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ANNUAL REPORT OF THE
INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD)
TO THE GENERAL ASSEMBLY OF THE ORGANIZATION
AT ITS TWENTY-NINTH REGULAR SESSION

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The Inter-American Drug Abuse Control Commission (CICAD) herein presents its annual report to the twenty-ninth regular session of the General Assembly of the Organization of American States (OAS), pursuant to the provisions of Articles 54 (f) and 91 (f) of the OAS Charter. This document follows the format adopted by the General Assembly in resolutions AG/RES.331 (VII-0/78), AG/RES.1452 (XXVII-0/97) and AG/RES.1586 (XXVIII-0/98).

CHAPTER I ORIGINS

The General Assembly, based on resolution AG/RES.699 (XIV-0/84), convened the Inter-American Specialized Conference on Traffic in Narcotic Drugs to review all aspects of the drug problem. The Conference, held in Rio de Janeiro, Brazil in 1986, concluded with the unanimous approval of the Inter-American Program of Action of Rio de Janeiro against the Illicit Use and Production of Narcotic Drugs and Psychotropic Substances and Traffic Therein.

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

CHAPTER II. LEGAL BASES

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

CHAPTER III. STRUCTURE

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

CHAPTER IV. PURPOSES

The Commission is guided by the principles and objectives of the Inter-American Program of Action of Rio de Janeiro. The main objectives of the Program are to expand and strengthen the capacity of member states to reduce the demand for illicit drugs and prevent the abuse of licit drugs, and to combat effectively the illicit production of and traffic in narcotic drugs and psychotropic substances, as well as to promote regional initiatives and activities in the fields of research, exchange of information, specialized training, and technical assistance.

The Commission is also guided by the Anti-Drug Strategy in the Hemisphere which CICAD adopted in October 1996 and the General Assembly endorsed in resolution AG/RES.1458 (XXII-0/97), as well as by the Plan of Action approved at the II Summit of the Americas, Santiago, Chile in April 1998.

CHAPTER V. MEMBERS

Pursuant to the decision adopted by the General Assembly at its twenty-eighth regular session, electing Antigua and Barbuda and Saint Kitts and Nevis to membership in the Commission, the members of CICAD increased to comprise the following thirty-four countries: Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, United States, Uruguay and Venezuela.

CHAPTER VI. MANDATES AND RECOMMENDATIONS OF THE GENERAL ASSEMBLY AT ITS TWENTY-EIGHTH REGULAR SESSION

A. ANNUAL REPORT OF CICAD TO THE GENERAL ASSEMBLY, 1997

By resolution AG/RES.1542 (XXVIII-O/98), the General Assembly, among other points, commended CICAD's support to member states through their national drug control commissions, and instructed CICAD to continue providing such assistance.

B. CICAD'S MODEL REGULATIONS FOR THE CONTROL OF THE INTERNATIONAL MOVEMENT OF FIREARMS, THEIR PARTS AND COMPONENTS AND AMMUNITION

By resolution AG/RES. 1543 (XXVIII-0/98), the General Assembly made the following decisions, among others: to adopt the "Model Regulations for the Control of the International Movement of Firearms, their Parts, Components and Ammunition" as adopted at the twenty-second regular session of CICAD; to encourage member states to apply the Model Regulations as they deem appropriate; and, to request that the CICAD Group of Experts hold future meetings for the purpose of further improving these Model Regulations.

C. CICAD'S MODEL REGULATIONS CONCERNING LAUNDERING OFFENCES CONNECTED TO ILLICIT DRUG TRAFFICKING AND RELATED OFFENCES AND TO THE MODEL REGULATIONS TO CONTROL CHEMICAL PRECURSORS AND CHEMICAL SUBSTANCES, MACHINES AND MATERIALS

By resolution AG/RES. 1544 (XXVIII-0/98) the General Assembly:

1. Approved the proposed amendments to CICAD's Model Regulations Concerning Laundering Offences Connected to Illicit Drug Trafficking and related Offences, approved by the Commission at its twenty-second regular session, and recommended them to member states for adoption into national law.
2. Recognized the work of the CICAD Group of Experts to Control Precursor Chemicals to amend the Model Regulations to Control Chemical Precursors and Chemical Substances, Machines and Materials and encouraged the completion of this work.
3. Urged member states to give strong political support to bring into effect CICAD's Model Regulations by means of legal instruments at the national level and to provide the institutional support for their appropriate application.

D. COMBATING MONEY LAUNDERING

By resolution AG/RES.1545 (XXVIII-0/98) on the study of the advisability of preparing a draft inter-American convention to combat money laundering, the General Assembly reiterated to the CICAD Group of Experts that it should continue to examine, in coordination with the Executive Secretariat, and from an essentially technical perspective, the various national and international instruments in force on this subject and present a technical analysis providing a basis for study and decisions by the Working Group on Money Laundering; and urged governments of member states that have not yet done so, to transmit to CICAD the bilateral agreements and internal legislation on combating money laundering.

CHAPTER VII: THE CICAD PROGRAM

The Commission reports on the following activities carried out in the course of its 1998 program:

A. THE MULTILATERAL EVALUATION MECHANISM (MEM)

At its twenty-second regular meeting, held in Lima from November 4-7 1997, following the proposal made by the Delegation of Canada, CICAD instructed the Executive Secretariat to convene consultative meetings in Washington D.C. in order to examine the proposals presented by Honduras and the United States, calling for the creation of a multilateral mechanism compatible with the Anti-Drug Strategy in the Hemisphere.

At the consultative meetings in December 1997 and March 1998, the Commission held an informal discussion of the principles of the proposed multilateral mechanism to evaluate and strengthen anti-drug cooperation.

At the Second Summit of the Americas held in April 1998 in Santiago, Chile, the Heads of State and Government of the Americas stated in the Plan of Action that the countries would undertake the following:

- “Continue to develop their national and multilateral efforts in order to achieve full application of the Anti-Drug Strategy in the Hemisphere, and will strengthen this alliance based on the principles of respect for the sovereignty and territorial jurisdiction of the States, reciprocity, shared responsibility and an integrated, balanced approach in conformity with their domestic laws.
- With the intention of strengthening mutual confidence, dialogue and hemispheric cooperation and on the basis of the aforementioned principles, develop, within the framework of the Inter-American Drug Abuse Control Commission (CICAD-OAS), a singular and objective process of multilateral governmental evaluation in order to monitor the progress of their individual and collective efforts in the Hemisphere and of all the countries participating in the Summit, in dealing with the diverse manifestations of the problem”.

Based on the mandates received from the Second Summit of the Americas, at the twenty-third regular meeting of CICAD (May 1998), an Intergovernmental Working Group on the Multilateral Evaluation Mechanism (IWG-MEM) was formed. Jean Fournier, the Principal Representative of Canada, was elected to chair the Group, with Pablo Lagos, the Principal Representative of Chile, as Vice Chair. The members of the Commission began the formal discussions of the Multilateral Evaluation Mechanism (MEM) and examined documents presented by Argentina, Canada, Mexico, the United States and the Executive Secretariat. It was agreed that the IWG-MEM meetings would be held every three months, and that the following topics would be discussed: a definition of the mechanism's

principles and objectives; the procedure and timetable for developing the mechanism; and selection of the indicators that would be used in the evaluation, among others.

At the second IWG-MEM meeting held in Washington D.C. from August 18-21 1998, the countries' representatives agreed by consensus to adopt the principles established by the Santiago Summit and Anti-Drug Strategy. They also identified and defined the following characteristics and objectives, which will be used as the basis for the design and implementation of the MEM.

Principles

Pursuant to the Mandate of the Second Summit of the Americas, the process of multilateral evaluation is based upon the following principles:

1. Respect for sovereignty, territorial jurisdiction and the domestic laws of States.
2. Reciprocity, shared responsibility, and an integrated balanced approach to this issue.
3. The Anti-Drug Strategy in the Hemisphere and international agreements and instruments in force.

Characteristics

The multilateral evaluation process applicable to all States, individually and collectively, has the following characteristics:

1. Governmental, singular and objective, with the participation of specialized representatives of the governments.
2. Transparency, impartiality and equality, to assure an objective evaluation.
3. Full and timely participation of the States based upon mutually and previously established rules and procedures of general application to guarantee an equitable evaluation process.
4. The exclusion of sanctions of any kind.
5. Respect for the confidentiality of the deliberations and the information provided by states, in accordance with established norms and procedures.

Objectives

The multilateral evaluation process has the following objectives:

1. To achieve full application of the Anti-Drug Strategy in the Hemisphere.

2. To strengthen mutual confidence, dialogue and hemispheric cooperation in order to confront, with greater efficiency and efficacy, the diverse aspects of the world drug problem.
3. To follow-up on the progress of individual and collective efforts in the Hemisphere of all the countries participating in the Mechanism, indicating both results attained as well as obstacles faced by the countries.
4. To promote the following actions on the basis of the evaluation results and within the frame work of CICAD:
 - 4.1 To support States in the execution of their national plans.
 - 4.2 To contribute to the strengthening of their capacity to confront the problem.
 - 4.3 To stimulate the development of technical assistance and training programs, and the exchange of experiences according to the needs of each.
5. To produce periodic reports on the situation of the problem in the countries and in the hemisphere.
6. To strengthen multilateral cooperation as the way to ensure objective evaluation of States' efforts to confront the drug problem.
7. To promote through CICAD the strengthening of cooperation and coordination with other regions, the United Nations and other international entities.

At the third MEM meeting, held in Honduras from October 26-28 1998, indicators covering the following goals were reviewed: Optimizing National Strategy, Preventing Drug Abuse and Treatment of Drug Addicts, and, Reducing the Production of Drugs. The fourth MEM meeting will be held in Washington from January 26-28, 1999 during which the examination of indicators will continue, together with the evaluation process.

B. DEMAND REDUCTION

The prevention and treatment of the abuse of both licit and illicit drugs are cornerstones of the Anti-Drug Strategy in the Hemisphere and key components of national drug control programs in the member states. Bearing this in mind, CICAD's Demand Reduction Program covered a broad spectrum of activities in 1998, from policy analysis to training and development of human resources and research.

