

ORGANIZATION OF AMERICAN STATES



INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION

cicad

FORTY-THIRD REGULAR SESSION
April 30 - May 2, 2008
Washington, DC

OEA/Ser.L/XIV.2.43
CICAD/doc.1656/08 rev. 1
2 May 2008
Original: English

ANNUAL REPORT OF THE
INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD)

TO THE GENERAL ASSEMBLY
OF THE ORGANIZATION OF AMERICAN STATES

AT ITS THIRTY-EIGHTH REGULAR SESSION

Table of Contents

EXECUTIVE SUMMARY	1
Meetings and Officers of CICAD in 2007.....	3
CHAPTER I. THE CICAD PROGRAM TO IMPLEMENT ANTI-DRUG STRATEGY IN THE HEMISPHERE.....	5
A. MULTILATERAL EVALUATION MECHANISM.....	5
Overview	5
Fourth Evaluation Round 2005-2006	5
First Government Expert Group Drafting Sessions.....	5
Second GEG Drafting Session	5
Consideration and Approval of National Reports of the Fourth Evaluation Round 2005-2006.....	6
MEM Achievements Report 1997-2007.....	6
Other Activities	6
MEM Contribution to the UNGASS Review	6
MEM Visits and Workshops	6
MEM participation in regional conferences	6
B. DEMAND REDUCTION PROGRAM	7
Substance Abuse Prevention	7
The theoretical basis for substance abuse prevention programs.....	7
Evaluation of substance abuse prevention programs for youth.....	7
Exchange of best practices in substance abuse prevention.....	7
University education in addictions studies	7
Program Execution	8
School-based Life Skills substance abuse prevention program.....	8
Culture of Lawfulness	8
Youth Outreach Programs in Bolivia, El Salvador and Peru.....	8
Drug Treatment and Rehabilitation	9
Standards of care in drug treatment	9
Integration of drug treatment into national health care systems.....	9
Training and certification of drug treatment counselors.....	9
Drug treatment protocols.....	9
Exchanges of best practices in drug abuse treatment	9
MEM Recommendations.....	10

C. SUPPLY REDUCTION, CONTROL MEASURES AND ALTERNATIVE DEVELOPMENT	11
Overview	11
Training	11
Expert Groups.....	12
Alternative Development.....	13
Best Practice Marketing for Communities in Mountainous and/or Drug-Crop Producing Regions.....	13
[<i>Creation of an Expert Group on Alternative, Integral and Sustainable Development ...</i>]	13
Andean Countries Cocoa Export Support Opportunity (ACCESO).....	13
Bolivia: Implementation of the Generalized Land-Use Evaluation and Management (GLEAM) Tool.....	14
Colombia: Study on the Effects of Aerial Glyphosate Spraying.....	14
D. MONEY LAUNDERING CONTROL	15
Overview	15
Expert Group	15
Training	15
Distance Education.....	16
Database	16
E. INSTITUTION-BUILDING	17
Overview	17
National Anti-Drug Plans	17
Strengthening Human Resources in National Drug Commissions (NDCs)	17
Decentralization of Anti-Drug Strategies in Andean Countries	18
F. EDUCATIONAL DEVELOPMENT AND RESEARCH.....	18
Overview	18
University Partnership Projects	19
Research	20
On-Line Specialization Research Capacity-Building Program for Health Professionals (PREINVEST).....	20
International Research Capacity-Building Program for Health Professionals to Study the Drug Issues in Latin America.....	20
Technical Cooperation.....	20
Research Project on Drugs, Women and Violence in the Americas	20
National Organization Registry Project with Brazil.....	21
Program for Integrated Academic Education	21

Publications	21
G. INTER-AMERICAN OBSERVATORY ON DRUGS	21
Overview	21
Statistical Indicators on Drug Use.....	21
Surveys in 2007	22
Country Profiles with Statistics on Drugs	22
Latin American Epidemiology Work Group (REDLA).....	22
Meeting of Observatories on Drugs in the Caribbean	22
CICAD/NIDA Competitive Research Award Fund	23
Statistical Indicators on Supply Reduction.....	23
Promotion of CICDAT Software.....	23
Program to Estimate the Human, Social and Economic Costs of Drugs in the Americas.....	23
CHAPTER II: FINANCIAL AND BUDGETARY CONSIDERATIONS	25
A. CICAD’S CURRENT BUDGETARY SITUATION	25
B. OAS REGULAR FUND	27
C. FUNDS REQUESTED AND RECEIVED (EXTERNAL DONORS).....	27
D. Cicad program execution during 2006.....	30
E. RESULTS OF THE STRATEGY TO OBTAIN EXTERNAL FUNDING.....	32

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

The Inter-American Drug Abuse Control Commission (CICAD) herein presents its annual report to the thirty-eighth 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. In 2006, the Secretary General began a process of reorganization of the institutional structure of the OAS. This process led to CICAD's being included in the Secretariat for Multidimensional Security, together with the Inter-American Committee against Terrorism and the Department of Public Security and other related areas, and divided into seven sections, plus the Executive Secretariat's Office: the Multilateral Evaluation Mechanism (MEM), Anti-Money Laundering, Demand Reduction, Educational Development and Research, the Supply Reduction and Alternative Development, the Inter-American Observatory on Drugs (OID), and Institution-Building. This report follows the broad headings of the Anti-Drug Strategy in the Hemisphere, approved in 1996.

EXECUTIVE SUMMARY

With an institutional legacy of 20 years fighting drug trafficking and drug abuse in the hemisphere, CICAD is uniquely placed to leverage its core competencies of experience, know-how and a network of partners and stakeholders to maximize its impact across the hemisphere and beyond, as well as within the OAS General Secretariat itself. This leadership has become especially clear in the opportunities for international cooperation in 2007.

As evidence of this international cooperation, CICAD has worked closely with the United Nations Office on Drugs and Crime (UNODC) to coordinate and underwrite population surveys to enable comparative regional analyses of substance abuse trends and to develop a coordinated approach to alternative development. CICAD is co-sponsoring with the Inter-American Development Bank (IDB) a series of mock trials to better equip judges and prosecutors to investigate and prosecute money laundering crimes. The European Commission is working with CICAD to partner cities from Europe, Latin America and the Caribbean to share drug treatment and rehabilitation experiences in municipal programs. CICAD has also been the broker for multiple research and educational initiatives that require an overarching catalyst to bridge institutional, national, regional or disciplinary boundaries.

Indicative of CICAD's internationally synergetic approach, it is cooperating closely with UNODC to assist the 10-year evaluation of world progress towards the goals on the global drug problem adopted by the 20th Special Session of the United Nations General Assembly (UNGASS 1998) and how to use information from regional organizations in that assessment. UNODC will be using MEM evaluation reports as a complementary source of information, especially in the thematic areas of illicit crop cultivation, amphetamine-type stimulants and their precursors, and demand reduction to complement UNODC's own information system in order to provide a fuller assessment of progress in each area of UNGASS reporting and to strengthen the validity of the trends in UNODC data. Significantly, this is the first time that information from MEM evaluation reports is being considered to support UN data and analyses, and it is a significant

acknowledgement by the international community of the Mechanism's track record and effectiveness.

CICAD published *The Multilateral Evaluation Mechanism Achievements, 1997-2007* as a way of assessing the accomplishments of the MEM through the first three evaluation rounds, on both a country-by-country and regional basis. The Fourth Evaluation Round got underway with the Government Expert Group meeting twice to draft country reports and recommendations that were approved by the Commission in November 2007. These publications will be presented to the OAS General Assembly in June 2008.

In the field of Demand Reduction, CICAD has served as a proactive broker for cooperation on multiple fronts. For instance, in response to a need for trained professionals in the Caribbean, CICAD partnered with the University of the West Indies (UWI) to launch an *on-line* capacity building program for drug abuse prevention and treatment. UWI accredited the program, whose development was underwritten by CICAD, recruited its first students, and started classes in September in a one-year certificate program. CICAD also partnered with the European Commission to develop an ambitious three-year twin-city initiative between local governments in Europe and Latin America and the Caribbean aimed at improving drug abuse treatment policy and practice. Through a horizontal cooperation agreement between CICAD and the Government of Chile signed in 2005, that country's National Drug Council (CONACE), provided training and technical assistance on specialized topics in substance abuse prevention and treatment to professionals from 14 member states. CICAD is also embarking on a two-year effort, through its Demand Reduction Expert Group, to draft hemispheric guidelines on substance abuse prevention in the workplace.

The Supply Reduction Section has adapted quickly to the new dimensions and directions in the narcotics trade. To deal with the rising tide of Internet sales of illicit or controlled substances, CICAD enlisted the Microsoft Corporation to deliver training to prosecutors and police so that they have the tools and expertise to investigate this new type of crime, training more than 150 investigators in six months.

As part of the Alternative Development program, the Andean Countries Cocoa Export Support Opportunity (ACCESO) completed its first cycle of field training and prepared a manual of best practices that will be employed as the program expands beyond Peru to other Andean countries. CICAD has also set up an Expert Group on Alternative, Integral and Sustainable Development.

The Money Laundering Control Section has developed a specialized *on-line* database of typologies of money laundering practices that will pool information from the whole hemisphere to create a unified classification system and aid law enforcement officials in detecting, investigating, trying and convicting this type of crime. It also has pushed forward an *on-line* professional development program in partnership with the University of Salamanca (Spain) that would make it easier to reach a wider audience, who are judges, prosecutors and law enforcement officers handling money laundering investigations and trials.

After working for more than a decade, the university partnership program of the Educational Development and Research Section has broadened its approach of partnering with Latin American universities to introduce drug-related content into their curriculums, community extension and research. Instead of working separately with schools of nursing, public health, education and medicine, the concept is to encourage collaborative networks that cross disciplinary lines so that multiple perspectives and approaches are used, as well as to get engaged with the national drug control commissions.

In the Institution-Building area, CICAD has continued supporting national drug control commissions in updating their legislation, plans, and programs and improving their professional

staff. With the support of the Spanish government, the Andean region has benefited from an initiative to decentralize drug policies and programs down to municipal and regional levels to facilitate a more responsive approach to new trends and risks.

The Inter-American Observatory on Drugs (OID) is close to completing a baseline of drug use in the Americas, by coordinating surveys of secondary school students, households and other population segments to produce regional comparative studies. This joint initiative owes much to the institutional and financial support from the UNODC in the region. The comparative analyses prepared for Central America (households and secondary students) and Caribbean countries (secondary students) were the first of their kind. The 2006 comparative study of secondary students in nine South American countries is designed to strengthen the six-country information and research system, and will allow for a general assessment of drug use in participating countries to be published in early 2008. In addition, the Observatory is developing a web-accessible database of country profiles with relevant, accurate information on drug supply and abuse.

