

# ORGANIZATION OF AMERICAN STATES



INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION

cicad

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

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INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION



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The Inter-American Drug Abuse Control Commission (CICAD) herein presents its annual report to the thirty-seventh regular session of the General Assembly of the Organization of American States, pursuant to the provisions of Articles 54 (F) and 91 (f) of the OAS Charter. In 2006, the Secretary General completed a reorganization of the institutional structure of the entire OAS. This process led to CICAD being included under a Secretariat for Multidimensional Security, together with the Inter-American Committee against Terrorism and the Department of Public Security and other related areas, and divided into seven sections, plus the Executive Secretariat's Office: the Multilateral Evaluation Mechanism (MEM), Anti-Money Laundering, Demand Reduction, Educational Development and Research, the Supply Reduction and Alternative Development, the Inter-American Observatory on Drugs (OID), and Institution-Building. This report follows the broad headings of the Anti-Drug Strategy in the Hemisphere, approved in 1996.

**EXECUTIVE SUMMARY**

Two decades ago, in November 1986, the OAS General Assembly created CICAD within the framework 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. Ten years later, in December 1996, the General Assembly adopted the Anti-Drug Strategy in the Hemisphere and formalized the concept of *shared responsibility* as the linchpin of drug policy in the region. These two texts have served as the foundation stones of hemispheric policy, and have undergone few amendments or updates since then. CICAD, meanwhile, has been the political instrument for a lasting, broad-based consensus to control illicit drugs in the region. The two documents, and the creation of the Multilateral Evaluation Mechanism (MEM), are the three major milestones in CICAD's evolution over the past 20 years.

With the MEM, CICAD has translated its policy goals into a technical instrument so that it could better assess the anti-drug progress of its the 34 member states and the hemisphere. In a sign of CICAD's maturity and vision as an institution, in 2006, the Commission approved the revamped and streamlined MEM guidelines, procedures and indicators for the Fourth Evaluation Round (2005-2006). Moreover, the Commission approved the follow-up reports on recommendations of the Third Evaluation Round (2003-2004). The whole MEM-process also constituted a renewed political commitment by the member states to the CICAD's mission and goals.

Throughout 2006, CICAD experienced budgetary difficulties due to reductions in the Regular Fund of the OAS, and a reduction in the level of specific funds it receives from donors. In order for CICAD to count on a reliable source of funding that will allow it to achieve its long-range goals and overcome its present budgetary difficulties, OAS Secretary General José Miguel Insulza has proposed that member states set aside a small percentage of assets confiscated from drug traffickers and money laundering activities to be used by CICAD to underwrite training and capacity-building activities in member states. The proposal will need to be considered further in terms of its voluntary nature and member states will need to consider whether they have legal authority to use seized assets in this manner.

CICAD has long recognized that it could only be as strong as the individual national drug control commissions in the member states so it continues to invest heavily in human capital through capacity-

building and training in practically every program. Accordingly, CICAD programs included the training of national drug commission personnel in project management and through an Andean drug program decentralization initiative, as well as an evaluation of selected national drug control plans and programs. Both the Supply Reduction and Anti-Money Laundering sections offered specialized courses to frontline law enforcement officers, prosecutors, judges, and financial analysts, as well as other partners in control measures. The Educational Development and Research section saw its first graduating class of 32 students from its on-line program for health-related professionals for research training on the drug issue in the Americas. In addition, CICAD and the University of the West Indies started working towards a certificate program on addiction studies for the English-speaking Caribbean, which will complement an On-Line M.A. program on addiction studies for Spanish-speakers, now in its third academic cycle. The Educational Development and Research section has broadened its university network partnership to include schools of public health, education and medicine, thus forming a network of academic centers that are increasing the awareness about drug issues.

In partnership with the United Nations Office on Drugs and Crime (UNODC), the Inter-American Observatory on Drugs (OID) published a comparative analysis of drug use and abuse among secondary school students in nine South American countries. In Central America, Nicaragua, El Salvador and Guatemala, the OID will produce a similar comparative study on drug use in households. In the Caribbean, work is underway to produce a comparative study of drug use among secondary school students. When we consider these new studies together with the methodology developed to assess the human, social and economic costs of illicit drugs in the Americas, we can see that CICAD-sponsored research with national observatories is reaching a critical mass for the first time, producing a comprehensive hemispheric vision of drug consumption. These objective and valid statistical studies and comparative analyses are also revealing how partial and fragmented the vision of the drug problem in the Americas had been in the past.

Another area of activity in CICAD has been technical support and recommendations provided by four of its expert groups: Money Laundering Control, Maritime Narcotrafficking, Chemical Substances and Pharmaceutical Products.

Finally, CICAD's coming of age is confirmed by the strong cooperation that it has with other international peer organizations, like the United Nations Office on Drugs and Crime (UNODC), the Inter-American Development Bank, the Pan-American Health Organization and others.

