on the surveys in accordance with Law No. 1715 and its regulations.
- Issuance of property survey certificates.
- Setting of land prices.
- Increased access to credit for land owners.
- Land titling helps to create new administration, planning, and distribution policies for socio-economic investment.

CICAD and the National Institute of Agricultural Reform (INRA) are working to improve agricultural and rural development in the Yungas, including better licit farming techniques, soil improvement, and citizen expectations of technical and legal security on their land. Thus, in November 2002, the CAT-SAN program was launched in the Department of La Paz, Province of North Yungas, Cantons of Arapata and Coripata. It will serve as the cornerstone for implementation of development programs in general and alternative development programs in particular, in order to reduce or eliminate production of illicit crops and improve the socio-economic status of local farmers.

**Replacing the Coca Economy, the Fight against Drugs in Bolivia:  
Evaluation of the Dignity Plan 1998-2002**

In April 2002, the Bolivian Government asked CICAD to conduct an in-depth evaluation of the impact that the National Drug Control Plan (Dignity Plan) 1998-2002 has had on illicit drug trafficking, production and consumption in Bolivia. The evaluation of the four pillars of the Dignity Plan – alternative development; drug abuse prevention, treatment and rehabilitation; eradication, and interdiction – was completed in July, and showed a more than 90% reduction in illicit coca crops between 1998 and 2002, which resulted in an 80% drop in the supply of cocaine. There was also an increase of more than 60,000 hectares of alternative development crops during the Plan Dignity period, bringing to 120,000 hectares of licit crops in the country as a whole. However, the evaluation warned that coca cultivations could reemerge. It also underlined the crucial but complex link between development and coca crop eradication, which has economic and social repercussions for infrastructure and market access of licit crops, and the social conflict that eradication represents in the country.

## **DOMINICA**

### **Organic Banana Production and Integrated Pest Management in the Caribbean**

- Six banana farms certified as organic.
- Improving the soil on 25 hectares of land.
- Training 60 farmers in organic production techniques.
- Publishing information on organic production.
- Producing a manual of organic nutrients.

In May 2002, CICAD and the Ministry of Agriculture of Dominica began the project “Caribbean Organic Banana Production and Integrated Pest Management”, the objective of which is to improve banana production and thus create incentives for farmers to continue to grow legal crops, rather than marijuana. Project activities focus on organic banana production, certification that the product is organic, and marketing. In 2002, six farms were certified as organic banana growers, and an experimental plot was selected where soil preparation began. Two officials from the Ministry of Agriculture were trained in organic production and nutrient management, and the project coordinator received training on integrated pest management and composting.

## **COLOMBIA**

### **Support for the National Alternative Development Plan (PLANTE)**

CICAD supported PLANTE by advising on projects that promote products from the alternative development program, such as the Life Plan of the Cofan People, the Dual-Purpose Livestock Project in the Alto Ariari Region (formerly a demilitarized area), the Commercial Fish Culture Project in Alto Ariari, Milk Marketing in the Caqueta-Orteguaza and in the Putumayo regions. The goal is to negotiate and consolidate strategic partnerships among producers’ associations and to market their products to private enterprise in the national and/or international market.

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

- In the first year of the project, a 100% drop in illicit crops on the reserve of the Cofan People and Indigenous Councils of Valle del Guamuez and San Miguel.
- Over three years, the program will directly benefit six indigenous communities with a population of 2,449 persons and 487 families.
- Rehabilitation of 1,500 hectares farmed with traditional agricultural crops.
- Creation of an Agricultural and Crafts Cooperative that will bring indigenous products into the local and regional markets.

CICAD signed an agreement in October 2001 with the Foundation ZIO-A’I “Unión de Sabiduría” and PLANTE to implement a “Program to Develop the Economic and Production Component of the Plan de Vida of the Cofán People and Indigenous Councils of the Guamuez and San Miguel Valleys”. The program, which continued in 2002, provides socio-economic development alternatives to coca cultivation in these communities in the Department of Putumayo in southern Colombia. The project was designed by the communities themselves, and has become a

means of ensuring their physical and cultural survival through licit social and economic development, and at the same time, eradicating coca cultivation from their lands.

Despite the difficult situation these indigenous communities are facing because of law and order problems, in 2002, 70% of the illicit crops on the reserve of the Cofan People and Indigenous Councils of Valle del Guamuez and San Miguel were eradicated. In addition, the first high-technology soil study was conducted in the Department of Putumayo; 387 families began to grow traditional crops; and seven fish farming projects, seven pig farming projects, one livestock project, and one integrated livestock and pig farming project were established.

## **ECUADOR**

### **Improvement of Farms of Alternative Production in the Sucumbios Province, in the Canton of Putumayo**

- Promotion of licit production by 350 families.
- Increase of 200% in market production over the current volume.
- Commercial processing of ten agricultural products.
- Extension program: 58 courses, workshops, practicums, and visits.
- Publication of educational materials: 24 manuals, technical guides, videos.

Project activities began on June 1, 2002. The objective is to implement alternative development measures to prevent drug cultivation and production in Puerto El Carmen, in the Province of Sucumbios and help enhance the quality of life of rural families, by improving and developing viable agricultural alternatives, producing food for their own consumption, and marketing the surplus to increase their cash income.

In 2002, information on the work zone was updated and documented. Production and distribution agreements were reached with two groups (Riera and Silvayacu communities) and another 83 families. Twenty-three animal husbandry modules were implemented; a nursery was created with 12,000 cacao plants; and seed and other productive inputs were acquired. Project personnel were hired, and the necessary equipment and supplies procured.

## **JAMAICA**

### **Banana Organic Production and Integrated Pest Management of Plantain at the Bodles Experimental Station**

- Improving two research centers.
- Developing an Integrated Pest Management Strategy.
- Managing organic nutrients.
- Determining practices for management of pests that attack banana and plantain

CICAD and the Ministry of Agriculture of Jamaica signed a Letter of Understanding on September 25, 2001 to carry out a three-year project on "Integrated Pest Management for Plantain", as a preventive type of alternative development. The project involves adaptation of a research laboratory, experimental fields for implementation of the results achieved, extension and technical training programs for farmers, and marketing assistance. The project seeks to

mitigate the impact of banana diseases and promote organic methods of banana growing and thus improve the farmers' standard of living.

In 2002, two experimental fields were selected and began to be overhauled -- one at the Jamaican Banana Research Centre and the other at the Montpellier Agricultural Research Station on the western part of the island. The Jamaican Scientific Research Council (SRC) provided fine tissue cultures of two local varieties of plantain. It also contributed 500 fine tissue culture cuttings of one variety of plantain. Two scientists from the Ministry of Agriculture were trained in the collection, toughening and supervision of fine tissue culture cuttings. Four clones were acquired from the international collection of the International Network for the Improvement of the Banana and Plantain (INIBAP).

## **PERU**

### **Program on the Use of Antagonistic Fungi for Biological Control of Cacao Diseases**

- Increasing cacao production from 250 to 600 kilos per hectare to increase yield and therefore exports.
- Establishing germplasm banks to provide farmers with new varieties of seed and clones.
- Conducting extension programs for agricultural workers.
- Expanding biocontrol field tests of cacao to Valle de La Convención, Cuzco and distributing biocontrol agents to the farmers
- Through cacao rehabilitation and biocontrol, improve national yields to increase exports of cocoa butter and cocoa grain to Europe and the United States.

The CICAD program on the Biological Control of Cacao Diseases was launched in 1998 and has been implemented and developed in conjunction with the U.S. Department of Agriculture and the Peruvian National Agricultural Health Service (SENASA). The objective of the program is to promote the cacao production sector and thus discourage farmers from planting illicit crops, in a context of community participation, sustainability, and environmental protection. The program's primary focus is in areas where coca is grown illicitly in Alto de Huallaga and Aguaytia, and consists largely of research on biocontrol of diseases that attack cacao. After three years, positive results are being seen, in that the project has discovered certain agents that attack the diseases. Project components include technology transfer and agricultural extension programs. Contacts have also been made with the private sector, nationally and internationally, view a view to expanding marketing outlets.

In 2002, new phytopathogenic and antagonistic fungi for biocontrol of cacao in Cuzco were collected; professionals and students from various universities in Peru were trained; isolation, conservation, and formulation of antagonistic fungi; application and evaluation of those fungi in the Apurimac River Valley, Alto Huallaga, and La Convención; and supervision of field work.

