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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-FIFTH REGULAR SESSION**

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

**EXECUTIVE SUMMARY**

**CICAD's Multilateral Evaluation Mechanism (MEM)** is a mandate from the Summit of the Americas, and is now in its sixth year of operations. The reports on implementation of the recommendations from the second evaluation round (2001-2002) were approved by the Commission at its thirty-fifth regular session, and forwarded to the thirty-fourth regular session of the OAS General Assembly in June 2004.

One of the MEM's goals is to promote hemispheric cooperation in addressing the drug problem, by helping member states comply with MEM recommendations for improvement in specific areas of their drug control programs. To that end, the Commission, at its thirty-fifth regular session, approved seventeen member state requests for technical and financial assistance in complying with recommendations of the second round of the MEM.

The reports from third MEM evaluation round, 2003-2004, were drafted by the Governmental Experts Group throughout 2004 and early 2005, and will be submitted to the Commission at its thirty-seventh regular session for approval and subsequent publication.

**CICAD's supply reduction and control activities** are directed to helping member states improve their capacity to reduce the production, distribution and availability of illicit drugs and of contraband such as chemicals used in the manufacture of drugs. In 2004, the Supply Reduction program included five training seminars for law enforcement and customs agents on subjects such as control of chemicals and officer safety, maritime cooperation and interdiction of vessels on the high seas, profiling of suspicious containers and passengers, port security and the participation of the private sector in port and airport security.

CICAD continued to support training courses at the Andean Drug Intelligence School (ERCAIAD), now in its fifth year of operations. In 2004, the program included two two-month courses on analysis of counter-drug intelligence, and a two-week specialized program on operational intelligence. CICAD and the Royal Canadian Mounted Police (RCMP) co-sponsored the second international police attachment program, which brought fifteen law enforcement officers from several member states for classroom instruction and field assignments to RCMP units.

In 2004, CICAD began a series of training workshops focused on different aspects of organized crime, with three seminars, co-hosted with the RCMP, on protection of witnesses and the judiciary, and the development and cultivation of informants; undercover operations, and targeting specific organized criminal groups.

CICAD, the Inter-American Committee against Terrorism (CICTE), Foreign Affairs Canada and the Department of Public Safety and Emergency Preparedness Canada jointly sponsored an ***OAS Symposium on Border Management: A Dialogue on Cross-Border Cooperation and Border Integrity***, with over a hundred participants from member states. CICAD also supported a pilot community policing project in the Colonial Zone of Santo Domingo, Dominican Republic, by providing further police training.

Three Supply Control Expert Groups met in 2004, to examine improvements to specialized issues related to maritime drug trafficking, the control of pharmaceuticals, and the control of chemical substances.

In 2004, **CICAD's Legal Development Program** was heavily engaged in projects related to firearms control through the application of the Inter-American Convention against the Manufacturing of and Illicit Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA), in close coordination with the Secretariat pro tempore of the Consultative Committee. CICAD also participated in the First Conference of States Party to the CIFTA, and in a number of other fora in Central America and Europe on the arms issue. At the request of member states, the Legal Section reviewed draft legislation on firearms control. In conjunction with the United Nations Lima Regional Center for Peace Disarmament and Development in Latin America and the Caribbean (UN-LIREC), CICAD organized two firearms control training seminars in 2004. The Small Arms and Light Weapons Administration system (SALSA) was installed in four Caribbean countries in 2004, and will be installed in other member states in 2005. The Legal Development Program also provided legal advice to the CICAD Group of Experts on Money Laundering Control as it amended the Model Regulations.

**The Inter-American Observatory on Drugs**, which is CICAD's statistics, information and research branch, promotes and supports a hemisphere-wide drug information network that provides valid, up-to-date and comparable information on the production, trafficking, use/abuse, and societal impact of drugs. 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 methods and data; and providing scientific and technical training for and the exchange of experiences among professionals working on the drug problem. In 2004, the Observatory provided technical and financial assistance to twelve member states to enable them to conduct surveys of drug use; published the annual ***Statistical Summary on Drugs*** and a comparative study of drug use by high-school students in seven countries; worked with seven countries to develop a methodology to estimate the human, social and economic cost of drugs to society, and helped develop national drug observatories in the Caribbean.

The quarterly electronic bulletin, ***The Observer News***, continued to bring articles on events and research in member states to a targeted audience. The Inter-American Observatory also completed a pilot project, conducted jointly with the French National

Observatory on Drugs and Drug Addiction, in which six Caribbean countries received training in methods of qualitative research on drug use, to identify and analyze emerging trends,

In 2004, the CICAD Expert Group on **Money Laundering Control** adopted amendments to the Model Regulations, concerning the autonomy of the offense, and special investigative techniques.

Training focused on giving judges and public prosecutors the tools they need to successfully prosecute and try money laundering cases: in 2004, CICAD helped Argentina, Colombia and Uruguay to replicate a training program developed earlier with the assistance of the Inter-American Development Bank (IDB). Through a joint CICAD-IDB seminar, work also began on sensitizing private attorneys, accountants, notaries public and others as to their legal obligation to report suspicious transactions that could be attempts to launder assets.

Mock money laundering trials were held in Colombia, jointly with the United Nations. "Training-of-trainers" courses were given to police officers, customs officials, and public prosecutors in Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela, to enable them to replicate money laundering control training for their colleagues.

Through a joint program with the IDB, CICAD provided technical assistance for the development or enhancement of Financial Intelligence Units in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

In 2004, CICAD's **Demand Reduction Program** emphasized the development of school-based substance abuse prevention programs, as a means of reaching a large number of school-aged children with a message of healthy life styles, skills for adolescence, and resistance training. Offerings of professional training in demand reduction at the university level were expanded to schools of public health, medicine and education, in addition to the long-standing nursing school program. Drug abuse treatment and rehabilitation were an important part of the Demand Reduction Program, with three new programs under way to provide drug treatment for prisoners, and the adoption of ***Guidelines on the Development of an Integrated Drug Treatment System***.

CICAD's **Alternative Development Program** maintained its focus on supporting member states as they carry out their alternative development projects. These programs are designed to reduce, eliminate and prevent cultivation of coca, poppy and cannabis, using a holistic approach to improve the overall social and economic situation of the population involved. In 2004, for budgetary reasons, CICAD had to cut back its alternative development activities, which meant reducing the number of countries receiving assistance from six in 2003 to four in 2004. CICAD has always placed great emphasis on making its alternative development projects self-sustainable. While the Executive Secretariat anticipates ongoing difficulty in raising funds in the future, it will seek to establish partnerships with non-traditional donors in an effort to procure new funding to continue supporting member states' alternative development programs and projects.

In 2004, the **Institution-Building Program**, which focuses on strengthening national drug commissions and helping member states develop their drug control strategies, worked with the Andean Community of Nations (CAN) on programs contained in the Andean counter-drug plan, and gave technical support to El Salvador and Guyana in their design and drafting of their national drug control strategies. In a new development, some governments are now decentralizing responsibility for designing and carrying out counter-drug programs, particularly in the area of demand reduction, where local needs are better served by local leadership.

#### **OFFICERS AND MEETINGS OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD) IN 2004**

The Commission held its thirty-fifth regular session in Washington, DC on April 27-30, 2004 (see final report, CICAD/doc.1313/04 rev.1) and its thirty-sixth regular session, also in Washington, DC on December 7-9, 2004 (see final report, CICAD/doc.1365/05 rev.1).

The Chair of CICAD for the 2003-2004 term of office was Canada, in the person of Mr. Paul Kennedy, Senior Assistant Deputy Minister, Public Safety and Emergency Preparedness Canada. The Vice Chair for the same term of office was the Dominican Republic, in the person first of Mr. Bonaparte Gautreaux Piñeyro, and followed by Major General José Aníbal Sanz Jimenián, both of whom were successively Chair of the National Drug Council.

At its thirty-sixth regular session, the Commission elected the Dominican Republic, in the person of Major General José Aníbal Sanz Jimenián, as Chair, and Bolivia, in the person of Ambassador Jorge Gumucio Granier, as Vice Chair.

#### **NEW EXECUTIVE SECRETARY OF CICAD**

At its thirty-sixth regular session, the Commission was pleased to welcome the new Executive Secretary of CICAD, Mr. James F. Mack, who was appointed to the post by the Secretary General of the OAS on September 15, 2004.

### **INTRODUCTION**

Eighteen years after CICAD was founded by the OAS General Assembly, drug control remains a priority for the Organization of American States and for its member countries. CICAD's scope of action has widened considerably, as countries have realized that drug trafficking is not a "stand-alone" crime, but is intimately and inextricably entwined with all forms of organized crime – trafficking in arms, chemicals used in the manufacture of drugs, terrorism and terrorist financing, trafficking in persons for purposes of economic and sexual exploitation, money laundering and corruption. At the same time, citizens and governments have become painfully aware that what used to be called "illicit drug abuse" is but a small part of the social, health and economic damage done to individuals and societies by the misuse of all kinds of addictive substances: alcohol, tobacco, prescription and over-the-counter medicines, and synthetic drugs such as MDMA and amphetamines, as well as plant-based drugs like cocaine, marijuana and heroin.

The Commission has been seized of the growing complexity of the drug problems, and has expanded its activities accordingly. It has created new Expert Groups on Pharmaceuticals and Maritime Drug Trafficking; its Demand Reduction Expert Group

has dealt on two occasions with the explosion of synthetic drugs in member states, and has issued a heroin alert based on increased poppy cultivation in the Western Hemisphere. The Commission has paid greater attention to the need for drug abuse treatment and rehabilitation services to be integrated into a country's overall health system, in order to make best use of available resources, and has encouraged consideration by member states of alternatives to jail for petty offenders who are addicted to drugs.

The Commission has declared 2005 as the year of substance abuse prevention. The countries of the hemisphere have found that one solution to the drug problem is early prevention in **the family, school and community**, strengthening children's and young people's values and life skills.

It is important that a balance be maintained between supply reduction activities and demand reduction activities, both programmatically and from a budgetary standpoint.

In the **school setting**, life skills, promotion of healthy lifestyles and drug abuse prevention should be incorporated into the objectives and, through infusion, into all components of the curriculum in the Americas.

The central topic of the next Summit of the Americas will be the need to create jobs to strengthen democracy. The Commission notes in the region an increase in the number of families, children and young people involved in small-scale drug dealing as a means of subsistence or making easy money from drug trafficking. There is therefore a need to frame substance abuse prevention in a **culture of lawfulness** at all levels of society in the Western Hemisphere, to prevent young people from learning corrupt behaviors that destabilize democratic institutions in the region.

The Organization of American States itself, in a recent radical restructuring, has brought together under one department all issues of human security and prevention of crime and social harm: arms trafficking, drugs, money laundering, terrorism, organized crime, port security, corruption, defense readiness, and other international threats, as well as the prevention and treatment of substance abuse, civic education in lawfulness, prevention of violence, particularly against women, prevention and rehabilitation of drug-involved gangs.

The majority of the projects and programs conducted by the Executive Secretariat of CICAD deal with training and education of the very wide range of people working in government and non-governmental agencies to control all aspects of the drug problem. This emphasis on training and human resources development is reflected throughout the present report, and the Secretariat has begun an effort to rationalize its training activities. Economies of scale are being realized through the increasing number of on-line courses that CICAD is offering.

The Multilateral Evaluation Mechanism (MEM), a mandate from the 1998 Summit of the Americas, will complete its third round of evaluations in the spring of 2005. As the MEM matures and the member states gain confidence in the transparency of the peer review, and the practical value of its recommendations, some modifications to both the questionnaire and the process itself have become necessary. The MEM Intergovernmental Working Group will meet in 2005 to agree the changes in time for the fourth round of evaluations.

Another Summit mandate to CICAD, namely, to develop a methodology for estimating the economic, social and human cost of drugs to the hemisphere, is progressing well, with seven countries participating in a pilot effort. A third mandate, from the Quebec Summit, was to support the development of Financial Intelligence Units and provide training with IDB support. This program has successfully established FIUs in ten member states, and is providing both training, equipment and organizational development.

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

### **A. MULTILATERAL EVALUATION MECHANISM**

#### **OVERVIEW**

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

#### **IMPLEMENTATION OF RECOMMENDATIONS FROM SECOND EVALUATION ROUND 2001-2002**

The GEG held its final drafting session of the second evaluation round in Washington, D.C. on March 1-5, 2004, to evaluate the progress achieved by countries in implementing recommendations made to them by CICAD in January 2003. The GEG found that 82 of the 325 total number of recommendations had been fulfilled, with 186 in progress and 57 not started. Sixteen countries requested technical and/or financial assistance for the implementation of pending recommendations.

The product of the GEG meeting, 33 national reports and a hemispheric progress report in drug control, was reviewed and approved by CICAD at its thirty-fifth regular session in April 2004, where a press conference was held to launch the MEM reports. They were subsequently published and distributed to member states and international and governmental organizations, among others.

## THIRD EVALUATION ROUND 2003-2004

### First drafting session

The first GEG meeting for the third evaluation round was held in Buenos Aires, Argentina on May 10-21, 2004. Experts analyzed responses to the 86 indicator questionnaire, 6 of which are new, and 63 revised based on experience from the second round. Also reviewed were introductory documents provided by some countries.

Ms. Darling López, principal expert from Costa Rica, was elected Chair of the GEG while Mr. Alejandro Montesdeoca from Uruguay was elected Vice-Chair. Representatives from the GEG also met with legislators from the Argentine parliament and the press to promote the MEM and explain the evaluation process. During the GEG's closing session, experts offered a special recognition to the Executive Secretary for his work during the MEM process.

The GEG produced initial draft reports, some of which were reviewed in plenary in Buenos Aires. Those reports left pending, due to time constraints, were reviewed electronically via e-mail by experts in their home countries. In August 2004, the completed drafts were circulated to the countries for their individual comments with requests for additional information. Given the workload ahead, the GEG agreed to postpone the September meeting to October 2004 to allow for more preparation time before sessions.

### Second drafting session

During the second GEG drafting session, held in Washington, D.C. on October 11-22, the GEG evaluated the comments and new information provided by member states and redrafted the reports accordingly. At this stage, the GEG drafted recommendations (analyzing those recommendations reiterated from the second round) and conclusions for each report. Similarly, experts prepared a preliminary hemispheric report outline on the progress of drug control.

The reports were sent to the countries in November for their final comments and updated data to be evaluated at the final GEG drafting session for this cycle of the third evaluation round early in 2005. All reports will undergo a final review by the Commission at its thirty-seventh regular session, before being made public in May 2005.