### ***Officers and Meetings of CICAD in 2006***

The Commission held its thirty-ninth regular session in Washington, DC, on May 9-11 and its fortieth regular session in Santa Cruz de la Sierra, Bolivia on November 29-December 1.

The Chair of CICAD for the 2005-2006 term of office was Bolivia, in the persons of Mr. Javier Viscarra (December 2005-April 2006) and Ambassador Mauricio Dorfler, Viceminister of Foreign Affairs and Worship (April-November 2006). The Vice Chair for the same term of office was Brazil, in the person of General Paulo Roberto Yog de Miranda Uchôa, National Antidrug Secretary.

At its fortieth regular session, the Commission elected Brazil as the Chair, in the person of General Paulo Roberto Yog de Miranda Uchôa, and Colombia as Vice Chair, in the person of Guillermo Reyes, Viceminister of Justice. This regular session coincided with the twentieth anniversary of the Commission's establishment. The member states acknowledged CICAD's accomplishments, including the Multilateral Evaluation Mechanism (MEM), during that time and stressed the importance of continuing to work to strengthen the Commission and each member state's political and financial commitment to CICAD's mission and action programs.

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

## **A. MULTILATERAL EVALUATION MECHANISM**

### *Overview*

The Multilateral Evaluation Mechanism (MEM) was established under the mandate of the Heads of State and Government at the Second Summit of the Americas held in Santiago, Chile in April 1998. The MEM came into being as a result of the recognition by the governments of the hemisphere that the complex and transnational nature of the drug problem requires a comprehensive, balanced response by them, acting in concert under the principle of shared responsibility. The overall objective of the MEM process is to stimulate advances in all aspects of the fight against illicit drugs in all the countries of the Americas, taking into account the different ways in which the drug problem manifests itself in each. The MEM pursues this goal by means of national and hemispheric evaluations carried out by the Governmental Expert Group (GEG) over a three-year cycle that measure the counter-drug progress achieved by the 34 individual CICAD member states and by the hemisphere as a whole. Throughout this peer review process, which looks at institutional capacity, demand and supply reduction efforts and control measures, member states learn of the strengths and weaknesses of their anti-drug programs and are encouraged to correct deficiencies, seeking assistance from other members or CICAD as needed. Before the start of each round, the MEM procedures undergoes a comprehensive review by the Inter-governmental Working Group (IWG) comprised of representatives of the 34 member states with a view to strengthening the MEM proceeds, its instruments, and evaluation cycle. Since its inception, the MEM has completed three rounds of evaluations, 1999-2000, 2001-2002 and 2003-2004. The Fourth Evaluation Round (2005-2006) commenced in July 2006 with the distribution of a questionnaire of 51 indicators.

Given that the national reports from the fourth evaluation round will not be published until December 2007, the IWG recommended, and the Commission agreed, that the MEM Unit together with the Group of Governmental Experts (GEG) should develop a report on the impact of the MEM to be submitted to the 41<sup>st</sup> regular session of the Commission for approval in May 2007, and presented to the General Assembly in June. This new report would analyze the first five years of the MEM and reflect upon the achievements of drug control policies in the hemisphere as well as the benefits and assistance that the MEM process has offered to member states.

### *Third Evaluation Round 2003-2004*

#### **Second GEG drafting session**

The second and final GEG meeting for the follow-up phase of the Third Evaluation Round was held in Washington, D.C., March 20-24 to evaluate the progress made by member states in implementing national recommendations assigned in the corresponding reports. Experts analyzed and evaluated the new information provided by member states and redrafted the reports, including the final conclusions, and all national reports were reviewed by the GEG Plenary. Likewise, the experts discussed the draft hemispheric report that had been prepared by a core team of experts and the Executive Secretariat. Once the drafts had been edited and completed, the reports were circulated to the commissioners prior to the thirty-ninth CICAD regular session.

### **Consideration and Approval of Reports on the Implementation of Recommendations from the Third Evaluation Round 2003-2004**

The 33 national reports and the hemispheric report were considered and approved at CICAD's thirty-ninth regular session held in Washington, D.C. in May 2006. All reports were later presented at the OAS General Assembly in Santo Domingo, the **Dominican Republic** (June 2006) and distributed to all member states. They are also [available on-line](#).

#### ***Intergovernmental Working Group (IWG) meeting***

The Intergovernmental Working Group met in Washington, D.C. February 2006 to discuss fundamental issues of the MEM process for the Fourth Evaluation Round 2005-2006. The meeting centered on: the Questionnaire of Indicators for the Fourth Evaluation Round; The Procedural Manual; The Manual for the Preparation of Reports; the outline for the Introductory Document; the calendar of activities for the Fourth Evaluation Round; the follow-up form for the implementation of recommendations; and the procedure to handle recommendations from eliminated indicators. Modifications to the process include a change from a two- to a three-year cycle for each MEM round, and a reduced number of indicators, from 86 to 51. Two new indicators were included in the questionnaire, covering the use of the Internet to sell pharmaceutical products and other drugs, and specialized training in drug trafficking control. All indicators related to money laundering will be substituted by a new indicator (*National System for the Control of Money Laundering*) and information obtained through the reports of the Financial Action Task Force (FATF), the Caribbean Financial Action Task Force (CFATF), and the South American Financial Action Task Force (GAFISUD).