## **REGIONAL INITIATIVES**

### **Andean Committee for Alternative Development (CADA)**

For two years, CICAD has been providing financing and technical advice to the Andean Committee for Alternative Development (CADA), a consultation and coordination forum for multilateral dialogue. In 2002, CICAD provided institution-building assistance for national

authorities responsible for alternative development programs, and has helped formulate projects by financing cooperation missions and technology transfer. CICAD also financed the IV meeting of CADA, held in December 2002 in Lima, Peru.

## **E. LEGAL DEVELOPMENT**

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

### **Control of Arms and Explosives**

CICAD helped to promote implementation of the *Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA)* and *CICAD's Model Regulations for the Control of the International Movement of Firearms, their Parts and Components and Ammunition*, through its seminars and project proposals to apply the system of the CICAD Model Regulations in member states. Also included in the Section's work was a comparative analysis of legislation and administrative practices to control firearms in the countries of the hemisphere and the application of these laws to practical cases. CICAD participated in the preparation of a report commissioned by the Secretary General on a firearms diversion case and is developing a paper on the regulation of firearms brokers for the Special Conference on Security to be held in Mexico City in May 2003.

### **Expert Group on Firearms Control**

At CICAD's thirty-second regular session held in Mexico City (December 2002), the Executive Secretariat was authorized to convene the CICAD Group of Experts to update CICAD's firearms Model Regulations, in order to address the control of firearms brokers, firearms exports, storage, handling and stockpiling and better methods of marking firearms. This work will take place in 2003.

### **CICAD activities**

- February 26–28, 2002, CICAD held a seminar in Brasilia, Brazil directed at promoting the application of CIFTA and the CICAD Model Regulations, in accordance with the individual countries' national legislation. The seminar, the third in a series designed to make the Model Regulations operational in all countries of the hemisphere, was held in coordination with the United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean (UN-LiREC); it was attended by representatives from the pertinent ministries of countries of Spanish-speaking South America, Brazil, Canada, the United States, Mexico, MERCOSUR and the Consultative Committee of the CIFTA.
- CICAD and UN-LiREC developed a training of trainers program on firearms control matters, at meetings held in Lima, Peru in May 2002 and again in Washington, D.C. in June. A third meeting to finalize the program was held December 12 and 13, and hemisphere-wide training will begin in April of 2003.

## Participation in international firearms control efforts

- March 2002, in Mexico City, in the Inter-Parliamentary Forum of the Americas to draft recommendations in the area of organized crime.
- April 22-26, in Vancouver, Canada, CICAD promoted discussions/feedback among G8 member and non-member states, relative to the further development of a weapons and explosives tracking system and greater levels of international cooperation and outreach in this area. Other topics in which CICAD participated included the establishment of a system for marking firearms; establishing licensing laws for the authorization of imports and exports; systems for keeping records; intensifying co-operation in tracing; exchanging law enforcement and technical information; and licensing brokering activities.
- Parliamentary Exchange Initiative on Firearms in Latin America and the Caribbean: Central American Seminar, held in San José, Costa Rica on May 3-5, 2002, attended by parliamentarians from Costa Rica, El Salvador, Honduras, Nicaragua, Panama, Spain and Sweden. CICAD presented a preliminary study on the status of firearms legislation in the countries of Central America. This conference was a preparatory meeting for the Third Encounter of the Parliamentary Exchange Initiative (see below).
- October 1-5, 2002, CICAD led a working group at the Third Inter-Parliamentary Conference on Firearms Issues held in Madrid, Spain, on measures to promote the harmonization of national laws to control firearms, ammunition, explosives and other related materials. The conference was attended by delegations of up to six parliamentarians from each of the Central American countries and by officials and parliamentarians from Sweden and Spain. The most significant agreements by the Central American parliamentarians were: harmonization in the region of national laws by classifying firearms in accordance with international standards; agreement on common system and location of marking of firearms; promotion of the exchange of information about illegal firearms and their movements; ensuring that national import and export procedures follow the prior approval identified in Article IX of the Inter-American Convention; making illicit firearms manufacture and trafficking offences extraditable; strengthening controls over the carrying and use of firearms; destruction of seized firearms to prevent their return to commerce; and improving controls over storage.

In more general terms the Forum decided to become a permanent institution; to expand to include parliamentarians from all the countries in Latin America and the Caribbean as well as those of the European Union, and to integrate CICAD into the Forum along with the existing leadership consisting of UN-LiREC and SWEFOR (the Swedish Fellowship of Reconciliation) and Spain through the Spanish House of Representatives.

- CICAD cooperated in two firearms destruction and arms stockpile management events organized by UN-LiREC - the first in Rio de Janeiro, Brazil in July 2002 and a second in Mendoza, Argentina in August.
- CICAD took part in a disarmament seminar sponsored by the Special Mission of the OAS to Strengthen Democracy in Haiti held in Port-au-Prince, Haiti on October 28–29, 2002, presenting member states' requirements in implementing the CIFTA and CICAD Model Regulations in their national legal systems, as well as common problems they faced in the fight against the illicit trafficking of firearms.
- At a UN-LiREC-sponsored conference in Panama on November 13–15, 2002 on Partnership with the Firearms Industry and the Commercial Sector in furtherance of the implementation of the 2001 UN Programme of Action, where the CICAD representative

gave a presentation on the relevance of the OAS Firearms Control Convention and CICAD's Model Regulations to the firearms and ammunitions industries and brokers.

### **Central American Permanent Anti-Drug Commission (CCP)**

CICAD, together with the United Nations Drug Control Programme (UNDCP), the U.S. and Spain, is supporting the CCP both technically and through promotion of the development of the CPP as a central coordination mechanism for the control of drugs and other related matters in the subregion.

### **Mock Trial Training Program with UNDCP (Bogotá)**

CICAD and UNDCP conducted a mock trial in Quito, Ecuador in September 2002 for prosecutors, police and judges using Ecuador's new procedural code in a money laundering trial based upon a case under consideration in a member state. The facilitators of the event, which depends upon participants making requisite adjustments to local criminal procedure and preparing the trial based upon the case file and the evidence prepared previously by the international team, provided life-like training for prosecutors, police and judges.

The mock trial methodology is being used in El Salvador and Nicaragua; CICAD completed preparations for this training and assigned responsibilities among the participants, who now have about three months to prepare the case for trial. The program provides an opportunity for practical training in both the use of recently-adopted oral proceedings in a number of countries and in the prosecution of a money laundering case.

### **Mutual Legal Assistance Issues**

CICAD participated in a UN-sponsored seminar held in Fort de France Martinique, FWI, December 9-12, 2002, on strengthening international legal cooperation in the Caribbean, and presented a paper on the relevant treaties of the Organization and led a group to prepare recommendations in relation to legal assistance and extradition matters for the Spanish-speaking participants from Mexico, Colombia and the Dominican Republic.

### **Advisory and Other Services**

At the request of several countries, the Legal Development Section reviewed and provided technical advice on proposed legislation in the fields of drug control and money laundering. It provided technical support to CICAD's Money Laundering Group of Experts held in Mexico City in July 2002, leading one of two subgroups established to amend CICAD's Model Regulations on this topic. The Section also participated in a GAFISUD conference held in Santa Cruz de la Sierra, Bolivia in November.

## **F. MONEY LAUNDERING CONTROL**

### **Group of Experts on Money Laundering Control**

In accordance with its approved work plan, the Expert Group considered the following points at its meeting on July 16-18, 2002. The items on the offense of money laundering and on the financing of terrorism, amending the CICAD Model Regulations on Money Laundering Control were approved by the Commission at its thirty-second regular session (CICAD/doc.1200/02) and sent to the General Assembly for adoption.

### A. The offense of money laundering

- Autonomy of the offense;
- The possibility of classifying money laundering by negligence as an offense, and
- Accountability of juridical persons in money laundering.

### B. Financing of terrorism

The Group recommended:

- that the eight Special Recommendations of the Financial Action Task Force (FATF) should be adopted in their entirety and included in an appendix to the CICAD Model Regulations;
- that the Model Regulations be amended and, as appropriate, comments be added to the appendices to update the text in accordance with the eight Special Recommendations of the FATF; and
- that the definition of the financing of terrorism already established by other international organizations also be included as an appendix to the Model Regulations, as a guide for the benefit of the member states.