## B. DEMAND REDUCTION

### OVERVIEW

CICAD's Demand Reduction Program is designed to help member states prevent the use of licit and illicit substances, beginning at a very early age with the development of life skills, the promotion of healthy behaviors, as well as diagnosis and referral for those who have already begun to use drugs, thereby preventing them from reaching a stage of dependence. It also seeks to reduce social problems associated with drug use, such as violence, criminal behavior, teenage pregnancy, and traffic accidents.

In 2004, the Group of Experts on Demand Reduction prepared a document entitled ***CICAD Hemispheric Guidelines on School-Based Prevention***, which may serve as a guide to standardize school-based prevention interventions with effective, science-based programs to prevent drug use by children and young people in the Western Hemisphere.

Following the recommendations of the MEM Hemispheric Report, CICAD's 2004 demand reduction activities focused on substance abuse prevention, particularly school-based prevention.

## **SUBSTANCE ABUSE PREVENTION**

### **School-based Prevention**

#### **Costa Rica**

In the context of the MEM assistance programs, the Government of Costa Rica received US\$70,000 to expand the ***Learning to Value Myself*** program in 38 schools in nine regions of the country, benefiting 2,857 students. CICAD also provided computer equipment for the graphic design of educational and promotional materials for the program.

#### **Panama**

CICAD lent technical assistance to Panama's Drug Secretariat (CONAPRED) to implement the national ***We are Winners*** drug-prevention program for students. The program has received the support of the First Lady of Panama for implementation nationwide. Costa Rica provided horizontal cooperation and advice on evaluating and testing educational materials, and on the impact assessment and process evaluation of the school program.

#### **Venezuela**

CICAD provided technical assistance to Venezuela on preparing the ***Educational Community in Prevention*** program, with financial support from the private banking sector (Banco Provincial) for designing and drafting the prevention manual for instructors and training teachers in Venezuela's public and private schools.

### **Drug Abuse Prevention in the Workplace**

#### **Colombia**

Colombia requested technical assistance to develop and implement a drug use prevention project in the workplace, which CICAD coordinated with the Demand Reduction Office of the Public Health Division of the Ministry of Social Protection. A project proposal is being prepared, along with an estimated calendar for implementation.

#### **Saint Lucia**

Responding to a request from the Government of Saint Lucia, CICAD is working with the Substance Abuse Advisory Council Secretariat, which reports that it has been working with an NGO to prepare prevention talks on the repercussions of drug use in the workplace. The proposal is currently being prepared, to expand these interventions to other components of a workplace prevention program.

#### **Youth Gangs, Violence, and Drugs in Central America**

CICAD supported two pilot prevention activities in El Salvador through the Salvadoran Antidrug Commission (CNA). In municipalities along the western border with Guatemala, 125 former members of the MS-13 and M-18 gangs were trained in environmental reforestation and, as part of their recovery and reintegration, they took part in a course on drug abuse. In San Salvador (Soyapango), CNA professionals, in cooperation with

local nongovernmental organizations, worked with youth ages 10 to 20 at risk of joining a gang and were able to have them participate in workshops on fostering healthy living attitudes, civic values, and drug use prevention through job training and urban sports activities. They also involved the youths' family members.

CICAD provided technical and financial assistance to the CNA to draw up an inventory of services available in each locality for youth in gangs who are affected by drugs and violence. Local agencies were surveyed on drug use levels, trafficking and use of firearms, and the links between gang activity and organized crime networks. As a result of that research, leaflets and pamphlets were prepared containing information on gangs and gang prevention in the family and the community, to be distributed in countries affected by this problem.

## **MULTILATERAL EVALUATION MECHANISM (MEM) ASSISTANCE PROJECTS**

### **Saint Vincent and the Grenadines**

The Executive Secretariat of CICAD responded to a MEM assistance request from the Government of Saint Vincent and the Grenadines, to create a drug treatment and rehabilitation program for prisoners. Since that country does not have a national drug office, CICAD and the Ministry of National Security formed an interagency team to establish and manage a residential treatment program for 30 male inmates, which also included HIV/AIDS prevention. A mechanism was also created to provide support services for prisoner re-entry, working with a local NGO. Continuing training was provided for the prison officers who are carrying out the program and for Ministry officials who are monitoring program progress through quarterly meetings. The acting Director of the OAS office in Saint Vincent provided crucial managerial support for the program.

### **Grenada**

In response to a request from the Government of Grenada for second round MEM assistance, CICAD worked with the National Council on Drug Control (NCODC) on initial guidelines for establishing a process for evaluating prevention programs. Grenadian officials completed an inventory of all prevention activities nationwide. Unfortunately, subsequent activities had to be postponed due to the hurricane-related damage to its infrastructure; nonetheless the process is being adapted so the activities can resume in 2005.

## **TREATMENT AND REHABILITATION OF DRUG DEPENDENCE**

### **Drug Dependence Care and Services for Inmates and Offenders**

Given the high number of requests for MEM assistance on prevention, treatment and rehabilitation for prisoners and the importance of this issue in the MEM's hemispheric report, in November 2004, CICAD and Correctional Service Canada (CSC) provided training for prison officers, prevention agencies, and demand-reduction policy coordinators from eight Caribbean member states on components with effective interventions to halt drug use and drug dependence among offenders and inmates. Multidisciplinary teams who attended the workshop learned about current models in the Caribbean and Canada, as well as how to adapt a program to meet the specific needs of the prison population in their own districts, based on research. Country technical assistance will be provided, in accordance with the requests received for 2005.

### **National Drug Treatment System**

One of the recommendations of the fifth meeting of the Group of Experts on Demand Reduction, held in Argentina in October 2003, was to provide technical and financial assistance to countries that so requested to develop a national drug treatment system integrated into the national health system.

In 2004, Venezuela and Peru were implementing their own system, in coordination with the Ministry of Health and the National Drug Commission, with technical assistance from CICAD.

Belize, Panama, Chile, and Costa Rica have requested assistance from CICAD to establish their national treatment system and standards.

### **Multisector Cooperation in Demand Reduction**

The Canadian Health, Education, and Enforcement in Partnership (HEP) program, the Executive Secretariat of CICAD and the Canadian Centre on Substance Abuse (CCSA) jointly held a regional workshop for the Caribbean in Martinique, in cooperation with the French government's Interagency Drug Control Training Center (CIFAD). The workshop gave participants—police, health, and education officials—the HEP methodology for addressing local drug abuse problems by forming multisectoral teams. Local initiatives in each country took shape following the workshop.

## **PROFESSIONAL TRAINING AT THE UNIVERSITY LEVEL**

### **International On-line M.A. Degree in Addiction Studies**

The second class started the M.A. program in March 2004, with an enrollment of 85 students from 23 countries in Central America, South America, the Caribbean and Spain, as well as Latino students from the United States. Through a strategic partnership between CICAD and EDUCREDITO, 17 very low-interest educational loans totaling US\$30,000 were granted to students in nine countries to pay for their matriculation fees.

In April 2004, during the thirty-fifth regular session of CICAD, a ceremony was held to honor the first graduating class. The Secretary General of the OAS, Cesar Gaviria, and the Ambassador of the Permanent Observer Mission of Spain to the OAS, Eduardo Gutiérrez, addressed the graduates, and awarded them a medal and diploma in recognition of their completion of the theoretical cycle of the M.A. program. Also present were the Rectors and Coordinators from the eight members in the network of universities with graduate degrees in addiction studies (UNIREDDROGAS). They discussed issues related to the operational and functional transfer of the M.A. program to the universities and budget-related matters, and the creation of the Academic Secretariat was approved. It will be headquartered at the Spanish National Distance Education University (UNED) and will be financed by CICAD. Its functions will include serving as a conduit for all academic matters such as grading, exams, and accreditation and will more effectively handle applications from students at the international level.

### **Nursing Schools in Latin America**

This project began in 1998 and has systematically incorporated a broad range of content on substance abuse and drug addiction into nursing school curricula. At present, sixteen schools in ten member countries in Central America and South America are involved. In 2004, a model curriculum with drug-related content was developed and published for

undergraduate and graduate nursing programs (specialization, M.A., and doctorate), as a result of the Second International Leadership Institute on Academic Nursing Programs and the Drug Phenomenon in Latin America. The First International Nursing Research Forum on Drug Demand Reduction in Latin America graduated the participants in two earlier research training programs held in Ribeirão Preto, Brazil and Alberta, Canada in 2003. The ABC Foundation Nursing School in Sao Paulo, Brazil joined the project in 2004. Thus far, over 12,000 nursing undergraduate students have graduated with the scientific knowledge and technical skills to work in fields related to health promotion, drug use and abuse prevention, social integration, and nursing care for individuals with drug addiction problems.

### **On-line Nursing Research Program**

With the support of the Governments of Japan and the United States, CICAD has launched this new project to transform the existing semi-distance training program on research methods for nursing professors into an online program and thus open it up to all health professionals. In 2004, the pilot group of professors from Ribeirão Preto Nursing School at the University of Sao Paulo were trained by Spain's National Distance Education University (UNED). CICAD is putting the modules online and creating the program web page, so that the first class can begin in 2005.

### **Schools of Public Health**

CICAD decided to build on the experience developed through the Nursing Schools project in Latin America and extend it to other disciplines. CICAD launched a study with thirteen schools of public health in Central America, South America, and the Caribbean, together with the Pan American Health Organization (PAHO), to identify drug- and public health-related knowledge and activities in these schools. The study was made possible by a grant from the Government of Turkey. In 2004, a technical report was prepared, and the necessary adjustments were made to the study so it could be published as a product of the cooperation between CICAD and PAHO. The next phase will involve training public health faculty in international health and drugs, along with developing undergraduate and graduate curricula that include international health and drugs, as well as outreach and research.

### **Medical Schools**

As another facet of these models, in 2004 a pilot endeavor with the ABC Foundation School of Medicine in Sao Paulo, Brazil was launched, to replicate the process of incorporating content on drug addiction and dependence into that school's curriculum and activities. If this pilot experiment proves successful, the project will be expanded to other medical schools in Latin America.

### **Schools of Education**

This initiative was launched in the fall of 2004 to work with seventy schools of education (for training teachers) in Latin America and the Caribbean, selected as pilot schools. A study is being conducted through these institutions that will make it possible to ascertain how the issue of drugs is handled in faculties of education. The study will seek out the action plan to be followed in each site to achieve a similar process for incorporating the issue into curricula and research and outreach activities within these training institutions.

### **CICAD Publications**

In order to disseminate up-to-date information on demand reduction based on scientific evidence, CICAD launched an effort to publish books, journals, and pamphlets, in

conjunction with government agencies and NGOs, containing up-to-the-minute information for distribution in the hemisphere. In 2004, the first year of the program, three publications were prepared and distributed:

***Theoretical Considerations for Counseling in the Adolescent Population***, DEVIDA, Peru.

***National Treatment System: Practical Guide for Organizing a National Treatment System***, CICAD/OAS.

***History of an M.A. program***, CICAD/OAS.

## C. SUPPLY REDUCTION AND APPLICATION OF CONTROL MEASURES

### OVERVIEW

CICAD's Supply Reduction and Control Program focuses on helping member states strengthen their capacity to control licit and illicit drugs, and related contraband. It also helps strengthen legislation, regulation and other measures to control chemical substances generally associated with the production of drugs, and deals with a wide range of enforcement and control issues, including the following:

Control of pharmaceutical products Control of chemical substances Maritime cooperation Port security Customs and law enforcement capacity building Community policing
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#### **Group of Experts on Pharmaceutical Products**

Acting on instructions from the Commission at its thirty-fourth regular session in Montreal, Canada (November 2003), the Group of Experts on Pharmaceutical Products, consisting of twenty-one experts from fourteen countries, met on May 31--June 2, 2004 in Brasilia, Brazil to finalize the ***Model Reference Guide for Health Professionals: Prevention and Detection of Abuse of Narcotics and Controlled Substances and Their Diversion to Illicit Channels***, which was based on a preliminary draft prepared by Canada and Uruguay.

The Group also decided to prepare a similar model guide for the pharmaceutical industry, the first draft of which would be written by the delegates of Colombia and Costa Rica. The draft will be finalized at the next meeting of the Expert Group, which will take place at a date to be determined in 2005. The Group prepared a number of recommendations and a plan of action for the Commission's consideration (document CICAD/doc.1323/04).

#### **Group of Experts on Chemical Substances**

The CICAD Group of Experts on Chemicals met in Brasilia, Brazil on June 2--4, 2004 to examine chemical control issues such as pre-export notification, development of reference tools to assess national control of chemicals, the codes used to identify chemicals being shipped, and training. Twenty-six experts from fifteen member states recommended to the Commission that (see document CICAD/doc.1322/04).

### **Chemical Control Training**

Together with the Government of Trinidad and Tobago, CICAD organized a Chemical Control Training Workshop for law enforcement officers, held in Port of Spain on September 27--30, 2004 for twenty participants from the English-speaking Caribbean member states. The workshop focused on the methods and skills that law enforcement and administrative officers require in their efforts to control chemical substances that can be used in the production of illicit drugs. The program addressed a range of issues including control procedures, interagency cooperation, investigative techniques and officer safety.

### **Group of Experts on Maritime Drug Trafficking**

During its thirty-fourth regular session, the Commission established a Group of Experts on Maritime Drug Trafficking and directed that the Group meet in 2004, to consider the recommendations contained in the report presented at the thirty-fourth regular session.

Meeting in Tegucigalpa, Honduras on June 21--25, 2004, the Expert Group of twenty-six experts from fourteen countries began work on a number of the major recommendations, including preparation of a threat assessment matrix for port security. The Group is also proposing to prepare a similar matrix for coastal waters. They also prepared a model operating procedures manual for bilateral or regional maritime interdiction operations, as well as a plan of action to complete the work remaining (see final report of the meeting, document CICAD/doc.1320/03).

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

The issue of maritime cooperation and port security remains a priority concern for CICAD. During 2004, CICAD continued its emphasis on training and enhancing port security through increased inter-agency cooperation and private sector involvement in the control of illicit drugs and related contraband moving through maritime ports and airports.

In close cooperation with France's *Centre Interministeriel de Formation Anti-Drogue* (CIFAD), CICAD co-hosted a training seminar in Martinique (October 18-22) on maritime cooperation and the implementation of Article 17 of the 1988 United Nations Convention. This article addresses the process that officials must follow to secure the approval of the country of registry when they need to board suspect vessels at sea. The seminar included eighteen participants from English-speaking Caribbean countries, plus officials from Haiti, Martinique and Guadeloupe.