A Final Report on the IWG and the documents approved by this group were presented to the thirty-ninth regular session of the Commission in May 2006 for consideration. The Commission approved the proposed changes to the MEM for its Fourth Evaluation Round.

#### ***Regional training workshops for national coordinating entities (NCEs)***

Three regional training workshops were conducted in July to train NCEs on how to complete and submit the MEM questionnaire of indicators on-line and to inform the NCE representatives on their role throughout the entire MEM evaluation cycle. The workshops, held in **Jamaica, El Salvador** and **Colombia**, also provided background information on the indicators and on how the MEM process works, and were attended by 33 member states.

#### ***MEM promotional activities***

The MEM Unit carried out visits to **Colombia, Paraguay, Suriname, Guatemala, Venezuela**, and **Costa Rica** in the last quarter of 2006 to promote the MEM and to hold workshops for the various national institutions contributing information to the MEM process as well as to meet with national authorities responsible for various areas of drug control.

#### ***MEM-GEG In-situ visit to St. Vincent and the Grenadines***

The second *in-situ* visit to a member state within the context of the MEM process was carried out October 18-20 to **St. Vincent and the Grenadines**, since it was the only member state that did not participate in the implementation of recommendations phase of the Third Round. The visit sought to promote the importance of the MEM among government officials and agencies and to build political support for the evaluation mechanism, as well as to highlight to policy makers the benefits to St. Vincent and the Grenadines of its active engagement in the process. The CICAD-MEM delegation

also acquired first-hand knowledge regarding the situation in St. Vincent and the Grenadines, given the lack of information provided by the country for the evaluation of implementation of recommendations for the period 2003-2004.

The visiting team, consisting of three members in total from the GEG and CICAD Executive Secretariat, took part in meetings with government officials and key stakeholders in the MEM process. The final report of the *in-situ* visit was presented to the Commission at its fortieth regular session.

## **B. DEMAND REDUCTION**

### ***Overview***

Reduction of the demand for illegal drugs involves, on the one hand, preventing or postponing initial use of drugs by intervening at an early stage with occasional users and non-addicts; and, on the other hand, dealing with the negative consequences of substance abuse for health and society with treatment, rehabilitation, and re-entry programs. Since 2002, CICAD decided that faced with new challenges in drug consumption, prevention and treatment, its programs should embrace all aspects of substance abuse in an integrated strategy. CICAD has concentrated on three priority components: substance abuse prevention, drug treatment and rehabilitation, and training.

### ***Substance Abuse Prevention***

#### **Prevention Program Evaluation**

The seventh meeting of the Expert Group on Demand Reduction, which took place in Ottawa, Canada on September 13-15, 2005, emphasized the issue of prevention program evaluation. With the goal of following up on the work performed by that group, in partnership with the Expert Group chair (the Ministry of Health of **Canada**), the Demand Reduction section organized two workshops in the Caribbean to train representatives of the national anti-drug commissions, and the staff responsible for prevention within these commissions, on the management of evaluation of drug abuse prevention programs. This experience should shortly be shared with the Spanish-speaking member states. At the same time, an international Task Force cooperated with the Executive Secretariat to review existing evaluation instruments and prepare a set of instruments and guidelines that member states can use to evaluate their own prevention programs. This guide will be presented for consideration during the next meeting of the Expert Group on Demand Reduction to take place in February 2007. The Task Force is made up of representatives of Health Canada, the United Nations Office on Drugs and Crime (UNODC), the European Monitoring Center on Drugs and Drug Addiction (EMCDDA), the National Institute on Drug Abuse (NIDA) of the United States, the Pan American Health Organization (PAHO) and two independent consultants.

With CICAD support, the First International Conference on Addiction and Crime Prevention: Models of Excellence towards Best Practices was held June 12 to 14, 2006 in Mexico City, Mexico, for the purpose of sharing experiences and information about existing mechanisms for opposing use and abuse of drugs as well as crime reduction and prevention.

#### **Life Skills for Drug Abuse Prevention**

Under an agreement signed in March 2005 between CICAD and the Lions Clubs International Foundation (LCIF), the life skills program has continued to expand in the hemisphere. Using the curriculum and coursework of the LCIF, the Lions Quest program has been evaluated extensively in



the United States. The life skills approach seeks to help young people develop a comprehensive set of emotional and social competencies, such as gaining self-confidence, managing emotions and building healthy peer and family relationships. In turn, critical thinking and goal-setting components empower students to make their own educated decisions about substance abuse and other risky behaviors. Community service through the local Lions Clubs forms an important part of the program.