### C. Typology exercises

- Report on businesses that make money transfers from one country to another (lead country: Mexico)
- Presentation on the “Lebanese” case (lead country: Bolivia); and
- Terrorist financing (lead countries: Mexico and the United States)

## Training Activities

### A. Money Laundering Control within the Judicial System (IDB-CICAD Project)

Seven week-long courses were held between June and September for 125 judges and prosecutors (one each in Argentina, Bolivia, Chile, Ecuador, Peru, Uruguay, and Venezuela). They focused on new trends in prosecuting and convicting persons charged with money laundering. Special attention was placed on the autonomous nature of the crime, evidence and judicial cooperation. The project calls for the beneficiary countries to replicate these courses.

### B. Money Laundering Prevention in Financial Institutions (IDB/CICAD-BBVA Project)

Continuing with the OAS/CICAD Regional Non-Reimbursable Technical Cooperation No. ATN/MT 5909-RG, *Safeguarding the Integrity of Financial Markets*, which trained financial system regulators and personnel from the financial entities of Argentina, Bolivia, Chile, Colombia, Ecuador, Peru and Uruguay, CICAD and IDB entered into an agreement with the Banco Bilbao Vizcaya Argentaria (BBVA), under which the IDB and the OAS gave BBVA a license for non-exclusive use of the training materials that they had developed, in exchange for which the BBVA would do the same for an Internet course that it would develop. The courses given by BBVA to the OAS and IDB will be made available to member states to help them meet their training needs. The first country to receive the materials was Brazil, with a course given in November.

### **C. Legal Cooperation/CICAD – Spanish National Drug Plan**

A training course for judges, prosecutors and legislators was conducted in September, in cooperation with the Spanish Government; it was held in Antigua, Guatemala, for representatives from Costa Rica, El Salvador, Honduras, Nicaragua, and Panama. Classes were taught by professors from Spain and Uruguay.

#### **Technical Assistance**

##### **A. Financial Intelligence Units**

In August 2002, the OAS General Secretariat and the IDB signed Non-Reimbursable Technical Cooperation Agreement No. ATN/MT-7884-RG, whereby CICAD, as the executing agency, will carry out a two-year project to establish and strengthen financial intelligence units (FIUs) in South America. This 1.9 million dollar project will benefit Argentina, Bolivia, Brazil, Chile, Ecuador, Peru, Uruguay and Venezuela.

The program started in August 2002, and depending on countries' needs and the state of development of their FIUs, will provide assistance in four areas: (1) legal framework development; (2) institutional development; (3) training; and (4) technology for information and communication.

##### **B. Participation in an IDB Mission to Paraguay on the Financial System**

At the invitation of the IDB, CICAD participated in the analysis mission for the program *Improvement of the Transparency and Integrity of the Paraguayan Financial System*, Technical Cooperation 9906034-PR, in February 2002. The cooperation was approved, and the Superintendent of Banks of Paraguay is in charge of project execution.

#### **Participation in Conferences and Seminars**

- Regional Conference on Money Laundering Control in Central America, Antigua, Guatemala, May 2002.
- IV GAFISUD Plenary Meeting, Buenos Aires, May 2002
- X Egmont Meeting, Monaco, June 2002
- XIV FATF Plenary Meeting, Paris, June 2002
- XXXVIII Conference of the Inter-American Bar Association (Working Group on Money Laundering), Cochabamba, July 2002

### **G. INSTITUTION-BUILDING**

In 2002, CICAD helped the Governments of Grenada and Haiti to design and begin to draft their National Anti-Drug Plans; began a new project on the organizational development and strengthening of National Drug Commissions and national anti-drug systems; and continued to help strengthen National Drug Observatories in Central America, the Dominican Republic and the Andean countries.

## **Design of National Drug Control Plans**

Between December 1998 and October 2002, CICAD helped twenty-two member states develop their National Drug Control Plans. The project was completed in 2002, with workshops in Grenada (March) and Haiti (October). Sixteen plans have been approved, five are in preparation, and one is pending final approval. All but one of the thirty-four member states now have national drug control plans.

## **Strengthening of National Drug Commissions**

In coordination with the Inter-American Observatory on Drugs (see Section H below), the Executive Secretariat, funded by the Spanish government, helped form the National Observatories on Drugs of the countries of Central America and the Andean Region, and the Dominican Republic. With funding from the government of the United States (INL), CICAD also assisted Haiti in setting up its Observatory on Drugs. The project objective is to improve the capacity of National Drug Commissions to coordinate national anti-drug policies and strategies among the various governmental and non-governmental entities with responsibilities in the matter.

## **Organizational Development of National Drug Commissions**

The goal is to improve the internal structures of National Drug Commissions, which are the steering, planning, coordination and evaluation bodies for national drug control strategies, also responsible for liaison and coordination of international cooperation.

At its thirty-first regular session, CICAD approved the organizational development project, which operates on the premise that no country can successfully tackle the drug problem without a strong national commission or similar body that has political backing, legal powers, an effective budget, and specialized, permanent staff to ensure ongoing coordination, planning, and evaluation among the various Ministries, provincial/state governments, municipal governments and civil society.

CICAD provides technical assistance to member states in the following areas, according to the needs identified by each country:

- Institution-building of the National Commission, including a review of its objectives and responsibilities; updating its regulations as needed; identifying economic resources, statistical systems, specialized personnel and the structure needed to fulfill its role to the full.
- Advice on updating anti-drug laws and their enabling regulations.
- Advice on the design of State policy and make-up of the national anti-drug system.
- Periodic updating of the national drug strategy and its sectoral components, to align them with the changing realities of the drug problem.
- Development of earmarked sources of financing for the national anti-drug strategy and plans; and identification of a resource allocation and administration mechanism; and
- Development of the national drug observatory, as the official State reference that incorporates statistics produced in other agencies, conducts technical and scientific studies,

and prepares periodic reports on the status of licit and illicit drug supply and demand and related activities.

The project also involves organizing five regional seminars, one each in North America, Central America, the Caribbean, the Andes, and the Southern Cone. The objectives of the seminars include an assessment of the current models and situation of the National Commissions; identifying shared basic needs; and recommending the most effective model for action and cooperation among member states and between those states and CICAD.

In August 2002, in El Salvador, CICAD organized a technical seminar in which all the Central American countries, including Belize, participated. A Central American Ministerial-level conference was held immediately following the seminar, attended by the Chairs and Executive Secretaries of the national drug commissions, along with representatives of national legislative assemblies and the judicial systems.

## **H. INTER-AMERICAN OBSERVATORY ON DRUGS**

The Inter-American Observatory on Drugs was created in 2000 as the statistics, information and research branch of CICAD. The Inter-American Observatory's mandate is to help CICAD and its member states build a drug information network for the Americas that offers objective, reliable, up-to-date and comparative information on the production, trafficking, use/abuse, and societal impact of narcotic drugs and psychotropic substances. This information will allow member states first to better understand -- and then to design and implement policies and programs to confront -- the drug phenomenon in all its dimensions. The Observatory provides the underpinnings for the MEM indicators and for national anti-drug efforts by helping countries improve the collection and analysis of drug-related data; promoting the establishment of national observatories and the use of standardized methodologies, and providing scientific and technical training for and the exchange of experiences among professionals working on the drug problem. In fulfillment of its objective, the Observatory carried out the following activities in 2002:

### **Statistics**

As recommended to member states in the first round of the MEM, in 2002 the Inter-American Observatory on Drugs assigned priority to supporting countries' programs to measure the prevalence of drug use among various segments of their populations and to continue statistical training and coordination for national agencies. This training and coordination were carried out utilizing CICAD's two statistical tools – SIDUC (the Inter-American Uniform Drug Use Data System) and CICDAT (the Uniform Drug Supply Control Statistical System).

- Surveys on drug use among middle school students in thirteen countries in the hemisphere: Barbados, Belize, Ecuador, El Salvador, Guatemala, Grenada, Guyana, Nicaragua, Panama, Paraguay, Trinidad and Tobago, Uruguay and Venezuela.
- Training and coordination through regional meetings of SIDUC and CICDAT in Costa Rica, El Salvador, Grenada and Paraguay.
- Design of a standardized methodology within the SIDUC program for surveys on drug use by recent arrestees.
- Publication of the tenth annual edition of CICAD's Statistical Summary.
- Study to expand CICDAT to include financial statistics on money laundering.