Because of the convergence of eroding external contributions, a static OAS budget and increased indirect cost recovery by the OAS to cover the central administrative costs of external contributions, CICAD has been spurred to re-examine and tighten its programs and projects to ensure short-term results and long-term impact. As part of an OAS mandate to align program activities with institutional policy goals more closely, planning must also reflect the real costs of project execution. As an integrated part of the OAS's Secretariat of Multidimensional Security (SMS), CICAD continued to cooperate closely with the Inter-American Committee on Terrorism (CICTE) and the Department of Public Security by seeking synergies in program activities confronting international terrorism and transnational organized crime. This year, for instance, CICTE and CICAD co-sponsored two workshops on the financing of terrorism.

Meetings and Officers of CICAD in 2007

The Commission held its forty-first regular session in Washington, DC, on May 2-4 and its forty-second regular session in Santa Marta, Colombia, on November 27-30.

The Chair of CICAD for the 2007-2008 term of office was Brazil, in the person of General Paulo Roberto Yog de Miranda Uchôa, National Anti-Drug Secretary. The Vice Chair for the same term was Colombia, in the person of Mr. Guillermo Francisco Reyes, Vice Minister of Justice. At the May meeting, it was announced that CICAD Assistant Executive Secretary Abraham Stein was moving on to the OAS Secretariat for Multidimensional Security as its Deputy Assistant Secretary. His replacement in the Executive Secretariat of CICAD is Dr. Rafael Franzini-Batlle, who had been heading the Money Laundering Control Section.

At its forty-second regular session, the Commission elected Colombia as the Chair, in the person of Mr. Guillermo Francisco Reyes, Vice Minister of Justice, for the 2007-2008 term. For the same term, Chile was elected as Vice Chair, in the person of Dr. María Teresa Chadwick, Executive Secretary of the National Council for the Control of Narcotics (CONACE) who was represented by Ms. María Soledad Weinstein Menchaca, head of the international area of CONACE, at the event.

**CHAPTER I.
THE CICAD PROGRAM
TO IMPLEMENT 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 governments of the hemisphere that the complex and transnational nature of the drug problem requires a comprehensive, 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 member states of CICAD, taking into account the different ways in which the drug problem manifests itself in each. The MEM pursues this goal by means of national and hemispheric evaluations carried out by the Governmental Expert Group (GEG) over a three-year cycle that measure the counter-drug progress achieved by the 34 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, seeking assistance from other member states or CICAD's Executive Secretariat as needed. Before the start of each round, the MEM procedures undergo a comprehensive review by the Inter-governmental Working Group (IWG), comprised of representatives of the 34 member states, with a view to strengthening the MEM procedures, its instruments and evaluation cycle. Since its inception, the MEM has completed three rounds of evaluations, 1999-2000, 2001-2002 and 2003-2004. The Fourth Evaluation Round (2005-2006) concluded its first phase with the approval by the Commission at its forty-second regular session of the full evaluation reports on all 34 member states.

Fourth Evaluation Round 2005-2006

First Government Expert Group Drafting Sessions

first drafting session of the Fourth Round was held in Washington D.C., March 22-30, 2007, to evaluate the progress made by countries in drug control during the evaluation period 2005-2006. All 34 countries responded to a new questionnaire of 51 indicators, while the MEM Section prepared the first draft of the narrative reports that were subsequently analyzed by the GEG. Experts formulated draft recommendations and conclusions and, where necessary, requested clarification or further information from countries in advance of the second drafting session.

Second GEG Drafting Session

The second and final GEG meeting for this phase of the Fourth Evaluation Round was held in Washington, D.C., September 24-October 5, 2007, during which experts analyzed and evaluated the new information and updated statistics provided by member states for the evaluation period. The GEG plenary reviewed all 34 national reports together with their recommendations and conclusions. After editing by the MEM Section, the reports were circulated to the Commissioners prior to the forty-second regular session of CICAD.

Consideration and Approval of National Reports of the Fourth Evaluation Round 2005-2006

The thirty-four national reports were considered and approved at CICAD's forty-second regular session held in Santa Marta, Colombia, in November 2007. The reports were later to be presented at the OAS General Assembly in Medellín, Colombia (June 2008) and distributed to all member states. All published reports are also [available on-line](#).

MEM Achievements Report 1997-2007

In the May drafting session, the GEG also reviewed material prepared by the MEM Section for the report *The Multilateral Evaluation Mechanism Achievements, 1997-2007*. The report analyzes the first ten years of the MEM, reflecting upon the achievements and challenges for drug control policies in the hemisphere as well as the benefits the assistance that the MEM process has offered to member states. The report was finalized electronically and circulated to all member states.

The MEM Achievements Report 1997-2007 was considered and approved at CICAD's forty-first regular session held in Washington in May 2007 and distributed to the OAS General Assembly held in Panama City in June 2007.

Other Activities

MEM Contribution to the UNGASS Review

The MEM Section coordinator participated in two consultation meetings (February and September 2007) organized by the United Nations Office on Drugs and Crime (UNODC) on how to use information from the MEM national and hemispheric evaluation reports and other regional organizations for the ten-year review of the implementation of the declarations and measures adopted by the UN General Assembly at its 20th Special Session on the World Drug Problem (UNGASS 1998). The outcome of discussions was that data from the MEM and other regional sources, describing trends on similar issues for a comparable period, should be used to complement the UN's own biannual questionnaire data and relevant analyses, as well as to verify its results in terms of trends and new developments, and assisting in providing explanations of possible data and reporting inconsistencies.

MEM Visits and Workshops

The MEM Section carried out visits to Panama and Haiti in the second half of 2007 to promote the MEM and to hold workshops for the various national institutions contributing information to the MEM process. Meetings were also held with national authorities responsible for specific areas of drug control.

MEM participation in regional conferences

Representatives of the MEM Section participated in a meeting of Caribbean observatories on drugs in Grenada (September) organized by CICAD and the Caribbean Community (CARICOM) to review the linkages between the research, policy and practice in dealing with drug abuse problems and consider how the MEM process fits into this dynamic. Likewise, in May, the MEM Section participated as an observer at the Caribbean Financial Action Task Force (CFATF) plenary in Panama City (May).

B. DEMAND REDUCTION PROGRAM

CICAD's Demand Reduction Program, created in 1987, covers two broad areas: substance abuse prevention and the treatment and rehabilitation of drug-dependent persons. CICAD's Expert Group on Demand Reduction, created by the Commission in 1996 to advise it on technical issues in the field, meets at regular intervals to develop strategy papers and guidelines in drug demand reduction. Forms of cooperation with member states include human resources education and training, technical and financial assistance for specific projects, exchange of best practices, institution building and policy development, and the setting of hemispheric standards in demand reduction.

Substance Abuse Prevention

The theoretical basis for substance abuse prevention programs

CICAD has developed a number of strategy papers on substance abuse prevention, including the *Inter-American Program of Quito: Comprehensive Education to Prevent Drug Abuse* (1990), and the *CICAD Hemispheric Guidelines on School-based Prevention* (2005). CICAD's strategy adheres closely to the United Nations *Political Declaration on the Guiding Principles of Drug Demand Reduction* (1998). In 2007, at its ninth meeting held in Chile on November 13-15, 2007, CICAD's Expert Group on Demand Reduction, chaired by Chile, and developed the first part of a document entitled *Hemispheric Guidelines on Workplace Prevention of Drug Use*, which was presented to the Commission at its forty-second regular session.

Evaluation of substance abuse prevention programs for youth

In 2006-2007, CICAD's Demand Reduction Expert Group, chaired by Canada, along with an international task force, developed the *CICAD Toolkit for the Evaluation of Youth Prevention Programs*, and at its meeting in Bogotá, Colombia on February 13-15, 2007, adopted the Toolkit and recommended it to member states. The Toolkit was endorsed by the Commission at its forty-first regular session, and is currently being used to evaluate the Lions *Life Skills* substance abuse prevention program being conducted in Peru under CICAD auspices (see below).

Exchange of best practices in substance abuse prevention

In response to MEM recommendations that consistently indicated the need for workplace drug abuse prevention programs, CICAD held its first policy workshop on the subject in Chile in June, under the CICAD-CONACE horizontal cooperation agreement signed in 2005. Additional workshops and training on workplace prevention are planned for 2008.

University education in addictions studies

Three university programs in addictions studies have been developed under CICAD auspices:

- **International On-line M.A. in Addictions Studies** (in Spanish): the first class of students entered the two-year program in 2002; the third class began in May 2006.
- **The Certificate Program in Addictions Studies** (in English) at the University of the West Indies (UWI) started its first classes on line in September 2007, for 34 students from the Caribbean region.
- A **professional certificate program** (in French) at the Université Quisqueya in Haiti, which will begin in early 2008.

CICAD provided the start-up financing for development of the curricula and the training of professors in approaches to teaching in an on-line environment for each of these programs.

Program Execution

School-based Life Skills substance abuse prevention program

This initiative was developed by the Lions Clubs International Foundation (LCIF). CICAD's Lions prevention program has been operating in Belize since 2005 and in Peru, Paraguay and Colombia since 2006. As of 2007, the program has trained approximately 800 teachers in the delivery of the program in these four countries, and expects to train another 800 over the next two years. Prevention materials have been provided to a total of 150 schools, grades K-8. The program will begin, under CICAD auspices, in Ecuador, the Dominican Republic and Mexico in 2007-2008.

The LCIF, CICAD and local Lions Clubs all make financial and in-kind contributions to the program in each country over a three-year period. The goal is to have each government (ministry of education and national drug commission) take on the program as an integral part of its school curriculum once CICAD support ends. This strategy has already proved successful in Colombia, where the government decided to allocate a considerable amount of additional funding to the Life Skills prevention program to enable it to expand more rapidly.

An independent, scientific evaluation of the program is being conducted by a team of university researchers in Peru in 2007-2008, using the newly developed CICAD Evaluation Toolkit.

Culture of Lawfulness

This effort is a school curriculum for 13-14 year olds designed to promote respect for the rule of law, and prevent violence, drug use and dealing, and other anti-social behaviors. The Culture of Lawfulness program, developed in Italy in the 1990s to boost citizen support for the government's anti-Mafia efforts, has since been taught in schools in Lebanon, Hong Kong, Mexico, Colombia and Peru. CICAD has supported the program in El Salvador since early 2006, and is developing a similar community-based effort in that country. Thus far, 100 teachers in 50 schools have been trained to deliver the program, and CICAD has provided over 3,000 copies of supporting materials to the schools in El Salvador. With its partner, the National Strategy Information Center, a Washington-based non-profit organization, CICAD began to implement the Culture of Lawfulness program on a pilot basis in Costa Rica (8-10 schools in each country), starting in the fall of 2007.