I. Group of Experts on Demand Reduction

The mandate of the Group of Experts on Demand Reduction was approved by CICAD at its twenty-first regular session held in April 1997. The Group of Experts is made up of national experts in various areas of demand reduction. Priority topics in the field of demand reduction are research programs and models, prevention and education, and treatment and rehabilitation.

The second meeting of the CICAD Group of Experts on Demand Reduction took place in Mexico City, Mexico from March 3-6, 1998, and was cosponsored by Mexico's National Commission Against Addictions (CONADIC). The purpose of the meeting was to address the issue of minimum standards of care in drug treatment centers, in order to improve the quality of care and respect the human rights of drug abusers in treatment. The participating countries agreed upon the importance of establishing minimum standards of care in OAS member states. As a follow up to the meeting, CICAD and the Pan American Health Organization (PAHO) agreed to provide technical and financial assistance on the national level. As a result Peru, Ecuador, and Panama have now established minimum standards. **Uruguay will receive assistance in 1999.**

The final report of the meeting which was published as document CICAD/DREX/doc.18/98 rev.1, was presented to and approved by the twenty-third session of CICAD. The next meeting, which will be chaired by Uruguay, **is scheduled to take place in Uruguay in 1999.**

II. Training

a. Course for a diploma in addiction studies, Spain

From 1993 through 1998, CICAD and the Spanish government cosponsored fellowships that made it possible for forty-two professionals in Latin America and the Caribbean to attend a degree course on drug dependency studies for nine months at Madrid's Complutense University. Professionals from Colombia, Ecuador, Chile, Uruguay, Venezuela, Bolivia, Mexico, Guatemala, Nicaragua, Argentina, Haiti, and Honduras received fellowships which were offered to Spanish-speaking health professionals, educators, social workers, and psychologists.

CICAD would like to express its gratitude to the Spanish government for its continued support for this program, and it looks forward to the planned expansion of courses on demand reduction offered in Spain.

b. Training in drug abuse prevention in Israel

For the first time, the Government of Israel offered five fellowships, in cooperation with the OAS Fellowships Program, for post-graduate study in drug abuse prevention at the Aharon Ofri International Training Centre in that country. **CICAD expresses its gratitude to Israel for this initiative.**

c. Training in the area of drug abuse prevention for nursing schools

The objective of this project is to design and test curriculum modules pertaining to drug abuse prevention and treatment in a selected number of nursing schools in the Andean countries and Brazil. CICAD has worked with representatives from nursing schools throughout the region to establish local coordinating committees in universities in Colombia, Brazil, Argentina and Venezuela. **Nursing schools in Bolivia, Ecuador and Peru**

will join the project in 1999. Seminars have been offered to professors in nursing schools to expand their knowledge of drugs and promote the need for prevention and treatment programs within these universities. Local coordinators have established offices within each university and are working on-line to exchange information, share institutional experiences and develop curricula.

This project is financed by the Japanese government, and the Commission would like to express its heartfelt thanks to that country for its ongoing support of CICAD projects in the hemisphere.

d. Training in drug abuse prevention and treatment in the English-speaking Caribbean

In view of the increase in drug use in many Caribbean countries, CICAD has placed special emphasis on training professionals and technicians involved in the treatment and rehabilitation of drug addicts. Since 1993, it has been organizing and cosponsoring, in conjunction with the U.S. Department of State, new courses throughout the English-speaking Caribbean region. In 1998, CICAD organized the following training events:

A basic-level course provided training for community and church workers from throughout the English-speaking Caribbean in Grenada in April. A basic-level training course, which included Caribbean participants as well as participants from the Atlantic/Caribbean Coast of Central America, was held in Belize in June. A follow-up course for participants for the Central American coast was held in Bluefields, Nicaragua in September. In addition, technical needs assessments and in-service training activities were carried out in Grenada and St. Vincent in January, and in Guyana in August. These courses provided training for approximately two hundred people in techniques for treatment and rehabilitation; and for prevention of relapse; questions of HIV transmission and drug abuse; and the relation between women and drug and alcohol abuse.

e. Youth and parent encounters for drug abuse prevention

One of CICAD's most successful and enduring projects has been the series of training sessions entitled Youth and Parent Encounters, where instructors work directly with these persons to alert them to the dangers of drugs and to give them ways to help them resist the abuse of harmful substances. Since 1987, CICAD has financed approximately 45 courses of this sort in 21 member states of the Organization, together with trainer training seminars for more than 500 professionals. A participatory training methodology, developed and used by the Inter-American Children's Institute (IIN), has helped youth and community leaders carry out grass roots prevention activities with a minimum of outside assistance.

In 1998, the following courses were conducted:

- Training in Multiplier Techniques and Youth Encounter: Peru

Two training activities were held in May, organized in conjunction with the Ministry for Promotion of Women and Human Development (PROMUDEH) and the National

Anti-Drug Commission (CONTRADROGAS), with the co-sponsorship of the United States Embassy. A Workshop on Training in Multiplier Techniques provided approximately forty-five local professionals with training in advanced prevention techniques. A Youth Encounter was held in Huanuco, a rural area of Peru, where drug abuse is a growing problem among the population. Forty-five students were trained in drug abuse prevention and community mobilization techniques

- Intermediate level Training: Honduras

A workshop on Multiplier Techniques was held in July in cooperation with the Honduran Institute for the Prevention of Alcohol and Drug Abuse (IHADFA). The course provided forty Honduran professionals with advanced training in drug abuse prevention techniques.

- Follow-Up and Extension of Activities: Bolivia

Prevention initiatives including the maintenance of a documentation center and community mobilization activities have continued in the Valle Alto de Cochabamba. Prevention initiatives including awareness-building workshops and training sessions have also been extended to the Chapare region. Both of these activities have taken place under the coordination of COPRE-Cochabamba.

- National Drug Abuse Training Workshop: Uruguay

A drug abuse prevention training workshop for youth and parents was held in Minas in September for participants from throughout the country.

f. Participatory Education for Drug Abuse Prevention in the English-Speaking Caribbean

The objective of this new project is to help youth leaders and their families to act as prevention agents and to train workers in drug abuse prevention using proven methods of informal education. In 1997, the Executive Secretariat of CICAD took the IIN's preventive education methodology and adapted it for use in the English-speaking Caribbean. Pilot Youth and Parent Encounters were held in conjunction with National Drug Councils in Dominica and in Belize, for counselors, teachers, and community leaders to test the adapted method and materials. **In 1998 this initiative was expanded to other Caribbean countries by IIN, through a grant from the Inter-American Council for Integral Development (CIDI) of the OAS.**

III. CICAD plan for drug abuse prevention for street children in the Andean Region

This project, sponsored by the United States government and the government of Japan, is designed to support the efforts of institutions working on behalf of street children

throughout the Andean Region, especially in the area of drug abuse prevention and treatment. Activities under the program include:

a. Regional training of street educators

This training program has been carried out since 1995 to give street educators and institutions that provide services to high-risk youth an opportunity to gain new perspectives in their work with minors at high risk for substance abuse. An Andean training course in drug abuse treatment and rehabilitation was carried out in March in Bogota, Colombia, in conjunction with the Comunidad San Gregorio. Over 30 individuals from institutions throughout the region received training in early detection, detoxification, counseling, family therapy and social reinsertion. Another regional course is scheduled to take place in November. CICAD has funded the publication of a manual on the methodology utilized by the Comunidad San Gregorio, in order to provide other institutions throughout the hemisphere with resources for program adaptation and implementation. The manual will be published in 1999.

b. National Activities

Venezuela: As a result of a National Seminar on Street Children and Drugs, sponsored by CICAD and coordinated by the National Anti-Drug Commission (CNA) and the NGO "Prevención Alternativa" in April 1997, a prevention network for street educators has been established and in operation throughout 1998. Through this network, educators are able to refer individual cases, share institutional experiences, receive information about drug abuse, and receive support to make methodological changes to fortify interventions with high-risk youth.

Bolivia: A national training course for professionals who work in treatment centers and therapeutic communities for high-risk youth was carried out in July in Cochabamba, in conjunction with the Vice Ministry of Gender, Generation and Family. Trainers from the Comunidad San Gregorio in Bogota provided technical expertise and training in needs assessment techniques to approximately seventy professionals from throughout Bolivia.

c. In-Service Training for Youth at Risk

This project is designed to improve in-service training and social rehabilitation programs offered by the Working Child Program (PMT) in Quito, Ecuador, and by the QHARURU Project in La Paz, Bolivia, to provide youth with a competitive edge in the work market. Over a period of three years, 500 urban youth will be the direct beneficiaries of this project. Market studies have been performed and databases have been set up in Quito and Guayaquil, Ecuador and La Paz and El Alto, Bolivia. A minimum of three production units a year have been established, and centers to provide youth information on job opportunities have been set up. Basic educational curricula have been consolidated and enhanced to assure that all youth receive a solid educational foundation. This is highly significant, as most of the youth at risk attend school only sporadically. Micro-enterprise strategies have been reformed and workshops on strategic thinking and management

have been carried out. QHARURU recently received an outstanding achievement award from the mayor of La Paz for their work on the project.

IV. Prevention of Illegal Drug Use along the Atlantic Coast of Central America

This regional project is designed to help the governments of Belize, Honduras, Guatemala, Costa Rica, Panama, and Nicaragua to cope with the growing drug abuse problem in the Atlantic coastal region of Central America. A Plan of Action was designed as a result of a meeting of senior officials in the health and drug abuse prevention sectors in Roatán, Honduras in March 1997.

This Action Plan has the following five components: Project Organization, Diagnosis/Research, Training, Community Mobilization, Evaluation and Follow-up. Local coordinating communities have been formed in each country and include municipal officials, community leaders, health workers, drug abuse prevention specialists, clergy and educators. Key elements of the plan are the active participation of the local communities and the need to ensure the participation of public opinion leaders in the drug abuse prevention program. The project has an external evaluator and software has been designed to record prevention activities. CICAD has provided each country with a computer.