## **Prevalence of Drug Use among Specific Populations: High School Students**

CICAD's SIDUC methodology formed the basis for surveys measuring the prevalence of drug use by high school students in twenty OAS member states. CICAD provided training to all participating countries in the survey methodology. Responsibility for conducting the surveys, processing the data and publishing the findings was shared among the various cooperating institutions. In Latin America the implementing agencies were CICAD and the national drug commissions.

In the Caribbean, in addition to the national drug commissions, overall coordination was carried out by the Caribbean Epidemiology Centre (CAREC), with CICAD and UNDCP sharing responsibility for the technical and/or the data processing assistance provided to the different countries. Survey financing in the Caribbean came from both CICAD and the European Commission. It is anticipated that twenty-two countries in Latin America and the Caribbean will have completed their surveys as of the end of 2003.

In 2002, the specific survey activities were as follows:

The national drug commissions of Barbados, Ecuador, Guatemala, Panama, and Trinidad and Tobago, with CICAD support, implemented surveys on drug use by middle school students. CICAD processed and analyzed the data from similar joint CICAD/national drug commission surveys conducted in 2001 in Belize, El Salvador, Nicaragua, Paraguay, Uruguay and Venezuela. It also assisted Dominica in processing its independently-gathered survey data.

The surveys in Grenada and Guyana were conducted by CICAD and the countries' national drug commissions, with the coordination of CAREC and financing from the European Commission. Surveys in Bahamas, Saint Kitts and Nevis were financed by UNDCP and conducted jointly by the UNDCP and the countries' national drug commissions. Dominica received technical assistance from the UNDCP for the conduct of its survey. Argentina carried out its survey independently.

Subregional meetings involving the national survey coordinators were held in Paraguay and El Salvador to examine the survey experience and to analyze survey results.

### **Surveys of Drug Use by Arrestees**

Planning started for a new aspect of the SIDUC program relating to surveys of arrestees, including designing the methodology, the questionnaire, the type of sample and the guidelines for research on drug use and its relationship to crime.

### **SIDUC Coordination**

**Meetings of SIDUC national coordinators** were held in Costa Rica and Grenada to share experiences, conduct training, analyze what had been done, and schedule future tracks.

### **Statistical Supply Control Indicators**

CICDAT coordinators met in Costa Rica in December 2001 to share experiences with respect to CICDAT indicators; to receive training on new information sources and on the use of CICDAT software; and to consider expanding or updating CICDAT indicators to provide information necessary for the MEM. The indicators decided upon were updated in 2002 to include persons

tried and persons convicted, in addition to the current indicator for persons arrested. Work also began in 2002 on defining and expanding CICDAT to include financial information indicators relating to the control of money laundering.

CICDAT Internet-based software was used to facilitate the transmission and standardization of information among member countries and the Executive Secretariat.

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

### **Research on Estimating the Social and Economic Costs of Drugs**

In 2002, the Observatory launched the project to estimate the social and economic costs of the drug problem. This initiative responds to the recommendation from the Plan of Action of the Third Summit of the Americas to “Develop, 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.” Four countries – Barbados, Costa Rica, Mexico and Uruguay -- were selected for the pilot phase of this project.

- |  |
|--|
| <ul style="list-style-type: none"> <li>• Designation of a project contact point for each of the 34 CICAD member states.</li> <li>• Completion of a fact finding exercise on information available in member states.</li> <li>• Selection of four pilot countries.</li> <li>• CICAD missions to Mexico, Costa Rica and Barbados to study the available information.</li> <li>• First meeting of cost program Coordinators’ Group for the four pilot countries.</li> </ul> |
|--|

A fact-finding exercise was carried out from June – November 2002 to gather information, to determine the key data sources in each member state, and pinpoint their strengths and needs relating to the information necessary to estimate the social and economic costs of the drug problem. To facilitate this exercise, each country designated a contact person within the country to provide the information requested. Based on the information gathered during this exercise, four pilot countries were chosen for this project. Each pilot country designated a coordinator for the “cost” program within the government.

The Executive Secretariat and faculty from the Robert Wood Johnson Medical School of Rutgers University conducted on-site visits to Mexico, Costa Rica, and Barbados to make contact with the authorities that will participate in the project; ascertain further details on the content of the existing data; determine what processes are in place in order to develop a general methodology for estimating the costs of drugs; and confirm the support needed to carry out this project.

The **First Meeting of the Cost Program Coordinators’ Group for the Pilot Countries** took place in December 3-4, 2002 in Mexico City. The group agreed on a 2003 work plan that will entail small common projects in one or two social sectors over the next three - six months, thereby providing the basis on which the final methodology will be developed.

## Information

In 2002, the Observatory's information unit focused on the **promotion and establishment of National Observatories** and on the development of software tools to support member states' collection of information for the MEM. It also continued to serve as a focal point for the dissemination of drug-related information via the Observatory's Web page (<http://www.cicad.oas.org/oid>).

- Launch of the Transnational Digital Government Project, funded by the US National Science Foundation.
- Installation of software for project monitoring in Jamaica, Ecuador, Paraguay, Suriname and Trinidad and Tobago.
- Development and test-run of a Web database to serve institutions involved in the drug issue.
- Organization of three workshops for the promotion and establishment of national Observatories.

## Information Digital Government Activities

The Inter-American Observatory on Drugs, together with the University of Florida and the governments of Belize and the Dominican Republic, launched the **Transnational Digital Government Project**. This pioneering effort, funded by the US National Science Foundation, will research the applicability of five advanced information technologies to the process of regulating immigration at ports of entry in Belize and the Dominican Republic. The project's inaugural effort took place in Santo Domingo on October 24-26, 2002. The technologies to be researched and subsequently tested are: voice recognition; network efficiency, reliability and speed; automatic multi-lingual machine translation; the use of electronic rules to trigger pre-determined actions; and Internet portals and technology. Immigration and ports of entry data collected as a result of the project's application of technology is projected to have a direct application to MEM indicator #83 on Displacement that permits the monitoring of emerging illicit drug trends.

## Information Software Tools to Manage Projects and Track Patients in Treatment Centers

The introduction in 2002 of software to manage project operations, to track the progress of individual patients in drug treatment, and to compare results achieved by patients of differing backgrounds marked a significant advance in ongoing Observatory efforts to provide information collection tools to CICAD member states. Use of the software will facilitate satisfactory responses to a number of MEM indicators, among others, demand reduction indicators #11, #12, #14 and certain portions of #9. One or both software programs were introduced in Jamaica, Trinidad and Tobago, Paraguay, Ecuador, and Suriname, and a follow-up system was created to monitor their use.

The Inter-American Observatory on Drugs developed and is currently pilot-testing a Web database to permit institutions working on drug-related topics to register their own basic information on the Internet, and develop products such as country and thematic directories and e-mail lists.

## Establishment of National Observatories on Drugs

In 2002, with financial assistance from the National Drug Plan of the Spanish Government, the European Commission, and the US State Department (INL), CICAD helped establish or strengthen National Observatories on Drugs in fourteen countries. The development of national observatories, an IOD/OID responsibility and priority, is being carried out in conjunction with CICAD's Institution-Building Development Section.