CICAD continued its partnership with Colombia's National Port Security Program, National Police, and the US Embassy Narcotics Affairs Section (NAS), to organize a regional port/airport security seminar in Buenos Aires, Argentina (August 10-13, 2004). The seminar included 150 participants representing port authorities, Customs, private industry, national police, coast guard, and other interested parties. The objectives of the conference were to share Colombia's experiences regarding their National Port Security Program and to promote the introduction of similar programs in other countries in an international forum, in an effort to "regionalize" the Colombian experience.

On November 2--5, 2004, CICAD and the Business Against Smuggling Coalition (BASC) in Colombia co-hosted a counterdrug port and airport security seminar for 200 security officials, law enforcement personnel and customs officers. The seminar focused on

preventing drug trafficking through commercial means (i.e. export sector) by implementing joint public/private security initiatives.

### **Customs Cooperation and Training**

On November 30--December 3, 2004, CICAD and CIFAD co-hosted a training seminar in Cartagena, Colombia for fourteen Central American customs officers on the subject of container and passenger profiling techniques, methods of smuggling and deception, container handling and search techniques.

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

In 2004, the Andean Community Region Counter-Drug Intelligence School (ERCAIAD) based in Lima, Peru, celebrated its fifth full year of operations. The school was established to increase the capacity for counter-drug intelligence analysis in the region, develop common approaches in intelligence development and analysis, and promote cooperation and information exchange.

In 2004, the school delivered three seminars, one on the analysis of strategic intelligence, one on operational intelligence and a specialized two-week program in Santiago, Chile. A total of 85 officers from twelve countries attended the various seminars offered by the school in 2004.

### **International Police Observer Attachment Program**

In September, CICAD and the Royal Canadian Mounted Police (RCMP) co-hosted the Second International Police Observer Attachment Program, which brought fifteen law enforcement officers from selected member states to Canada for two weeks' classroom instruction and field assignments to RCMP units. The program covers a range of counter drug-related issues including general drug enforcement, money laundering control, undercover operations and handling informants.

### **Community Policing**

CICAD, the RCMP and the National Drug Commission of the Dominican Republic co-hosted a seminar on community policing in Santo Domingo, Dominican Republic. The seminar built on the experiences gained through the community policing pilot project that began in the Colonial area of Santo Domingo in 2003. The objective of this seminar was to introduce the concept of community policing to interested CICAD member states. Thirty-three participants from eleven member states attended the seminar. Officers of the RCMP, *Carabineros* of Chile and the National Police of the Dominican Republic delivered various presentations and provided other technical support to the seminar. Interested countries were invited to submit proposals for a pilot project in community policing. The project or projects selected will receive technical assistance to support implementation.

### **Organized Crime**

At its thirty-fourth regular session, held in Montreal, Canada in November 2003, CICAD convened an Ad Hoc Group on Transnational Organized Crime, to report its conclusions on the study of the topic, its links to the drug problem and to CICAD's activities. The Group met in Washington in March 2004, and prepared an action plan, which was submitted to the Commission for its consideration. The action plan included recommendations to the member states, such as ratification of the Palermo Convention of 2000; that the issue of transnational organized crime be considered by the OAS General Assembly in an effort to take a holistic approach to the subject; that CICAD

continue its efforts to combat drug trafficking and related offenses tied to transnational organized crime, and the CICAD Expert Groups examine whether CICAD's various Model Regulations are in accordance with the Palermo Convention.

In its resolution AG/RES. 2026 (XXXIV-O/04), which is attached to the present report in Appendix B, the General Assembly approached the topic from a holistic standpoint, involving all relevant entities of the OAS.

During 2004, CICAD explored ways to provide support to member states in their efforts to deal with the problem of organized criminal groups involved in illicit drug trafficking and other related criminal activities, and began a series of training workshops focused on different aspects of this issue.

On February 9--12, 2004, CICAD and the RCMP co-hosted a seminar in Cartagena, Colombia on ***Priority Setting: Targeting Specific Organized Criminal Groups***. Twenty-seven participants from twenty member states were introduced to the concept of targeting law enforcement activities using a model or tool called "Project Sleipnir" developed by the RCMP.

In Lima, Peru (February 23--27, 2004), CICAD and the RCMP co-hosted a seminar on undercover operations, for twenty-one law enforcement officers from eighteen countries. Combining theoretical presentations and practical group exercises, the technical specialists introduced the basic concepts and elements of undercover operations that must be in place for successful interdiction.

The development and cultivation of informants and the protection of witnesses and the judiciary are critical elements of law enforcement. On March 8--12, 2004, CICAD and the RCMP co-hosted a training seminar in Jamaica on witness protection. The seventeen officers and specialists from almost all the Caribbean member states focused on the basic requirements and challenges faced when establishing and maintaining a national witness protection program. A second but related component focused on the methods and skills that must be applied in developing or maintaining informants.

On August 30--September 2, CICAD, the Inter-American Committee against Terrorism (CICTE), Foreign Affairs Canada (FAC) and the Department of Public Safety and Emergency Preparedness co-hosted an ***OAS Symposium on Border Management: A Dialogue on Cross-Border Cooperation and Border Integrity***. The symposium took place in Vancouver, Canada with a total of 102 participants. Participants shared their experiences with strengthening cross-border cooperation and enhancing the security and integrity of their borders. The symposium included presentations and panel discussions with technical specialists from Canada, the United States and other OAS member states. The program also included site visits to a marine port, airport and land border crossing between Canada and the United States.

## D. ALTERNATIVE DEVELOPMENT

### OVERVIEW

CICAD's alternative development program maintained its focus on supporting member states as they carry out their alternative development projects. These programs are designed to reduce, eliminate and prevent cultivation of coca, poppy and cannabis,

using a holistic approach to improve the overall social and economic situation of the population involved. In 2004, for budgetary reasons, CICAD had to cut back its alternative development activities, which meant reducing the number of countries receiving assistance from six in 2003 to four in 2004. CICAD has always placed great emphasis on making its alternative development projects self-sustainable. While the Executive Secretariat anticipates ongoing difficulty in raising funds in the future, it will seek to establish partnerships with non-traditional donors in an effort to procure new funding to continue supporting member states' alternative development programs and projects.

## **REGIONAL**

### **Andean Comprehensive Alternative Development as a Strategy to combat Illicit Drugs**

In 2004, CICAD and the Andean Community of Nations (CAN) jointly sponsored meetings of the various alternative development agencies in the Andean countries, in an effort to develop a regional initiative to coordinate the different national strategies into a regional strategy that looks to fighting poverty and making use of the countries' natural resources. This initiative, prepared under the framework of the Andean Alternative Development Committee (CADA), will be submitted to the Presidents of the Andean countries in June 2005 for their consideration. This is the region's first attempt at integrating alternative development programs.

## **BOLIVIA**

### **Generalized Land Use Evaluation and Management System (GLEAM)**

GLEAM, a satellite-based system, is currently operating in Bolivia as part of the country's alternative development program, enabling the Office of the Vice Minister for Alternative Development to better understand the current use and potential use of land in the Yungas de la Paz region. In 2004, the information generated by GLEAM was used to research and formulate new alternative development projects, such as the ***Analysis of the current land use for commercial citrus-growing in the Yungas***, and the preparation of a ***Highway and production assessment of the Alto Beni***, to help the Highway Management Association (AMVI) to prioritize its activities.

GLEAM provided the Vice Ministry of Alternative Development with information (using GIS technology) for the design of new development strategies, and provided data on soil use and capacity in the Yungas to identify high-yield agricultural soils. It also helped the Banana and Organic Cacao projects by quantifying the areas used for growing these crops in the region. The information contained in the documents produced by GLEAM opens up new prospects for improving the region's agricultural productivity, and will make for more accurate and realistic planning of new development projects.

The project has formed strategic alliances with other institutions and projects related to the country's agricultural development, providing specialized information obtained by GLEAM.

### **Issuance of Land Ownership Titles**

At the request of the Bolivian Government, CICAD began a program to grant title to land to farmers in the Yungas region. The goal was to grant 1,000 titles of land ownership over an area of 60,000 hectares within an eleven-month period. Having the deeds to the

land would mean that the owners could apply for bank loans to invest in their legitimate, non-coca crops, sell the land, or transfer ownership to their children.

The work began in February 2003, with a highly qualified team hired by CICAD. However, the goal was not reached, and a one-month extension was requested to carry out work that had been paralyzed because of political instability in the country/area. Unfortunately, the goals kept gradually changing, until there had been a radical alteration of the original goal. These changes were principally in a reduction of the area for which titles were to be granted, down to 1,500 hectares from the original 60,000. Unfortunately, even with the total support of CICAD, the project has not yet been able to deliver land titles to the beneficiaries.

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

With implementation of the first phase of the project, which began in 2002 and was completed in May 2004, new technologies and production infrastructure were used to improve the banana plantations in the Alto Beni. The producers' enterprise, BANA BENI, was founded, and is in charge of marketing the Alto Beni organic banana crop. The organic producers' incomes rose by 73% over the two and a half years since the beginning of the project, and because of the organic bananas' better quality, the farm-gate price increased by 72% over the same period. Eighty-three percent of the small but lucrative market of school breakfasts in La Paz and El Alto is supplied by Bana Beni. Another achievement was exports of banana to Peru.

However, it became necessary to undertake a transition phase – which was completed in November 2004 – to ensure that the entrepreneurial approach had taken root in Bana Beni. Training was provided to the member organizations in improvement of the quality of the product, with emphasis on economic, social and environmental sustainability. On completion of the transition phase, the project was delivered to the Government of Bolivia.

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

This project was designed to double the volume of certified organic cacao from the Alto Beni sold domestically and abroad. Thus far, the project has convinced the producers of the Alto Beni of the value of comprehensive, overall development. The producers diversified in 2004, and increased the production and yield of their organic cacao plantations. Five new producers' organizations are now certifying their organic cacao and other farm products. The price of cacao produced by those associated with the project rose by 22%, because of its improved quality. A market study was also conducted, and the El Ceibo producers cooperative began to implement a broad marketing strategy.

## **COLOMBIA**

### **Study of the Effects of Aerial Glyphosate Spraying and Illicit Crop Cultivation on Human Health and the Environment**

In February 2004, at the request of the Colombian government, a scientific team was hired by CICAD to conduct an independent study in that country on the impact on human health and the environment of aerial spraying of illicit coca and poppy crops with the herbicide Glyphosate. The team is examining possible effects of aerial spraying on people, fauna, flora and regular crops, and is also looking at the environmental impact of fungicides and herbicides used to produce illicit crops.

The scientific team, whose members are experts from Canada, Mexico, Brazil and the United Kingdom, paid its first visit to Colombia on February 15-19, 2004, and made subsequent trips to Popayán, Cauca and San José de Guaviare to observe spraying operations. The team is charged with developing, supervising and conducting the study, working with a Technical Mobile Monitoring Group, which is doing most of the field work. The study is estimated to be completed within a year, and the findings will be made public in the second quarter of 2005.

## **DOMINICA**

### **Organic Banana Production and Pest Management**

In 2004, the project consolidated a market in the United Kingdom, with exports of four metric tons of organic banana. Various basic infrastructure works, which were required by EUREP GAP (Euro Retailer Produce Working Group which is adopting standards of Good Agricultural Practice) in order to obtain an international organic certification, were completed.

## **ECUADOR**

### **Improvement of Alternative Development Farms in Putumayo Canton, Province of Sucumbíos**

The project was completed in February 2004, having achieved significant improvements in the quality of life of the beneficiaries. The 545 program participants, who had previously been subsistence farmers, significantly increased their harvests of crops such as corn, rice, coffee, and cacao, and reduced their production costs. By selling their now “surplus” products on the local market, they increased their cash income by an average of 40%. In the months following the close of the program, CICAD tried to begin a second phase to see the long-term crops, coffee and cacao, through to maturity. However, to date, no alternative financing source has been found.

## **PERU**

### **Tropical Crops Institute (ICT) – Training farmers in the Apurimac and Ene River Valley (VRAE)**

The Tropical Crops Institute (ICT) signed agreements with both CICAD and the Narcotics Affairs Section of the US Embassy in Peru to conduct agricultural extension training in more than 600 locations in Tingo María, Tocache, Juanjui and Tarapoto. Training has been provided in topics such as using more technical methods to increase cacao yield; propagation systems; fertilization; pruning; pest management, etc.

Leadership scholarships have also been given: these enable thirty farmers at a time to live and study for five days at the ICT-NAS/CICAD Experimental Station in Tarapoto. They are given 50 hours of classroom work and hands-on training. Fourteen such courses were conducted in 2004, attended by a total of 581 farmers. The Experimental Station, construction of which was financed by CICAD and NAS/Peru, was inaugurated at the beginning of 2004.

## **E. LEGAL DEVELOPMENT**

### **OVERVIEW**

CICAD's Legal Development Program provides advice, technical assistance and training to member states on drug-related legal matters, and in particular on criminal law issues

related to the control of organized crime, illicit drugs, money laundering, terrorism financing, firearms and precursor chemicals.

## **CONTROL OF ARMS AND EXPLOSIVES**

Throughout the year, the Legal Development Program continued its cooperation with the United Nations Lima Regional Center for Peace Disarmament and Development in Latin America and the Caribbean (UN-LiREC) and organized two firearms control training seminars, one in Costa Rica in March 2004 and the second in Lima in October.

The Legal Development Program also continued to carry out a comparative analysis of legislation and administrative practices to control firearms in the countries of the hemisphere. The analysis is being included in CICAD's and UN-LiREC's data bases and forms the basis of a book entitled ***National Legal Norms and other Instruments on Firearms, Ammunition and Explosives in the Hemisphere***. The analysis now covers twenty-nine member states and is accessible on the Internet at [www.salsa-system.org](http://www.salsa-system.org).