Youth Outreach Programs in Bolivia, El Salvador and Peru

In 2007, CICAD provided financial and technical support for outreach programs for at-risk youth in Bolivia, El Salvador and Peru in cooperation with non-governmental organizations (NGOs) in those countries. In Guazapa, El Salvador, the Youth Outreach Center provides job training, development of leadership skills, family counseling and intervention, and sports and artistic activities for high-risk youth, as resources to prevent drug use, violence and other anti-social behaviors. CICAD's partnership with STUDIO ©, a digital and special effects design house and production studio, is training Salvadoran youth in high-tech TV and film techniques that will equip them to work in a video production setting.

Drug Treatment and Rehabilitation

Standards of care in drug treatment

CICAD has been working since the early 1990s to help Ministries of Health establish their regulatory authority over drug treatment centers and programs. CICAD's program is based on guidelines for minimum standards of care in drug treatment developed by the World Health Organization. To date, CICAD has helped about eighteen countries develop and gain government approval for such standards. As a result of this work, the Ministries of Health in those countries now have the full regulatory authority to require drug treatment programs to comply with infrastructure, clinical and ethical standards. In 2007, CICAD assisted the governments of Belize and Suriname to develop standards of care in drug treatment, and supported the Government of Uruguay and Paraguay in gaining ministerial approval.

However, Health Ministries in most countries do not have the staff or budget needed to conduct verification of compliance. CICAD's next challenge is, therefore, to help governments enforce the regulations, using instruments developed by the governments of Colombia and El Salvador. Technical assistance was provided in 2007 to El Salvador to begin this process.

Integration of drug treatment into national health care systems

Following publication of CICAD's *Guía Práctica para la Organización de un Sistema Integral de Tratamiento de la Dependencia de las Drogas* in 2004 (English version forthcoming, *Practical Guide to Organizing a Comprehensive Drug Treatment System*), CICAD advocates the concept that, since drug dependence is a chronic disease that imposes a severe burden on most member states, it should be addressed through a country's regular health care system. CICAD is currently working with the Government of Costa Rica to expand and update treatment services in that country.

Training and certification of drug treatment counselors

Starting in late 2006 and throughout 2007, CICAD began to develop a process to certify drug treatment counselors in El Salvador and Guatemala, in association with the U.S. National Certification Commission and the National Association for Addiction Professionals (NAADAC). Training geared towards professional accreditation was provided in El Salvador to 500 drug treatment counselors working in the ministries of Health and Education, in 34 NGOs and in the country's four juvenile detention centers. In Guatemala, 150 drug treatment personnel from four governmental institutions, two juvenile detention centers and 24 NGOs received similar training. CICAD and NAADAC have created the first international certification process for drug treatment counselors, and the first graduates will receive their basic certification in the spring of 2008.

Drug treatment protocols

In an effort to help countries improve the quality of drug treatment as part of their national drug treatment systems, CICAD has begun to develop evidence-based protocols and drug treatment guidelines for use in Latin American and Caribbean countries. A CICAD task force has been formed to promote best practices in drug treatment and will produce a monograph on the subject containing recommendations to member states.

Exchanges of best practices in drug abuse treatment

CICAD uses various means of exchanging best practices in drug treatment:

- **Drug Treatment:** in early 2006, CICAD entered into a Memorandum of Understanding with the Chilean National Drug Commission (CONACE), whereby CONACE provides

technical assistance to other Western Hemisphere countries on a variety of technical demand reduction topics. In September 2007, a CICAD workshop on drug treatment was held under this agreement in Antigua, Guatemala with the cooperation of the Spanish International Cooperation Training Center, and professional staff support from the Government of Chile, the UNODC-Colombia Office, the U.S. National Association of Drug Court Professionals, and the Toronto Drug Court. The discussions centered on best practices in drug treatment for prisoners and adolescents and examined treatment alternatives to incarceration for drug-dependent petty offenders.

- **Twin-City Initiative:** In December 2006, the OAS and the European Commission signed a three-year agreement to develop twin-city partnerships between European and Latin American and Caribbean cities to improve the quality and quantity of drug abuse treatment. European Commission funding will enable CICAD to hold two high-visibility fora on drug treatment and promote policy and technical exchanges on best practices. The first inter-regional forum will be held in Santo Domingo, Dominican Republic, on April 2-5, 2008, bringing together mayors and city officials from up to 50 municipalities on both sides of the Atlantic. Through twin-cities partnerships, city mayors, chief medical officers and other local authorities will have a first-hand opportunity to observe and incorporate best practices in drug treatment and to advocate the need for quality care. Treatment alternatives to incarceration for drug-dependent offenders will also be examined.

MEM Recommendations

The MEM process culminates in recommendations to member states on improvements they might make in drug control fields. Of the 55 MEM assistance projects approved for the first three MEM rounds, 26 were in demand reduction.

The first round MEM recommendations resulted in CICAD assistance to three member states (Guatemala, Peru and St. Vincent and the Grenadines) to help them set up drug treatment and rehabilitation programs in prisons. CICAD's response was different in each case: in Guatemala, through the national penitentiary system, CICAD funded a treatment program run by an NGO in a model prison farm. In Peru, CICAD worked with the government's national prison system (INPE) to set up a treatment program in two prisons. Finally, in Saint Vincent and the Grenadines, CICAD provided significant technical assistance and training to prison officers and social workers.

As a result of these three projects, CICAD's Demand Reduction Program and the Inter-American Observatory on Drugs have focused on developing policy on drug treatment for incarcerated adults and juveniles and on research into their drug use and associated behaviors. In 2007, a CICAD task force developed a methodology for estimating drug use by prisoners, prior to and during incarceration, which was validated in Costa Rica in 2007, and will be piloted, also in Costa Rica, in early 2008. The resulting survey questionnaires will be presented to the Commission at its forty-third regular session and recommended to member states as part of the Inter-American Uniform Drug Use Data System (SIDUC).

C. SUPPLY REDUCTION, CONTROL MEASURES AND ALTERNATIVE DEVELOPMENT

Overview

CICAD's supply reduction and control activities are aimed at helping member states improve their capacity to reduce the production, distribution and availability of illicit drugs and the diversion of chemical products used in the manufacture of drugs. The section also helps strengthen legislation, regulations and other measures to control chemical substances generally associated with the production of drugs and pharmaceutical products that could lend themselves to abuse. It deals with a wide range of enforcement and control issues.

The second area of activity is concerned with alternative development, supporting member states as governments carry out development projects to reduce, eliminate or prevent the illicit cultivation of coca, poppy and cannabis, using a holistic approach to improve the overall social and economic situation of the population involved.

Training

In 2007, the Supply Reduction and Control training program organized 37 regional or national training seminars for nearly 1,000 law enforcement and customs officers covering a range of subjects such as the control of chemicals, officer safety, maritime cooperation, profiling of suspicious containers and passengers, port security, vessel inspection, the illegal distribution via the Internet of internationally controlled licit substances, synthetic drugs, and private sector participation in port and airport security. The seminars were held in Antigua, Argentina, Bahamas, Chile, Colombia, Ecuador, El Salvador, Jamaica, Mexico, Panama, Paraguay, Peru, and St. Lucia.

In December 2007, CICAD completed its eighth year of support to the Andean Counter-Drug Intelligence School (ERCAIAD) in Peru. The school held two four-week courses on counter-drug intelligence analysis (strategic and operational analysis) in Peru, a three-week seminar on Internet investigations in Peru (organized in partnership with Interpol-Peru), a one-week specialized course on operational intelligence (Chile), and a one-week specialized course on strategic intelligence (Colombia). The strategic intelligence seminar was a collaboration between CICAD, ERCAIAD and the Latin American and Caribbean Community of Intelligence Police (*Comunidad Latinoamericana y del Caribe de Inteligencia Policial* - CLACIP). It was the first initiative under an agreement reached in 2006 to expand the formal activities of ERCAIAD to include CLACIP member states.

CICAD and the Royal Canadian Mounted Police (RCMP) continued their long working relationship. During 2007, CICAD and the RCMP delivered a series of training seminars on specialized investigative techniques, synthetic drugs and major case management in Antigua, Bahamas, Colombia, El Salvador, Jamaica, Panama, and Peru.

During 2007, CICAD also worked with other organizations to deliver programs and initiatives. They included the Caribbean Customs Law Enforcement Council (CCLEC) in St. Lucia, the Regional Drug Law Enforcement Training Centre (REDTRAC) in Jamaica, France's *Centre Interministériel de Formation Anti-Drogue* (CIFAD) in Martinique, French Customs in Martinique and Colombia, the Inter-American Committee Against Terrorism (CICTE), and the U.S. Drug Enforcement Administration (DEA) and Narcotics Affairs Section (NAS) in Bogotá. For the first time, CICAD delivered a seminar making use of the International Law Enforcement Academy (ILEA) facilities in San Salvador, El Salvador.

With the growth and availability of the Internet, there was an increasing use of this medium to facilitate the distribution of internationally controlled licit substances. While a portion of these transactions are legitimate, most are illegal and involve the sale of illicit drugs or what are presented as licit pharmaceutical drugs. In response to this growing problem, CICAD, with support from Microsoft, delivered a series of five seminars on the tools, resources and techniques needed to investigate the sale of drugs over the Internet. These seminars were delivered in Chile, Colombia, El Salvador, Jamaica and Mexico, with support from the U.S. Narcotics Affairs Sections (NAS) in the host countries and those governments sending participants.

Expert Groups

CICAD relies on groups of experts to identify issues of concern related to the drug problem as well as to draft technical tools that help respond to them. During 2007, three groups of experts coordinated by this program met to address issues related to maritime narcotrafficking (CICAD/doc.1624/07), the control of pharmaceutical products (CICAD/doc.1635/07) and the control of chemical substances (CICAD/doc.1625/07). The relevant reference guides and other documents were attached to the final reports to the Commission for its approval in November.

At its September 2007, meeting in Mexico, the CICAD Expert Group on Chemical Substances heard presentations on national drug control initiatives for synthetic drugs and approved a reference guide produced by the Mexican delegation. It was posted on the CICAD website. The group also adopted a “fee for service” reference guide, presented by the Argentinean delegation. In this type of service, registered companies finance the national chemical control system. The group discussed issues surrounding the control of chemicals in free trade zones and received a presentation on Chile’s control system. Finally, the expert group agreed to form a work group to conduct a needs assessment study for chemical control training and a survey of available courses and instructors and then develop a regional training project.