### National Observatory Development Activities

- **Bolivia:** The Executive Secretariat arranged for an initial coordination visit in January 2003 to program CICAD assistance.
- **Colombia:** CICAD met with government officials, with a view to arranging CICAD technical assistance for the Colombian Drug Observatory.
- **Ecuador:** The Executive Secretariat conducted a mission to inventory data sources and perform a needs assessment. Computer equipment was delivered to the Ecuadorian Observatory, the regional offices of the National Drug Control Commission (CONSEP), and many of the national institutions that are sources of drug data. A national workshop was held on November 20-22, 2002, to plan the implementation phase of the Ecuadorian Observatory.
- **Honduras:** A workshop on the Development of a National Integrated Information System on Drugs, held from October 30 - November 1, 2002, produced an action plan for Honduras' National Drug Observatory. The Plan establishes a Consultative Group to guide the system's development, as well as short, medium and long-term goals for the System's implementation.
- **Paraguay:** A workshop to develop an integrated national drug information system, held in Paraguay from July 2-4, 2002, formulated a strategy and an activities plan for implementation of the system. As of the end of December 2002, and with additional CICAD-IOD/OID assistance, all of the short-term activities defined at the workshop — including the establishment of the Paraguayan Observatory on Drugs, the creation of its governing Advisory Group and the implementation in over 20 institutions of CICAD's project and patient management software — had been completed. The Paraguayan Observatory's Web page has been designed, and will be hosted by the CICAD Web page.
- **Peru:** Coordination visits were made to the different data sources, and a national workshop was held to set the work strategy for implementation of the Peruvian Observatory and to determine the most pressing needs in terms of equipment for the data sources.
- **Trinidad and Tobago:** A Workshop on the Development of a National Information System was held from February 20-22, 2002. Subsequently, workshop participants met several times under the aegis of the country's National Drug Council to formulate a plan of action and define a way forward toward Observatory and System implementation. As of December 31, 2002, the National Drug Council was reviewing a proposal for the implementation of the Observatory and the System.
- **Venezuela:** In agreement with officials responsible for the Venezuelan Observatory, the CICAD project will be coordinated with a European Commission project that will finance implementation of the Venezuelan Observatory.

## Regional Observatory Development Activities

- **Central America and the Dominican Republic**

The National Observatories on Drugs of Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama were established in 2002 with CICAD financial and technical support and training. While they have engaged in interagency coordination and have inventoried the sources of drug data available in each country, work still continues on improving the quality of the data, and on analysis of the information. Each National Observatory has established its own Web page. The Governments are considering approval of a regulatory framework to govern the work of the Observatories.

CICAD conducted an assessment of the start-up of the national observatories, through one visit to each country and one evaluation workshop (September 2002) at which all aspects of project implementation in the seven countries were reviewed.

- **Andean Countries**

A regional seminar on National Drug Observatories in the Andean Countries was held in Cartagena de Indias, Colombia on October 29 – November 2, 2002. Representatives of the national observatories of Bolivia, Colombia, Ecuador, Peru, Venezuela and Spain participated in an assessment of the status of national drug data and research systems, and planned their Observatories' activities for 2003.

## CHAPTER II. FINANCIAL AND BUDGETARY CONSIDERATIONS CICAD'S FINANCIAL SITUATION 2002

The external funds received by CICAD are generally earmarked for specific projects developed by the Executive Secretariat and agreed to by donors. Funding for CICAD activities for 2002 includes financial contributions from the OAS Regular Fund and from external donors, as well as special and in-kind contributions. These funds may be for multi-year projects or received within the donor's fiscal year budget, to be applied in the succeeding year. All this reflects very diverse systems of budgeting and financial management among donor states and entities. The total cash contributions received by CICAD from January 1, 2002 through December 31, 2002 are **US\$7,066,401**. The following table shows details of all contributions (cash and in-kind).

**Table 1**

<b>Financial Contributions</b>		
United States – INLFY 2001	US\$	2,950,000
OAS Regular Fund		2,240,972
Canada		441,260
Spain		403,664
Japan		155,000
European Union		202,607
Inter-American Development Bank		377,861
Mexico		100,000
France		65,104
Colombia		50,000
Brazil		50,000
University of Alberta, Canada		2,362
Interest (4 <sup>th</sup> qtr. 2001 received in August 2002)		27,572
<b>Sub-Total</b>	<b>US\$</b>	<b>7,066,401</b>
<b>Special and In-Kind Contributions (Approximate amounts)</b>		
Spain	US\$	208,676
France		46,700
Peru		29,000
University of Nuevo Leon, Mexico		8,769
University of Sao Paulo, Brazil		6,769
National University of Colombia		5,152
Cayetano Heredia University, Peru		3,700
University of Guayaquil, Ecuador		2,500
University of Carabobo, Venezuela		2,300
University of Concepcion, Chile		1,500
State University of Rio de Janeiro, Brazil		1,500
National University of Cordoba, Argentina		1,260
University of San Andres, Bolivia		1,000
Federal University of Santa Catarina, Brazil		10,769
<b>Sub-Total</b>	<b>US\$</b>	<b>329,595</b>
<b>TOTAL:</b>	<b>US\$</b>	<b>7,395,996</b>

\* 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 2002, the OAS General Assembly approved **US\$2,328,500** for CICAD from the OAS Regular Fund. However, due to a freezing of posts and transfers of funds among Chapters of the Regular Fund, the actual amount allocated to CICAD was **US\$2,240,972**. Of this total, approximately 67% (**US\$1,487,221**) was used to pay salaries and benefits for approximately half of the CICAD staff. The balance of **US\$753,751** was used to support the following: the Multilateral Evaluation Mechanism (MEM) **US\$475,609**; two statutory meetings of the Commission, **US\$59,776**; and non-discretionary operating expenses of the Executive Secretariat of CICAD, **US\$218,366**.

## **B. FUNDS REQUESTED AND RECEIVED**

### **1. Government of the United States : US\$2,950,000**

#### **Bureau of International Narcotics and Law Enforcement Affairs–INL/US State Department.**

- Contribution of **US\$2,800,000** from its 2001 fiscal year budget, received in two installments of US\$1,400,000 each (March and July 2002). Funds were distributed according to CICAD proposals to the following areas: US\$602,000 to Demand Reduction projects; US\$500,000 to the Multilateral Evaluation Mechanism (MEM); US\$498,000 to Institution-Building projects; US\$300,000 to the Inter-American Observatory on Drugs; US\$200,000 to Supply Reduction projects; US\$200,000 to the Firearms Control project; US\$500,000 to Anti-Money Laundering projects.
- Specific contribution of **US\$150,000** (received in July) for the Second Western Hemisphere Drug Policy Leadership Conference, held in Reston, Virginia, September 2002.

### **2. Government of Canada: US\$441,260 (CND\$700,000)**

#### **a. Department of Foreign Affairs and International Trade-DFAIT/Canada:**

A total of **US\$378,760** (CND\$600,000) as per agreement, corresponding to its 2001 fiscal year reimbursement contribution, received in January and June 2002. Funds were distributed as follows: US\$145,740 to Supply Reduction projects; US\$30,998 to the Demand Reduction Nursing School project; US\$108,457 to the Inter-American Observatory on Drugs; US\$62,364 to the Multilateral Evaluation Mechanism-MEM; and US\$31,200 to Anti-Money Laundering projects.

#### **b. Solicitor General of Canada:**

**US\$62,500.00** in April, as a reimbursement contribution distributed as follows: US\$15,625 for the MEM; US\$15,625 for the MEM/Solidarity Fund; and US\$31,250 for the Supply Reduction Andean Counter-drug Intelligence School.

### **3. Government of Spain: US\$403,664**

#### **a. Spanish National Drug Plan:**

- **US\$205,364** in June, for the M.A. On Line in Addictions Studies (Demand Reduction)
- **US\$49,272** in June, for the National Drug Commissions project in Central America and the Dominican Republic (Institution-Building).

#### **b. AECI – Spanish Agency for International Cooperation:**

**US\$149,028** in May, for the Institution-Building project in Andean countries.

### **4. Government of Japan: US\$155,000**

**US\$155,000** in January, for the Demand Reduction Nursing School project (International Graduate Education Programs in Latin Americas on the Drug Phenomenon, Prevention, and Treatment of Drug Abuse).

**5. European Union: US\$202,607 (€215,800)**

**US\$144,163** (€155,800) in June, through the Secretariat for the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM): first installment for the Caribbean Drug Abuse Epidemiology and Surveillance Project. Total amount of agreement, €219,000, to be disbursed within 22 months.

In November, the amount of US\$58,444 (€60,000) for the Inter-American Drug Information System project On-line management of drug information, as per an agreement with the EC for a total of €200,000. This was the penultimate disbursement; the final tranche of €20,000 is expected in the first half of 2003.

**6. Inter-American Development Bank (IDB): US\$377,861**

**US\$133,861** in three installments (April, September and October) as partial payments on agreement ATN/SF-7485: Combating money laundering from the judicial system.

**US\$244,000** as the first tranche of the agreement signed with IDB (ATN/MT-7884-RG) to support the creation and development of Financial Intelligence Units in South America. The total amount of the agreement is **US\$1,320,000**, to be disbursed over a period of forty months.