Following the school prevention guidelines and the framework agreement with CICAD, the expansion occurred as follows: In **Colombia**, as of October 2006, the pilot program has been expanded to 150 schools throughout the country. In **Peru** as of April, 90 teachers from 12 schools had been trained. Over the next two years another 400 teachers in 24 new schools will join the program. In **Belize**, 50 new teachers were trained in the second year of its pilot program. In **Paraguay**, plans are to hold 10 workshops to train 400 teachers from 30 schools.

### **Culture of Lawfulness**

The Culture of Lawfulness program is a classroom-based curriculum for 13 to 15 year-old children focusing on the promotion of the rule of law, community participation, healthy decision-making and the roles that individuals, parents, families and the society play in the solution of problems that threaten public security, such as organized crime, corruption, drug consumption and narcotrafficking.

In January 2006, 100 teachers in **El Salvador** were trained to teach the Culture of Lawfulness program in their classrooms. CICAD donated 3,032 copies of the novel *The Lord of the Flies*, which is an integral part of the program. Innovative work began in El Salvador to integrate the content of Culture of Lawfulness into the social sciences curriculum of the seventh, eighth, and ninth grades. In 2007, all students in these grades in El Salvador will be taking the course.

CICAD has joined forces with El Salvador's National Council of Public Security and National Anti-drug Commission to begin developing a strategy to extend Culture of Lawfulness content beyond the classroom into the community.

### **Workplace Prevention**

Following through on a project that started in 2005 as a recommendation of the Second Evaluation Round of the MEM to the government of **Colombia** to develop a workplace substance abuse prevention program, the Pontifical Xavierian University of Colombia carried out a diagnosis of the local situation that led to the drafting of teaching materials for public and private enterprises. Under the auspices of the Ministry of Social Protection and CICAD, the Pontifical Xavierian University was to conduct training for health officials working in professional risk insurance companies so that they disseminate the information to the enterprises they insure.

In **Saint Lucia**, a joint project with the Inter-American Observatory on Drugs is using a survey of workplace drug use in public enterprises as an initial diagnosis of the situation. Taking into account the findings, a specific module of workplace prevention is being prepared.

### ***Drug Dependency Treatment***

CICAD has two projects underway in the areas of drug dependency treatment, rehabilitation and social re-entry: the first covers standards of care and integration of treatment for drug dependency in national public health systems, and the other focuses on treatment of drug dependency among prison inmates.

In 2006, CICAD supported the government of **Colombia** in training decentralized staff in the Ministry of Social Protection on recent legislation standardizing treatment and care in drug dependency services and on the new requirement that these establishments be registered with the government.

CICAD's Demand Reduction section supported Central American countries in the drafting and approval of standards that regulate drug treatment centers. After drafting the necessary documents, **Panama** has approved the new standards while **Nicaragua** is close to completion. CICAD has been supporting the government of **El Salvador** in fulfilling a MEM recommendation with respect to creating a national registry of drug abuse prevention and treatment programs of institutions and establishments.

### **Treatment of Prison Inmates**

CICAD held a workshop on Substance Abuse Counseling and Treatment in Corrections Systems February 27 – March 3, 2006 in Antigua, **Guatemala**, with the participation of all Central American countries and the Dominican Republic. Experts from **Canada, Chile, Peru, the United States**, Spain, and the European Monitoring Center for Drugs and Drug Addiction (EMCDDA) also participated. The outcome was: (1) a description of the current situation in all participating countries; (2) an analysis of inmate drug use, assessment and referral to treatment services; (3) a review of profiles, models and processes of treatment providers; (4) an understanding of the pre-release and aftercare attention and follow-up measures; and (5) exchanges of experiences and best practices among the participating countries. The meeting also produced a signed declaration and an action plan that included a legal framework, objectives, actions, and goals for each participating government agency. The Declaration of Antigua Guatemala on Substance Abuse Prevention and Treatment in Correctional Facilities (CICAD/Doc. 1501/06) was presented at the thirty-ninth regular session of CICAD. The Spanish International Cooperation Agency (AECI) provided significant financial and logistical support for the workshop.

Currently, as a part of the MEM assistant projects, CICAD supports projects on drug treatment in prisons in **Guatemala, Peru, and Saint Vincent and the Grenadines**.

### ***Horizontal Cooperation***

In November 2005, the Executive Secretariat of CICAD signed a memorandum of understanding with the Ministry of Interior of **Chile** with the technical support of the National Drug Council (CONACE) to strengthen horizontal cooperation with other member states in the area of demand reduction. In accordance with its provisions, two training sessions were held in Santiago de Chile, one on drug abuse prevention and the other on the treatment of problematic drug use. Both events enabled the exchange of best practices and experience among the participating countries. Participants from **Argentina, Bolivia, Ecuador, Mexico, Peru** and **Uruguay** attended the first meeting. **Argentina, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, the Dominican Republic** and **Uruguay** attended the second.

As a result of this cooperation, the CONACE staff carried out two technical assistance visits. First, in Montevideo, **Uruguay**, October 11-13, a CONACE/CICAD team participated in a workshop on strengthening the national treatment system for drug use. During the visit, the team met with the Secretary and Vice Secretary of the National Secretariat of Drugs and the National Director of Health of the Ministry of Public Health, as well as with the directors of the Portal Amarillo center, in order to support the care network for people with drug dependency.