Also in September 2007, in Mexico City, the Expert Group on Pharmaceutical Substances met to discuss presentations on control measures. It considered a reference guide for health professionals to prevent counterfeit drugs, drafted by Bahamas. The group decided to update this guide for revision and approval at its next meeting. Much of the meeting involved discussion, revision, and adoption of a document prepared by Mexico to serve as a reference guide on the administrative and regulatory control of products that contain ephedrine and pseudo-ephedrine. The group also approved a training curriculum designed to prevent the diversion of pharmaceutical products, drafted and presented by the United States.

Meeting in Panama City, Panama in July 2007, the Expert Group on Maritime Narcotrafficking worked on tasks assigned in the work plan approved at the Commission’s thirty-ninth regular session. It recommended the adoption by the Commission of a reference guide for the control of ports and maritime narcotrafficking and its posting on the CICAD website. It decided to continue discussion and drafting of a model operating procedures manual for joint and combined bilateral or regional interdiction operations at its next meeting. The manual was drafted and presented by Trinidad and Tobago. The Group also continued working on other key elements of the work plan, including the systematic control of chemical cargoes shipped through ports in order to prevent their illicit diversion, the enhancement of security in free trade zones in ports and free ports, and the control of containers through the use of a threat assessment matrix developed by the Group. The Group proposed that the MEM indicators for the Fifth Evaluation Round include indicators on maritime drug trafficking.

Alternative Development

Best Practice Marketing for Communities in Mountainous and/or Drug-Crop Producing Regions

Joining with organizations from Thailand, Laos, China, Afghanistan, Bolivia, Colombia and Peru, CICAD has launched an [Alternative Development Knowledge Network \(ADKN\) website](#). The network aims to share knowledge and experience related to illicit crops and alternative agriculture production. Currently, CICAD is coordinating ADKN network initiatives in **Bolivia, Colombia, and Peru** that promote economic development as well as the prevention or reduction of illicit crops. The site will soon be available in Spanish. ADKN activities seek to create a knowledge base on rural development, especially in mountain regions and remote areas that already show the presence of illicit crops, and to serve as an effective medium for exchanging ideas, experiences, best practices and know-how for organizations that work in the field of alternative development.

Creation of an Expert Group on Alternative, Integral and Sustainable Development

The Executive Secretariat prepared for the consideration of the forty-second regular session, held in Santa Marta, Colombia, a concept paper and preliminary proposals that took stock of the status of alternative development in the region and how it fit into the Anti-drug Strategy in the Hemisphere.

Having debated the document, the Commission resolved, In response to a mandate from the Summit of the Americas to "promote support for the integral and sustainable development strategies carried out by the countries affected by cultivation and production of illicit drugs" and to the request of CICAD member states, to set up an Expert Group on Alternative, Intyegral and Sustainable Development to deepen understanding of technical issues, policies and program proposals, and to advise the Commission on future action.

The Commission requested that the Executive Secretariat prepare the group's mandate and terms of reference for consideration at the forty-third regular session of CICAD.

Andean Countries Cocoa Export Support Opportunity (ACCESO)

With the backing of the World Cocoa Foundation (private business interests), the U.S. Agency for International Development (USAID) and the Inter-American Institute for Agricultural Cooperation (IICA) since June 2005, the ACCESO initiative has aimed to strengthen the entire supply chain of cacao, from the field to the consumer, in Bolivia, Colombia, Ecuador and Peru. CICAD took responsibility for developing technical assistance and training for cacao farmers with the "farmer field school" methodology. This participatory approach allows farmers to learn by doing. The method integrates farmer and trainer through a two-way channel -- adoption of practical and theoretic knowledge about the cultivation of cacao and the use of simple methodological tools. The activities of farmer field schools incorporate elements of organization, observation, analysis, reflection and action that aim towards developing the skills needed to improve decision-making and problem-solving.

In 2007, CICAD financed the implementation of 34 farm field schools in Peru, which trained 796 producers working on 1,025 hectares; 65 producers received certification as trainers. The Peruvian field schools contributed to an increase in income to US\$989 per hectare, from US\$766, on participating farms in just one year, according to a project evaluation conducted in 2007. The per-hectare productivity increased to 701 kilograms of cacao, from 599 kg, in that same time. These results have made cocoa a viable option for improving farmers' income and the living standards of their families. These achievements have also earned the endorsement of the ACCESO strategy by participating organizations and a continued interest in expanding the

program. In mid-2007, CICAD, IICA, the Ministry of Agriculture, the Peruvian Association of Cocoa Producers (APPCACAO), the Peruvian contractor Institute of Tropical Crops (ICT), the Alternative Development Program financed by USAID, and the German international development agency GTZ (a new partner in Peru) signed an addendum to the original Memorandum of Understanding that proposes to implement more than 200 field schools for 5,000 cocoa farmers in Peru by the end of 2008. CICAD funded the follow-up, monitoring and evaluation of Peruvian operations as well as the evaluation of start-up activities in Bolivia.

Bolivia: Implementation of the Generalized Land-Use Evaluation and Management (GLEAM) Tool

GLEAM is a remote imaging-based information system that generates spatial and agro-economic information about current land use and determines the real and hypothetical scenarios for the soils as well as the economic feasibility of specific crops. This information aids in the formulation, execution and monitoring of agricultural projects, as well as decision making on agricultural policy and development. In 2007, CICAD provided support to Bolivia's Vice Ministry of Coca and Integral Development, carrying out soil evaluation studies in the traditional coca-growing zone of Yungas de La Paz in order to implement a soil recovery plan and identify areas with agricultural potential. The project is also providing the Vice Ministry with geographic and spatial information for intervention plans in the Yungas region. Supporting other Bolivian organizations concerned with the management of land resources, the GLEAM Project worked with the Agrarian Superintendency, providing satellite images for drafting a map of land cover and use. It also collaborated with the Vice Ministry of Land and the National Institute of Agrarian Reform (INRA) in providing land use and crop information.

Colombia: Study on the Effects of Aerial Glyphosate Spraying

Since 2005, CICAD's scientific evaluation team has been working on an independent study, undertaken at the request of the governments of Colombia, the United States and the United Kingdom, to measure the impact of aerial spraying of coca fields in Colombia on human health and the environment. In follow-up studies in 2007, CICAD's team carried out research analyzing the following components:

- Bio-monitoring of genotoxic risks for farm workers in five Colombian regions (Boyacá, Sierra Nevada de Santa Marta, Putumayo, Nariño and Cauca), considering the potential association of their work exposure to Glyphosate. For this purpose, the project gathered bio-demographic information (education, medical history, history of employment, eating and personal habits, exposure to pesticides, environment and other data), as well as 700 samples of urine and blood (to be analyzed by the National Institute for Cancer Investigation in Genoa, Italy). In addition, the project gathered information on the sales of herbicides, pesticides and other toxins sold through agro-chemical retail outlets in the regions.
- Evaluation of the toxicity to amphibians of Glyphosate and other herbicides, insecticides and other pesticides as used by illicit crop producers. The National University (Colombia) is evaluating the effect of fumigation on the distribution of toads and frogs in the areas affected by these processes. The University of Tolima (Colombia) is evaluating the effect of fumigation on amphibians as environmental bio-indicators by testing in the lab and the field on several species of toads and frogs at varying stages of growth.
- Identification of the mixtures of Glyphosate and additives that might be less toxic for aquatic organisms than the one currently in use by the Government of Colombia to eradicate coca. Six variants were tested on an experimental coca field in Colombia.

- Analysis of the drift from aerial spraying with Glyphosate and Cosmo-Flux, as employed in the Colombian eradication program. Tests duplicating wind conditions on the Ecuadorian-Colombian border took place in a wind tunnel at the University of Queensland in Australia.

The findings of these scientific investigations will be published in mid-2008.

D. MONEY LAUNDERING CONTROL

Overview

In response to continuing requests for assistance in combating money laundering and related activities, CICAD cooperates with member states through its Anti-Money Laundering Section. The section is responsible for carrying out capacity-building programs focused on enhancing the knowledge and skills of law enforcement agents, judges and prosecutors, and specialists from financial intelligence units. It also offers technical and advisory assistance to member states in drafting and updating relevant legislation and regulations. The section also serves as the technical secretariat for the Expert Group on the Control of Money Laundering and, in cooperation with CICTE, represents the OAS at international fora on policies to control this criminal activity and the financing of terrorism.

In 2007, the activities of the section focused on support for the Expert Group, specialized professional development programs for judges, prosecutors and other law enforcement officers; a new distance education initiative to deepen law enforcement expertise in money laundering control; technical assistance to governments in developing or improving their administration of forfeited or seized assets; and the development of a regional database for the systematic classification of types of money laundering operations in Latin American countries.

Expert Group

Under the Chairmanship of Chile, the Group of Experts on Money Laundering Control met twice in 2007, once in April in Washington, D.C., and a second time in November in Santiago, Chile. The first meeting divided into working groups that focused on preparing recommendations and best practices on two key issues: state management of seized and forfeited assets, and international cooperation among prosecutors, judges, investigative agencies and central authorities in dealing with transnational crime. As the primary agenda point of the second meeting, the experts presented a project that would seek to strengthen national forfeited assets management systems (Project BIDAL). This project will offer technical assistance to member states to develop and improve the administration of confiscated assets as underutilized resources in the fight against drug trafficking and money laundering. The Expert Group will play an ongoing role in fine-tuning the asset management project.

Training

A number of specialized seminars were held by the Anti-Money Laundering Section in 2007. With the institutional support of UNODC and with financing from the Inter-American Development Bank (IDB), CICAD offered mock trials based on actual cases of money laundering in Bolivia, Peru, Honduras and Mexico with the participation of 32 specialists. This hands-on learning method requires a team of investigators, prosecutors and judges to follow a money laundering case from initial probes to detect illegal activities, through the preparation of an indictment and, finally, to trial. In addition, workshops for 32 judges and prosecutors took place in Peru and Mexico as a preparatory course for participating in future mock trials.

In a joint initiative with CICTE, the Anti-Money Laundering Section organized two workshops on the financing of terrorism. The first event took place in Bogota, Colombia. The 33 beneficiaries (FIUs, police and prosecutors) were from Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Mexico and Panama. Because of the outstanding results obtained at the first event, a second workshop for 40 specialists from South America was held in August in Lima.

The events in Peru in August (mock trials, a workshop for judges and prosecutors, and a workshop on terrorism financing) took place as a joint effort with the Narcotics Affairs Section/Peru of the U.S. Department of State, which helped finance, organize and coordinate the activities. As an outcome of these events, the government of Peru offered the future use of public facilities for a regional training center at no cost to CICAD's money laundering control program.