**7. Government of Mexico: US\$100,000**

**Secretariat of Foreign Affairs:**

- **US\$50,000** MEM (June)

**Office of the Attorney General:**

- **US\$50,000** CICAD General Fund (June)

**8. Government of France: US\$65,104 (€65,546)**

In November, **US\$31,859 (€31,846)** were received from the French Embassy in Colombia, to contribute towards the cost of an Andean regional seminar on the control of money laundering and corruption, which was held in Martinique in November 2002.

In December 2002, the amount of **US\$33,245 (€33,700)** was received from the Government of France for the RETCOD project.

**9. Government of Colombia: US\$50,000 (received at the end of 2001)**

**US\$50,000** sent at the end of 2001 through FEMCIDI: The transfer to the CICAD accounts did not take place until March 2002, therefore, this contribution is recorded as a 2002 contribution, distributed as follows:

- US\$30,000 for the MEM
- US\$20,000 for CICAD General Fund.

#### **10. Government of Brazil: US\$50,000**

In December, **US\$50,000** were received from the Brazilian Government for activities related to the second round of the Multilateral Evaluation Mechanism.

#### **11. University of Alberta, Canada: US\$2,362 (CAN\$3,835)**

A contribution of **US\$2,362** to the Nursing School demand reduction project, representing fees that would otherwise have been paid to the CICAD project manager, for a course she taught at the University of Alberta.

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

- **Government of France: US\$46,700** approximately

Professional technical assistance through the allocation of a French official specializing in anti-money laundering matters, to work at CICAD headquarters. Level of position is equivalent to a P-4, which would have an annual approximate cost of **US\$99,600** to CICAD. This special assistance is for three years; therefore, the total contribution is approximately **US\$300,000**. The approximate value of this contribution through December 31, 2002 is **US\$33,200**.

Travel, and room and board for two instructors in the Financial Intelligence Course held at the Andean Anti-Drug Intelligence School in Peru in August-September 2002. Taking into account also their salaries, the contribution represents approximately **US\$10,000**.

Travel, and room and board for one instructor for one week for the second course on anti-drug intelligence analysis held at the Andean Anti-Drug Intelligence School in Peru in November 2002. Taking into account also his salary, the contribution represents approximately **US\$3,500**.

- **Government of Spain: US\$208,676** approximately

#### **Spanish Agency for International Cooperation(AECI)/Ibero-American Institute for Cooperation: US\$88,326**

(1) Eleven scholarships during the 2001-2002 academic year (course finished in February 2002) for graduate studies on all aspects of drug abuse at the Complutense University in Madrid. The approximate monthly cost per student was \$833.00. For the two-month period during 2002, the approximate contribution was **US\$18,326**. (2) Organization, lodging and food for fifteen participants in the Workshop on the Evaluation of National Drug Observatories in Central America and the Dominican Republic, held in the Spanish Cooperation Training Center in Antigua, Guatemala (September 16-20, 2002). Approximate cost **US\$10,000**. (3) Costs of organizing, lodging and food for 20 participants in the Regional Workshop on National Observatories on Drugs of the Andean Countries, Spanish Cooperation Training Center in Cartagena de Indias, Colombia (October 28-November 1, 2002). Approximate cost: **US\$20,000**. (4) **AECI**; Costs of organizing, lodging and food for 40 participants in the annual assembly and training workshop of RIOD (September 23-27, 2002). Approximate cost: **US\$40,000**.

### **Universidad Nacional de Educación a Distancia (UNED), Spain: US\$61,350**

Contributions used approximately for the following activities related to the M.A. on-line in addictions studies: (1) **US\$15,000** in professional support; **US\$24,000** for facilities and logistics for meetings in Plasencia, Miami, Madrid and Washington DC, and **US\$13,500** for participant travel, for a total of **US\$52,500**; (2) **US\$2,250** for videoconferencing and communications; (3) **US\$5,400** for partial financing of a consultant for 9 months, to provide professional support to the M.A. online; and (4) **US\$1,200** for the organization, coordination and video connections for the launching of the M.A. On-line on October 18, 2002.

### **Spanish National Drug Plan: US\$59,000**

(1) Lodging for four participants from El Salvador and the Dominican Republic for a visit to the Spanish National Drug Plan in Madrid (March 4-8, 2002) within the framework of the Strengthening of Drug National Commissions project, approximate cost **US\$2,000**. (2) Participation of a lecturer for the workshop for the start-up of the Dominican Republic Observatory on Drugs (April 4-5, 2002), approximate cost **US\$3,000**. (3) Travel expenses, lodging and food for two lecturers at a workshop in Antigua, Guatemala in September on the evaluation of the national observatories on drugs of Central America and the Dominican Republic. Approximate cost **US\$6,000**. (4) The **Spanish National Drug Plan** and **AECI** provided lodging and food for 20 participants, as well as logistical support for the Seminar for Judicial Training, held in Antigua, Guatemala (September 2-6). Approximate contribution **US\$20,000**. (5) Airfare for participants in the annual meeting of RIOD (September 2002). Approximate cost: **US\$22,000**. (6) Travel and room and board for two instructors for the regional workshop for Andean countries on national observatories on drugs, held in Cartagena, Colombia, October 2002. Approximate cost: **US\$6,000**.

- **Government of Peru: US\$29,000** approximately

Provided all the logistics and some of the instructors for (1) the Fourth Counter-Drug Intelligence Analysis course, June 3-July 12, 2002, approximately **US\$15,000**, and (2) **an additional counterdrug intelligence course, Nov – Dec, approximately US\$14,000**.

- **Various Latin American universities: US\$45,219** approximately

The demand reduction nursing project in Latin America received in-kind contributions related to faculty time, office and classroom spaces, secretarial support, equipment maintenance and miscellaneous expenses, from eleven universities, as detailed in Table 1 above.

## **C. RESULT OF EFFORTS TO OBTAIN EXTERNAL FINANCING**

Since more than 70% of CICAD's funding is derived from external financing, the Executive Secretariat draws up detailed project proposals related to CICAD's policies and mandates, which are then presented to possible donors for their consideration.

**Table 2**  
**Cash Contributions to CICAD – External Funds**

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$2,205,000	\$2,527,730	\$5,828,440	\$4,811,220	\$10,992,682	\$4,797,857

**Table 3**

**CONTRIBUTIONS TO PROJECTS - ALL FUNDS**

<b>Organization</b>	<b>Project</b>	<b>Contribution</b>
<b>MEM</b>	MEM - Solidarity Fund	\$ 15,625
	Multilateral Evaluation Mechanism (MEM)	\$ 1,176,896
<b>MEM Total</b>		<b>\$ 1,192,521</b>
<b>Demand Reduction</b>	Caribbean Prevention	\$ 93,000
	Caribbean Treatment	\$ 25,000
	Gangs, Drugs & Violence	\$ 40,000
	Fellowships in Demand Reduction	\$ 12,000
	Master Online	\$ 477,364
	Minimum Standards of Care	\$ 22,000
	Nursing Schools Training	\$ 239,960
	Technical/Admin. Support	\$ 83,200
<b>Demand Reduction Total</b>		<b>\$ 992,524</b>
<b>Anti-Money Laundering Unit</b>	Creation of Financial Intelligent Units	\$ 494,000
	Combating Money Laundering fr. the Judicial System	\$ 218,101
	Money Laundering-Experts Group	\$ 79,960
	Supp. Activ. Money Laundering	\$ 108,859
	Workshops on Money Laundering	\$ 40,000
<b>Anti-Money Laundering Unit Total</b>		<b>\$ 940,920</b>
<b>Institutional Building</b>	Elab/Modern. Natl Antidr.Plans	\$ 100,000
	Inst Bldg NDC -Andean Contries	\$ 149,028
	Inst. Bldg NDC-C.Amer & R.Dom.	\$ 49,272
	Organ. Develop Nat'l Drug Comm	\$ 398,000
<b>Institutional Building Total</b>		<b>\$ 696,300</b>
<b>Inter-American Observatory on Drugs</b>	CICDAT (Unif. Stat. Syst.)	\$ 60,000
	IADIS - On-Line Management	\$ 58,444
	Observatory Tech/Adm. Support	\$ 150,781
	SIDUC	\$ 113,400
	SIDUC-DAESSP	\$ 144,163
	The Cost of Drug Abuse	\$ 72,776
<b>Inter-American Observatory on Drugs Total</b>		<b>\$ 599,564</b>
<b>Supply Reduction</b>	Andean Counter Drug	\$ 62,128
	Community Policing	\$ 42,468
	Customs and Maritime Support	\$ 50,000
	Expert Group on Pharmaceutical Products	\$ 15,000
	RETCOD	\$ 42,845
	Supply Reduction Support	\$ 162,794
	Synthetic Drugs	\$ 35,000
<b>Supply Reduction Total</b>		<b>\$ 410,235</b>
<b>Legal Development</b>	Firearms-Model Reg. Implem	\$ 200,000
<b>Legal Development Total</b>		<b>\$ 200,000</b>
<b>Office of Executive Secretary</b>	CICAD-General Fund	\$ 65,000
	CICAD-Tech/Admin. Support	\$ 53,974
	LEADERSHIP CONFERENCE 2002	\$ 150,000
	Regular Sessions of CICAD	\$ 59,776
	Regular Fund CICAD-Non discretionary budget	\$ 1,705,587
<b>Office of Executive Secretary Total</b>		<b>\$ 2,034,337</b>
<b>Grand Total</b>		<b>\$ 7,066,401</b>