## **ACTIVITIES**

International cooperation is essential to the control of the smuggling of firearms used in drug trafficking and organized crime, and thus CICAD has made a particular effort to participate in world-wide initiatives in this area, as follows:

- In January 2004, the head of CICAD's Legal Development Section attended a meeting on the role of Regional Organizations in Stemming the Illicit Trade in Small Arms and Light Weapons under the auspices of the United Nations Development Program (UNDP), the Institute for Disarmament Research (UNIDIR), the Quaker United Nations Office (QUNO), and the Programme for Strategic and International Security Studies (IUHEI). The meeting brought together a variety of regional organizations dealing with the subject of firearms to highlight the range of activities being carried out at the regional and sub-regional levels to stem the illicit small arms trade, identify best practices in regional and sub-regional approaches to addressing different aspects of the problem, promote cooperation among regional and sub-regional organizations, governments, international organisations and NGOs in implementing the UN Programme of Action, and to provide a candid appraisal of the current state of illicit small arms trade, from a regional and sub-regional perspective.
- In February, CICAD was represented at a Central American Workshop on the Creation of National Multidisciplinary Commissions for the Control of Small Arms and Light Weapons in Managua, Nicaragua. This meeting, jointly sponsored by UNDP, the Central American Integration System (SICA) and the Government of Nicaragua, brought together officials from Central America responsible for firearms to consider and develop a regional plan of action against illicit trafficking in small arms and light weapons. The workshop recommended the creation of concrete action plans and developed proposals for the establishment of National Firearms Control Commissions and a Central American Commission to develop regional actions that better control firearms movements, combat illicit trafficking and promote a culture of peace in the region. Specifically the workshop recommended the updating of legislation (consistent with international instruments), the obtaining of training, equipment and technology to assist competent authorities to carry out their tasks, and foster improved information

sharing among the countries. Other meetings to move forward on these recommendations are anticipated to be convened later this year.

- Also in February, CICAD participated in a meeting with the Swedish Fellowship of Reconciliation (SweFOR) and UN-LiREC in Stockholm to coordinate and plan this year's activities related to the parliamentary committees and legislators responsible for firearms, including information sessions for parliamentarians in individual countries in Latin America, a parliamentary exchange meeting in Antigua, Guatemala in June 2004, and the annual meeting of the Parliamentary Forum on Small Arms and Light Weapons held in Sweden in September 2004. The meeting also afforded an opportunity to meet with officials of the Swedish International Development Cooperation Agency (SIDA), some Swedish Parliamentarians and officials of Sweden's Institute for National Defense and Security Policy Studies, who informed of their training programs and the possibility of training assistance.
- In March, CICAD attended the First Conference of the States Parties to the ***Inter-American Convention against the Manufacturing of and Illicit Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA)*** in Bogotá, Colombia, and gave a presentation on CICAD's firearms activities and their relationship to the work of CIFTA. The Conference produced the Declaration of Bogotá, which was subsequently adopted by the OAS General Assembly in resolution AG/RES.1999 (XXXIV-O/04), which reflects CICAD's efforts in this field and proposes to involve CICAD in the work of the CIFTA's Consultative Committee.

In particular, item 6.a. of the Declaration calls for the formation of a single CIFTA-CICAD group of experts, which will work under the joint auspices of the CIFTA Consultative Committee and CICAD to prepare model legislation in certain areas of the CIFTA that are not encompassed in the CICAD Model Regulations, including the establishment of criminal offenses; marking of firearms; confiscation or forfeiture; security measures; strengthening of controls at export points; maintenance, confidentiality, and exchange of information; the technique of controlled delivery; and legislative measures needed to ensure compliance with the purpose and effective application of the CIFTA regarding ammunition, explosives, and other related materials, in accordance with the definitions set forth in Article I of the Convention.

Item 8 of the Declaration calls for the CIFTA Consultative Committee to organize an initial meeting of national authorities directly responsible for granting the authorizations or licenses stipulated in Article IX of the CIFTA and the Model Regulations of CICAD for the export, import, and international transit of firearms, ammunition, explosives, and other related materials. CICAD has participated in the development of a program of action and a methodology for the development of model legislation. A meeting of Experts is anticipated in early 2005.

- In April, the Small Arms and Light Weapons Administration (SALSA) pilot project was installed in four Caribbean countries (The Bahamas, Grenada, Trinidad and Tobago and Jamaica). The CICAD Legal Section head and CICAD's SALSA consultant met with senior police and customs officials in each country, to review the system and its capabilities, select an administrator, and provide training in using the system. The functionality of SALSA was tested during the pilot period and found to be satisfactory. CICAD had intended to install the system in the remaining member states by year's end; however, some delays have occurred in the approval process.

- In May, the Executive Secretariat of CICAD made a presentation to the ***Hemispheric Seminar on the Identification, Collection, Stockpile Management, and Destruction of Small Arms and Light Weapons*** in Managua, Nicaragua. The seminar was organized by the OAS General Secretariat, the Government of Nicaragua and the Inter-American Defense College and was attended by officials responsible for firearms management and destruction from across the hemisphere. In addition to CICAD, presentations were given by representatives of the Ministry of Defense of Nicaragua, the Royal Canadian Mounted Police (RCMP), U.S. Bureau of Alcohol, Tobacco and Firearms (ATF), the Chilean Armed Forces, the Salvadoran Drug Commission (COSA), the Inter-American Defense College (CID), UN-LiREC, the CARICOM Regional Task Force on Crime and Security, the Organization for Security and Cooperation in Europe (OSCE), and the Brazilian Firearms NGO, Viva Rio. The experts issued a number of specific technical recommendations for strengthening these aspects for the control of small arms and light weapons.
- In September, CICAD attended the second formal meeting of the ***Parliamentary Forum on Small Arms and Light Weapons***, which each year brings together parliamentarians from the Central American republics and some European countries to discuss particular measures to promote firearms control legislation. This year, participating in the meeting were representatives of the parliaments of Colombia, Costa Rica, El Salvador, the European Union, Finland, France, Honduras, Mexico, Nicaragua, Norway, Spain and Sweden, as well as representatives of governments, inter-governmental institutions and NGOs. CICAD's presentation focused on its study on the status of firearms legislation in the countries of Central America. CICAD also led a working group on measures to promote the harmonization of national laws to control firearms, ammunition, explosives and other related materials.
- In October, CICAD attended a Central American Workshop sponsored by the United Kingdom and the Government of Nicaragua, gave a presentation on international developments to control importation, exportation and transshipments of firearms, and chaired a sub-group on technical aspects of the means to control firearms movements and promoted adoption of the SALSA system for that purpose. While the countries expressed an interest in the system, it was decided to take the issue up in the forum of the regional security commission of SICA before agreeing to adopt it.

## **ADVISORY SERVICES**

- At the request of the Ministry of Foreign Affairs of Nicaragua, in March and September, the Legal Development Section reviewed and provided technical advice on proposed legislation in the field of firearms control.
- The Section also provided technical advisory support to the Expert Group meeting on Money Laundering held in Washington, D.C. in July, 2004.

## **F. MONEY LAUNDERING CONTROL**

### **OVERVIEW**

CICAD's money laundering control program focused in 2004 on amendments by the Expert Group to the Model Regulations; training judges, public prosecutors and police

officers in techniques for prosecuting money laundering offenses, and on assistance to Financial Intelligence Units in Latin America.

## **GROUP OF EXPERTS**

In accordance with the work plan approved by the Commission at its thirty-second regular session in Mexico, the Group of Experts on Money Laundering Control met twice in 2004: first on July 13-15, and the second time on October 27-28. Both meetings were chaired by Mr. Víctor Hugo de la Barra, of Bolivia. The following points were addressed (see final report, document CICAD/doc.1324/04):

- Mandate of the Ad Hoc Group on Organized Crime
- Special Investigative Techniques
- Forfeitures
- Link between the offense of money laundering and the predicate offense.

### **Amendments to the CICAD Model Regulations on Money Laundering Control**

- A. Autonomy of the offense (amendment to Article 2)
- B. Special investigative techniques (new Article 3 bis)
- C. The Group continued its consideration of amendments to the articles on forfeitures, and established a working sub-group to consolidate a text of amendments to the Model Regulations, with the support of the Executive Secretariat. The sub-group will also prepare a technical cooperation guide, according to a workplan that it has already agreed.

### **Organized crime**

The Expert Group decided that the Secretariat should prepare, in consultation with the Secretariat of the Palermo Convention, an annotated list of those money laundering-related elements of the Convention that are different from, or not included in the CICAD Model Regulations.

### **Special investigative techniques**

The Expert Group proposes holding a special meeting, jointly with other OAS offices and international organizations involved.

### **Typologies exercise**

The delegation of Bolivia made a presentation on a case in the region that involved the use of remittance services and exchange houses by money launderers. The delegation of Costa Rica also made a presentation on a case of international cooperation.

### **Work plan**

Participants also discussed future actions to be taken by the Expert Group, and decided that they would forward to the Secretariat proposals for the work plan, which would be considered by the Commission at its thirty-sixth regular session.

## **TRAINING**

### **Money Laundering Control through the Judicial System (IDB/CICAD project)**

This program, begun in 2002, was repeated in Chile and Uruguay in June and August respectively. The one-week courses, which were attended by a total of 70 judges and

public prosecutors, focused on new trends in money laundering trials and sentencing. Emphasis was given in particular to the autonomy of the offense, evidence, and judicial cooperation.

The bases of this program were also used to expand the training to countries that had not yet received it, such as Brazil and Colombia. The training was given in Colombia in November 2004, and arrangements have been made with the Brazilian Government to give the courses in four cities in 2005.

### **Training for police officers in financial investigation (CICAD-French Government project)**

With the support of the French Government's CIFAD training center, CICAD began a training-of-trainers program for law enforcement instructors on money laundering and terrorist financing. Through this initiative, CICAD will create a network of certified instructors who will be able to replicate and/or adapt the courses to their own country environment.

The training is given in two stages, with five-day courses for each level. At the first level, participants are given a general overview of money laundering and terrorist financing, and at the second level – offered to those instructors who passed the first course --, the subject is techniques of financial investigation. As of September 1, 2004, fifty-nine trainers have been certified.

### **Workshop on the Obligation of Attorneys, Notaries Public and Accountants to Prevent Money Laundering**

In cooperation with the Inter-American Development Bank, CICAD held the first meeting to raise awareness among professionals who have an obligation to prevent and report money laundering. The meeting, held in Uruguay in May, was attended by Presidents of the Bar Associations, and Notaries Public and Accounting Associations of Argentina, Chile, Uruguay and Bolivia, and by a number of European experts.

## **TECHNICAL ASSISTANCE**

### **Financial Intelligence Units**

In August 2002, the General Secretariat of the OAS and the Inter-American Development Bank (IDB) signed non-reimbursable regional technical cooperation agreement No. ATN/MT-7884-RG, which makes CICAD the executing agency for a US\$1.9 million program to set up and develop Financial Intelligence Units (FIUs) in Argentina, Bolivia, Brazil, Chile, Ecuador, Peru, Uruguay and Venezuela.

The program began in September 2002. Depending on the needs of each country and the state of their FIUs, CICAD assistance may be given in four areas: (1) development of the legal framework; (2) institutional development; (3) training, and (4) information and communications technology.

The following activities were carried out in 2004:

#### **General**

- Design, analysis and evaluation of the strategic plans of the seven countries that responded (all except Ecuador).

- Preparation of a timetable of activities for each country, tailored to its strategic plan and the areas in which the FIU needs support

## **Country-specific**

### **Peru**

CICAD consultants in three specialties -- institutional development, staff training and information technology and communications –, examined the Peruvian FIU's needs, existing structure and operating procedures, and developed an action plan. The progress that Peru achieved means that it is hoped to provide a higher level of technical assistance, and build on what was achieved by the experts.

### **Chile**

The project is on track in accordance with Chile's strategic plan and regulations, and particular emphasis is being given to the area of institutional development and to the Unit's information and communication technology needs. Completion is anticipated by the end of 2004.

### **Ecuador**

CICAD is awaiting passage of the Money Laundering Control Law in order to continue with the project.

### **Venezuela**

The FIU's organization chart, and staffing and operations manuals were designed, and the staff training plan was developed and assessed. The computer hardware and software needs were also evaluated, and the IDB gave its approval for the purchase of the necessary equipment. The computers and software are now being purchased.

### **Argentina**

The FIU's organization chart, and staffing and operations manuals were developed, and a plan of study internships for the staff of the FIU was designed and carried out. The computer hardware and software needs were assessed, and the IDB gave its approval for the purchase of the necessary equipment. The computers and software are now being purchased.

### **Uruguay**

With the approval of the Money Laundering Control Law, the project is under way in line with the strategic plan. Special emphasis is being placed on institutional development and the purchase of the technology infrastructure.

### **Brazil**

The computer hardware and security needs were assessed and the equipment purchased. CICAD also advised on the selection of the intelligence analysis software.

### **Bolivia**

CICAD advised on the configuration of hardware and software for the Unit, and coordinated the purchase of the necessary equipment. Several training courses, including study trips to the Spanish FIU, were given for Unit staff.

## **Colombia**

At its request, Colombia was included in the program. Activities will be financed out of savings made elsewhere during project execution.

### **Paraguay (special project)**

Proposals were called for, and a contract awarded, to develop a staff training plan for the Paraguayan FIU that focused on the type of technical skills and knowledge needed for investigating money laundering and terrorist financing. The plan will be offered to all of the FIUs in the region. CICAD also advised on the configuration, assessment, coordination and purchase of the computer hardware and software.

## **PARTICIPATION IN CONFERENCES AND SEMINARS**

- **Open Doors**, organized by the Colombian FIU, February 2004
- **The cash economy**, with the Global Program for Money Laundering (GPML), part of the UN Office on Drugs and Crime (UNODC) Vienna, March 2004.
- Plenary of the Caribbean Financial Action Task Force (CFATF), and meeting of Ministers, Trinidad y Tobago and Panamá, April and October 2004
- Andean Seminar on Money Laundering and Drug Trafficking, French Embassy, Bogotá, Colombia, June 2004
- Plenary of the South American Financial Action Task Force (GAFISUD), Buenos Aires and Lima, July and December 2004
- Participation in the drafting of the UN, World Bank and IMF's Model Law, at the invitation of the Global Program for Money Laundering (sessions in Vienna, Brussels and Washington, May, June and August 2004).

## **PUBLICATION**

### **An international assessment of the judiciary's participation in enforcing anti-money laundering laws**

*Combate del Lavado de Activos desde el Sistema Judicial*, by Drs. Eduardo Fabián, Isidoro Cordero and Javier Zaragoza. (Spanish only). All rights reserved, Inter-American Development Bank and CICAD/OAS, Fundación de Cultura Universitaria, Montevideo, Uruguay, Nov. 2003.