A mock investigation, held in 2007 in Antigua, Guatemala, with the assistance of the Government of Spain and the UNODC, focused on the investigation of an actual money laundering case and sought to strengthen cooperation between law enforcement agents, prosecutors and financial intelligence analysts. Thirty experts from Bolivia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Mexico, Panama, and Venezuela participated in the event.

CICAD acquired three laptops and three projectors for El Salvador, Costa Rica and Honduras as a follow-up of its Train-the-Trainers program in Central America. This purchase will enable the program to move into the next phase (local trainers replicate the courses) in these countries.

CICAD also brokered technical cooperation between the governments of Peru and Colombia. Because of the competence that Colombia has acquired on the judicial concept of asset forfeiture (*extinción de dominio* in Spanish) through judicial order, two Colombian prosecutors with ample expertise in this area shared their experience and views with their Peruvian peers at a workshop held in Lima in September.

Distance Education

As part of a cooperation agreement between CICAD and the University of Salamanca (Spain), an on-line graduate program on the investigation and prosecution of money laundering will be offered with three tracks: law enforcement investigation (police), judicial system (prosecutors and judges), and finance (specialists from the financial intelligence units). It will have three course modules: introductory, intermediate and advanced. Each module will be the equivalent of an academic semester. The University of Salamanca, which has developed an extensive offering of distance education, will award a postgraduate-level *diplomado* or certificate. The first course will be offered in early 2008. This project -- indeed, the whole training program -- draws on Spain's extensive legal expertise in money laundering control and related jurisprudence. The Money Laundering Control Section has a team of Spanish consultants who lend prestige and credibility to its training program. These advisors include Javier Zaragoza, chief prosecutor, and Baltasar Garzon, chief investigating judge, both of Spain's specialized court on organized crime and terrorism (*Audiencia Nacional de España*), and two professors of penal law, Isidoro Blanco and Eduardo Fabián.

Database

CICAD has developed an on-line database that catalogues and updates information on money laundering and terrorist financing practices in order to detect, gather intelligence, investigate and then prosecute such cases. The information classification system, known technically as a typology database, allows authorized users to search for cases similar to those they are investigating and to learn the methods used to investigate and prosecute them. This regional database, which is hosted at the OAS data center and is secure and encrypted, is the first of its kind in the world. In

addition, the systematic use of the database in member states' investigations will help the exchange of intelligence and knowledge among specialists who deal with money laundering and terrorism financing crimes. To test and validate the database, start data entry and prepare national experts in using the system, CICAD held regional seminars in five countries (Mexico, Colombia, Panama, Argentina and Trinidad and Tobago) for 147 participants. The system will go into full operations in the spring of 2008.

E. INSTITUTION-BUILDING

Overview

Regarding the strengthening of the basic and necessary elements of national drug control systems, CICAD offers a wide range of programs which provide technical assistance for its member states. CICAD helps countries to identify strengths and weaknesses of their institutional systems. It also assists them in the drafting, updating and implementing their national drug control strategies, policies, plans and programs. Technical assistance is often provided on the drafting of laws and regulations on drugs and related matters, as well as for inter-agency coordination at national level and among the different tiers of government (national, regional, and local). In this regard, CICAD provides technical assistance for the decentralization of drug policies towards regional and local governments.

CICAD also provides support for the organizational and professional development of national drug commissions. To that extent, CICAD recommends that each member state counts on a national drug commission with meaningful political support, legal powers, specialized staff, adequate budget and efficient internal processes in order to guarantee its role as the main coordinating agency on drugs at national level.

National Anti-Drug Plans

Technical assistance was provided to Antigua and Barbuda, Dominica, the Dominican Republic, Paraguay and Panama for the drafting of their national plans and strategies. In addition to that, CICAD staff attended important regional meetings regarding drug policy making in the Hemisphere, such as the Regional Summit on Drugs, Security and Cooperation in the Dominican Republic, a mission to Haiti, and expert meetings on demand and supply reduction.

Strengthening Human Resources in National Drug Commissions (NDCs)

The section organized a full schedule of training workshops to enhance the capabilities of the human resources working at the national drug commissions:

- A regional training workshop on the application of the logical framework methodology for project management was held for Caribbean in the Bahamas. The course prepared participants to plan, monitor and evaluate their programs and projects. Twenty-six professionals from the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Saint Lucia, Saint Vincent, Suriname, and Trinidad and Tobago participated.
- National workshops on strategic planning and management were held in eight countries: El Salvador (19 participants), Panama (9), Guatemala (16), Colombia (12), Venezuela (18), Honduras (16), Dominican Republic (21), and Mexico (15). The main goal of this workshop was to demonstrate methodologies that guide national commissions towards developing long-term strategic planning capacities and updating their technical know-how and skills in administration. 129 professionals received training.

- National workshops on the integration and formation of high-skill working teams were held in six countries: El Salvador (18), Panama (46), Guatemala (16), Paraguay (30), Honduras (24), and Dominican Republic (21). The main goal of this workshop is to improve cooperative inter-agency work on drugs. 155 staff members were trained.

Decentralization of Anti-Drug Strategies in Andean Countries

This project began in 2003 with financial and technical support of the Spanish International Cooperation Agency (*Agencia Española de Cooperación Internacional - AECI*) and of its National Drug Plan (*Delegación del Gobierno para el Plan Nacional sobre Drogas*, Ministry of Health and Consumer Affairs). CICAD has worked with the national drug control commissions of all five participating countries (Bolivia, Colombia, Ecuador, Peru and Venezuela) to strengthen the decentralization of national drug policies, particularly improving the capacity of regional, provincial and municipal governments to detect new trends of drug use and conduct locally tailored prevention and treatment programs.

Among the activities during 2007 were:

- Formal establishment of local drug committees in participating municipal governments, creation of inter-institutional networks, awareness efforts aimed at political actors and promotion of community participation.
- Development of local diagnostic assessments on drug use in cities in Bolivia, Ecuador and Venezuela as a starting point for beginning the task of drafting local strategic plans on drugs.
- Design and drafting of training and public awareness materials aimed at local participants.
- Training of local participants on basic aspects of drug demand reduction, planning and management of local drug policies.
- Drafting and approval of local anti-drug policies.
- Design, financing and execution of pilot projects of drug abuse prevention in municipalities in Bolivia, Colombia and Peru.
- Holding of the Ibero-American Workshop on Local Drug Policies, at the Training Center of Spanish Cooperation in Cartagena, Colombia, October 29-November 2.

81. In July, CICAD presented the Government of Spain with a development proposal for the period of 2007-2009, called SAVIA (*Salud y Vida en las Américas – Health and Life in the Americas*). The proposal seeks to provide direct support to local demand reduction initiatives in Bolivia, Colombia, Ecuador, Peru, Uruguay and Venezuela.

82. Starting July 2007, the Decentralization of Drug Policies in the Andean Countries project is managed under the Institutional Development Section (this project was previously managed under the Inter-American Observatory on Drugs).

F. EDUCATIONAL DEVELOPMENT AND RESEARCH

Overview

The Educational Development and Research section strives to encourage greater understanding of drug issues by working with universities, professional associations and other institutions in the hemisphere. It seeks to address the scarcity of professionals with adequate specialization,

scientific knowledge and research skills in the drug field by introducing drug-related curriculum in undergraduate, graduate (specialization, masters and doctoral levels) and research programs. It applies a multi-disciplinary, holistic approach to the study of the drug problem. In addition, it also provides specialized courses for CICAD staff, members of national drug control commissions and other professionals involved with activities related to drug issues, as well as giving technical and financial support for academic research.

University Partnership Projects

Since 1997, CICAD has been developing several models of collaboration with universities in the Americas. This initiative started with schools of nursing and expanded to schools of education and public health, and exploratory work has begun with schools of medicine. All these efforts consisted of incorporating drug-related content (promotion of sustainable life styles, prevention, treatment, rehabilitation and social integration) in undergraduate and graduate curricula, as well as developing extension activities in communities and carrying out research studies. So far, CICAD has partnered with 43 universities located in 17 Latin American countries.

In August 2007, CICAD, the Pan American Health Organization (PAHO), and the Ministry of Health and Consumer Affairs and its National Plan on Drugs of Spain brought together representatives from participating schools at a first *Ibero-American Meeting of Schools of Public Health, Nursing, Medicine and Education on Drug Issues and International Health* in Cartagena, Colombia. The meeting sought to: (i) assess project activities in the areas of curriculum, community extension, and research; (ii) offer a training seminar on *Drug Issues from an International Health Perspective*; and (iii) develop integrated drug projects related to education, extension and research activities. The 85 representatives from Latin American universities developed 11 proposals by partnering universities within the same country or, in the case of countries that had only one participating university, by multi-centric studies. These proposals should be implemented in 2008. In addition, participating schools (21 nursing, 12 public health, 10 education and one medical) presented posters of their project activities at the event.

Research networks (consisting of web sites, virtual libraries, on-line forums, mailing lists and other exchanges of information) got underway for three academic disciplines: nursing, hosted by University of Nuevo León (Monterrey, Mexico); public health, hosted by the Superior University of San Andrés (La Paz, Bolivia); and education, hosted by the Inter-American Open University (Buenos Aires, Argentina).

CICAD also expanded its curriculum, extension and research program beyond the individual Latin American nursing schools by developing partnerships with national associations of nursing schools and the national drug commissions in Argentina, Colombia, Chile, Peru and Mexico. In 2007, Chile completed the third phase of expansion, incorporating into the program schools of nursing from universities in all regions of the country. With the financial support from Narcotics Affairs Section of the U.S. Embassy in Colombia, Colombia was halfway through the expansion. Argentina, Mexico and Peru started the process.

The Pan American Health Organization (PAHO), CICAD and the University of Antioquia School of Public Health (Colombia) undertook a follow-up evaluation of 13 schools of public health in Central and South America to determine the knowledge and activities of faculty and graduate students related to drug and international health issues.

Research

On-Line Specialization Research Capacity-Building Program for Health Professionals (PREINVEST)

In March 2005, CICAD and the School of Nursing at the University of São Paulo at Ribeirão Preto (USP-EERP, Brazil) launched an *on-line* research specialization program for health professionals to study drug issues in Latin America. The first class of 32 students from 10 countries graduated in August 2006. The second class (2006-2007), which benefited from the technical cooperation agreement between the government of Brazil and CICAD, included 30 Latin American students and five students from Portuguese-speaking African countries. Both classes of graduates completed their research studies and have begun submitting articles to peer-reviewed journals. The third offering of the program (2007-2008) has 35 students, 31 from Latin America and four from Portuguese-speaking African countries. These students completed the initial *on-line* training and the one-month residence at the USP-EERP. As part of a December 2005 technical cooperation agreement with CICAD, the National Anti-Drug Secretariat (SENAD, Brazil) will provide technical and financial support for this project through 2008. SENAD is covering 74% of the costs and CICAD the remainder. For more information about the On-Line Research Program, go to <http://preinvest.cicad.oas.org>.