Regional training courses in community mobilization, strategic planning and decision-making, program evaluation and rapid assessment skills to measure local attitudes and perceptions about the drug problem were carried out in Panama City in June 1998 and in Limon, Costa Rica in July 1998. An ongoing regional exchange program has also been established within the Masters Program in Intercultural Public Health at the University of the Autonomous Region of the Caribbean Coast of Nicaragua (URACCAN). CICAD also sponsored a regional training course in drug treatment and rehabilitation in Bluefields, Nicaragua at the end of September.

V. Technical assistance in project development

At the request of the Government of Peru, the Executive Secretariat of CICAD provided technical assistance to CONTRADROGAS in the development of demand reduction projects in a joint effort between the Peruvian Government, CICAD and the Inter-American Development Bank (IDB) to raise external funding for an overall, integrated Alternative Development Program. **The program is the largest ever to be presented to a donors' Consultative Group, took place in November in Brussels under the auspices of the IDB and CICAD (see page 16).**

VI. Research on youth at risk of drug use

In cooperation with the Johns Hopkins University, CICAD is administering a research grant from the U.S. National Institute on Drug Abuse (NIDA) to investigate patterns of drug use among high-school students in Central America, Panama and the Dominican Republic. In 1998, CICAD also provided technical assistance to the Governments of Belize,

Guatemala, and Panama in the analysis of research findings on drug use by adolescents. At the same time, a research proposal has been developed to assist member states in the Caribbean region to put in place CICAD's drug use surveillance system (known as the Inter-American Drug Use Data System- SIDUC). **This proposal has been submitted to the European Commission and the United Nations International Drug Control Programme (UNDCP) for possible funding.**

VII. Science Advisor

In the 1998 Regular Fund budget of the OAS, the General Assembly approved funds for a meeting of a Science Advisory Committee. The General Assembly did not, however, approve funding for the post of Science Director - a request made by the Commission in 1996 and 1997. The Commission reiterates its request to the General Assembly for financing for this essential post, whose occupant would coordinate international research grants, as well as provide significant technical input to the Multilateral Evaluation Mechanism and the technical standards of SIDUC.

C. LEGAL DEVELOPMENT

I. Money Laundering Control

a. CICAD Group of Experts to Control Money Laundering

Two meetings of the CICAD Group of Experts were held in 1998, the first in Washington D.C. May 12-14, and the second in Buenos Aires, October 20-22.

The first meeting approved a training plan to be carried out on a sub-regional basis for judges, prosecutors, personnel of financial intelligence units (FIUs) and law enforcement officials; updated some provisions of the CICAD Model Regulations concerning Laundering Offenses connected to Illicit Drug Trafficking and Related Offenses, with a view to completing this exercise at the second meeting, and distributed for completion by countries a document for facilitating information exchange and mutual legal assistance. The second meeting completed the revisions to the Model Regulations and continued with the on-going assessment of the Plan of Action of Buenos Aires. This assessment included a typology exercise to bring members up to date on recent money laundering activities and trends in member countries.

The results of the work of the Expert Group in 1998 were reviewed by the Commission at its twenty-fourth session in Tegucigalpa, Honduras, October 26-30. Some Commissioners expressed concern over the working of the definition 'serious offences' and in view of the foregoing it was agreed to further consider this amendment of the Model Regulations at CICAD's next regular session once the member states had had a full opportunity to consider the matter further. The previous amendments to the Model Regulations to provide for Financial Intelligence Units approved by CICAD at its twenty-second regular

session in Lima, Peru in November 1997, were adopted on June 2, 1998 by the OAS General Assembly in Caracas, Venezuela by resolution AG/RES.1544 (XXVIII-0/98).

b. Project for Money Laundering Prevention in Financial Institutions

The Secretariat concluded discussions with officials of the Inter-American Development Bank on an agreement for a pilot training project for officials of supervisory agencies and banks in selected countries on measures to prevent the use of banks for money laundering. The Agreement was executed in September 1998 and the project will begin operations in February 1999.

II. Firearms and Explosives Control

The draft Model Regulations on the International Movements of Firearms, their Parts and Components, and Ammunition which were approved by the Commission at its twenty-second regular session in Lima, Peru in November, 1997, were adopted by the General Assembly on June 2, 1998 by resolution AG/RES.1543 (XXVIII-0/98).

The Model Regulations which establish requirements and procedures for the import, export and in-transit shipment of firearms, their parts and components, and ammunition were presented for application to a group of customs officials from Central America at a seminar held in Fort de France, Martinique under the combined auspices of the Interministerial Anti-Drug Training Center (CIFAD), and CICAD October 5-9, 1998.

III. Precursor Chemical Model Regulations

The results of the work of the Precursor Control Expert Group in 1998 were reviewed by the Commission at its twenty-fourth regular session in Tegucigalpa, Honduras, October 26-30, which pursuant to the last meeting of the group consisted in further revisions to the Model Regulations. The Commission approved the work of the Expert Group but determined that the Executive Secretariat should work with the participating member states to develop an agreed-upon definitions section of the Regulations so that a finished product could be presented to the Commission at its next regular session for its approval.

IV. Training

As noted in prior sections, CICAD has been participating in, co-sponsoring and coordinating several training seminars in 1998. On November 16-20, CICAD, together with the Royal Canadian Mounted Police (RCMP) and the Government of The Bahamas, held such a seminar for police training in money laundering investigations and undercover techniques. Another two training seminars on judicial cooperation in cases of drug trafficking and money laundering were carried out in coordination with the Spanish Ministry of the Interior for prosecutors and judges in Guatemala and Bolivia, May 4-6 and November 11-13 respectively.

The Commission wishes to thank the Governments of both countries for their continuous support for CICAD's projects in the Hemisphere, which has allowed for the training of over one hundred persons.

V. Technical Assistance

In response to requests from the Governments of Ecuador, Guatemala, El Salvador and Nicaragua, the Executive Secretariat provided technical assistance and suggestions on proposed legislation relating to drug control and money laundering control throughout 1998. In addition, the Executive Secretariat, represented by its legal officer, was a special invitee to advise a meeting of senior officials of the Central Bank and other agencies of the Government of Colombia to consider a draft bill to establish a financial intelligence unit (FIU). At the invitation of the United Nations' Global Programme against Money Laundering, the Executive Secretariat participated, in an expert capacity, in the design of a training manual for financial investigators.

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

The Executive Secretariat of CICAD, together with the UNDCP, and the Central American Permanent Anti-Drug Commission (CCP) met in Tegucigalpa, Honduras in April to conclude an assessment of the first three years of project operations and endeavored to re-establish the work of the project, namely, to harmonize national laws against drug trafficking, money laundering and related offences, and to train prosecutors and judges in these fields.

The Executive Secretariat of CICAD met with the UNDCP and CCP with the aim of developing an approach to continue the project, with a new executing agency based in Honduras and a new project director. **The parties agreed that the project would resume in the first quarter of 1999.**

D. SUPPLY REDUCTION

The reduction of availability of illicit drugs and the chemicals used to produce them is an important component of CICAD's programming to address the drug problem in the Americas. It is part of CICAD's balanced approach within the framework defined by the Anti-Drug Strategy in the Hemisphere and its Plan of Action. CICAD's Supply Reduction program covers a broad range of issues from alternative development to training and education.

I. Alternative Development

CICAD pursued the following efforts in the area of alternative development:

- a. Expert Group on Alternative Development

Further to the September 2-4, 1997, meeting of the then Working Group, the Executive Secretariat worked with officials of the Inter-American Institute for Cooperation on Agriculture (IICA) to identify training programs currently available in the area of alternative development. Results of this collaboration were presented to the Expert Group during its meeting in Villa de Leyva, Colombia (September 22-24, 1998). Further discussion took place regarding training needs of member states and the extent to which the existing programs responded to these needs. The Executive Secretariat was asked to further examine these training needs and consider how they might be addressed. The Expert Group is scheduled to meet again during the second half of 1999.

b. Generalized Land Use Evaluation and Management Instrument Tool (The GLEAM Tool)

GLEAM provides a tool for studying illicit cultivation areas and identifying ways to restore economic development to them. It relies on the combination of various data sets with satellite imaging available on the market, aerial photography, and in situ verification to build a multi-dimensional constantly refreshed image of the areas in question. The Executive Secretariat, with support from the Peruvian National Drug Commission, CONTRADROGAS, initiated a pilot application of the GLEAM tool in early July 1998. The pilot was focused on an area of 3,500 square kilometers in the Upper Huallaga Valley of Peru. The results of the pilot were presented to the Government of Peru in November 1998. Following the necessary training and technology transfer, governments will be able to use GLEAM to formulate policies oriented toward economic redevelopment of the affected areas.

Subject to the availability of resources, consideration will be given to expanding the project to other current or potential illicit crop growing areas in Peru. The final product will also be available for application in other member states.

c. Building market links for products from alternative development projects in Colombia

The objective of this project is to assist member states in identifying market access opportunities for legal crops. This is accomplished by linking new legitimate producers with potential markets with the objective of offering farmers licit opportunities to improve their socio-economic situation. This is the second project of this nature that CICAD has pursued and was focused on poppy-growing areas in Colombia. It was initiated by CICAD with support from the Colombian Agency for Alternative Development (PLANTE). The final report was presented to the Government on September 7, 1998 and focused on viable market opportunities for *lulo*, *curuba*, *mora* and *tomate de arbol* (tamarillo). The Government of Colombia is considering the results and opportunities identified by means of a program for the implementation of the recommendations of this project. Replication of the project is being considered in other areas, subject to the availability of resources.

d. Integrated pest management

1998 was the second year of this collaborative program between CICAD, the U.S. Department of Agriculture, and Peru's Universidad Nacional Agraria de la Selva (UNAS). The heart of the program is the work of a senior plant pathologist, contracted to work in the field with farmers in the Tingo María region in Peru's Upper Huallaga Valley. The project also covers extension programs, germ plasm centers for the introduction of disease resistant seeds, and other modalities for assisting farmers in identifying pests, plagues and pathogens harmful to their crops as well as viable corrective measures.