## **G. INSTITUTION-BUILDING**

### **OVERVIEW**

In 2004, CICAD worked with the Andean Community of Nations (CAN) on programs contained in the Andean counter-drug plan, and gave technical support to El Salvador and Guyana in their design and drafting of their national drug control strategies. CICAD's main institution-building program centers on bolstering the capacities of the national drug commissions, whether by improving their technical capabilities, strengthening their ability to secure funds for anti-drug programs, or helping them bring their national drug laws up to date. In a new development, some governments are now decentralizing responsibility for designing and carrying out counter-drug programs, particularly in the area of demand reduction, where local needs are better served by local leadership.

## **NATIONAL DRUG COMMISSIONS**

### **Preparation of National Drug Control Plans**

All thirty-four member states have national drug control plans. Since December 1998, twenty-five countries have asked CICAD for technical and financial assistance in developing and/or updating their national drug plans. As of December 2004, twenty-three plans had been approved, one was pending final approval, and one is currently being updated.

### **Andean National Observatories on Drugs**

In coordination with the Inter-American Observatory on Drugs, the Executive Secretariat continues to cooperate in the development of National Drug Observatories in the Andean countries, thanks to a financial contribution from the Spanish Government.

## **DECENTRALIZATION OF COUNTER-DRUG POLICIES IN THE ANDEAN COUNTRIES**

This project, begun in June 2003 and financed by the Spanish Government (Spanish International Cooperation Agency—AECI, and the National Drug Plan), supports institution-building in the national drug commissions of the Andean countries to increase their capacity to organize, plan and evaluate a process of decentralization of drug policies to local entities. CICAD is also helping the countries create local drug control structures and develop municipal drug policies in a given number of towns, and in September 2004 in Caracas, demand reduction officials and decentralization experts from Colombia, Peru and Venezuela prepared national guidelines for the development of their municipal drug policies.

### **Strengthening of the Andean National Drug Commissions and the Andean Cooperation Plan to Fight Illicit Drugs and Related Offenses**

The goal is to enhance the internal structures of the National Drug Commissions, so that they can:

- Better serve their purpose as the central government agency coordinating development, execution and development of the national drug strategy;
- Coordinate international cooperation on the drug problem, and
- Update national counter-drug regulations, and insofar as possible, bring them into line with the laws and regulations of the other countries of the region.

On April 1-2, 2004, CICAD and the General Secretariat of the Andean Community of Nations (CAN) organized the Third Meeting of the Executive Committee of the Andean Cooperation Plan to fight illicit drugs and related offenses. The meeting was preceded by a preparatory technical meeting on March 30 and 31.

The meetings assessed the advances made in the application of the Andean Cooperation Plan, and set priorities and identified projects for the future. Four priorities were identified for the short term:

- *Institution-building;*
- *Adoption of the Andean Regulations for the Control of Chemical Substances, and creation of a Subcommittee on Chemical Control;*
- *Decentralization of demand reduction programs, and*
- *Creation and strengthening of the national and Andean Observatories on Drugs.*

The meeting decided as follows:

- To recommend that CICAD join the efforts that the National Drug Commissions are making vis-à-vis the Executive Branches and the Legislatures of the five countries to **update antidrug regulations and laws**, some of which are 15 to 20 years old.
- The Andean National Drug Commissions should have **teleconferencing** capability, which would save them time and money. The Executive Committee asked CICAD for its support in obtaining access to the appropriate technology.
- **Improved Andean coordination**: The composition of the Executive Committee was changed to include the heads of national drug commissions and representatives of the foreign ministries.
- To recommend that the Andean Presidential Council take steps to have a **common structure for the region's National Drug Commissions**, and in particular, that the heads of the national drug commissions should hold the rank of Minister, as they do in Peru and Venezuela.
- To create the **Andean network of Financial Intelligence Units (FIUs)**, and a **Technical Subcommittee on Money Laundering Control**, whose members will be the directors of the FIUs. This Subcommittee's responsibility will be to follow up and evaluate money laundering control programs, and promote the training of those responsible for investigating money laundering offenses.
- To establish the **Andean Committee on Police Cooperation**, whose members will be the heads of the National Police. The Committee is to sign an agreement of cooperation with EUROPOL.
- To create a **Legal Subcommittee**, made up of representatives of the Attorneys General Offices and of agencies responsible for executing anti-drug policies. Its first task is to design a single Andean form for requesting international judicial assistance, establish common requirements and deadlines, and adopt mechanisms for making a common set of protocols for extradition, provisional transfer of arrestees, repatriation of prisoners, and expert witnesses.
- To improve information exchange and cooperation among the Offices of the Attorneys General, which will each make a list of their projects, in an effort jointly to seek international funding.
- To create the **Subcommittee on the Control of Chemical Substances**
- To propose that the **Andean Alternative Development Committee (CADA)**, as part of the Andean Integration System:
  - Promote horizontal cooperation, and encourage private enterprise to invest in strategically-important areas;
  - Jointly negotiate for international assistance;
  - Set up a regional illicit crop monitoring system;
  - Reorient alternative development programs, and prepare a comprehensive Andean Sustainable Alternative Development Program, which should form an integral part of each country's development plan, and
  - Where the economic, social, political and environmental conditions exist, conduct development programs whose products are competitive in the market.

In October 2004, the CAN approved the ***Andean Regulations for the Control of Chemical Substances***, which has a fund of 1.6 million Euros from the European Union to prepare an operations manual and implement the Andean Regulations.

## H. INTER-AMERICAN OBSERVATORY ON DRUGS

### OVERVIEW

The Inter-American Observatory on Drugs is CICAD's statistics, information and research branch. It promotes and supports a hemisphere-wide drug information network that provides scientifically valid, up-to-date and comparable information on the production, trafficking, use/abuse, and societal impact of drugs. Informed by a sound, evidence-based picture of the drug problem both nationally and at the hemispheric level, CICAD member states, individually and collectively, can better understand -- and design and implement policies and programs to address -- all the dimensions of the drug problem.

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 methods and data; and
- providing scientific and technical training for and the exchange of experiences among professionals working on the drug problem.

The Observatory has developed two standardized data-collection mechanisms: the Inter-American Drug Use Data System (SIDUC), and the CICDAT system that collects statistics on all aspects of drug-related law enforcement, such as arrests, prosecutions and convictions, seizures of illicit drug and arms shipments,

The Observatory carried out the following activities in 2004:

### Statistics on Drug Use

- ***Provided technical and financial assistance to conduct SIDUC surveys on drug use in El Salvador, Guatemala, Nicaragua\*, Honduras, Ecuador, Bolivia, Venezuela, Peru\*, Grenada, Suriname, Uruguay\*, and Nicaragua.***
- ***Held training workshop for national SIDUC coordinators.***
- ***Published comparative study of drug use in six Latin American countries.***
- ***Developed project to stimulate university-national drug commission partnerships for drug research.***

\* MEM priority assistance projects

In 2004, the Inter-American Observatory on Drugs expanded its program to support the National Drug Commissions in measuring the magnitude of drug use by supporting the following national surveys:

### **Household Surveys**

The methodology for household surveys on drug use, developed as part of the SIDUC program, was used to conduct surveys in **El Salvador and Guatemala**. Publication of the findings is expected in the first half of 2005. The survey in **Nicaragua**, approved in 2004, will be conducted during the first half of 2005.

### **High School Students**

The Inter-American Observatory, working jointly with the National Drug Commissions, conducted national *high school student drug use surveys* using the SIDUC methodology in **Honduras, Ecuador, Bolivia, Peru, Venezuela, Grenada and Suriname**. The findings of some of these surveys were made available before the end of 2004; the others will be published in the first half of 2005.

### **Adult Arrestees**

Technical and financial support was provided to **Uruguay** to conduct a national survey of recent drug use by adult arrestees.

### **Patients in Drug Treatment Centers**

CICAD provided support to **Nicaragua and Paraguay** to conduct surveys of patients in drug treatment centers.

### **Coordination and training meetings**

In October 2004, a SIDUC Latin American National Coordinators workshop was held in Santa Cruz, Bolivia, to exchange experiences on already completed SIDUC drug use surveys and to schedule future activities. The workshop was a component of the CICAD/Spanish National Plan-sponsored technical conference for Latin American drug observatories.

### **Comparative studies on drug use**

A study comparing the results of SIDUC secondary school student surveys conducted in 2003 in six Latin American countries (**El Salvador, Guatemala, Nicaragua, Panama, Uruguay and Paraguay**) was published at the end of 2004.

### **Research project with Universities**

During 2004, the Observatory prepared the framework for establishing a competitive grant fund for statistical research on drug use, based both on secondary analysis of completed drug use studies and on new studies. The idea is to promote drug-related statistical research by university postgraduate students in member states. It is hoped that this strategy will encourage improved relationships between the National Drug Councils and universities.

## Statistical Indicators on Supply Reduction

### *2004 summary*

- **Completed and rolled out updated CICDAT software to facilitate exchange of drug supply-related information;**
- **Published the twelfth annual edition of CICAD's Statistical Summary on Drugs.**
- **Developed Suriname MEM project to compile information on persons charged with or convicted for drug, munitions and firearms trafficking and manufacture.**

### **Update of CICDAT Software**

The Observatory completed its update of CICDAT's Internet-based drug control data software, which facilitates the standardization of information and the transmission of data within and among member countries, and to the Executive Secretariat of CICAD. The system was presented to the Spanish and Portuguese-speaking member states in October 2004, with the roll-out for the others to follow in early 2005. The updated software allows those institutions within each country responsible for generating the data, such as the national police, customs service, and army, to send it electronically to the national MEM coordinating entity for on-line review and approval, and subsequent Internet transmission to the Executive Secretariat.

### **CICDAT national coordinators' meetings**

During the Ibero-American national drug observatories meeting in Santa Cruz, Bolivia, CICDAT national coordinators from the hemisphere's Spanish and Portuguese-speaking countries shared their experiences on CICDAT (supply control data system) instruments that facilitate the collection of data that can assist in the control of money laundering.

### **Annual Statistical Summary on Drugs**

The twelfth edition of CICAD's annual **Statistical Summary on Drugs** was published in December, with information covering the 1998-2003 period.

### **Data on persons charged with or convicted for crimes related to drugs, firearms and ammunition manufacturing or trafficking**

In response to a second round MEM request, the Observatory developed a project to help Suriname compile information on persons charged with or convicted for crimes related to drugs, firearms and ammunition manufacturing or trafficking.

### **Research on Estimating the Human, Social and Economic Cost of Drugs in the Americas**

In 2004, the Observatory moved forward on its MEM and Summit of the Americas-mandated program to develop methodologies to estimate the human, social and economic costs of the drug problem in the hemisphere. This program will arm countries with data on the impact of drugs on their societies, so that they can make better-informed decisions about where to target scarce government resources to address drug-related problems and, potentially, to cut the associated costs. Seven countries -- **Barbados, Chile, Colombia, Costa Rica, El Salvador, Mexico and Uruguay** -- are now participating in this program to develop and test the costing methodology.

The cost program working group, comprised of the seven countries and the CICAD research team, established a 2004 work plan at a February meeting in Costa Rica, and

in July, in El Salvador, the country coordinators were trained in methodologies to address **indirect** cost indicators, such as loss of productivity in the labor force, damage to property, and health costs that refer to illness related to or caused by drug use: blood borne diseases caused by IV drug use; lung cancer, heart disease, and emphysema related to cigarette use; alcohol induced illnesses, and other physical (and if possible mental) illness related to licit and illicit substance use. Barbados, Costa Rica, Mexico and Uruguay then conducted studies to obtain indirect cost data.

Barbados, Colombia and El Salvador conducted hospital emergency rooms cost studies to measure the impact of the drug problem on their hospital systems. Costa Rica completed a prison drug use study, and carried out an additional study on the economic impact of the drug problem on its labor force. Using the CICAD methodology, Chile carried out a comprehensive study to estimate the **direct** costs of drugs, i.e., costs directly attributable to drug use, such as the cost of medical treatment for drug overdose, accidents due to alcohol or drug use and the money invested in prevention programs.

### **Scientific Advisory Committee**

At its first meeting in Washington in March 2004, the newly-formed CICAD Scientific Advisory Committee (SAC), after receiving a thorough a briefing on the full range of CICAD programs and activities, developed series of recommendations dealing with a number of broad areas -- CICAD programming, the Multilateral Evaluation Mechanism, CICAD research programs, the CICAD program to estimate the human, social and economic cost of drugs in the Americas, and ideas to increase CICAD program fundraising and marketing to the private sector -- which it presented to the Commission at its thirty-fifth regular session.

At its second meeting in October, the SAC was tasked with carrying out a peer review of the methodology and protocols for the ongoing CICAD program on the cost of drugs to society, and made some technical recommendations to the CICAD scientific team.

### **Information**

In 2004, the Observatory's information unit focused on the development of national observatories by continuing to support member states' ability to collect information for the MEM and to develop and strengthen national drug information systems.

### **Summary**

- ***Carried out a project to help six Caribbean countries identify and assess emerging drug trends***
- ***Provided technical assistance to Barbados, Haiti, and Trinidad and Tobago to help develop and/or strengthen their national drug observatories and national drug information systems***
- ***Circulated drug-related information and research through the Observatory's quarterly electronic newsletter, the Observer News***
- ***Donated computer equipment to Belize and the Dominican Republic to help them conduct the research being developed through the Transnational Digital government project.***

### **Identifying Emerging Drug Trends in the Eastern Caribbean**

The Inter-American Observatory, the French Monitoring Center for Drugs and Drug Addiction (OFDT) and the French Inter-Agency Drug Control Training Center (CIFAD) are cooperating to help six Eastern Caribbean states -- Dominica, Guyana, Haiti, St. Kitts and Nevis, St. Lucia and Suriname -- identify and assess emerging drug trends in the region. At an exploratory meeting in Martinique on September 22-23, 2003, the countries developed a five-phase plan of action, including training and technical assistance. Three training workshops were held in CIFAD in Martinique during 2004, to train two representatives from each of the six participating countries.

In the first, participants learned to identify, assess and disseminate emerging drug phenomena using a methodology recently developed by the OFDT and seven European countries. In the second, they were trained to conduct qualitative research and analysis using the NVivo Software. Each country was also provided with a license for the software. Qualitative studies were then conducted in each country to estimate emerging trends in drug use, and at the third workshop, participants discussed lessons learned, shared data, and refined and finalize their reports. The results were presented to the thirty-sixth regular session of the Commission.