#### D. POSSIBLE SOURCES OF FUNDING FOR 2003:

- The Government of the United States, through INL, has pledged **US\$6,000,000** as its contribution for fiscal year 2002 (USFY2002). Half of this amount will be received in January 2003, followed by installments throughout 2003.
- The European Union through CARIFORUM will send its last payment of **€63,200** (approx. US\$61,738) during the first quarter of 2003, as per CICAD/CARIFORUM agreement for a Caribbean Drug Abuse Epidemiology and Surveillance Project.
- The European Commission will also send the last tranche of **€114,720** to the Inter-Regional Training and Capacity-Building Program in Drug Abuse Prevention and Treatment for the Caribbean Basin, Central and South America
- The European Commission will send the last tranche of **€20,000** for the Inter-American Drug Information System (IADIS): On-Line Management.
- The balance of US\$1,076,000 over a period of 38 months (through February 2006) will be received from the Inter-American Development Bank (for a total of **US\$1,320,000**), as per agreement No. ATN/MT-7884-RG, Support to the Creation and Establishment of Financial Intelligence Units in South America.
- The Government of Japan is expected to contribute approximately **US\$86,000** for the nursing school project
- DFAIT Canada will contribute approximately **US\$391,935** (CAN\$600,000), and the Solicitor General Canada will contribute approximately **US\$65,324** (CAN\$100,000).

#### CHAPTER III. CICAD RECOMMENDATIONS OF CICAD TO THE GENERAL ASSEMBLY

CICAD recommends to the General Assembly at its thirty-third regular session that it adopt a resolution in the following terms:

HAVING SEEN the annual report of the Inter-American Drug Abuse Control Commission (CICAD) (XXX) and the observations and recommendations thereon by the Permanent Council (XXXX);

REAFFIRMING its commitment to the principles and purposes set forth in the 1986 Inter-American Program of Action of Rio de Janeiro against the Illicit Use and Production of Narcotic Drugs and Psychotropic Substances and Traffic Therein and in the Anti-Drug Strategy in the Hemisphere;

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

NOTING that the thirty-four national reports and the hemispheric report, prepared by the Governmental Group of Experts (GEG) during the second round of the MEM, were approved by CICAD at its thirty-second regular session, held in Mexico City in December 2002, and were published, with their recommendations, in January 2003, and

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

FURTHER NOTING the significant increases in 2000-2001 in heroin seizures in the hemisphere, and

BEARING IN MIND the central role that CICAD plays in inter-American efforts to fight all aspects of the drug problem,

RESOLVES:

1. To thank the Inter-American Drug Abuse Control Commission (CICAD) for presenting its annual report for 2002 (XXXX).
2. To note with satisfaction the approval by CICAD at its thirty-second regular session of the hemispheric and thirty-four national Multilateral Evaluation Mechanism (MEM) reports prepared by the Governmental Experts Group (GEG).
3. To urge member states, Permanent Observers, and international financial institutions to enhance their financial contributions to CICAD to enable it to step up its assistance to member states as they seek to comply with the recommendations of the MEM.
4. To note with appreciation the programs and projects undertaken by CICAD under the drug-control mandates issued in the plans of action of the Second and Third Summits of the Americas.
5. To urge member states to renew the commitment demonstrated during the first and second evaluation rounds, and to continue to participate actively and fully, in a timely fashion, in the third round of the MEM, which will make it possible to gauge the progress of efforts made by governments and become familiar with the status of the drug problem in the hemisphere.
6. To urge member states to incorporate into their respective national legislation the CICAD Model Regulations on Money Laundering Control, including the amendments to them proposed by the CICAD Group of Experts and adopted at the thirty-second regular session of CICAD in Mexico City, making terrorist financing a predicate offence to money laundering and incorporating the Financial Action Task Force (FATF) eight special recommendations on terrorist financing.
7. To recommend to member states that they develop, in the short term, training and substance abuse prevention programs for primary school teachers and pupils, in order to prevent children from starting to use alcohol and tobacco and other psychoactive substances.
8. To urge member states to evaluate substance abuse prevention and treatment programs to determine which are the most effective and have the greatest positive impact on the beneficiary population.
9. To instruct CICAD:
  - a. To continue fulfilling its mandate given by the Third Summit of the Americas held in Québec City, specifically to refine and promote the MEM process and to further implement its recommendations, and
  - b. To focus resources on those areas identified by the MEM as priority areas and assist member states in: (1) meeting their individual and collective obligations; (2) complying with

national and hemispheric recommendations of the 2001-2002 MEM; and (3) participating fully in the next round of evaluations of the MEM process.

10. To instruct the Executive Secretariat of CICAD:

- a. Through the Inter-American Observatory on Drugs, to step up efforts to assist member states to develop and maintain uniform data collection systems that will make it possible to measure the problem of substance abuse in order to create appropriate prevention, treatment, and rehabilitation programs in keeping with the specific needs of each state;
- b. To assist member states to strengthen actions to control the diversion of pharmaceutical products, controlled chemical substances, and the illicit production of synthetic drugs and to improve information exchange on matters related to the application of control measures;
- c. To promote the evaluation of substance abuse prevention and treatment programs, to determine their effectiveness and positive impact on the target groups;
- d. To assist member states and non-governmental organizations to develop substance abuse prevention programs for primary school children, and step up its professional training programs in the demand reduction field.
- e. To continue, where appropriate, to provide technical and financial assistance for implementation of alternative development projects in member states affected by the presence of illicit crops, and at the same time promote market access for the products of alternative development programs in order to enhance their sustainability;
- f. To continue, where appropriate, assisting 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;
- g. To work through the Group of Experts on Money Laundering Control, to combat money laundering and related offences, particularly terrorist financing through implementation of the Group of Experts' 2003 work plan.
- h. To assist states in adopting the appropriate national regulations for the activities of non-financial sectors at risk of money laundering.
- i. To give priority to providing technical assistance to member states to help them strengthen their national drug control commissions and other entities involved in combatting the drug problem in all of its manifestations.
- j. To strengthen cooperation and information exchange amongst the various interested inter-American commissions and mechanisms, in particular, the Inter-American Committee against Terrorism (CICTE) and the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA), whose work is related to drug-control matters.
- k. To support the work of the CICAD Expert Groups dedicated to the furthering of the following five thematic areas: Firearms Control, Pharmaceuticals, Chemical Precursors, Money Laundering and Demand Reduction; so that they may improve and facilitate

cooperation and coordination and information exchange among member states in these areas.

l. To support the work of the Group of Experts on Firearms to update CICAD's model regulations on firearms, particularly in the areas of brokering and export controls.

m. To develop a strategy and work plan for the continuous promotion to consolidate the work of CICAD and the MEM, so that all agencies and institutions of the member states, as well as the media, opinion leaders, and society as a whole are aware of their work.