The program has been working well in the Tingo Maria area and has achieved a high level of success. At the same time, there was a recognized need for similar services in other parts of the country, particularly in relation to national cacao production. It was therefore decided to expand the program to a national level, operating from Lima, focusing field research and activities in various cacao-growing regions. This responds to the growing interest on the part of the great multinational chocolate manufacturers to develop infrastructure and production capabilities for cacao in Peru, and is the first time that multinational corporations have shown significant interest in working directly in illicit crop growing regions. The restructured and expanded program is being administered by a new senior plant pathologist, hired for this purpose. **Likewise, this issue is of particular interest to Colombia. Through its National Alternative Development Plan, Colombia shows CICAD it hopes to receive technical assistance in integrated pest management, together with the development of the market links' project, referred to in point c) of this Chapter.**

e. Directory of alternative development

The directory of experts and organizations responsible for the alternative development programs and initiatives, established under the Plan of Action for the Anti-Drug Strategy, was completed in late 1997 and updated during the course of 1998. A second directory of alternative development programs was also initiated and was completed in September 1998 and distributed at the second meeting of the CICAD Expert Group on Alternative Development.

f. Consultative Group

In June 1997, the Government of Peru, through CONTRADROGAS, sought the auspices of CICAD to convene a Consultative Group. The objective of this effort was to seek international donor assistance with financing Alternative Development projects and Prevention and Rehabilitation programs totaling US\$ 192 million.

In keeping with the priority of international cooperation identified in the Anti-Drug Strategy in the Hemisphere, CICAD considered it very important to support this Peruvian initiative. Consequently, CICAD, in conjunction with the Inter-American Development Bank (IDB), invited the international community to participate in a consultative group meeting, which was held at the headquarters of the European Community (EC) in Brussels, Belgium

(November 10-11, 1998). In addition, technical assistance was provided to the Peruvian government in preparation of the documents to be presented to the Consultative Group. Representatives from the UNDCP, World Bank, International Monetary Fund, and the *Corporación Andina de Fomento* (CAF) attended the meeting in Brussels, at the close of which cooperation assistance was pledged totalling US\$277 million.

II. Control of Precursors and Other Chemical Substances Used in Illicit Drug Production

The diversion and use of precursors and other chemical products in the production of illicit drugs is an ongoing concern of CICAD and its member states. In 1998, CICAD pursued the following initiatives designed to control these substances:

a. Expert Group on Precursor Chemicals

A meeting of the Group of Experts on the control of precursor chemicals and other chemical substances, was held in Washington D.C. from April 29 to May 1, at which proposals to amend the Model Regulations were considered by the Group. The Group met again in Santa Cruz de la Sierra September 29 to October 2, where further amendments to the Model Regulations were made, discussions were held on proposals and procedures for harmonizing controls over the production and commercialization of chemicals with particular reference to pre-export clearances and on country training needs.

b. Inter-American Drug Control Telecommunications Network for Precursor Chemicals (RETCOD/Precursors)

RETCOD/Precursors is a computer and radio-based communications network (originally entitled SITCOD/Precursors) which allows direct encrypted communications between police, customs, and other officials concerned with chemical control along shared borders and waterways. It also facilitates the exchange of operational information regarding the movement and interception of chemical products.

Three regional components of the network (Amazonia, Orinoco and South Andes) have been installed with the deployment of 47 computers in 6 countries (Bolivia, Brazil, Chile, Colombia, Peru and Venezuela). The system is currently operational and is being used by the participating agencies. The Executive Secretariat, with support from the Governments of France and the United States (through its Department of Defense), is proceeding with the implementation of the mobile radio component of the network for the Amazonia and Orinoco. Other member states have expressed interest in participating in the network. Full implementation of the network in these first three regional components and further expansion to other member states depends upon the availability of necessary resources. Funding for radios has amounted to US\$300,000 from the United States and 400,000FF from France, while \$2.5 million is still required for active components.

c. Chemical Control Software

A number of member states expressed a need for special software to use within their national system to control chemicals. Examination of the issue revealed that several countries have such software in place but it no longer responds to their needs.

In response to this request, the Executive Secretariat convened a meeting of experts to examine this issue. The group met on March 23-25, 1998 to examine existing software and to discuss their respective information and operational needs. During the course of this meeting, the participants studied existing software such as the one developed by the International Narcotics Control Board (INCB). While the INCB software is very comprehensive, it was found to be rather complex and difficult to use. At the same time, it was concerned with all substances controlled by the International Conventions, of which chemical control, crucial to CICAD members, was a small part.

Further to these discussions, a set of data and systems requirements were defined and a contract has been issued to develop this software which will be made available to member states requesting it and will be structured in such a way that modifications can be made to accommodate individual needs of countries. Its advantages are: ability to work with a complex network or a standard computer; compatibility with processors ranging from a 486 to a Pentium II; and, the ability to enter data either manually or automatically via diskette or Internet.

d. Regional Meeting on the Control of Chemicals

The Executive Secretariat and the U.S. Drug Enforcement Administration (DEA) co-hosted a regional meeting in Santiago, Chile (June 2-5, 1998) concerning the control of chemicals. Participants included representatives from Argentina, Bolivia, Chile, Ecuador, Paraguay, Peru and Uruguay, as well as observers from France and Interpol, and presenters from China, Germany, the Netherlands and the World Customs Organization (WCO).

Participants discussed a range of issues related to the control of chemicals used in the production of illicit drugs. Among their recommendations were the need for increased involvement of the chemical industry in the control of these substances, implementation of controls over chemicals in free trade zones. They stressed the importance of enhanced communication and cooperation among agencies and countries and suggested that the RETCOD/Pre telecommunications network should be expanded to the rest of the countries in South America.

e. Chemical Control Manual

In 1997, the Executive Secretariat developed a practical manual for use by front line officers responsible for the control of chemicals. This manual has been distributed to officers attending CICAD workshops including the CICAD-RCMP Drug Control

Workshops, the CICAD-CIFAD Chemical Control Workshops, the CICAD-INCB National Drug Control Administrators Workshop and the CICAD-DEA Chemical Control Workshop for Central America.

The manual is currently being expanded with input from experts and specialists in the DEA and RCMP and will include sections on officer safety and the environmentally sensitive disposal of chemicals. The revised manual will be available to authorities of member states in February 1999.

III. Training

Essential to reducing the production, distribution and general availability of illicit drugs are law enforcement and other officials with the necessary knowledge and skills to safely and effectively carry out their responsibilities. As part of its on-going training program, the Executive Secretariat conducted the following training seminars:

a. CICAD-Royal Canadian Mounted Police Drug Control Workshop

CICAD and the RCMP continued their long cooperation in co-hosting the 10th annual workshop for drug control officers from the Americas. The workshop was held at the Canadian Police College in Ottawa, July 13-23, 1998. Thirty-two of the thirty-four member states of CICAD were represented at the workshop, the highest level of participation since the workshops began. Overall participant evaluation of the workshop was very high. The program has evolved over time in response to changes in the drug problem and the needs of the officers working to control it. In addition to RCMP officers, presenters from Barbados, Colombia, Peru and the United States also shared their expertise with participants.

b. Control of Chemicals in Central America

Working in partnership with the U.S.DEA, the Executive Secretariat co-hosted a five-day workshop for the control of chemicals held in Guatemala City, Guatemala (September 21-25, 1998). Each country of Central America was represented by an officer from each of the three principal agencies or organizations responsible for the control of chemicals. The workshop focused on the use of chemicals in the production of illicit drugs, methods of diversion and their investigation, and the importance of interagency cooperation and communication. Presentations were made by experts from CICAD, the DEA, the Royal Canadian Mounted Police (RCMP) and the Joint Customs/Police Precursor Control Unit of Germany's *Bundeskriminalamt* (BKA).

c. Control of Chemicals in South America

The Executive Secretariat hosted a chemical control workshop in Lima, Peru (November 16-20, 1998). The workshop was organized with the assistance of *Dirección Nacional Antidrogas - Policía Nacional del Peru* (DINANDRO). Twenty officers involved in the control of chemicals in the ten South American countries represented participated in the

workshop which focused on the use of precursor chemicals of illicit drugs, methods of diversion and their investigation.

d. Customs Control of Containers in the Caribbean

The Executive Secretariat and the Caribbean Customs Law Enforcement Council (CCLEC) worked together to deliver a five-day workshop on container risk profiling. The 'Container Targeting and Profiling Workshop' was held in Bridgetown, Barbados, October 19-23, 1998 with 19 participants from the Eastern Caribbean States in attendance. Participants were provided with information on the detection of containers used to smuggle drugs, precursor chemicals, arms and explosives, and other contraband. The program provided particular attention to the analysis and use of intelligence and included a practical, hands-on component.

e. Customs Control in Central America

The Executive Secretariat and the Government of France through its *Centre Interministeriel de Formation Anti-Drogue* (CIFAD) co-hosted a five-day workshop on the control of drugs, precursor chemicals, arms and explosives and other contraband. The workshop was held in Fort de France, Martinique, October 5-9, 1998 with 16 participants from Central America and the Caribbean in attendance. The program included components dealing with Customs responsibilities, smuggling techniques and their investigations, **precursor chemicals and their use in the production of drugs and the application of the OAS Firearms Convention.**

IV. Customs and Maritime Cooperation

The Executive Secretariat continues to develop and implement projects to promote customs and maritime cooperation, some of which are noted above. In doing so, the Executive Secretariat works in collaboration with national customs agencies, as well as organizations such as Interpol, the Caribbean Customs Law Enforcement Council (CCLEC) and the World Customs Organization (WCO).

In keeping with the principle of collaboration and partnership, the Executive Secretariat signed a Memorandum of Understanding (MOU) with CCLEC during its annual meeting in Bridgetown, Barbados October 19-23, 1998. The MOU more formally defines the parameters for collaboration between the two organizations.