### **Developing National Drug Observatories in the Caribbean**

The Observatory provides technical and financial assistance to member governments so that they can develop their own national drug observatories. Member states receiving assistance included Trinidad and Tobago, which inaugurated its integrated national drug information system and national drug observatory on June 28, 2004, to facilitate the collection, analysis and exchange of drug-related data among several government agencies. The Observatory's *Observer News* featured an article discussing the Trinidad and Tobago's experience in launching their drug observatory, which can be found at: [http://www.cicad.oas.org/oid/MainPage/Publications/Observer2\\_2004/default.htm](http://www.cicad.oas.org/oid/MainPage/Publications/Observer2_2004/default.htm).

With the Observatory's participation, the Barbados National Council on Substance Abuse held a stakeholders meeting with seven government institutions to begin development of an integrated national drug information system, a project approved for second round MEM priority assistance. This proposal was presented to CICAD in September 2004, and a memorandum of understanding will be signed shortly. Work has begun on the project, which is expected to be completed by April 2005.

Observatory staff participated in a CICAD fact-finding mission to Haiti to identify priority areas for CICAD assistance. The Observatory expects to be able to start developing a project to strengthen the Haitian Drug Observatory by the beginning of 2005.

### **Dissemination of Drug-Related Information**

The Inter-American Observatory on Drugs continues to showcase research, studies, and other interesting projects being carried out in the OAS member states through its quarterly electronic newsletter, *The Observer News*. [The first issue of 2004](#) featured an article on the first class of eighty students graduating from the CICAD-sponsored International Online M.A. in Addictions Studies. It also ran an article prepared by the Chilean Drug Council (CONACE) presenting the results of a national drug survey for the 2001-2003 period which showed a decrease in marijuana use among students aged 13-17. [The second issue of 2004](#) featured articles submitted by countries across the Americas describing their activities to commemorate June 26, the International Day against Drug Abuse and Illicit Trafficking, as well as Trinidad and Tobago's experience

developing their national drug observatory. The third issue of 2004 has two articles on the findings of surveys of drug use, one in Argentina in emergency rooms, and the other in Paraguay, a national student survey. It also includes a NIDA article on how early nicotine initiation increases the severity of addiction, and a copy of the new twice-yearly bulletin published by the National Council on Substance Abuse of Barbados.

All three issues are available on the Observatory's website: [www.cicad.oas.org/oid](http://www.cicad.oas.org/oid)

### **Transnational Digital Government**

This project, financed by the U.S. National Science Foundation, was developed to facilitate border control via an Internet-based mechanism for inter- and intra-governmental exchange of information on suspicious travelers. In December 2003, in Belize City, researchers from seven U.S. universities gave a demonstration of the system that has been developed relevant government officials of the Dominican Republic and Belize. The researchers, along with their Belizean and Dominican counterparts visited the border between Belize and Guatemala to better understand the immigration process at remote borders and later to integrate their findings into the system under development.

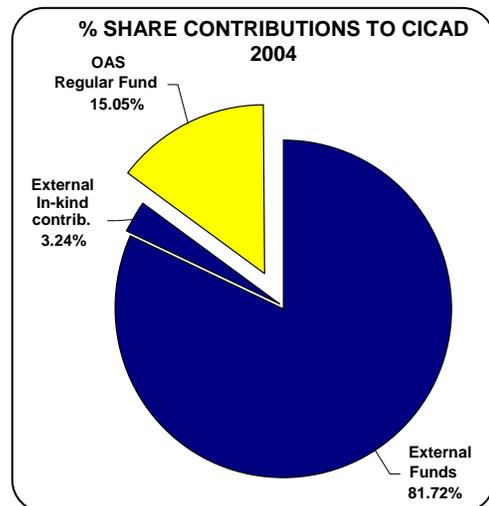
Following the demonstration and field work, the National Migration Directorate of the Dominican Republic appointed several officials to work with the project team members. At the same time, Belize has been developing its immigration databases and the US technical team has been providing assistance in expanding the dialogue and conversation system of the automated translation component of the system.

In September 2004, CICAD purchased equipment for the immigration offices located in remote border posts of Belize and the Dominican Republic, and in October, a technical meeting was held in Santo Domingo, where a progress report was presented on the research and development of the technologies that will be used in the system. A timeline of remaining activities needed to ensure successful rollout of the system and implementation of the project in the pilot countries was also developed.

## **CHAPTER II. FINANCIAL AND BUDGETARY CONSIDERATIONS**

### **A. CICAD'S CURRENT BUDGETARY SITUATION**

To pursue its mandates, CICAD seeks funding for its projects and activities from the OAS Regular Fund and from external donors in the form of contributions in cash and in kind. In 2004, it received a total of US\$13,439,452 in cash contributions and US\$449,390 in kind. Of these contributions, the OAS Regular Fund accounts for 15.05% (US\$2,089,629), while the contributions received from external donors totaled US\$11,799,213 (84.95%). Given the wide range of external donors and the differences in their budgetary and financial policies, the external donors' contributions have different timetables for execution and differing requirements. The following tables identify in detail the contributions received in cash and in kind in 2004.



**CASH CONTRIBUTIONS TO CICAD IN 2004**

<b>Country – Donor Agency</b>	<b>Contribution</b>
United States	\$ 9,894,536
OAS Regular Fund	\$ 2,089,629
Canada *	\$ 400,856
Spain	\$ 345,112
United Kingdom	\$ 181,600
Inter-American Development Bank	\$ 176,249
Mexico	\$134,075
Brazil	\$ 50,000
France (CIFAD)	\$ 31,954
Japan	\$ 29,850
OAS Fellowships Dept.	\$26,000
CICTE	\$ 20,000
Chile	\$ 5,000
PAHO	\$ 3,000
Interest	\$ 488
<b>Total contributions in cash</b>	<b>\$13,439,452</b>

\* **Canada's** financial contributions use a fiscal year running from April 1 to March 31. The larger part of this contribution for 2004/05, totaling some US\$808,240 (CDN\$1,003,600) was transferred in early 2005 and thus is not reflected in this table.

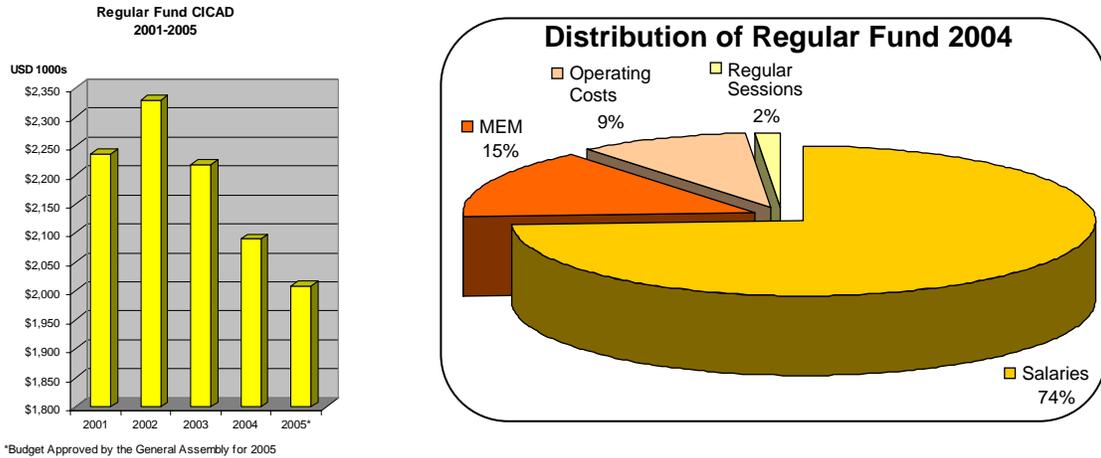
**SPECIAL AND IN-KIND CONTRIBUTIONS****(approximate amounts)**

<b>Country – Donor Agency</b>	<b>Contribution</b>
Spain	\$ 185,390
France	\$ 140,000
Canada (RCMP)	\$ 55,000
University of São Paulo	\$ 37,000
Peru	\$ 14,000
Brazil	\$ 8,000
Dominican Republic	\$ 5,000
Honduras	\$ 5,000
<b>Total contributions in kind</b>	<b>449,390</b>

<b>TOTAL CONTRIBUTIONS</b>	<b>\$13,888,842</b>
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**B. OAS REGULAR FUND**

Over recent years, the budget assigned to CICAD by the General Assembly has suffered significant decreases. This is the case with the budget for CICAD's statutory meetings which, between 2003 and 2004, was halved – in other words, funds were approved to cover part of the cost of one of the meetings only. A reduction of US\$239,000 (10.70%) vis-à-vis the 2004 budget has been estimated for 2005.



Although CICAD's approved 2004 budget from the OAS Regular Fund was US\$2,247,000, only US\$2,089,629 was placed into CICAD's accounts. Of this amount, **74%** was assigned to cover the costs of slightly over one third of CICAD's personnel (US\$1,552,403.65). A further 15% (US\$312,373) was given to the Multilateral Evaluation Mechanism; 9% (US\$193,152) was allocated to nondiscretionary operating costs of the CICAD Executive Secretariat (premises, communications costs, office supplies, etc.), and 2% (US\$31,700) for the organization of the Commission's statutory meetings.

### C. FUNDS REQUESTED AND RECEIVED (EXTERNAL DONORS)

A total of US\$11,799,213 was received in contributions in cash and in kind from external donors in 2004. These contributions were directed to programs and projects in the different areas in which CICAD works.

#### 1. Government of the United States of America: US\$9,894,536

- **INL (Bureau of International Narcotics and Law Enforcement Affairs) – U.S. State Department: US\$9,710,000.** In 2004, CICAD received two annual contributions from INL to support the activities of different CICAD areas and units; the first was US\$4,800,000 for fiscal year 2003, received in June, and the amount of US\$4,600,000 for fiscal year 2004, received in December. Of the total of US\$9,400,000, US\$1,428,661 was distributed in 2004 to priority programmed activities in the following areas: US\$797,750 for projects and recommendations (2nd round) arising from the MEM that are covered by programs of the Inter-American Observatory on Drugs; US\$408,400 to supply reduction programs; US\$140,981 for demand reduction projects under way; and US\$81,530 for money laundering control. The remainder of the FY03 contribution (US\$3,371,339) and the FY04 contribution will be distributed in 2005.

In addition to its regular contributions, INL provided funds in 2004 for the following specific projects of the Observatory: the program of surveys of drug use among secondary-school students in Venezuela using the SIDUC methodology (US\$105,000); ten partial scholarships to enable Venezuelan students to pay the matriculation fees for the on-line M.A. in Addictions Studies (US\$10,000); and to conduct a national survey on drug use among secondary-school students in Bolivia (US\$50,000). For the Anti-money laundering program, INL provided funding in the

amount of US\$95,000 for the development and strengthening of the Financial Intelligence Units of Chile, Ecuador and Nicaragua, and the development of financial investigation programs in Latin America, Mexico and the Dominican Republic (US\$50,000).

- **U.S. Department of Agriculture (USDA): US\$184,536.** Final reimbursement under the agreement signed with the United States Department of Agriculture in 1999 for Alternative Development programs: US\$100,000 for research and extension activities on tropical crops – biological control of cacao diseases in Peru; US\$35,000 for Bolivia Sigatoka; and US\$49,536 in support for alternative development programs.
2. **Government of Canada: US\$400,856 (CAN\$478,631) (Amount reflects funds received in calendar year 2004. Total Canadian contribution for Canadian fiscal year April 2004 to March 2005 was US\$808,240, CAN\$1,003,600)**
- **Department of Foreign Affairs Canada (FAC): US\$248,659 (CAN\$326,334) (Amount reflects funds received in calendar year 2004. Total FAC contribution in Canadian fiscal year April 2004-March 2005 was US\$732,830 CAN\$903,600)**
    - (i) Allocation to a variety of projects including US\$46,414 (CAN\$61,870) to support the Multilateral Evaluation Mechanism, US\$65,990 (CAN\$87,964) allocated for technical support for the supply reduction program, and contributions to several Priority I and Priority II projects for assistance in implementing second round MEM recommendations.
    - (ii) During the first quarter of 2004, the FAC Human Security program disbursed US\$112,540 (CAN\$145,000) of the contribution agreed to support five projects: Witness Protection Workshop, Regional Forum on Crossborder Problems, Training Workshop for Undercover Agents, Sleipnir Project – Risk Assessment and Analysis, and Integrating Health and Law Enforcement.
    - (iii) Through the Canadian Manufacturers and Exporters, FAC made a contribution of US\$23,615 (CDN\$31,500) to held the Regional Forum on Crossborder Problems.
  - **Department of Public Security and Emergency Preparedness Canada (PSEPC): US\$152,297 (CAN\$200,000). (Amount reflects funds received in calendar year 2004. PSEPC contribution for fiscal year April 2004-March 2005 is US\$75,409, CAN\$100,000.**

These resources were channeled into the following CICAD projects: Fighting Crossborder Drug Gangs, Effective Programs on Drug Addiction among Prison Inmates and Criminals, Community Policing, OAS Symposium on Crossborder Administration, Sleipnir Project – Risk Assessment and Analysis, and for costs associated with the thirty-fourth regular session of CICAD in Montreal.
3. **Government of Spain: US\$345,112.** This second disbursement for continued work on the project to decentralize national antidrug policies in the Andean nations was received from the Spanish International Cooperation Agency (AECI).
4. **Government of the United Kingdom: US\$181,600.** Second contribution for the Aerial Fumigation Monitoring project in Colombia, which is being carried out by the CICAD's Alternative Development area. These resources were assigned for hiring a

Permanent Mobile Monitoring Technical Group to coordinate activities related to the epidemiological and environmental studies, which are also funded with this contribution. It also funded contracts for two sample-analysis laboratories.