## Appendix A

### ORIGINS, LEGAL BASES, STRUCTURE, MEMBERS, AND PURPOSES

#### ORIGINS

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

#### LEGAL BASES

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

#### STRUCTURE AND MEMBERS

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

#### PURPOSES

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

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

**2002 GENERAL ASSEMBLY RESOLUTIONS PERTAINING TO CICAD**

**AG/RES. 1882 (XXXII-O/02)**

**ANNUAL REPORT OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION AND  
THE MULTILATERAL EVALUATION MECHANISM**

(Adopted at the fourth plenary session held on June 4, 2002)

THE GENERAL ASSEMBLY,

HAVING SEEN the annual report of the Inter-American Drug Abuse Control Commission (CICAD) (CP/doc.3547/02) and the observations and recommendations thereon by the Permanent Council (CP/doc.3600/02);

REAFFIRMING its commitment to the principles and purposes set forth in the 1986 Inter-American Program of Action of Rio de Janeiro against the Illicit Use and Production of Narcotic Drugs and Psychotropic Substances and Traffic Therein and in the Anti-Drug Strategy in the Hemisphere;

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

CONSIDERING that the General Assembly adopted resolution AG/RES. 1779 (XXXI-O/01), Evaluation of Progress in Drug Control: First Round of the Multilateral Evaluation Mechanism (MEM) of the Inter-American Drug Abuse Control Commission;

UNDERLINING that, at its second special session, CICAD approved the "Progress Report in Drug Control - 2001, Implementation of Recommendations from the First Evaluation Round," which concluded the first round of implementation of the Multilateral Evaluation Mechanism MEM; and

BEARING IN MIND the important role played by CICAD in inter-American efforts to fight all aspects of the drug problem,

RESOLVES:

1. To thank the Inter-American Drug Abuse Control Commission (CICAD) for presenting its annual report for 2001 (CP/doc.3547/02).
2. To note with appreciation the programs and projects undertaken by CICAD under the drug-control mandates issued in the plans of action of the Second and Third Summits of the Americas.
3. To urge member states, permanent observers, and international financial institutions to continue to help finance the programs and projects undertaken by CICAD in fulfillment of its work plan, in particular the alternative development programs intended to eliminate and prevent the appearance of illicit crops.
4. To urge member states, permanent observers, and international trade institutions to seek to maintain and strengthen trade preference systems that support alternative development programs aimed at reducing illicit crops in the region, such as the Andean Trade Preference Act, the Caribbean Basin Initiative, the special provisions of the Generalized System of Preferences of the European Union (EU) for the Andean and Central American countries, and the agreement between the EU and the African, Caribbean, and Pacific countries (Lomé Convention).
5. To note with satisfaction the "Progress Report in Drug Control 2001, Implementation of Recommendations from the First Evaluation Round," which concluded the first round of implementation of the Multilateral Evaluation Mechanism (MEM).

6. To urge member states to continue carrying out activities directed toward full implementation of the national and hemispheric recommendations made during the first MEM round, in particular the development of national information systems and the strengthening of mechanisms for information exchange and international cooperation relating to all aspects of the problem.

7. To urge member states to renew the commitment demonstrated during the first evaluation round and to participate actively and fully, in a timely fashion, in the second round of the MEM, to be held in 2002 and 2003, which will make it possible to gauge the progress of efforts made by governments and become familiar with the status of the drug problem in the Hemisphere.

8. To instruct CICAD:

a. To help member states to develop uniform data collection systems that will make it possible to measure the problem of illicit drug use in order to draw up prevention, treatment, and rehabilitation programs in keeping with the specific needs of each state;

b. To assist member states in improving their control mechanisms to prevent the diversion of chemical substances used in the manufacture of controlled illicit drugs and pharmaceuticals, including the adoption of a uniform information system for the control of said substances;

c. To assist member states that so request in establishing and implementing Financial Intelligence Units (FIUs) and to train staff responsible for investigation and prosecution of the laundering of assets;

d. To continue to provide technical and financial assistance for the implementation of alternative development projects in the member states affected by the presence of illicit crops, and to provide assistance in the search for diverse sources of financing for such programs; and

e. To help member states to enhance their mechanisms for preventing the diversion of firearms, their parts, components, and ammunition, and other materials related to illicit channels, *inter alia* by establishing databases to improve control at the national level and by the exchange of information among states.

9. To request CICAD to send such recommendations as it considers pertinent to the preparatory body for the Special Security Conference as a contribution to its preparations.

#### **AG/RES. 1888 (XXXII-O/02)**

#### **PROLIFERATION OF AND ILLICIT TRAFFICKING IN SMALL ARMS AND LIGHT WEAPONS**

(Adopted at the fourth plenary session held on June 4, 2002)

THE GENERAL ASSEMBLY,

RECALLING the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and other Related Materials (CIFTA);

EMPHASIZING the importance of the ratification of or accession to this Convention by the member states as soon as possible;

TAKING NOTE OF AG/RES. 1744 (XXX-O/00), AG/RES. 1642 (XXIX-O/99), AG/RES. 1796 (XXXI-O/01), AG/RES. 1797 (XXXI-O/01) AND THE APRIL 26, 2002, SPECIAL MEETING OF THE PERMANENT COUNCIL COMMITTEE ON HEMISPHERIC SECURITY ON THIS ISSUE;

WELCOMING the results of the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects in July 2001;

REAFFIRMING member states' commitment to respect the United Nations Security Council arms embargoes through the adoption, as may be necessary, of appropriate national norms;

ENCOURAGED by the technical and financial assistance available for destruction of surplus, and illegal weapons seized as a result of interdicting illicit trafficking;

CONVINCED of the need to continue and to intensify multilateral cooperation as an important contribution to addressing the problems associated with the proliferation of and the illicit trafficking in small arms and light weapons;

ALSO WELCOMING the completion of an international protocol to combat the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition, in the framework of the United Nations Transnational Crime Convention on Transnational Organized Crime; and

ACKNOWLEDGING the importance of the Inter-American Drug Abuse Control Commission's (CICAD) work and training programs to develop member states capacity to address the proliferation of and the illicit trafficking in small arms and light weapons,

RESOLVES:

1. To encourage member states, as a complementary action to the ratification and implementation of the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA), to implement the United Nations Program of Action on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (UN Program of Action).

2. To request that the Permanent Council hold, at the level of the Committee on Hemispheric Security, an annual meeting on small arms and light weapons, which would review the status of implementation of national, regional, and global elements of the UN Program of Action.

3. To encourage member states to report to the United Nations on its implementation of national, regional, and global elements of the UN Program of Action.

4. To call on member states to provide to the General Secretariat, by July 15 of each year, a report on the implementation of national, regional and global elements of the UN Program of Action.

5. To request that the Secretary General, in accordance with the UN Program of Action, designate a point of contact to act as liaison on matters relating to the implementation of the said Program of Action.

6. To request the Permanent Council to examine ways of arriving at a common understanding among member states on dealing with the issue of small arms brokering within the hemisphere, and to this end, to consider undertaking a study on the issue, and if possible, with the assistance of CICAD.

7. To continue to encourage member states to adopt such measures concerning arms brokering and transit as may be necessary to combat the illicit trafficking in small arms and light weapons.

8. To request that CICAD continue its training programs in order to contribute to the capabilities of member states to implement CIFTA and the UN Program of Action[, in coordination with the Consultative Committee of CIFTA and the United Nations Regional Center for Peace, Disarmament and Development in Latin America and the Caribbean (UN-LiREC)].

9. To request that CICAD continue to provide assistance to member states on those matters within its purview, in order to facilitate compliance with the above-mentioned Inter-American Convention and the UN Program of Action.

10. To request the Permanent Council to make arrangements for a seminar on identification, collection, stockpile management, and destruction of small arms and light weapons.

11. To encourage those states in a position to do so, to destroy small arms and light weapons which they have seized as a result of interdicting illicit trafficking and to destroy small arms and light weapons which they hold under their control in excess of their legitimate needs, and take all necessary measures to secure the stockpiles and weapons under their control and necessary to their defense.

12. To encourage member states that have not done so to consider signing or ratifying the United Nations Protocol Against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition.

13. To instruct the Permanent Council to carry out the activities mentioned in this resolution within funds allocated in the program-budget and other resources.

14. To request that the Secretary General transmit this resolution to the United Nations Secretary-General.

15. To request that the Permanent Council report on the implementation of this resolution to the General Assembly at its thirty-third regular session.