In September 8-10, 1997, the First Inter-American Meeting on Maritime Anti-Drug Cooperation (South American Group), took place in Lima, Peru. Further to this meeting, the Executive Secretariat prepared a directory of maritime training programs and a paper on Pacific maritime routes currently used to traffic drugs.

E. INSTITUTION BUILDING

In the course of 1998, the following activities were carried out in the Institution Building Program:

Seminars on institutional development:

A workshop on strategic planning was organized in July 1998 under the coordination and direction--and for the benefit--of Panama's National Commission for the Study and Prevention of Drug-Related Crimes (CONAPRED). It was attended by 28 delegates representing the 11 governmental and non-governmental agencies comprising the Commission. The methodology used there facilitated the generation of strategies and capabilities (knowledge, skills and attitudes) to be developed through institutions **for their strengthening process.**

In addition, technical and financial support was provided for organizing two meetings, the object of which was the analysis--and adoption by consensus--of proposals for a new law against drug trafficking. The first meeting was held in Nicaragua in November of 1997 with the participation of staff members from public and private entities, (including representatives of the National Assembly and the Supreme Court of Justice) which are concerned with the prevention of drug abuse and unlawful trafficking in narcotics, psychotropic and chemical substances and related activities. Draft Law 285 ("the Reform Law and Additions to Law 177") is currently **(December 1998)** under consideration in Nicaragua's General Assembly.

The second meeting was organized in Guatemala (June 1998). It was also attended by the representatives of sectors involved in prevention, treatment and rehabilitation, control and inspection, investigation and prosecution; members of the National Assembly and the Supreme Court of Justice; and from the Executive Secretariat of the National Anti-Drug Trafficking and Addiction Council (SECCATID), as the body charged with planning, coordination and institutional advisory services **for the development of the new domestic law on drugs.** The meeting discussed the topics to be included in the final draft, which will be produced by a drafting committee composed of a number of the technicians in attendance, under the coordination of SECCATID.

In 1998, a start was made on the process of providing the National Drug Control Commissions of El Salvador, Honduras, Guatemala, Nicaragua, Panama and the Dominican Republic with technical assistance to strengthen the national systems for administrative control of trade in chemical substances and to assist in the design of National Anti-Drug Plans. **In December 1998, technical and economic assistance was offered to the National Drug Control Council of Ecuador (CONSEP) in the preparation of the National Drug Control Plan 199-2004. A workshop was held in Quito, and attended by 65 delegates from 21 government agencies and NGO's. Participants agreed on the importance of including the mechanisms for evaluating institutional efforts in the National Plan, as well as results obtained in its implementation, the corresponding budget for**

implementation, and prioritized the importance of reforming the anti-drug Law 108, in effect since September 1990, particularly in relation to money-laundering, drug consumption, and the administration of seized or confiscated goods, due to a violation of this Law.

Inter-institutional and multinational coordination

The Executive Secretariat, in response to a request from the Government of the United States, provided technical assistance in the organization and management of the exercise *Unidos Contradrogas 98*. This exercise was aimed at promoting the coordination and interchange of interinstitutional and multinational information among National Drug Councils, Foreign Ministries, Anti-Drug Police, Customs, Coast Guards, and interdiction and control authorities from Bolivia, Brazil, Colombia, Ecuador, Panama, Peru, Venezuela and the United States. High-level anti-drug officials attended the closing session (Heads of the Commissions/Councils/National Offices) from all participating countries and requested that the Executive Secretariat continue to offer its assistance and cooperation. Representatives from Argentina, Chile, the Dominican Republic, Guyana, Jamaica, Mexico and Trinidad and Tobago attended as observers.

INTER-AMERICAN TELECOMMUNICATIONS NETWORK FOR DRUG CONTROL (RETCOD/NDCs)

Since March 1996 the CICAD Executive Secretariat has been providing member countries with technical and economic assistance by the operation of a telecommunications network in operation as a means of improving the National Drug Commissions' ability to communicate with each other, the agencies they coordinate and other international organs, achieving the maximum utilization of the telecommunications services existing in the Hemisphere--which has become an important factor in improving conditions for coordination.

At present, additional financing is being sought from the Governments of Spain and the United States in order to expand the system, including *Extranet* (the private network linking the national drug commissions and CICAD), which will become an indispensable tool for the exchange of confidential information and will permit the use of teleconferencing as an alternative to multilateral meetings.

F. INFORMATION AND STATISTICAL SYSTEMS AND SERVICES (ISSD)

The existence of, and ready regional access to, various forms of information underlie the successful implementation of the Anti-Drug Strategy in the Hemisphere, and allow OAS member states to track the results of specific national policies and activities undertaken against illicit drugs. CICAD's information effort in 1998 focused on expanding OAS member states' access to drug-related information, preparing the groundwork for determining national drug information needs in the XXI Century.

I. Expansion of Access to Drug-Related Information

United in a region-wide drug information network, 43 libraries and documentation centers in 22 countries work through CICAD's Inter-American Drug Information System (IADIS) to provide governments and citizens in OAS Member States with the documents and data they need **to learn of the subject of drugs.**

During 1998, CICAD:

- a) finished production of and distributed its second CD-ROM entitled: "Illicit Drugs: Inter-American Information Resources." This CD, which contains approximately 100,000 references, provides full text access to Western Hemisphere legislation on illicit drugs and related topics. The materials will be placed on the INTERNET in 1999.
- b) placed on its Web page data on 50+ demand reduction projects and research studies underway in the Hemisphere in response to a request from the Demand Reduction Conference held in Costa Rica in 1997; completed data entry of an additional 70+ projects which will be uploaded in early 1999. This work effectively tripled IADIS' project offerings on the INTERNET. (WEB address: <http://siabuc.ucol.mx/cicad/proye/Index.html> or http://www.oas.org/EN/PROG/w3/es/sistemas_y_servicios_de_información/IADIS-db-links.htm , then press "Projects and Research on Drugs").
- c) Increased (to 692 from 280 in October 1997) the number of references to drug legislation available through its WEB-page legislative database. Provision of the full legislative texts for all references was begun, but technical difficulties in scanning technology has delayed early completion of this phase of work. (WEB addresses: <http://siabuc.ucol.mx/cicad/legis/Index.html> or http://www.oas.org/EN/PROG/w3/es/sistemas_y_servicios_de_información/IADIS-db-links.htm, then press "National Legislations on Drugs").
- d) identified 100 INTERNET WEB sites with drug information resources, and transmitted data on the most prominent of these sites to CICAD staff and national drug commission officials.
- e) upgraded the capabilities of national anti-drug commissions and CICAD/IADIS centers to facilitate and exchange information via a private network and a WEB-page.

CICAD/IADIS welcomed three new member centers during 1998: the Government Delegation of the National Drug Plan of Spain, the Commission for the Fight Against Illicit Drugs (CONTRADROGAS) of Peru, and, the University of Salta - Buenos Aires Branch - National Gendarmerie of Argentina.

CICAD/IADIS' ability to stimulate the participation of its Member Centers and collaborators in special projects diminished in 1998 as a result of budgetary restrictions. Notwithstanding this difficult obstacle, various Centers provided suggestions and

contributions for the organization of the Conference "Drug Information for the XXI Century." The Anti-Drug Foundation of El Salvador (FUNDASALVA), in particular, coordinated the preparation of a regional CICAD/IADIS user survey for use in connection with the development of drug information priorities for the XXI Century, the policy discussion of which took place during the XXIV Regular Session of CICAD in October 1998.

II. Drug Information in the XXI Century

Over the past 10 years CICAD worked to execute the information mandates contained in the Inter-American Action Program of Rio de Janeiro, as well as subsequent directives related to the formation of the regional drug information network known as the Inter-American Drug Information System (IADIS). With the approach of the Twenty-First Century, and in response to the decision of the twenty-second regular session of CICAD, held in Lima, Peru in November 1997, the Executive Secretariat began preparations for a Conference on "Drug Information for the Twenty-First Century." The Conference will consider: the user of information as protagonist; needs, topics and types of information on drugs required to successfully address the problem of illicit drugs in the Twenty-First Century; and methods of organizing and delivering the information required. Originally scheduled for July 1998, the Conference was postponed at the request of various CICAD member states to permit their consideration of and provide policy orientation for information as a topic at the twenty-fourth regular session of CICAD.

III. Information Support for Executive Secretariat Priority Action Programs

Following the CICAD Executive Secretariat's move to new quarters in the OAS General Secretariat Building in December 1997, the Executive Secretariat's Information Systems and Services Section which is charged with Secretariat information activities, undertook a program of training and information needs assessment designed to support CICAD in project execution. Requirements for: legislation on arms, explosives and money laundering, the curricula of experts in money laundering and prevention, as well as for data on current projects in the areas of prevention and chemicals' control were identified, and materials were compiled and classified in support of the execution of CICAD programs. CICAD staff received an orientation in the use of the Secretariat's library.

Information directories were produced and/or updated on the topics of alternative development, precursor chemicals, CICAD/IADIS member centers and those national institutions charged with the coordination of national anti-drug programs.

IV. Inter-American Data Bank

The preparation of statistics on drug abuse, unlawful trafficking in drugs and pharmaceutical products is considered under the Anti-Drug Strategy in the Hemisphere to be one of the most important tools for the analysis of trends and the formulation and/or updating of individual and collective anti-drug policies in the region. As part of its Inter-American Data Bank Program, the CICAD Executive Secretariat has developed two

statistical modules as the means of collecting, standardizing and concentrating statistics in the control area (CICDAT) as well as in the area of consumption (SIDUC). Such statistics are now available in time series, which permit the elaboration of basic statistical indicators and comparative regional analyses.

a. Supply area (control):

While the statistics systems in many countries have reached a high level of development, there is still a need to continue collaborating directly with those countries to improve and strengthen their systems for standardizing drug-related data and to ensure that the corresponding statistical information is centralized in the responsible institution.

The statistic data module in the supply control area (CICDAT) has expanded constantly to date, thus achieving time series statistics that have permitted an in-depth regional analysis in some areas. Thanks to the financing received from the Government of Spain, this project continues to develop within the Plan of Action framework to implement the Anti-Drug Strategy in the Hemisphere in order to provide better orientation of the member countries' anti-drug policies and projects through visualization and the use of statistical indicators.