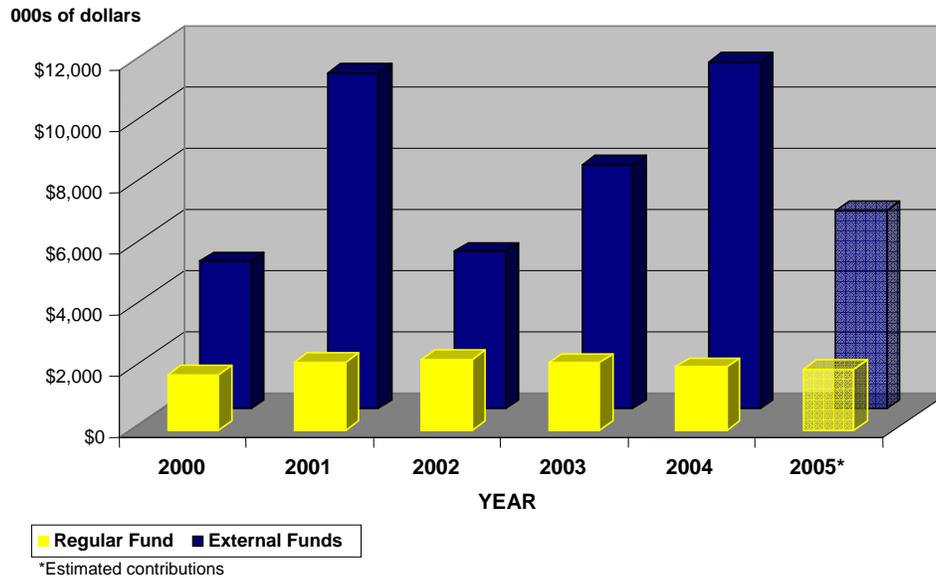
5. **Inter-American Development Bank (IDB): US\$176,249.** Replenishment of the revolving fund of the project to Support the Creation and Establishment of Financial Intelligence Units in South America in the amount of US\$170,249, and a contribution for the Seminar for the Liberal Professions (Gatekeepers) on money-laundering control measures (US\$6,000).
6. **Government of Mexico: US\$134,075**
  - **Mexican Secretariat of Foreign Affairs. US\$84,075.** Annual contribution for 2004 for the Multilateral Evaluation Mechanism (MEM).
  - **Office of the Attorney General of the Republic, Mexico. US\$50,000.** Annual contribution to the CICAD General Fund.
7. **Government of Brazil: US\$50,000.** These funds were provided by the government of Brazil to support the Multilateral Evaluation Mechanism (MEM) process.
8. **Government of France: US\$31,954.** Contribution from CIFAD for the Training the Trainers project for law-enforcement agents (judicial police, public prosecutors, etc.), carried out by the Anti-Money Laundering Unit.
9. **Government of Japan: US\$29,850.** This contribution from the Japanese government was for development of the On-line Specialization Program for Regional Research of the Nursing Schools project in the Demand Reduction area.
10. **OAS Fellowships Department: US\$26,000.** This represented 26 partial fellowships of US\$1,000 each to help towards payment of matriculation fees for the class of 2004-2006 of the Online M.A. in Addictions Studies. Twenty-six students from eleven member states received these fellowships.
11. **Inter-American Committee Against Terrorism (CICTE): US\$20,000.** Contribution to the Anti-Money Laundering Unit, for the Training the Trainers project for law-enforcement agents.
12. **Government of Chile: US\$5,000.** For the CICAD General Fund.
13. **Pan American Health Organization (PAHO): US\$3,000.** For the project on strengthening schools of public health in the areas of international health and substance abuse prevention through distance education in Latin America.
13. **Contributions in kind. Approximately US\$449,390.**
  - **Government of Spain: Approximately US\$185,390.**
    - (i) **AECI (Spanish International Cooperation Agency): US\$151,000.**  
Three scholarships (US\$6,000) for students of the International On-line M.A. in Addictions Studies; US\$30,000 for logistics expenses of the Seminar on Legal and Institutional Frameworks for Drugs in Central America; US\$45,000 for

- logistics and organizational expenses for the Ibero-American Meeting of National Drug Observatories (Bolivia); Contributions in kind estimated at US\$70,000 for the 2nd Regional Andean Workshop on Decentralizing Drug Policy (Colombia) and the National Meeting of Colombian Drug Coordinators under the aegis of the program for decentralizing national drug plans in the Andean nations.
- (ii) **Spanish Ministry of Health and Consumption / Government Office for the National Drug Plan. US\$34,390 for the participation of:**  
 A national expert at the Training Course for Judges and National Prosecutors, Chile (US\$7,390); two national experts at the Seminar on Legal and Institutional Frameworks for Drugs in Central America, Guatemala (US\$6,000); three national experts at the Ibero-American Meeting of National Drug Observatories, Bolivia (US\$9,000); three experts in the 2nd Regional Andean Workshop on Decentralizing National Drug Policy (US\$6,000) and in the National Meeting of Colombian Drug Coordinators (US\$6,000).
- **Government of France: approximately US\$140,000**
    - (i) **Contribution from the Government of France: US\$135,000.** French specialist. Support for strengthening CICAD's Anti-Money Laundering Unit.
    - (ii) **Inter-Ministerial Antidrug Training Center (CIFAD) US\$5,000.** Training Seminar on Maritime Interdiction for officers of Caribbean member states.
  - **Royal Canadian Mounted Police (RCMP). US\$55,000 approx. (CAN\$65,000).** RCMP co-financed and participated in various training seminars carried out by the Supply Reduction Unit of CICAD, including the Undercover Operations Training Program (Jamaica), the International Observer Attachment Program (Canada) and the Organized Crime Workshops in Barbados and Colombia.
  - **University of São Paulo (Brazil) Nursing School, approx. US\$37,000.** In-kind contribution: assisting in the organization of the 1st International Forum on Nursing Research / Demand Reduction held in Brazil (US\$15,000); logistics expenses for the 2nd Seminar on Nursing Leadership for the Development of Demand Reduction Curricula (US\$15,000); logistics and personnel expenses for developing the on-line specialization program for regional nursing research projects (US\$7,000).
  - **Government of Peru: US\$14,000.** Logistics expenses for the training of 30 police officers in analyzing antidrug intelligence in the Andean nations, Peru.
  - **Government of Brazil: US\$8,000**
    - (i) **Brazilian Federal Police US\$4,000:** Meeting of the Group of Experts on Chemical Substances.
    - (ii) **Ministry of Health / ANVISA US\$4,000.** Meeting of the Group of Experts on Pharmaceutical Products.
  - **Government of the Dominican Republic: US\$5,000.** For the Regional Training Seminar on the Development and Implementation of Community Policing Programs in the Dominican Republic.
  - **Government of Honduras: US\$5,000.** For the Meeting of the Group of Experts on Maritime Drug Trafficking, in Honduras.

## D. RESULTS OF EFFORTS TO SECURE EXTERNAL FUNDING

Over time, external funding for CICAD's programs and projects has garnered such importance that in 2004, external contributions accounted for 84.89% of all contributions received. To secure these external contributions, the Commission's Executive Secretariat drew up detailed project proposals for submission to possible donors and/or partners.

**CASH CONTRIBUTIONS TO CICAD BY FUND 2000-2005**



As a result of proposals presented earlier, agreements have been reached for a total of US\$3,260,256 from the following external sources:

- From the Government of the United States, through INL, CICAD has received two letters of intent for earmarked funding for the Aerial Fumigation Monitoring Project, in the amount of US\$1,529,041, and the other in the amount of US\$200,000 for the Andean Countries Cocoa Export Support Opportunity initiative (ACCESO). INL's annual contribution for CICAD programs for fiscal year 2005 is also expected.
- From the Government of Canada, through Foreign Affairs Canada (FAC), CICAD will receive the balance of the agreement signed for Canadian fiscal year 2004/05 (US\$709,215, or CAN\$872,100), and a significant portion of the contribution for Canadian fiscal year 2005/06 (a total contribution of CAN\$900,000). It is also expected that the contribution of CAN\$100,000 Department of Public Safety and Emergency Preparedness Canada will be received for fiscal year 2005/06. Additionally, the Canadian International Development Agency has committed to a contribution totalling CAN\$500,000 total to be spent in the three years 2005-2007.
- From the agreement signed with the Inter-American Development Bank (IDB) for the project Supporting the Creation and Establishment of Financial Intelligence Units in South America (2002-2005): in 2005, CICAD anticipates receiving US\$200,000 from the agreement signed in August 2002.

## **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.

**2004 GENERAL ASSEMBLY RESOLUTIONS PERTAINING TO CICAD**

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**AG/RES. 2015 (XXXIV-O/04)  
OBSERVATIONS AND RECOMMENDATIONS ON THE ANNUAL REPORT  
OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION  
(Adopted at the fourth plenary session, held on June 8, 2004)**

THE GENERAL ASSEMBLY,  
HAVING SEEN the observations and recommendations of the Permanent Council (AG/doc.4332/04) on the annual report of the Inter-American Drug Abuse Control Commission (CICAD) (CP/doc.3855/04);

REAFFIRMING its commitment to the Multilateral Evaluation Mechanism (MEM) as an objective means of measuring member states' progress in the area of drug control and of increasing hemispheric solidarity and cooperation;

WELCOMING the approval by CICAD, at its thirty-fifth regular session, of the hemispheric report and 33 national reports on implementation of the recommendations from the second evaluation round of the MEM;

RECALLING that, in the Declaration on Security in the Americas, the states of the Hemisphere adopted a new concept of security, whereby their security is affected, in various ways, by traditional threats and by new threats, concerns, and other challenges of diverse types;

CONCERNED that further progress is needed in combating drug trafficking and related crimes, such as money laundering, illicit trafficking in arms, the diversion of chemical precursors, and transnational organized crime in general;

PROFOUNDLY CONCERNED over the emergence of armed groups and social movements connected with illicit cultivation in some countries leading to situations that may destabilize institutional order and governance;

AWARE that drug use and abuse constitute a significant public health problem throughout the Hemisphere, the dimensions of which are as yet poorly understood; and

NOTING WITH SATISFACTION that CICAD has strengthened its cooperation and exchange of information with the Inter-American Committee against Terrorism (CICTE), the Consultative Committee established under the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA), the Inter-American Committee on Ports (CIP), the Working Group on Mutual Legal Assistance in Criminal Matters, and other pertinent organs of the inter-American system,  
RESOLVES:

1. To express appreciation for the presentation to the General Assembly of the 2003 report of the Multilateral Evaluation Mechanism on the follow-up to recommendations, comprising 33 national reports and the Hemispheric Report on Drug Control; and to endorse those reports.
2. To note with satisfaction the holding of the Intergovernmental Working Group (IWG) meeting on the Multilateral Evaluation Mechanism (MEM) in Panama in March 2003 and the agreements reached and subsequently approved by CICAD at its thirty-third regular session, which form part of the dynamic process for updating and strengthening the MEM.
3. To congratulate the Inter-American Drug Abuse Control Commission (CICAD) on its valuable training seminar for the National Coordinating Entities (NCEs) for the third evaluation round, held in Washington, D.C., in October 2003, which acknowledged the important role of the NCEs in coordinating and processing information in the MEM process.
4. To commend the progress achieved in the process of drafting the national and hemispheric follow-up reports on the implementation of recommendations issued in the second evaluation round as a significant step forward in the consolidation of the MEM.
5. To welcome CICAD's work and decisions in relation to illicit drug trafficking and related crimes linked to transnational organized crime; and to congratulate CICAD for its contribution to the inclusion of the issue of transnational organized crime on the hemispheric agenda, *inter alia*

by the adoption, at the thirty-fourth and thirty-fifth regular sessions of CICAD, of recommendations and a plan of action developed at the First Inter-American Meeting on Cooperation Mechanisms against Organized Crime, held in Mexico City, from October 6 to 8, 2003, and the meeting of the CICAD Ad Hoc Working Group on Transnational Organized Crime, held in Washington, D.C., from March 15 to 17, 2004.

6. To urge member states:
  - a. To renew the commitment they showed in the first and second evaluation rounds of the MEM, and to continue to participate in an active, full, and timely manner in the third round, in particular, by forwarding the introductory report to each national report and their responses to the questionnaire and by assuring the presence of their government experts at the various stages of the process;
  - b. To offer to maintain or to increase, where appropriate, their financial contributions to CICAD to enable it to increase its support to the member states in their efforts to comply with the MEM recommendations; and also to urge permanent observers and international financial institutions to continue to contribute to CICAD activities for the same purpose and to increase their contributions;
  - c. To incorporate, as appropriate, into their national law the CICAD Model Regulations for the Control of the International Movement of Firearms, Their Parts and Components, and Ammunition, including the amendments adopted at the thirty-fourth regular session of CICAD, held in Montreal, Canada, updating the model regulations and introducing controls over firearms brokers;
  - d. To strengthen cross-border cooperation, in particular the exchange of experiences on topics related to drug control;
  - e. To enhance international cooperation and coordination through implementation of the recommendations of the CICAD Expert Group on Maritime Drug Trafficking, in particular, ensuring their participation in the meetings of that group and the negotiation of bilateral and regional agreements and other arrangements to suppress illicit trafficking by sea and eliminate safe havens used by smugglers;
  - f. To incorporate, as appropriate, into their national law the provisions of the CICAD Model Regulations to Control Money Laundering, including the amendments adopted at the thirty-fourth regular session of the Commission, and in particular, those referring to measures related to the financing of terrorism, and to improve the effectiveness of asset forfeiture regimes and international cooperation in this regard;
  - g. To endeavor to support alternative development projects being carried out in states affected by the presence of illicit crops, as well as those that are particularly vulnerable to the appearance of such crops;
  - h. To continue to strengthen the various aspects of their national drug control systems, including national drug commissions and national drug plans and strategies, and in general the legal and regulatory framework in accordance with the current characteristics of the problem in each country, among other elements;
  - i. To continue promoting programs and measures to reduce the demand for illicit drugs and strengthen programs for prevention and education, *inter alia*, in the workplace, as well as treatment and rehabilitation; and
  - j. If they have not already done so, to consider signing and ratifying the United Nations Convention against Transnational Organized Crime and the three protocols thereto; the United Nations Convention against Corruption; the Inter-American Convention against Corruption; the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials; and the Inter-American Convention on Mutual Assistance in Criminal Matters.
7. To instruct the Executive Secretariat of CICAD:
  - a. To continue to provide assistance to member states that request it to facilitate compliance with the recommendations that flow from the application of the Multilateral Evaluation Mechanism;
  - b. To endeavor to set priorities for the programs carried out by CICAD in all areas, in accordance with the needs of member states; and to explore new technologies and other