The second visit was made to San José, **Costa Rica**, September 25-29, where CONACE experts presented the experience of Chile in the treatment and rehabilitation of adolescent and adult criminals who have problematic drug use.

The third visit took place in Bogotá, **Colombia** on October 12 and 13 with the participation of one representative from CONACE.

### *Spanish-language M.A. Program in Addictions Studies*

The third class of the International M.A. On-line in Addictions Studies started in May 2006 with 59 students from 20 countries. The annual meeting of the management council was held in September 2006 in Colombia, in which it was decided that CICAD would continue to administer the students' tuition payments and the payment of operational expenditures of the M.A. program.

### *English-Language On-Line Program in Addictions Studies*

Following extensive consultations with national drug councils and experts throughout the Caribbean, CICAD and the University of the West Indies School of Continuing Studies signed an agreement in the summer of 2006 to begin an on-line program in addictions studies. In the fall of 2006, the lecturers who are responsible for the first 15 modules were trained in how to teach in an online environment. The lecturers are required to complete development of their course content by the first quarter of 2007. The program, which will be modular in nature and geared primarily to adults working in the addiction field, is scheduled for launch in the spring of 2007.

## **C. SUPPLY REDUCTION, APPLICATION OF CONTROL MEASURES AND ALTERNATIVE DEVELOPMENT**

### *Overview*

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

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

### *Training*

The Supply Reduction and Control training program included 15 regional training seminars for law enforcement and customs officers covering a range of subjects such as the control of chemicals, officer safety, maritime cooperation, profiling of suspicious containers and passengers, port security, vessel inspection, and private sector participation in port and airport security. The seminars were held in **Argentina, British Virgin Islands, Bolivia, Colombia, Ecuador, Guatemala, Nicaragua, Panama, Peru, United States, Uruguay and Venezuela.**

CICAD continued to support the Andean Counter-Drug Intelligence School (ERCAIAD) in **Peru** in its seventh year of operation. The school held two four-week courses on counter-drug intelligence analysis (strategic analysis and operational analysis), two two-week specialized courses on operational intelligence analysis (**Bolivia** and **Colombia**), and a one-week specialized course on intelligence related to chemical control for police officers from South American member states. The *Comunidad Latinoamericana y del Caribe de Inteligencia Policial (CLACIP)* approached ERCAIAD with a proposal to expand the country membership in ERCAIAD beyond the countries

currently included in the program. ERCAIAD's Multinational Board of Directors, which includes CICAD, accepted this proposal and began developing a transition plan to implement the initiative.

CICAD and the Royal Canadian Mounted Police (RCMP) co-sponsored the fourth international police attachment program, which brought 15 law enforcement officers from several member states to RCMP units for classroom instruction and field assignments in **Canada**.

During 2006, CICAD continued its training program in counter-drug investigative techniques and skills. Working with the RCMP, CICAD co-hosted five regional seminars concerning advanced investigative techniques and undercover operations. The seminars were held in **Mexico, Costa Rica, Jamaica, Dominican Republic and Venezuela**.

### *Expert Groups*

CICAD relies on groups of experts to identify problems or issues of concern related to the drug problem as well as the technical tools to help respond to it. During 2006, three groups of experts coordinated by this program met to address issues related to maritime narcotrafficking (CICAD/Doc. 1494/06), the control of pharmaceutical products (CICAD/doc.1522/06) and the control of chemical substances (CICAD/doc.1521/06).

At its August 2006, meeting in Buenos Aires, Argentina, the Group of Experts on Chemical Substances heard presentations on "fees for service" systems, through which registered companies finance the national chemical control system and a study of the chemicals required to produce estimated cocaine yields in Colombia, and how those chemicals are obtained. The Group discussed the growing threat posed by synthetic drugs and heard a presentation on "Crystal Flow", a multilateral operation to be conducted under the auspices of International Narcotics Control Board-supported Project Prism to identify and stop diverted shipments of critical methamphetamine precursors. The Chemicals Experts Group agreed to update Model Regulations on chemical control in light of the growth in synthetic drug production by (1) adding chemicals used to produce methamphetamine to the tables in the Model Regulations and moving other substances to higher tables and (2) providing for controls on chemical brokers. It also added a check list of investigative questions to its best practices guide on chemical investigations.

Also in August 2006, in Buenos Aires, the Group of Experts on Pharmaceutical Substances met and discussed presentations on the control of pharmaceutical products. It approved a Guide for Health Professionals to prevent abuse and diversion of pharmaceutical substances, drafted by Canada. Much of the meeting involved presentation, discussion, revision, and adoption of a document prepared by the United States to serve as a primer on illegal distribution of drugs (controlled substances) over the Internet and included suggestions on how governments can address the problem. The document, entitled "Drugs in Cyberspace – Understanding and Investigating Diversion and Distribution of Controlled Substances via the Internet," was attached to the report of the meeting.