In this context, the "Technical Meeting for Training, Evaluation and Coordination of the Information System on Statistics of the Control Area" was held in Santo Domingo, Dominican Republic (June 22-24, 1998). It was attended by a total of 18 member countries and other observers, and agreements were reached on the standardization of criteria for compiling information and examining regional trends. At the same time, the meeting identified the existence of certain problems, as well as the differences in the countries' various infrastructures; the lack of generalized use of the CICDAT forms; partial response in some variables; and delays in sending the quarterly data. The participating countries agreed to deploy urgent efforts to overcome these shortcomings. **Likewise, technical assistance and training was offered (10-11 November, 1998) to the Panamanian National Commission for the Study and Prevention of Drug Related Crimes (CONAPRED) to organize their national drug information system and implement CICDAT software.**

The activities to be carried out by the Executive Secretariat include a review of the CICDAT system's programming; the holding of regular technical meetings (depending on the availability of resources); and the scheduling of training courses. It was agreed to encourage support from the national authorities for the total implementation of the CICDAT module in the member countries, in order to permit compliance with the Plan of Action for implementing the Anti-Drug Strategy in the Hemisphere, and its possible use as a means of technical support for the Multilateral Evaluation Mechanism (MEM).

b. Demand area (consumption):

During 1998, technical meetings on the SIDUC system were held in Panama and Medellín, Colombia, during which the forms to be used for standardized compilation of the

statistical data were reviewed and approved. Financial assistance from the U.S. Government provided the countries with funding to compile data at treatment centers and emergency rooms, and to conduct surveys at school centers.

The initial results of the project were evaluated at the technical meeting held in Panama (February 2-4, 1998). which found that most of the countries in the region have adopted the SIDUC system, and that the majority has access to uniform indicators and statistics that are highly useful in the formulation of preventive policies. The meeting discussed the links between the use of alcohol, marijuana, cocaine and other drugs with traffic accidents and personal injuries; the status of alcohol, marijuana and tobacco as "gateway drugs"; alcohol and marijuana as high-impact drugs; the high prevalence of alcohol consumption; the emergence of heroine as a drug with high social impact, closely associated with the rise in the incidence of crime; and the need to place greater emphasis on behavior education as a protection factor.

Training: SIDUC

From April 20 through April 23, 1998 a workshop was held in Medellin, Colombia, at the CES University center for training national coordinators of SIDUC. The participants came from 20 countries, and the main topic consisted of sampling technique, field methodology and compilation methods. The feasibility of conducting the First National Survey in Young People was also evaluated by applying the "Drug Use Screening Inventory" (DUSI). In addition, the events included demonstrations of the overall functioning of the new software; the gathering of information and the screening thereof; and the data analysis form.

Along the same lines, a course of national training on SIDUC methodology was given in the city of Belo Horizonte, Brazil (May 25-28) and an agreement was reached that calls for the total implementation of the SIDUC in Brazil. A large part of the financing for the course was provided by the UNDCP. **A seminar was also organized in Santiago de Chile, Chile, (November 16-20) on the study of the methodology used to estimate the economic and social impact of drug abuse, according to the Canadian experience. The event was aimed at preparing and training the Chilean team which will carry out the research applying the methodology prepared by the Canadian Centre for Substance Abuse (CCSA).**

The final version of the "1998 Statistical Summary" (ISBN: 0-8270-3955-4) was distributed in October of 1998. The Summary--published in a two-volume set--contains hemispherical statistical information on the control and use of drugs. The first volume has regional tables of statistical series on control; the individual tables for each country on the confiscation of drugs; precursors and other chemical substances; laboratories destroyed and eradicated, fumigated and abandoned areas; and the persons arrested for possession of--and/or trafficking in--drugs. It also provides information on drug use obtained from treatment centers, emergency rooms, and other surveys. **Work has concluded on the preparation of statistical series relative to social, economic and cultural factors in a supplementary database, which will be updated on a permanent basis.**

CHAPTER VIII: COOPERATION WITH OTHER INTER-AMERICAN AND INTERNATIONAL ORGANIZATIONS AND WITH PERMANENT OBSERVERS

United Nations System

Regular planning and programming meetings were held with the United Nations International Drug Control Programme (UNDCP) on subjects of shared interest. UNDCP representatives attend all of CICAD's regular meetings, and CICAD is represented at meetings of the United Nations Commission on Narcotic Drugs.

The coordination with Vienna occurs on a number of fronts, from cooperation with the anti-money laundering section, as well as work with the legal service and the Latin America section. In addition, there has been contact with the Crime Prevention and Criminal Justice Division on firearm matters, as well as with the United Nations Panel of Governmental Experts on Small Arms in New York. **There have been periodic contacts with INCB on precursor chemical matters, including joint sponsorship of training seminars.**

Pan American Health Organization (PAHO)

Since CICAD was established, it has had a good working relationship with PAHO which has led to co-financing arrangements for projects related to various aspects of demand reduction. **CICAD and PAHO provided financial assistance and technical cooperation in 1998 to Ecuador, Panama, Peru and Uruguay for national seminars geared to approving minimum standards of care in drug treatment centers. The Dominican Republic has asked for similar assistance in 1999.**

Organization for Economic Cooperation and Development (OECD)

In the area of money laundering control, the Secretariat participated in **two plenary sessions and sub-committees** of the Financial Action Task Force (FATF), thereby keeping abreast of developments in anti-money laundering control among OECD countries. The International Organizations' Coordination Meeting of FATF held on the margins of the Plenary Session affords opportunities to work with a variety of international agencies including the Commonwealth Secretariat, the European Commission, the Council of Europe, Interpol and the World Customs Organization. It has also led to CICAD's participation in the meetings of the Egmont Group, made up of countries interested in establishing national Financial Intelligence Units to compile and analyze information to combat money laundering. The Secretariat also participates in the meetings of the Caribbean Financial Action Task Force (CFATF).

Caribbean Community (CARICOM)

CICAD has cooperated with the CARICOM Secretariat in the area of witness protection, and there is potential for work in other areas.

European Union (EU)/European Commission

Building on a long history of inter-institutional cooperation, **CICAD negotiated a cooperation agreement with the Brussels-based European Union - European Commission.** The agreement provides for: telecommunications training to national drug commissions and IADIS libraries and information centers in the hemisphere; an on-line management program for the conduct of CICAD activities; improvements in the design and presentation of IADIS databases and their migration to a WINDOWS environment; and INTERNET-based training courses, among other items. Under the agreements the Commission will provide 200,000 ecus (approximately US\$224,000 at August 1998 exchange rates).

In the area of precursor chemical control CICAD has also cooperated with the European Commission and several of those EU member states that are permanent observers to the OAS.

Other international organizations

CICAD has maintained a working relationship with the World Customs Organization, the Caribbean Customs Law Enforcement Council (CCLEC) on cooperation in maritime affairs, and the Pompidou Group of the Council of Europe.

Permanent Observers

The Governments of Spain, Japan, France, Israel, Korea and the United Kingdom have provided valuable financial and technical assistance to CICAD programs. Other permanent observers, such as The Netherlands, Germany, Russia, and Italy, have participated regularly in CICAD meetings. **Sweden has also indicated interest in CICAD activities.**

CHAPTER IX: MEETINGS HELD IN 1998

1. Sessions of CICAD

Second Consultative Meeting of CICAD on the Multilateral Evaluation Mechanism¹, Washington, D.C., March 2-3, 1998, Final Report, CICAD/CON/doc.8/98 rev.1

Twenty-third regular session, Washington, D.C., May 4-8, 1998, Final Report, CICAD/doc.976/98 rev.1

Twenty-fourth regular session, Tegucigalpa, Honduras, October 26-30, 1998, Final Report, CICAD/doc.1004/98 rev.1

¹ The First Consultative Meeting was held in Washington, December 11-12, 1997.

2. Intergovernmental Working Group on the Multilateral Evaluation Mechanism (IWG-MEM)

First Meeting of the Intergovernmental Working Group on the Multilateral Evaluation Mechanism (IWG-MEM), Washington, D.C., May 4-5, 1998, [Final Report, CICAD/MEM/doc.1/98](#)

Second Meeting of the Intergovernmental Working Group on the Multilateral Evaluation Mechanism (IWG-MEM), Washington, D.C., August 19-21, 1998, [Final Report, CICAD/MEM/doc.24/98 rev.3](#)

Third Meeting of the Intergovernmental Working Group on the Multilateral Evaluation Mechanism (IWG-MEM), Tegucigalpa, Honduras, October, 26-28, 1998, [Final Report, CICAD/MEM/doc.14/98 rev.1](#)

3. Control of Money Laundering

CICAD Group of Experts to Control Money Laundering, Washington D.C., May 12-14, 1998, [Final Report, CICAD/LAVEX/doc.23/98 rev.1](#)

CICAD Group of Experts to Control Money Laundering, Buenos Aires, Argentina, October 20-22, 1998, [Final Report, CICAD/LAVEX/doc.17 /98](#)

4. Control of Chemical Precursors

Meeting of the Group of Experts to Evaluate the Model Regulations on Precursors, Chemical Substances, Machines and Materials, Washington D.C., April 29-May 1, 1998 [Final Report, CICAD/PRECUR/doc.12/98 rev.2](#)

Meeting of the Group of Experts to Evaluate the Model Regulations on Precursors, Chemical Substances, Machines and Materials, Santa Cruz de la Sierra, Bolivia, September 29-October 2, 1998 [Final Report, CICAD/PRECUR/doc.14/98](#)

5. Alternative Development

First Meeting of the Group of Experts on Alternative Development, Washington, D.C., February 12-13, 1998, [Final Report, CICAD/DES/ALT/doc.13/98 rev.1](#)

Second Meeting of the Group of Experts on Alternative Development, Villa de Leyva, Colombia, September 22-24, 1998, [Final Report, CICAD/DES/ALT/doc.22/98](#)