International Research Capacity-Building Program for Health Professionals to Study the Drug Issues in Latin America

In June-August 2007, CICAD and the Center for Addiction and Mental Health (CAMH, Toronto, Canada) offered the third advanced research training program for health professionals from Latin America to study drug issues through the development of a multi-centric research project. Ten participants from five Latin American countries (Brazil, Chile, Colombia, Honduras and Peru) completed the 12-week residence in Toronto, which included lectures and training, and then returned to their own countries to implement the investigation entitled *University Students' Perceived Norms about Peers and Drug Use: A Multi-Centric Study from Five Latin American Countries*. The government of Canada funded the program.

Technical Cooperation

Research Project on Drugs, Women and Violence in the Americas

CICAD and Brazil's Anti-Drug Secretariat (SENAD) and Public Security Secretariat of the Ministry of Justice (SENASP) enlisted 22 universities (19 in Latin America and 3 in the United States) in 12 countries to conduct a pilot study on drugs, women and violence in the Americas. The preliminary results were presented at the CICAD meeting in May in Washington, DC. A total of 889 low-income women, ages 16-60, participated in focus groups and were interviewed to collect data. The preliminary results of the pilot study indicated that violence and drugs are among the biggest problems reported by these women, especially those living in Latin America. This situation is associated with mental profiles of low self-esteem and depression. Drug abuse increases the risk of psychological violence, as well as physical and sexual abuse. Although alcohol was found to be a serious problem for Latin American women, this was not the case for Latina women living in the United States even when their lives were impacted by a partner's alcohol abuse. Most significantly, women reported difficulty in accessing social and drug treatment services. Women living in the Latin American countries felt unprotected by the justice system and thought that the police were ill prepared to deal with drugs and violence against women. The research team is preparing the final hemispheric and site reports of the pilot study, to be published next year. CICAD is covering 57% of the costs and SENAD 43%.

National Organization Registry Project with Brazil

In response to a recommendation from the MEM, CICAD and SENAD conducted a nation-wide cataloguing of government and non-governmental organizations delivering treatment services for alcohol and other substance abuse. SENAD has finished the first phase of the study. SENAD funded two thirds of the cost of the study and CICAD, the remaining third.

Program for Integrated Academic Education

The program involves assisting six public universities in northern, northeastern and central Brazil to incorporate drug-related content in undergraduate and graduate courses in medicine, psychology, social work, nursing and education, as well as extension and research activities. The Brazilian government determined that these regions lacked qualified human resources to address the issues of drug abuse, prevention and treatment. The project will last three years (2006-2008). SENAD will cover 91% of costs and CICAD, the remaining 9%.

Publications

El liderazgo, la investigación de enfermería y el fenómeno de las drogas en las Américas. First Edition (Spanish), Santa Catarina, Brazil.

Escuelas de Enfermería e Investigación en Temes de Droga en América Latina. First Edition (Spanish), Colombia.

G. INTER-AMERICAN OBSERVATORY ON DRUGS

Overview

The Inter-American Observatory on Drugs (OID) is CICAD's statistical, information and scientific research branch. Its mandate is to promote and support a hemisphere-wide drug information network, with and for CICAD member states, that provides scientifically valid, up-to-date and comparable information on the production, trafficking, use, and societal impact of drugs. Informed by a sound, evidence-based picture of the drug problem, both nationally and at the hemispheric level, member states can better understand all the dimensions of the drug problem, and design and implement policies and programs to address them. The Observatory helps countries to improve the collection and analysis of drug-related data: by promoting the establishment of national observatories and the use of standardized methods and data; and by providing scientific and technical training for, and the exchange of experiences among, professionals working on drug issues.

Statistical Indicators on Drug Use

In 2006 and 2007, the statistical area of the Observatory increased its support to the national anti-drug commissions and drug observatories in order to measure the magnitude of drug consumption in each country and regionally. In partnership with the United Nations Office on Drugs and Crime (UNODC), it continued working on a drug research and information project in six South American countries: Argentina, Bolivia, Chile, Ecuador, Peru and Uruguay. In 2007, Colombia joined the group as an observer, and it expects to participate in the project fully by 2008. Several national reports on surveys that were carried out in 2006 were published in 2007.

Based on recent national surveys of households and secondary school students, the Observatory is drafting a comparative report on the drug situation in Central America, which will be available by mid-2008. National studies contributing to the analysis are: Costa Rica, Guatemala and Nicaragua (households), and Costa Rica, El Salvador, Honduras and Panama (secondary school students).

Based on studies of secondary school students in 12 Caribbean countries (Antigua and Barbuda, Barbados, Dominica, Grenada, Guyana, Haiti, Jamaica, San Kitts and Nevis, Saint Lucia, Saint Vicente and the Grenadines, Suriname, and Trinidad and Tobago), a comparative regional analysis was being drafted for delivery in 2008.

Surveys in 2007

Household surveys: In 2007, the national survey reports of Argentina, Bolivia, Chile, Peru, Ecuador and Uruguay were published in a joint effort with UNDOC-Peru and the countries participating in a regional project on information and research on drugs. The results of these studies with additional relevant information were contributing to a report on the situation of drug use in the participating countries, which was scheduled for publication by early 2008. Other household surveys were conducted in Barbados, Belize and Suriname.

The general population (household) surveys carried out in 2006 and 2007 in three Caribbean countries (Barbados, Belize and Suriname) were the first of their kind in the Caribbean. The results were used in two ways:

- To prepare a comparative report on drug use in the general population in those three countries. This report focused on the survey results and the implementation of the methodology in other Caribbean countries.
- To serve as course material in training workshops for investigators in other Caribbean countries.

Secondary school surveys: Surveys were conducted in Argentina, Bolivia, Chile, Ecuador, Peru and Uruguay in a joint initiative with UNODC-Peru. Corresponding national reports, as well as a comparative study of the results, were to become available by mid 2008.

Country Profiles with Statistics on Drugs

The OID created an information system on drug issues, which will become available via the CICAD website. Information, organized by country, focuses on three areas: general (socio-economic and bio-demographic), drug demand, and drug supply. The information on drug demand and supply come from the MEM indicators, which are supplied by the countries themselves.

Latin American Epidemiology Work Group (REDLA).

In December 2006, the OID and the National Institute of Drug Abuse (NIDA) of the United States joined together to create the Latin American Epidemiology Work Group (known by its Spanish acronym REDLA) comprised of researchers from Latin America to encourage drug use research in an academic environment in the region linked to the national drug commissions in addition to facilitating a flow of information among the participants. The group is preparing a catalogue of postgraduate university programs (masters and doctorates) in the region and drafting initial proposals for research on drug issues.

Meeting of Observatories on Drugs in the Caribbean

The second meeting of the Caribbean observatories on drugs met under the auspices of the OID, the Secretariat of the Caribbean Community (CARICOM) and the Government of Grenada on September 10-14 in Grenada. This training and information exchange event brought together 50 professionals from 15 countries, in addition to Inter-Agency Drug Control Training Center (CIFAD) of France, Community Epidemiological Working Group (CEWG/NIDA) of the United States and the European Commission.

CICAD/NIDA Competitive Research Award Fund

CICAD, jointly with the NIDA, sponsored a grant program for epidemiological research among postgraduate university students in CICAD member states to encourage the use of existing databases of surveys to generate additional analysis at low cost. In the first round, implemented during 2007, grants were awarded to 15 Latin American students to prepare research on drug issues in their respective universities. The call for a second round of proposals was announced in October, and the results to be known in early 2008.

Statistical Indicators on Supply Reduction

Promotion of CICDAT Software

In 2007 the Observatory promoted the use of its software application among the member countries. The system permits the standardization of information and its transmission within and among the member states and the Executive Secretariat. In addition, the institutions that generate and feed data into the system (police, customs service, etc.) can send data electronically to the national coordinator, who then processes data, validates it and then transmits it securely to the OID via the Internet. A workshop was held in Dominica to train information contributors on how to use the application and prepare information.

Program to Estimate the Human, Social and Economic Costs of Drugs in the Americas

The CICAD Program to Estimate the Human, Social and Economic Costs of Drugs in the Americas arose from a mandate from the Action Plan of the Third Summit of the Americas in 2001, which was renewed in the Fourth Summit in Mar de Plata in November 2005. The methodology developed was based on the *International Guidelines for Estimating Costs of Substance Abuse* developed by the Canadian Centre on Substance Abuse and its international working group on costs. Six countries (Barbados, Chile, Costa Rica, El Salvador, Mexico and Uruguay) participated in the pilot study. Subsequently, the governments of Argentina and Colombia joined the study group. Argentina carried out its first study on the economic impact of drugs in 2007, which it planned to publish by late 2007. Chile implemented the first study on avoidable costs (factors that are immediately influenced by government policy decisions) in Latin America, for which Canada is providing funding through CICAD/OAS. This study was to be published by early 2008.

CHAPTER II: FINANCIAL AND BUDGETARY CONSIDERATIONS

A. CICAD'S CURRENT BUDGETARY SITUATION

The CICAD's funding comes from two revenue sources: the Regular Fund of the OAS and from contributions in cash and in kind of external donors (member states, permanent observers, project partners and international organizations). In 2007, CICAD received \$7,704,474 in cash and \$722,195 in kind.

Under total contributions received, the OAS Regular Fund provided \$1,984,544 or 23.53%. Contributions from external donors, both in cash and in kind, provided \$6,450,275, which represents 76.47% of the total received for the year.

While external contributions in cash declined by 5.2% (\$310,571), compared to 2006, contributions in kind increased by 23.4% (\$137,263).