Meeting in Rio de Janeiro in April 2006, the Maritime Experts Group worked on the tasks in the Plan of Action presented at the Commission's XXXVIII regular session. It recommended for adoption and posting on the OAS website: (1) a guide for the increased private industry stakeholder participation in the funding of and involvement in counterdrug port security, which underlines the importance of public-private partnerships, and (2) a model system for vessel registry to monitor pleasure boats, traditional fishing vessels and "go fast" boats in support of maritime domain awareness and investigations. The Group of Experts also continued drafting on other key elements of the Work Plan, including one on effective controls of ports and maritime narcotrafficking to serve as a guide on port security, a manual on model operating procedures for joint and combined bilateral or regional interdiction operations, effective systems for control of chemical cargoes through ports to prevent their diversion and a Statement of Interdiction Principles to enhance coordination and efficiency in suppressing illicit traffic in narcotic and psychotropic substances by sea.

## *Alternative Development*

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

CICAD participated in a project promoted by the government of Thailand to generate greater knowledge about integral and sustainable alternative development through a study that analyzed grassroots approaches to resolving problems of marketing agricultural products and identified best practices. Case studies were made of 4-8 communities in each of the following countries: Thailand, Vietnam, China, Afghanistan, India, Nepal, **Bolivia**, **Peru** and **Colombia**. A detailed analysis of the case studies focused on compiling and systematizing existing knowledge. In 2007, a manual of best practices will be published that contains concrete, feasible recommendations on how to organize community-based marketing.

### **Andean Regional Seminar on Marketing for Alternative Development Products**

CICAD facilitated the participation of representative group of producers from **Peru** and **Bolivia** in a seminar and trade fair that took place in Bogota, Colombia on April 3. The event was organized by **Colombia's** Presidential Agency for Social Action and International Cooperation (Acción Social), the Ministry of Foreign Affairs of Colombia, the Embassy of France, the French wholesaler Carrefour, the United Nations Office on Drugs and Crime (UNODC) and CICAD. Participants presented their approaches, projects and enterprises that support former growers of coca and opium poppies, especially through alternative development initiatives.

### **Andean Countries Cocoa Export Support Opportunity (ACCESO)**

Since June 2005, CICAD has participated in ACCESO to strengthen the supply chain of cacao, from the field to the consumer, in **Bolivia**, **Colombia**, **Ecuador** and **Peru**. In addition to CICAD, the members of this alliance are the World Cocoa Foundation (private business interests), the U.S. Agency for International Development (USAID) and the Inter-American Institute for Agricultural Cooperation (IICA). CICAD decided to take responsibility for the program component that developed technical assistance and training for cacao farmers through the use of the "farmer field school" methodology. This participatory approach allows a cadre of farmers, initially trained by field technicians, to use their own knowledge and experience to resolve basic crop management problems. Once their training is completed, these cadres of farmers should be able to transmit their acquired knowledge to other members of the community by replicating the system. During 2006, CICAD financed the training of 55 field technicians and also participated in a model consortium of seven Peruvian institutions for the implementation of 48 farm field schools in Peru, achieving coverage of 2,412 hectares. The beneficiaries were 1,229 farms belonging to 145 communities. In late 2007, the results will be evaluated to determine their real impact in terms of crop yield and quality. In 2007 CICAD plans to continue supporting the implementation of farmer field schools in Peru, and seek additional financing for implementing this methodology in Bolivia, Colombia, and Ecuador.

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

GLEAM is a remote imaging-based information system in decision making that permits governments to identify the actual use of land for both licit and illicit crops and determine those crops that can best substitute coca and poppy, taking into account the geographic, climatic and economic conditions prevalent. In 2006, CICAD concentrated on broadening the use of the GLEAM tool to the institutions involved in rural development in **Bolivia**. These included the ministries of Agricultural Affairs and Sustainable Development, the Agrarian Superintendence, the Vice Ministry of Land, the National Geography and Mining services, the National Institute of Agrarian Reform (INRA), the National

Fund for Alternative Development (FONADAL), and the agronomy and technology faculties of the University of San Andrés. The goal was to position the GLEAM service as a strategic information system specialized in integral development that permits centralization, systemization and distribution of information for operational support. At the same time, the system was used to carry out geographic quantification and soil evaluation for the cultivation of cacao and coffee in the Alto Beni of Yungas region, providing support to the Vice Ministry of Coca and Integral Development with geographic and spatial information of the coca-growing region. GLEAM also was employed to evaluate the extent of soil degradation in the Yungas region caused by settlement and coca cultivation. CICAD not only directs its efforts towards the areas where there are illicit crops or where they existed before, but also focuses on lands adjacent to illicit crop zones whose development could inhibit the expansion of illicit crops and avert the migration of workers to areas of illicit crops.