6. Demand Reduction

Second Meeting of the Group of Experts on Demand Reduction, Mexico City, Mexico, March 3-6, 1998, [Final Report, CICAD/DREX/doc.18/98 rev.1](#)

CHAPTER X: FINANCIAL AND BUDGETARY CONSIDERATIONS

I. Current Budgetary Situation of CICAD

For 1998 CICAD's funding includes cash contributions received at the end of 1997 (USFY97 contribution), the 1997 accrued interest on external contributions to CICAD, the **total** funds received in 1998 (cash) and special and in-kind contributions, as per the following table:

Cash Contributions*	
United States	US\$2,000,000
OAS Regular Fund	1,632,400
Canada	246,900
Japan	155,000
Interest	110,246
France	72,727
Mexico	50,000
Chile	10,000
Dominican Republic	3,000
Peru	3,000
Sub-Total	US\$4,283,273
Special and In-Kind Contributions	
United States	US\$300,000
Canada	132,000
Spain	118,600
Korea	50,000
Colombia	32,000
Israel **	(Offered) 25,000
Argentina	25,000
Mexico	16,000
Bolivia	4,500
Sub-Total	703,100
TOTAL:	US\$4,986,373

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

** As per estimate from the OAS Fellowships Department.

OAS Regular Fund:

Approximately **US\$1,342,400** of this fund is directed towards salaries of CICAD staff in objects 1 and 2. The balance is used for organizing the two statutory meetings of the Commission (**US\$66,200**), non-discretionary operating expenses (**US\$45,000** approx.), travel of CICAD staff not directly related to projects (**US\$69,000** approx.), editing and translation services for CICAD's documents (**US\$34,500** approx.), and purchasing of equipment and supplies (**US\$27,000**). The remaining **US\$48,300** were used to finance

the following activities: Second Consultative Meeting on Multilateral Cooperation against Drugs (Washington, D.C., Feb. 1998), **US\$6,500**; Second Meeting of the Expert Group on Demand Reduction (Mexico City, March 1998) **US\$27,300**; SIDUC Advisory Committee **US\$14,500**.

Interest:

During 1998, the General Secretariat of the OAS credited to CICAD's accounts the interest earned on the external contributions to CICAD. **From January 1998 through December 1998 the interest credited totaled US\$110,246.** These funds were applied to finance a training workshop for judges and district attorneys on new investigative techniques for drug trafficking crimes and on juridical assistance; to provide OAS counterpart funds for 5 of the 12 fellowships offered by the *Universidad Complutense de Madrid*; and for technical and administrative support for CICAD's projects.

II. Funds Requested and Received

1. United States Contribution:

During 1998 CICAD worked with funds from the U.S. contribution for fiscal year 1997 (USFY97) for a total of **US\$2,000,000**. This amount was received in two installments: **US\$1,054,000** in October 1997, and the remaining **US\$946,000** in February 1998. The total amount was distributed among the following areas of CICAD:

Demand Reduction	US\$618,000
Supply Reduction	502,000
Legal Development	280,000
Institutional Building	263,000
Inter-American Drug Data Bank	257,000
Inter-American Drug Information System	80,000
TOTAL USFY97:	US\$2,000,000

Demand Reduction distribution The funds (**US\$618,000**) were distributed among the following projects: **(1)** Drug abuse prevention initiative for the Central American Atlantic Coast; **(2)** Drug abuse prevention and treatment training for the English-speaking Caribbean and the Atlantic Coast of Central America; and, **(3)** Mobilization of youth and community leaders in Central and South America. **Through the end of December 1998, 86% of this contribution had been expended.** The remaining 14% is programmed for ongoing activities within the three projects. In addition, carry-over funds for projects being executed with former US contributions were approximately **US\$275,000** at the beginning of the year. **Of this total approximately US\$247,400 have been expended and the remaining US\$27,600 are being used in ongoing activities.**

Supply Reduction distribution The funds (**US\$502,000**) were distributed among the following projects: **(1)** Alternative development projects-Colombia; **(2)** Alternative development project-Peru; **(3)** Inter-American drug training workshop for law enforcement

officers-Canada; (4) GLEAM project; (5) Maritime cooperation; (6) Inter-American telecommunication system for drug control/chemical precursors (RETCOD); (7) System of information on chemical substances; and, (8) Software for the uniform application of controls according with CICAD model regulations on chemical precursors. Through the end of December, 80% of this contribution has been expended. The remaining 20% is programmed for ongoing activities within the projects. In addition, carry over funds for projects being executed with former US contributions were approximately **US\$257,600** at the beginning of the year. Of this total approximately **US\$192,050** has been expended, and the remaining **US\$55,550** are being used in ongoing activities.

Legal Development distribution The funds (**US\$280,000**) were distributed among the following activities: (1) Money laundering control and technical support; (2) Meetings of the expert group on money laundering; (3) Meetings of the expert group on chemical/precursors (model regulations); (4) Technical support for chemical/precursors. Through the end of December 1998, 86% of this contribution had been expended. The remaining 14% is programmed for ongoing activities within the projects. In addition, carry over funds for projects being executed with earlier US contributions were approximately **US\$288,000** at the beginning of the year. Of this total approximately **US\$163,800** have been expended in activities related to money laundering and drug combat seminars and technical support for money laundering projects. Of the remaining **US\$124,200**, the amount of **US\$122,000** is programmed for CEDEJU which is in standby waiting signature of a new agreement and the rest for technical and administrative support to money laundering activities. On the other hand, **US\$124,900** from the funds for the Witness Protection program in the Caribbean (USFY96) were reprogrammed in coordination with the US Department of State, among the following activities: Expert Group Precursors-Martinique (June 1997); INCB/CICAD Drug Control Administrators Workshop-Martinique (Dec. 1997); Normative Instruments Workshop-Santa Cruz/Bolivia (Nov. 1997); Technical support to projects of the Legal Development and Supply Reduction areas of CICAD; Money Laundering project in Uruguay (computer equipment). As of December 31, 1998 there is a balance of **US\$6,800** in the Witness Protection account.

Institution Building distribution The funds (**US\$263,000**) were used for the training of national drug commission officials in various countries; Internet costs for 32 countries for one year; purchase of software for 32 countries; project technical support, and expenditures related to translations, travels and miscellaneous. Through the end of December 1998, 94% of this contribution has been obligated and the remaining 6% is programmed for ongoing activities. In addition, carry over funds for projects being executed with former US contributions were approximately **US\$11,300**, of which **US\$6,800** were expended and the rest is being used in ongoing activities.

Inter-American Drug Data Bank distribution The funds (**US\$257,000**) were used to support the Inter-American Drug Use Data System (SIDUC)-phase II. Through the end of December 1998, 70% of this contribution has been expended and the remaining 30% is programmed for ongoing activities. In addition, carry over funds for projects being executed with earlier US contributions were approximately **US\$51,000**. Of this total

approximately **US\$46,000** have been expended and the remaining **US\$5,000** are being used in ongoing activities.

Inter-American Drug Information System distribution The funds (**US\$80,000**) are to be used for the Conference “Drug Information in the XXI Century: A future direction strategy”, to be executed in two phases. In a first phase, CICAD representatives will discuss content needs (topics and types of information) and priority information users at the twenty-fourth regular session of CICAD. Subject to the orientation received from CICAD and its approval, the second phase of the Conference will be a technical meeting, wherein information and systems specialists will suggest a technical structure to compile, process and deliver relevant information to designated priority users.

2. **Canadian Contribution:**

The total Canadian contribution for 1998 was **US\$246,900**, distributed as follows:

CANADIAN CONTRIBUTION TO CICAD-1998

(in thousands of dollars)

	Cdn\$	US\$
FOREIGN AFFAIRS - April 1998	\$200.0	\$139.0
Multilateral Evaluation Mechanism (MEM)(Cnd\$50.0)		92.5
50% funding for expert in health and systems policy/drug strategy for 1 year		46.5
SOLICITOR GENERAL - July 1998	\$100.0	\$67.1
Mobilization project of youth/community leaders Central & Port security project		19.5
Project to develop an estimate of the cost of substance abuse		23.8
HEALTH CANADA - August 1998	\$60.0	\$40.8
25% funding for expert in health and systems policy/drug		40.8
TOTAL CANADIAN CONTRIBUTION FOR 1998*:	\$360.0	\$246.9

* This amount has been obligated with the exception of the funding for the mobility project, which will take place in 1999.

In addition, carry-over funds for projects being executed with earlier Canadian contributions were approximately **US\$71,700**. Of this total **US\$11,000** were used for partial financing of the contract for the expert in health and systems policy/drug strategy. In addition, of the approximately **US\$27,700** in Demand Reduction, **US\$14,200** have been obligated and the remaining **US\$13,500** are programmed for the project on Women, Family and Drug Abuse. Of the approximate **US\$33,000** in Supply Reduction, **US\$28,400** have been obligated and the remaining **US\$4,600** are being used for ongoing activities.

3. **General Fund:**

The carry-over amount of this fund into 1998 was **US\$99,200**. During 1998 CICAD transferred to the General Fund balances remaining from the contributions of Costa Rica for the thirteenth regular session of CICAD in 1993 (**US\$1,107**) and of Argentina

for the fifteenth regular session of CICAD in 1994 (**US\$4,414**). Also, as of August 31, 1998, CICAD received a total of **US\$66,000** from the Governments of the Dominican Republic, Chile, Peru and Mexico. The total amount in this fund is **US\$170,721** distributed as follows:

\$ 79,000	For IADIS operations
\$ 25,000	For SIDUC project
\$ 24,121	Technical/administrative support
\$ 7,000	For CICAD promotional items
\$ 4,000	Expert Group on Precursors
\$139,121	

The balance of **US\$31,600** will be distributed according to CICAD's needs in different areas.

4. Government of Japan

A contribution of **US\$155,000** was received during the fourth quarter 1998 for the Nursing School Training in Drug Abuse Prevention and Treatment in the Andean Countries and Brazil.