- measures to reduce costs with a view to adjusting to the current financial problems of the Organization;
- c. To promote adoption of the CICAD Model Regulations for the Control of the International Movement of Firearms, Their Parts and Components, and Ammunition, especially the provisions concerning firearms brokers, adopted at the thirty-fourth regular session of CICAD, held in Montreal, and to advance in the implementation of the Small Arms and Light Weapons Administration System (SALSA) program as an instrument for improving application of the controls set out in the Model Regulations as well as those of the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA);
  - d. To continue its training and technical assistance programs and other activities such as mock trials which focus on criminal procedure to facilitate prosecution of money laundering offenses;
  - e. To continue to make efforts to provide technical and financial assistance to member states, with the goal of consolidating the different aspects of institutional and legal strengthening in the field of drug control;
  - f. To continue to promote the creation and strengthening of National Drug Observatories, or national information and research systems on drugs, which are fundamental tools for the strategic planning of national drug policies;
  - g. Through the Inter-American Observatory on Drugs, to support member states in the development and maintenance of uniform data collection systems on the problem of drug use at the national level, in order to be able to measure the problem and follow up on new trends in drug abuse;
  - h. To help member states strengthen control measures to prevent the diversion of pharmaceutical products, controlled chemical substances, and illicitly produced synthetic drugs, and improve the exchange of information on matters related to the application of control measures, in accordance with the plans of action of the Expert Group on Chemicals and the Expert Group on Pharmaceutical Products, as approved at the thirty-fourth regular session of the Commission;
  - i. To continue, where appropriate, to provide technical and financial assistance for the execution of alternative development programs both in those states affected by illicit crop production and in those that are vulnerable to the appearance of those crops;
  - j. To assist member states in strengthening financial controls through the establishment and development of their financial intelligence units (FIUs) and the training of judges, prosecutors, and other financial sector personnel;
  - k. By means of technical assistance and training, to support member states' efforts to strengthen their capabilities in the areas of maritime drug trafficking control and port security, in accordance with the recommendations of the CICAD Expert Group on Maritime Drug Trafficking;
  - l. To continue to monitor emerging trends in the production, trafficking, and consumption of illicit drugs, in particular, synthetic drugs such as methamphetamines, and to help member states develop programs to address these trends through a multisectoral approach;
  - m. To take advantage of the experiences of the Andean Community Regional Counter-drug Intelligence School (ERCAIAD), in order to increase the participation of officials from other countries of the Hemisphere and explore opportunities for applying these experiences in other subregions;
  - n. To complete the program with the pilot countries to develop methodologies for estimating the human, social, and economic costs of drugs in the Hemisphere; and to promote the use of the proposed methodology in other member states;
  - o. To support the work of the groups of experts dedicated to advancing the following thematic areas: demand reduction, arms control, pharmaceutical products, chemical precursors, money laundering, maritime cooperation, and transnational organized crime, so that they may improve and facilitate cooperation and coordination and information exchange among member states in these areas;

- p. To strengthen its cooperation and information exchange with the various inter-American committees and mechanisms, taking into account paragraphs 27 and 45 of the Declaration on Security in the Americas, in particular, with the Inter-American Committee against Terrorism (CICTE); the Consultative Committee established under the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA); the Inter-American Committee on Ports (CIP); the Working Group on Mutual Legal Assistance in Criminal Matters; and other pertinent organs of the inter-American system; and
- q. To continue to support the development and expansion of the on-line master's degree program in drug addiction by endeavoring to enlist new universities to offer the program, as well as projects to reduce the demand for illicit drugs in the region.

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**AG/RES. 2026 (XXXIV-O/04)**

**FIGHTING TRANSNATIONAL ORGANIZED CRIME IN THE HEMISPHERE**

(Adopted at the fourth plenary session, held on June 8, 2004)

THE GENERAL ASSEMBLY,

RECALLING that, in the Declaration on Security in the Americas, the states of the Hemisphere declared that the new concept of security “is multidimensional in scope, includes traditional and new threats, concerns, and other challenges to the security of the states of the Hemisphere, incorporates the priorities of each state, contributes to the consolidation of peace, integral development, and social justice, and is based on democratic values, respect for and promotion and defense of human rights, solidarity, cooperation, and respect for national sovereignty”;

CONCERNED that the security of the states of the Hemisphere is affected, in various ways, by traditional threats and by new threats, concerns, and other challenges of diverse types, such as transnational organized crime;

RECALLING that in the Declaration on Security in the Americas the member states condemned transnational organized crime, since it constitutes an assault on institutions in our countries and negatively affects our societies; renewed the commitment to fighting it by strengthening the domestic legal framework, the rule of law, and multilateral cooperation, respectful of the sovereignty of each state, in particular through the exchange of information, mutual legal assistance, and extradition; and committed to combat transnational organized crime, *inter alia*, by fully implementing the obligations contracted by the states parties to the United Nations Convention on Transnational Organized Crime and the three protocols thereto, so that money laundering, kidnapping, illicit trafficking in human beings, corruption, and other related crimes are criminalized in the Hemisphere and so that the assets from the proceeds of these crimes are identified, traced, frozen, or seized and are ultimately confiscated and disposed of, as well as to improve coordination and technical cooperation to strengthen national institutions dedicated to preventing and sanctioning these transnational crimes and identifying and prosecuting members of transnational criminal organizations;

EMPHASIZING the importance of enhancing women’s participation in all efforts to promote peace and security, the need to increase women’s decision-making role at all levels in relation to conflict prevention, management, and resolution, and to integrate a gender perspective into all policies, programs, and activities of all inter-American organs, agencies, entities, conferences, and processes that deal with matters of hemispheric security;

RECALLING that, according to the Anti-Drug Strategy in the Hemisphere of 1996, dismantling criminal organizations and their support networks should be another of the key objectives of the initiatives taken by the countries of the Hemisphere against illegal drug trafficking and related crimes, and that the countries of the Hemisphere will intensify their efforts to exchange information and gather evidence to enable them to bring to trial and sentence the leaders and other members of criminal organizations and their support networks, within the framework of full respect for due process of law;

BEARING IN MIND United Nations General Assembly resolution 57/168, "International cooperation in the fight against transnational organized crime: assistance to States in capacity-building with a view to facilitating the implementation of the United Nations Convention against Transnational Organized Crime and the protocols thereto";

RECOGNIZING the prevention efforts of the United Nations Latin American Institute for the Prevention of Crime and the Treatment of Offenders (ILANUD) and other regional organizations in fighting organized crime in the Hemisphere;

REAFFIRMING the importance of the ratification, by all member states of the Organization of American States, of the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA) and of the earliest possible implementation of the Convention by the states parties thereto, in order to promote and facilitate cooperation and the exchange of information and experiences among the states parties with a view to preventing, combating, and eradicating the illicit manufacturing of and trafficking in firearms, ammunition, explosives, and other related materials, which facilitate and contribute to transnational organized crime;

BEARING IN MIND the decisions of the Inter-American Drug Abuse Control Commission (CICAD) on the conclusions and recommendations on fighting transnational organized crime in the Hemisphere reached by member states at the First Inter-American Meeting on Cooperation Mechanisms against Organized Crime, held in Mexico City, in October 2003, and at the meeting of the CICAD Ad Hoc Group on Transnational Organized Crime, held in Washington, D.C., in March 2004;

BEARING IN MIND ALSO the conclusions and recommendations of the Fifth Meeting of Ministers of Justice or of Ministers or Attorneys General of the Americas (REMJA-V), held in Washington, D.C., in April 2004; and

TAKING INTO ACCOUNT that, within the OAS, the Committee on Hemispheric Security is to coordinate cooperation among the organs, agencies, entities, and mechanisms of the Organization related to the various aspects of security and defense in the Hemisphere, respecting the mandates and areas of competence of each,

#### RESOLVES:

1. That the topic of transnational organized crime shall continue to be considered, in its different manifestations, by the various OAS entities that have been doing so within their respective spheres of competence, such as the Inter-American Drug Abuse Control Commission (CICAD), the Consultative Committee of the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA), the Inter-American Commission of Women (CIM), the Inter-American Children's Institute (IIN), the Meeting of Ministers of Justice or of Ministers or Attorneys General of the Americas (REMJA), the Hemispheric Information Exchange Network for Mutual Legal Assistance in Criminal Matters, the Follow-up Mechanism for the Implementation of the Inter-American Convention against Corruption (MESICIC), and, for those aspects where it is deemed pertinent, the Inter-American Committee against Terrorism (CICTE), with a view to consolidating a shared vision of the effort now being carried forward by the Organization through its various bodies, promoting increased coordination and integration of such efforts at the hemispheric level, and ensuring that the OAS consolidates its position as a regional forum for effective cooperation against transnational organized crime, taking as a point of reference the provisions of the United Nations Convention against Transnational Organized Crime (Palermo Convention) and the protocols thereto.

2. In accordance with the conclusions and recommendations adopted by REMJA-V, to instruct the Permanent Council to convene a group of experts, through its Committee on Hemispheric Security, to consider the advisability of drawing up a hemispheric plan of action against transnational organized crime, as an integrated plan that brings together the efforts being made by each OAS area on diverse aspects of the problem, with the participation of the various OAS bodies that have been working in this area, in accordance with the Declaration on Security in the Americas.

3. To encourage CICAD to intensify its efforts against illicit drug trafficking and related crimes associated with transnational organized crime, in accordance with the relevant decisions taken at its thirty-fourth and thirty-fifth sessions. In particular,
  - a. Through existing expert and working groups, by reviewing CICAD's existing model regulations and other initiatives in order to consider the relevancy of incorporating aspects related to transnational organized crime;
  - b. That the CICAD Executive Secretariat should conduct a study in close collaboration with the United Nations Centre for International Crime Prevention of the United Nations Office on Drugs and Crime, to examine the relevancy of developing model regulations on transnational organized crime, taking into account the results of the Conference of the Parties to the Palermo Convention, held in June 2004; the responses to indicators 85 and 86 of the Multilateral Evaluation Mechanism on transnational organized crime; other initiatives in this area; available comments by the expert and working groups of CICAD; and proposals offered by states; and
  - c. In close collaboration with the United Nations Office on Drugs and Crime, CICAD may hold workshops or seminars on the future application of the Palermo Convention with regard to illicit drug trafficking and related crimes associated with transnational organized crime.
4. To instruct the Permanent Council, taking into account the conclusions and recommendations adopted by REMJA-V, and by the Second Meeting of Ministers or of the Highest-Ranking Authorities Responsible for the Advancement of Women in the Member States (REMIM-II), to convene a meeting of national authorities on trafficking in persons, with the participation, among other bodies, of the Inter-American Commission of Women, the Inter-American Children's Institute, the United Nations, the International Organization for Migration, and other appropriate international organizations, for the purpose of studying comprehensive cooperation mechanisms among the states to ensure the protection of and assistance to victims, crime prevention, and prosecution of its perpetrators. Likewise, the meeting will facilitate the sharing of information and experiences, policy dialogue, and cooperation among countries of origin, transit, and destination in cases of trafficking in persons, as well as the establishment or improvement of statistical records in this regard.
5. To urge the member states that have not yet done so to consider signing and ratifying, ratifying, or acceding to, as appropriate, and implementing as soon as possible the United Nations Convention against Transnational Organized Crime; the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children; the Protocol against the Smuggling of Migrants by Land, Sea and Air; and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition.
6. To urge member states that are party to or signatories of the Palermo Convention and the two protocols thereto that are currently in force to work jointly at the First Conference of the Parties, to be held from June 28 to July 9, 2004, to facilitate the application of these important international instruments.
7. To urge member states to hold both regional and national seminars and training workshops on the various aspects of transnational organized crime.
8. To instruct the Permanent Council of the Organization to follow up on this resolution and to present a report on its implementation to the General Assembly at its thirty-fifth regular session.
9. To instruct the Secretary General of the Organization to continue providing the secretariat services required to carry out the measures envisaged in this resolution, in accordance with the resources allocated in the program-budget of the Organization and other resources.

### LIST OF ACRONYMS USED IN THIS ANNUAL REPORT

<b>A</b>	AECI	Spanish International Cooperation Agency
	ATF	Bureau of Alcohol, Tobacco and Firearms (United States)
<b>B</b>		
	BASC	Business Anti-Smuggling Coalition
<b>C</b>		
	CADA	Andean Alternative Development Committee
	CAN	Andean Community of Nations
	CARICOM	Caribbean Community Secretariat
	CATIE	Tropical Agriculture Research and Training Center
	CCLEC	Caribbean Customs Law Enforcement Council
	CCP	Central American Permanent Commission against Drug Trafficking
	CFATF	Caribbean Financial Action Task Force
	CICAD	Inter-American Drug Abuse Control Commission
	CICDAT	Inter-American Supply Control Data System
	CICTE	Inter-American Committee against Terrorism
	CIFAD	French Inter-Ministerial Anti-Drug Training Center
	CIFTA	Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials
<b>E</b>		
	EUREP GAP	Euro Retailer Produce Working Group
	EMCDDA	European Monitoring Centre on Drugs and Drug Addiction
	ERCAIAD	Andean Community Regional Counter-Drug Intelligence School
<b>F</b>		
	FATF	Financial Action Task Force
	FIU	Financial Intelligence Unit
<b>G</b>		
	GAFISUD	South American Financial Action Task Force
	GEG	Group of Governmental Experts (of the MEM)
	GIS	Geographic Information System
	GLEAM	Generalized (Satellite-based) Land Use Evaluation and Management System
	GPML	Global Program for Money Laundering
<b>I</b>		
	IDB	Inter-American Development Bank
	ICT	Tropical Crops Institute
	IMF	International Monetary Fund
	INIBAP	International Network for the Improvement of Banana and Plantain
	INTERPOL	International Criminal Police Organization
	IUHEI	Programme for Strategic and International Security Studies
<b>M</b>		
	MEM	Multilateral Evaluation Mechanism

<b>N</b>	NIDA	National Institute on Drug Abuse (U.S.)
<b>O</b>	OAS	Organization of American States
	OFDT	French Monitoring Center for Drugs and Drug Addiction
	OSCE	Organization for Security and Cooperation in Europe
<b>P</b>	PAHO	Pan American Health Organization
<b>Q</b>	QUNO	Quaker United Nations Office
<b>R</b>	RCMP	Royal Canadian Mounted Police
	RIOD	Inter-American Network of NGOs working in Drug Abuse
<b>S</b>	SAC	Science Advisory Committee
	SALSA	Small Arms and Light Weapons Administration
	SICA	Central American Integration System
	SIDUC	Inter-American Drug Use Data System
	SweFOR	Swedish Fellowship of Reconciliation
	SIDA	Swedish International Development Cooperation Agency
<b>U</b>	UNDP	United Nations Development Program
	UNIDIR	Institute for Disarmament Research
	UN-LIREC	United Nations Lima Regional Center for Peace, Disarmament and Development
	UNODC	United Nations Office on Drugs and Crime
<b>W</b>	WCF	World Cacao Foundation
	WCO	World Customs Organization