### **Colombia: Study on the Effects of Aerial Glyphosate Spraying**

In 2005, CICAD's scientific evaluation team presented the results of the first phase of its independent study, undertaken at the request of the governments of **Colombia**, the **United States** and the United Kingdom to measure the impact of aerial spraying of coca fields in Colombia on human health and the environment. Although no association between spraying and human reproduction was found, the team proposed to carry out additional studies to identify possible risk factors associated with other human activities or the environment. In 2006, as a result of these recommendations, a team of scientific experts and field staff, as well as the labs, were selected to develop the study components and scientific protocol for a second phase. The second phase got underway in November and is expected to last two years. It will include the following components:

- Bio-monitoring of genotoxic risks for farm workers in five Colombian regions, considering the potential association of their work exposure to Glyphosate;
- Analysis of the drift from spraying with Glyphosate and Cosmo-Flux, as it is employed in the Colombian eradication program;
- Evaluation of the toxicity of Glyphosate and other pesticides used by illicit crop producers for amphibians will be carried out;
- Identification of the mixtures of Glyphosate and additives that might be less toxic for aquatic organisms than the one currently in use;
- Test of the Glyphosate-Cosmo-Flux formulation for toxicity to amphibians.
- 

## **D. MONEY LAUNDERING CONTROL**

### ***Overview***

In response to increasing requests for training and assistance to combat money laundering, CICAD cooperates with member states through its Anti-Money Laundering section in the following areas: finances, legal advisory services, and law enforcement. The section also serves as the technical secretariat for the CICAD Expert Group on the Control of Money Laundering and represents the OAS at international forums on policies to control this criminal activity and the financing of terrorism. In 2006, the activities of the section focused on the Control of Money Laundering Expert Group, training programs for judges and persecutors, technical assistance to assist governments in drafting legislation and regulations, and participation in conferences and seminars.

### *Expert Group*

The group met twice, first in Washington in May and later in **El Salvador** in November. This year's agenda included three primary themes – seizures, international funds, and financial remittances – and included special presentations by the OAS Secretary General, as well as representatives of the United Nations, the Inter-American Development Bank (IDB), the American Financial Action Task Force (GAFISUD), the government of Spain, the OAS Office of Legal Cooperation, and the Inter-American Committee against Terrorism (CICTE).

In his opening remarks during the Meeting of the Expert Group to Control Money Laundering, the Secretary General proposed a CICAD assistance program to help member states provide funds to the Commission by each member state setting aside a small percentage (less than one percent) of revenue from seized assets. This revenue would support CICAD activities, such as specialized training. He reiterated the proposal at the OAS General Assembly in the Dominican Republic. The proposal will need to be considered further in terms of its voluntary nature and member states will need to consider whether they have legal authority to use seized assets in this manner. The OAS Office of International Legal Cooperation and CICTE presented two projects: a secure web page for exchanging information among program partners and a training module for combating the financing of terrorism. The Anti-Money Laundering section gave a comprehensive accounting of its programs over the past three years and presented the experts with a breakdown of costs and benefits.

### *Training*

Training efforts in money laundering control focused on judges, prosecutors, police officers, customs agents, the financial analysts and computer specialists of the financial intelligence units (FIUs), and compliance officers of financial institutions.

Workshops for judges and prosecutors were held in the **Dominican Republic, Honduras, Panamá, Guatemala** and **Nicaragua**. Course work was developed under the Project to Fight Money Laundering through the Judicial System (IDB/CICAD). The courses were led by four international specialists (from Spain and Chile) as well as national experts. Subjects included, among others, money laundering doctrine, proof, international cooperation and special investigative techniques.

In a joint initiative with the United Nations and the IDB, mock trials were held in the **Dominican Republic, El Salvador, Costa Rica** and **Chile**. These exercises are based on real cases of money laundering and are aimed at judges, prosecutors and public defenders, as well as experts from financial intelligence units and the police who participated as witnesses in many cases. The trial itself is preceded by several months of preparation in which, in addition to studying the case work, the participants prepare an investigative plan following a format developed expressly for this project.

“Train the trainer” training was also provided to law enforcement agents (police, customs, prosecutors) from **Honduras, El Salvador, Nicaragua, Guatemala, Costa Rica, Panama**, the **Dominican Republic** and **Brazil**. As part of the follow-up to the program, memoranda of understanding were signed with **Uruguay, Bolivia, Paraguay** and **Peru**, through which computer hardware was acquired so that the course could be replicated in each country. The Anti-Money Laundering section maintains a database with all the trainees who have passed the final exam and form part of a trainers network.

With the assistance of the government of Spain and the participation of the United Nations Office on Drugs and Crime, CICAD carried out a pilot project to promote operations coordination among the police, financial intelligence units and prosecutors. A workshop, attended by **Honduras, El Salvador, Nicaragua, Guatemala, Costa Rica, Panama**, and the **Dominican Republic**, consisted of a mock investigation, based on real cases, during which agents from the institutions involved resolved a case of money laundering, and prepared the case for trial. The workshop combined a strong

practical component with a theoretical framework for the preparation of cases and their adjustment to national and international laws and regulations. Trainers-facilitators came from the United Nations, the Ministry of Interior and the Prosecutors' Office of Spain, and CICAD's Anti-Money Laundering section.