5. Government of France

Contribution of 400,000 FF (**US\$72,727**) to the RETCOD project (chemical/ precursors module) was received in November 1998.

6. Other carry-over funds from former contributions

The projects being executed with other carry-over funds from specific and earmarked contributions include:

- *CICDAT*, from a 1997 contribution from the Government of Spain
- Nursing school training in drug abuse prevention and treatment in the Andean countries and Brazil, with a 1997 contribution from the Government of Japan
- The project Andean Street Children-Job training for youth at risk is being executed with carry-over funds from an earlier contribution from Japan
- The balance of approximately **US\$6,300** from last year's contribution of France for a chemical control workshop was used for a seminar on custom's cooperation held in Martinique in October 1998

7. In-kind and special contributions

- **Government of Mexico.** Support to the meeting of the Expert group in Demand Reduction, March 1998. The Mexican government covered expenses with lodging and meals for 8 participants, meeting rooms and offices, equipment (interpretation, copying, sound, telecommunications and computers), documents reproduction,

supplies and stationery, local transportation for all participants, as well as secretarial and other clerical services. The estimated Mexican contribution is calculated at **US\$25,000** approximately, based on what the OAS would have expended had it paid those costs.

- **Government of Canada.** (1) During July 1998, CICAD and the RCMP co-sponsored the Tenth Inter-American Workshop for Law Enforcement Officers. The RCMP provided lodging and meals for participants as well as professional and logistical support. The estimated Canadian contribution is calculated at **US\$120,000** approximately (based on what the OAS would have expended had it paid those costs).

(2) Through the RCMP co-sponsor a training seminar for police officers in money laundering and undercover operations, held in the Bahamas in November 1998. The RCMP covered full travel and accommodation expenses of the 3 key speakers, meeting room and equipment. The estimated contribution is calculated at **US\$12,000** approximately, based on what the OAS would have expended had it paid those costs.
- **Government of the U.S.** Support from the Department of Defense (DoD) of **US\$300,000** for CICAD's RETCOD project, provided directly to participating countries. Coordination through the designing and fielding of an HF communications capability to network precursor chemical computer databases, resident at bases of operation, to riverine mobile operators monitoring chemical movements in western Brazil, southeast Colombia and northern Peru. Use of low-cost, low-maintenance radios.
- **Government of Spain.** (1) Twelve scholarships (October 1998-June 1999) for graduate studies on all aspects of drug abuse at the Universidad Complutense de Madrid, through the Spanish Agency for International Cooperation/Ibero-American Institute for Cooperation. The approximate monthly cost per student is **\$700** (based on an estimate from the OAS Fellowships Department) for a period of nine months. Therefore, the estimated Spanish contribution is approximately **US\$75,600**.

(2) Co-sponsor the international workshop in matters related to the fight against drug trafficking held in Antigua, Guatemala in May. The Government of Spain covered lodging and food for all 18 participants, as well as the logistics of the workshop (venue of meeting, equipment, copies and supplies). The estimated Spanish contribution is calculated in **US\$15,000** approximately, based on what the OAS would have expended had it paid those costs. (3) The Spanish government financed the participation of 25 officials at a workshop for judges and prosecutors on new legal instruments to control money laundering and drug trafficking. The event took place in November, in Santa Cruz de Bolivia (**US\$28,000**).
- **Government of Korea.** Donation of computer equipment (hardware and parts) worth approximately **US\$50,000** for demand reduction drug epidemiology (SIDUC) projects, **received in December 1998**.

- **Government of Colombia.** Support to the meeting of the Group of Experts on Alternative Development, September 1998. The Colombian government covered expenses for the meeting room and offices, equipment (copying, sound, telecommunications and computers), supplies and stationery, as well as secretarial and other clerical services. The estimated Colombian contribution is calculated at **US\$17,000** approximately, based on what the OAS would have expended had it paid those costs. **Also, in November 1998, CICAD received a contribution of US\$15,000 from PLANTE/Colombia for the “Market Links” project in alternative development.**
- **Government of Argentina.** Support to the meeting of the Group of Experts on Money Laundering, held in Buenos Aires, in October 1998. The Argentinian government covered all expenses including interpretation services, equipment (interpretation, copying, sound, telecommunications and computers), supplies and stationery, as well as secretarial and other clerical services. The estimated Argentinian contribution is calculated at **US\$16,000** approximately, based on what the OAS would have expended had it paid those costs.
- **Government of Bolivia.** Support to the meeting of the Group of Experts on the Control of Precursors and Chemical Substances held in Santa Cruz, in September 1998. The Bolivian government covered expenses with meeting room and offices, equipment (interpretation, copying, sound, telecommunications and computers), supplies and stationery, as well as secretarial and other clerical services. The estimated Bolivian contribution is calculated at **US\$4,500** approximately, based on what the OAS would have expended had it paid those costs.
- **Government of Israel.** Five fellowships for a 4-week course in Demand Reduction at a university in Israel. The fellowships include lodging and meals, full board, medical insurance, lectures, study materials, cultural and social activities/excursions, health services and pocket money for miscellaneous expenses. The estimated contribution from the Government of Israel is **US\$25,000** (based on an estimate from the OAS Fellowships Department). **These fellowships will be awarded during 1999.**

III. Result of the Efforts to Obtain External Financing

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

Cash Contributions to CICAD – External Funds				
Year 1996	Year 1997	Year 1998	Year 1999 (received)	Year 1999 (projected)
\$1,226,876	\$2,205,000	\$2,540,627	\$1,416,000	\$2,799,820

IV. POSSIBLE SOURCES OF FUNDING FOR 1999:

United States:

In December 1998 **US\$1,416,000** were received from the U.S. Government as its USFY98 to CICAD. These funds will be used for activities in 1999. Financing has also been offered for judicial training. The USDS/INL has agreed to fund the program on training for judges and prosecutors through a grant of **US\$120,000**. The USDA has agreed to contribute **US\$3,000,000** to CICAD's Alternative Development program to be disbursed at a rate of **US\$1,000,000** per year within the next 3 years.

European Union:

A contribution of **226,000 Ecus** was agreed (**US\$293,000** approx.) to the Inter-American Drug Information System (IADIS) On-line Management project. The funds are to be used on training workshops, technical assistance and equipment. Additionally, the European Union has agreed to a donation of **205,000 Ecus** (**US\$325,000** approx.) for CICAD's program on chemical control in the Caribbean region.

Spain

A contribution of **US\$536,000** to the Institution-Building program for a period of two years (1999-2000) was agreed.

Inter-American Development Bank

A contribution of **US\$480,000** for a project to help assure the integrity of financial markets in Latin America through the training of officials from banks and bank regulatory agencies in money laundering prevention. The IDB will fund a project related to Financial Intelligence Units with a grant of **US\$104,000** to be received during 1999.

CHAPTER XI: CICAD RECOMMENDATIONS TO THE GENERAL ASSEMBLY

The Inter-American Drug Abuse Control Commission (CICAD) has made important progress in its work over the past year, and is expected to make further progress in specific areas in the coming months. Nonetheless, at the present time there are some areas where it needs the support or approval of the General Assembly to strengthen its action so that it can continue to move towards achieving its goals.

CICAD therefore recommends the following to the General Assembly:

1. That, regarding the establishment of the Multilateral Evaluation Mechanism (MEM), and the negotiations which have taken place in 1998, the General Assembly take

note of the progress made by the Intergovernmental Working Group in identifying principles, objectives and characteristics of the mechanism as well as indicators to be used in the evaluation process, and continue to support the Commission in the ongoing development of the MEM.

2. That, in its consideration of CICAD's Regular Fund budget, it approve the creation of a new P-4 post for a Science Director/Principal Investigator, whose function would be to direct the statistics and research needed to support CICAD's programs and the Multilateral Evaluation Mechanism (MEM) (see page 12).
3. To permit, in the case of CICAD's Expert Groups on Demand Reduction, Money Laundering Control, Arms Control, Precursor Control and Alternative Development, well-justified exceptions, to General Assembly resolutions AG/RES.1277 (XXIV-0/94), operative paragraph III.A.5.
4. Take note of the following activities in the area of supply reduction related to alternative development:
 - a. To issue a strong appeal to the international financial institutions for their support of the joint and individual efforts being made by the States of the region in the area of alternative development. Such an appeal should be backed by the individual efforts of the governments concerned acting through their Governors and Executive Directors accredited to such institutions. To further endorse and promote the efforts being made by the Inter-American Development Bank in support of alternative development programs and activities in the region.
 - b. To reinforce and support governments involved in alternative development activities in their negotiations with the international lending community to ensure debt reduction operations in exchange for alternative development. Both the countries and the lending institutions should be encouraged to make swap operations or debt reduction operations possible in exchange for environmental protection and recovery in areas subject to alternative development programs.
 - c. To urge states to maintain trade preferences aimed at promoting alternative development. In order to provide initiatives for their most effective use, countries granting trade preferences should continuously provide information to eligible States, either directly or through the Executive Secretariat of the Commission, concerning any changes or expansion made therein.
 - d. To promote horizontal cooperation as one of the most important and most useful tools available for the promotion of alternative development. To support the pledges made by the delegations of Bolivia, Colombia, and Peru to share their experience with every interested country in the hemisphere, through such technical assistance as may allow this necessary exchange to take place. To provide the Executive Secretariat with funding to ensure that this and other types of technical assistance are given to countries engaged in alternative development projects.

5. That, in its consideration of CICAD's Regular Fund budget, it approve the creation of a new P-4 post on a long-term contract basis for a Senior Money Laundering Control Officer, whose function would be to direct the money laundering control program of the Executive Secretariat, including a five-year program of training, technology transfer and international cooperation to combat money laundering, as well as support for CICAD's technical assistance programs and the Multilateral Evaluation Mechanism (MEM).
6. To adopt the amendments to the Model Regulations to Control Diversion of Chemical Substances, Machines and Materials, developed by the Group of Experts to Control Precursors, Chemical Substances, Machines and Materials and approved by CICAD at its twenty-fourth regular session held in Tegucigalpa, Honduras, October 26-30, 1998.