The following table shows both the contributions in cash and in kind received up to December 31, 2007:

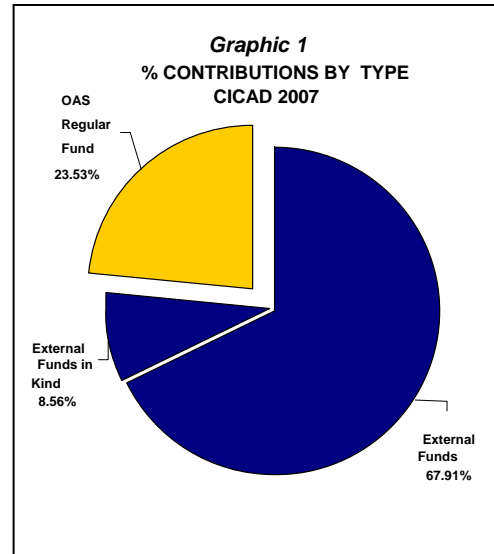


Table 1

CASH CONTRIBUTIONS TO CICAD 2007

Country - Donor Agency	Contribution
United States	\$ 3,488,004
OAS Regular Fund	\$ 1,984,544
Canada	\$ 854,659
European Union	\$ 747,460
Spain	\$ 181,421
Colombia	\$ 175,675
Mexico	\$ 145,000
France	\$ 53,691
Argentina	\$ 47,170
Trinidad and Tobago	\$ 20,000

Chile	\$	15,000
Total cash contributions	\$	7,712,624

CONTRIBUTIONS IN KIND

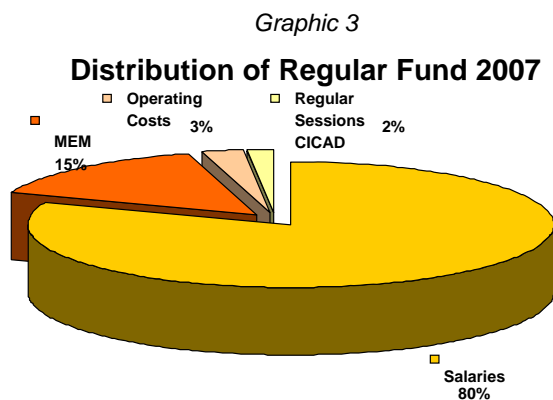
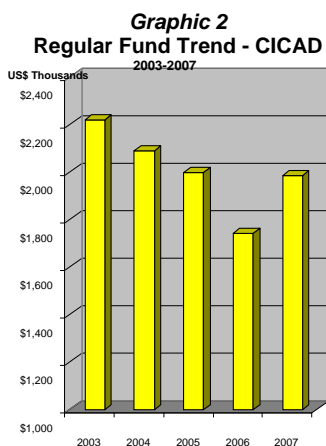
(Approximate amounts)

Country – Donor Agency		Contribution
<i>Universidade de Sao Paulo – EERP (Brazil)</i>	\$	194,000
Spain	\$	159,000
Canada CAMH	\$	106,195
Brazil SENAD	\$	53,000
United States	\$	50,000
France	\$	30,000
Peru	\$	30,000
<i>Universidad Autónoma de Nuevo León (Mexico)</i>	\$	30,000
Chile	\$	25,000
Colombia	\$	15,000
Mexico	\$	10,000
Panama	\$	10,000
Thailand	\$	10,000
Total contributions in kind	\$	722,195

TOTAL CONTRIBUTIONS	\$	8,434,819
----------------------------	-----------	------------------

B. OAS REGULAR FUND

From the OAS Regular Fund for 2007, \$1,950,701 was used to cover expenditures and obligations.



The contribution of the OAS Regular Fund was used to cover about a third of CICAD's personnel costs (US\$1,575,544), the functioning of the Multilateral Evaluation Mechanism (US\$292,294), the operating costs of the Executive Secretariat (US\$51,900), and the holding of two statutory meetings of the Commission (US\$30,963).

C. FUNDS REQUESTED AND RECEIVED (EXTERNAL DONORS)

Total contributions received from external donors in cash in 2007 were US\$5,728,080. These contributions were received as follows:

1. United States of America: \$3,488,004

a. Bureau of International Narcotics and Law Enforcement Affairs (INL), US Department of State: \$3,443,004

- i. INL's annual contribution to CICAD in 2007 was \$2, 219,000 to finance CICAD programs.
- ii. A special contribution of \$184,803 for the program of Training Latin American Law Enforcement Offices in the Culture of Lawfulness.
- iii. A special contribution of \$823,500 for the following programs:
 - Supply Reduction: \$200,000 for seminars on the Technical Cooperation for Maritime Narcotrafficking and Port Security, \$130,000 for training at the Andean counterdrug intelligence school;
 - Anti-Money Laundering: \$75,000 for technical assistance
 - OID: \$100,000 for the survey of the drug problem in the general population of Colombia.
 - MEM: \$153,500 to support technical assistance projects in response to MEM recommendations;
 - Executive Secretariat: \$165,000 to support the operations of the Office.
- iv. Special contribution of \$160,000 for a program of the Instituto Mundo Libre of Peru to assist with the social reinsertion of street children addicted to drugs.

- v. The Narcotics Affairs Section (NAS) of the US Embassy in Colombia made a special contribution of \$15,000 for the Schools of Nursing Project in Colombia. NAS Colombia has committed to support this project through 2009, based on annual results obtained and the need for funding.
- vi. A contribution of \$40,700 of the NAS Peru for the Second Encounter on the Financing of Terrorism, held by the Anti-Money Laundering Section of CICAD and the Inter-American Committee against Terrorism (CICTE).
- b. National Instituto on Drug Abuse (NIDA), National Institutes of Health: \$30,000** – A contribution to finance the NIDA-CICAD grant program to strengthen epidemiological research in Latin America.
- c. University of Florida: \$15,000** – Last payment in the agreement for the Transnational Digital Government project that was carried out in partnership with the OAS Office of Science and Technology (OS&T).

2. Canada, Department of Foreign Affairs Canada (DFAIT): \$854,659 (CAD\$981,371)

- a. Annual contribution:** In the first quarter of the year, CICAD received two reimbursements for a total contribution of \$765,748 (CAD\$878,101) corresponding to the expenses related to the Multilateral Evaluation Mechanism (MEM), various projects of Supply Reduction, Demand Reduction and OID, as well as the Office of the Executive Secretariat. These funds were made as part of the contribution agreement for the Canadian fiscal year 2006-2007.
- b. Research Training:** CICAD received a final disbursement of \$11,830 (CAD\$13,270) for the International Program for Research Training of Health Professionals for the Study of the Drug Problem in Latin American and the Caribbean.
- c. Costs Project:** A contribution of \$77,081 (CAD\$90,000) for the project to study the social and economic costs of drugs in the Americas, being developed by OID.

3. European Union: \$747,460

A first disbursement from an agreement signed for an EU-LAC City Partnership in Drug Treatment, which seeks to improve treatment and rehabilitation practices for drug dependency through the exchange of experience among cities of Europe, Latin America and the Caribbean.

4. Government of Spain: \$181,421

Spanish Agency for International Cooperation (AECI) \$181,421. Final disbursement to carry out the second stage of the Decentralization Project for National Antidrug policies in Andean Countries.

5. Government of Colombia \$175,675

- a. Ministry of Social Project:** \$125,675. The matching funds of the Colombian Government in the Lions Club International Life Skills project.
- b. Government of Colombia:** \$50,000. Voluntary contribution for the training and technical assistance for supply reduction.

6. Government of Mexico: \$145,000

- a. Secretariat of External Relations:** \$70,000. Voluntary contribution to support the MEM process.
- b. Attorney General's Office:** \$75,000. Annual voluntary contribution for the CICAD's General Fund.

7. Government of France: \$53,691

Voluntary contribution through the Permanent Observer Mission of France for the CICAD General Fund.

8. Government of Argentina: \$47,170

Contribution of the government of Argentina to the Forfeited Assets Management project.

9. Government of Trinidad and Tobago: \$20,000

Contribution for the Online Certification Program in prevention and Treatment of Drug Dependency for the Caribbean (\$10,000), support for the MEM (\$5,000) and for the OID (\$5,000).

10. Government of Chile: \$15,000

Contribution of the Chilean government to the CICAD General Fund.

11. Contribution in Kind: \$722, 195 (approximate amounts)

- **University of Sao Paulo, Escuela de Enfermería Riberão Preto (USP-EERP), Brazil: \$194,000** – A contribution in kind of USP-EERP in salaries of teachers, advisors, systems technicians and tutors of the Regional Program for Online Specialization for Health Professionals to Study the Drug Problem in Latin American (PREINVEST)
- **Government of Spain:**
 - **Spanish Agency for International Cooperation (AECD): \$104,000**
 - A contribution in kind of \$44,000 for the Ibero-American Encounter on Drugs Policies in Local Government. Meals and lodging of participants, travel, meals and lodging of speakers, logistical expenses, October 29-November 2 in Cartagena de Indias, Colombia.
 - A contribution in kind of \$38,000 for the payment of meals and lodging of participants, logistical expenses, international expert for the Ibero-American Meeting of Schools of Public Health, Education and Nursing on Drug Consumption, August 14-17 in Cartagena de Indias, Colombia.
 - Payment of logistical expenses, meals and lodging of participants in the Workshop on Strengthening National Treatment Systems in Central America, held on September 17-21 in Antigua, Guatemala.
 - **Ministry of Interior: \$55,000**
 - Payment of fees, transportation and other expenses of three international experts. Transport, meals and lodging for 24 participants from Central American countries for the Mock Investigation in Antigua, Guatemala, August 12-18. \$45,000.
 - Payment of fees, transportation, meals and lodging of Spanish officials that provided training to South American participants in the Mock Investigation, October 22-26, in Lima. \$10,000.
- **Government of Canada, Center for Addiction and Mental Health (CAMH): \$106,195 (CAD\$120,000)** – A contribution in kind for the implementation of the International Training Program for Research for Health Professionals to Study the Drug Problem in Latin America and the Caribbean.

- **Government of Brazil, National Anti-Drug Secretariat (SENAD): \$35,000** – A contribution in kind for the payment of meals, lodging, and local transport of 33 participants during the month-long residence session in USP-EERP for the Regional Program of Online Specialization for Health Professionals for the Study of the Drug Problem of Latin America and the Caribbean.
- **Government of the United States, Department of State, NAS Peru: \$50,000** – A contribution in kind of \$42,000 for travel, meals, lodging, and fees of international consultants and logistical expenses of a course for judges and prosecutors in Peru, and a contribution in kind of international consultants for the Mock trial held in Peru. \$4,000.
- **Government of France, CIFAD: \$30,000** – Payment of airfares of participants and instructors in the workshop on training Caribbean anti-drug officials on risk analysis and identification of suspicious containers and passengers. \$13,000. Payment of interpreting service, airfares of participants and instructors; class material of training workshop for South and Central American anti-drug officials on port interdiction operations (\$17,000)
- **Government of Peru, National Police: \$30,000** – Logistical expenses of police training of several officers for the Andean regional counterdrug intelligence school (ERCAIAD) course on anti-drug operations intelligence \$16,000. Logistical expenses of police training of several countries for the seminar on identification and inspection of containers. \$14,000.
- **Universidad Autónoma de Nuevo León, Mexico: \$30,000** – A contribution in kind for the processing and analysis of hemispheric data of the Pilot Multi-centric Study on Drugs, Women and Violence in the Americas.
- **Government of Chile: \$25,000** – \$10,000 for logistical support for the regional seminar on anti-drug research and \$15,000 for holding the XXIV Expert Group to Control Money Laundering.
- **Government of Colombia, National Police: \$15,000** – Logistical support for the regional seminar on counternarcotics intelligence.
- **Government of Mexico, Secretariat of Foreign Affairs: \$10,000** – Logistical support for the Expert Group on Maritime Narcotrafficking.
- **Government of Panama: \$10,000** – Logistical support for the Expert Group on Chemical Substances and Pharmaceutical Products.
- **Government of Thailand, Ministry of Agriculture and the Royal Project: \$10,000** – Technical assistance in the Alternative Development Knowledge Network (ADKN).

D. CICAD PROGRAM EXECUTION DURING 2006

During 2007, the cost of CICAD's programs and projects in the hemisphere totaled \$8,807,386, of which \$6,856,450 came from external funds and \$1,950,935 came from the OAS Regular Fund. The following chart shows the distribution of expenditures by CICAD program.

Graphic 4

EXPENDITURES BY SECTION

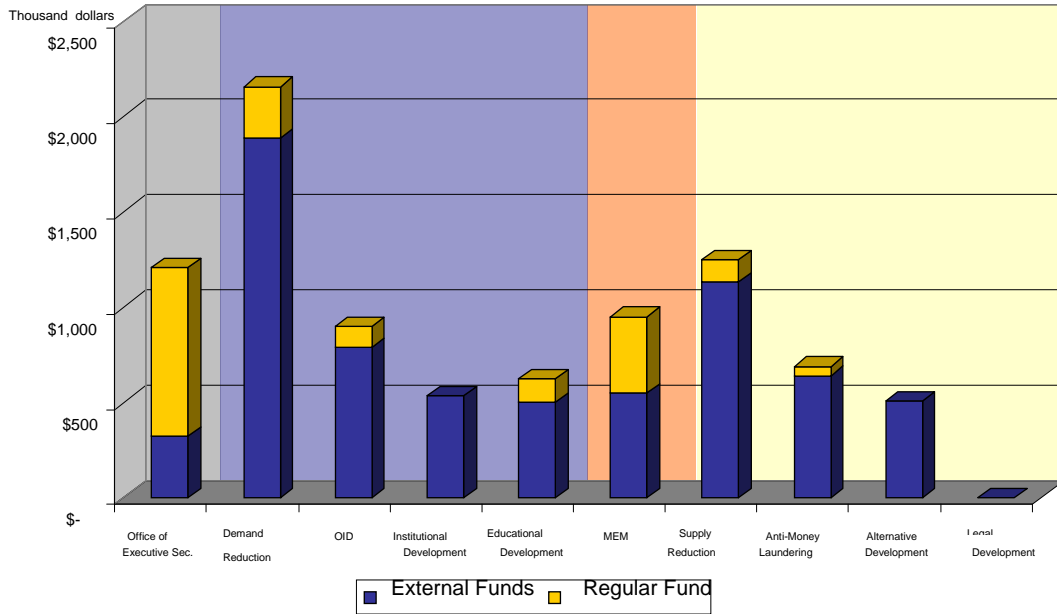


Table 2

Office of the Executive Secretariat	13.7%	Multilateral Evaluation Mechanism	10.8%
Demand Reduction Programs	47.8%	Supply Reduction Programs	27.8%

Approximately US\$1.2 million (13.7%) was spent by the Office of the Executive Secretary under the Executive Secretary, the support areas (administrative office, technology support and communications) and the implementation of the Commission’s statutory meetings.

The sections of Demand Reduction, the Inter-American Observatory on Drugs, Education Development and Research, and Institution Building implement the programs grouped under Demand Reduction and executed US\$4.2 million in their programs.

The MEM spent US\$948,881. The cost of projects stemming from MEM recommendations were accounted for under the program section that conducts each project.

With respect to Supply Reduction programs, the sections of Supply Reduction, Alternative Development, and Anti-Money Laundering spent approximately US\$2.4 million as of December 31, 2007.

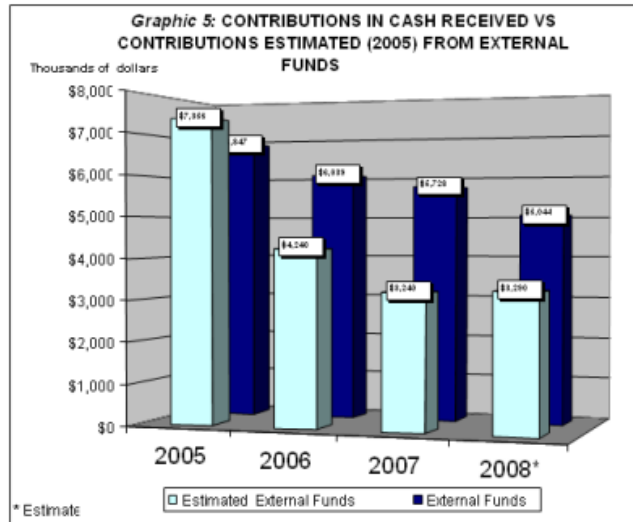
Due to the structural reorganization of the OAS General Secretariat in 2006 and 2007, what had been CICAD’s Legal Development unit was phased out.

E. RESULTS OF THE STRATEGY TO OBTAIN EXTERNAL FUNDING

In the thirty eighth regular session of CICAD, the Executive Secretariat made a presentation on CICAD's financial situation in the coming years and the strategies to be followed to avoid a looming financial crisis.

Over the past three years, the Executive Secretariat adopted the following measures as part of this strategy:

- Encourage the financing and development of regionally focused programs rather than programs for specific countries;
- Develop an aggressive campaign to obtain additional funding;
- Encourage an increase of horizontal technical cooperation among member states
- Develop strategic alliances with other international organizations;
- Request that the beneficiaries of CICAD projects increase their matching funds and contributions in kind;
- Request that member states and permanent observers post technical experts on the staff of the Secretariat;
- Initiate measures to hold down costs.

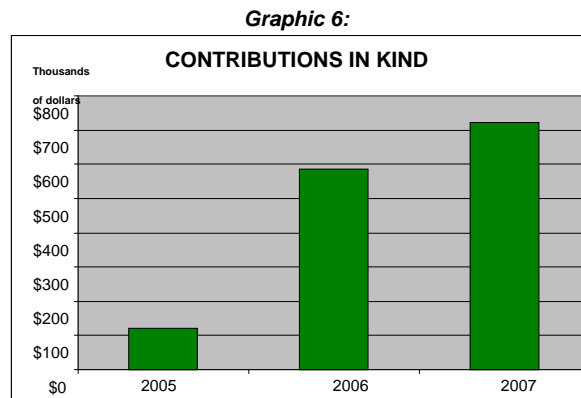


In the graphic 5, the estimated contributions from external sources of 2005 to 2008 (made in 2005) are compared with the amounts actually received from 2005 to 2007 and the adjusted contribution for 2008 as forecasted.

The increase in the received contribution with regard to the estimated was the result not only of the measures adopted by the Executive Secretariat, but also due to the support from traditional funding sources plus the contribution of new partners in CICAD programs.

On the other hand, especially thanks to the efforts to increased horizontal technical cooperation among the member states, the contributions in kind increased considerably as of 2006, reducing the outlays that CICAD would have had to absorb to execute its programs.

To the degree that the measures adopted permitted a greater collection of resources and a drop in expenditures (mainly by an increase in local counterpart funds and in

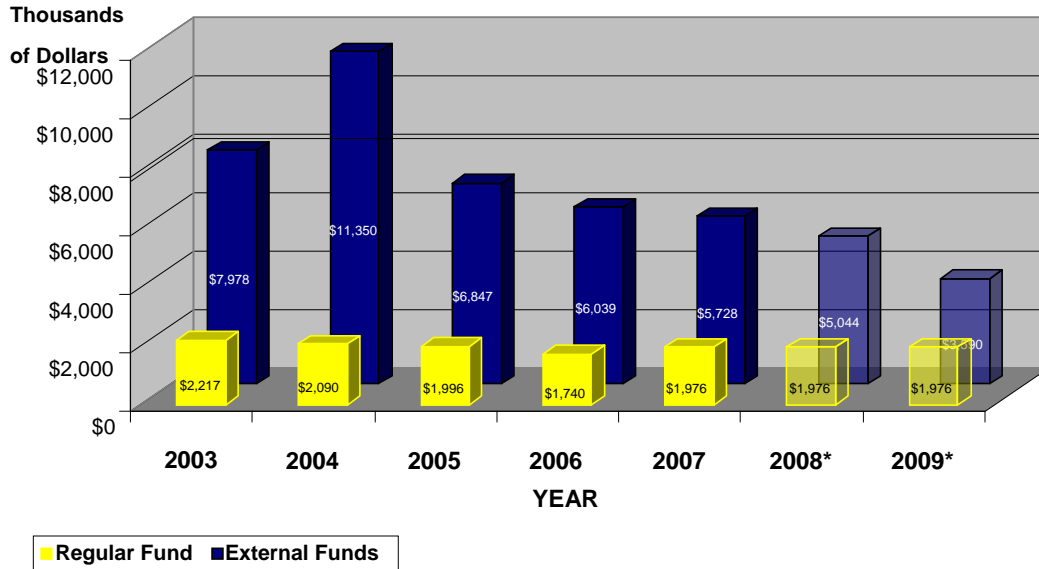


kind contributions), the declining trend in cash contributions is worrisome. The total of cash contributions received in 2007 (\$7.7 million) is less than the expenditures in the same period (\$8.8 million).

Maintaining the programs and projects that CICAD executes annually at its current pace requires a budget of \$9.0 million.

Graphic 7

CASH CONTRIBUTIONS TO CICAD BY FUND 2003-2009



* Estimated contributions

As shown in the graphic 7, estimated contributions for 2008 and 2009 are below the total of the annual budget, for which the Executive Secretary will intensify its efforts to obtain funds through developing new proposals, diversifying donor sources and seeking and maintaining strategic alliances with other international organizations.

To continue with CICAD programs and fulfill the mandates of the Commission and the OAS, it is important that the member states continue developing horizontal cooperation among governments and their agencies; that they increase the matching funds for projects that CICAD develops for each country or region; that they establish a mechanism that ensures a regular annual contribution to CICAD, and that they post technical experts on the staff of the Secretariat for the implementation of programs.