### ***Technical Assistance***

Technical assistance was focused on the establishment and development of financial intelligence units (FIUs) through the IDB/CICAD project. Beneficiaries were **Costa Rica, El Salvador, Nicaragua, Panama, Honduras, the Dominican Republic, Uruguay, Ecuador and Colombia**. The program, which was completed in December, provided assistance in the areas of staff training, organizational design, information system design, and technology acquisition. Staff participated in two regional workshops on basic tools for the analysis of financial information. In each of the countries, workshops included practical exercises in information analysis using computer software. In one of the sessions of these workshops, compliance officers from national financial institutions received special training to improve reports they submit to FIUs.

In the second half of 2006, the Anti-Money Laundering section began an ambitious new project for law enforcement agencies and prosecutors to develop a database classifying the many different types of money laundering, standardizing the terminology for describing each and cataloguing the real and potential law enforcement responses to detect, investigate and prosecute each type of money laundering. The database is being tested in workshops to explain its application. The first of these was held in Mexico on November 21-23, 2006. Other workshops are planned for **Argentina, Colombia, Panama and Trinidad and Tobago**. Once the testing has been completed, the database will be made available to the law enforcement agencies and prosecutors of all member states.

The Anti-Money Laundering section finished preparing a modularized curriculum on money laundering control for judges, prosecutors, law enforcement officers and other stakeholders. Due to its modular organization, the coursework can be easily adapted to specific requirements and target groups. It will be available to serve as the backbone of CICAD training and to provide baseline knowledge to public authorities involved in the control of money laundering.

### ***Other Activities***

Representatives participated in the following seminars, conferences and forums: the American Financial Action Task Force (GAFISUD); the first Meeting on Information Technology of the Financial Intelligence Units of South America; and the INTERPOL Group of Experts on Money Laundering. At the same time, contact was maintained with the Financial Action Task Force (FATF-GAFI), the Financial Action Task Force of the Caribbean, and the International Monetary Fund to establish coordination for the programs and projects administered by these organizations.

### ***Publications***

A grant from the government of Venezuela made possible the publication of the second edition, updated and augmented, of a reference work for judges and prosecutors entitled *El Combate al Lavado desde el Sistema Judicial* authored by Spanish law experts Javier Zaragoza Isidro Blanco and Eduardo Fabán. The book also serves as the reference text for most money laundering training courses.



## E. INSTITUTION-BUILDING

### *Overview*

CICAD seeks to ensure that each member state has an established and robust national drug control commission with meaningful political support, legal powers, specialized staff and budget adequate to ensure continuity and effectiveness. CICAD supports most member states in drafting, updating, and decentralizing their national drug control strategies, policies, plans and programs, and helping them to identify the strengths and weaknesses of their institutional structures. Technical assistance is often provided on the drafting of laws and regulations on various aspects of drug control, and updating their regulatory framework. Support is also provided for organizational development in the national drug control commissions.

### *Organizational Development*

The section had three initiatives in this area: First it carried out evaluations of national anti-drug policies and plans in **Antigua and Barbuda, Dominica** and the **Dominican Republic**. Second, it undertook a comparative study of drug legislation that included a review of methodology, prevention and treatment, and control of chemical substances. Finally, at the request of the Commission, it conducted evaluations of anti-drug plans in the **Bahamas, Barbados, Dominica, the Dominican Republic, Guatemala, Panama, Paraguay, Venezuela** and **Ecuador**. The consultant who performed the evaluation delivered the report (CICAD/Doc. 1508/06) at the thirty-ninth regular session of CICAD in May.

### *Strengthening Human Resources in National Drug Commissions (NDCs)*

Activities included a series of workshops carried by CICAD's Educational Development and Research section to introduce the staffs of national drug commissions to the *logical framework* methodology of project management, including techniques for planning, managing, monitoring and evaluating projects. Workshops, attended by 56 staff members, were held in **Guatemala** for Central America; in **Venezuela** for the Andean countries; and in **Paraguay** for the Southern Cone countries. A fourth workshop, for the Caribbean, will take place early 2007. Training for NDC personnel in **Venezuela, Argentina** and **Mexico** was provided through three workshops on new work models, high-performance skill teamwork, motivational instruments and adaptation to change. A total of 76 staff members received this training.

The management of the Project on the Decentralization of Drug Policies in the Andean Countries was transferred to the Inter-American Observatory on Drugs.

## F. EDUCATIONAL DEVELOPMENT AND RESEARCH

### *Overview*

The Educational Development and Research section strives to encourage a greater understanding of drug issues by working with universities, professional associations, and other institution in the hemisphere. It seeks to address the scarcity of professionals with adequate specialization, scientific knowledge and research skills in the drug field by introducing drug-related curriculum in undergraduate, graduate (specialization, masters and doctoral levels) and research programs. It applies a multi-disciplinary, holistic approach to the study of the drug problem. In addition, it also provides specialized courses for CICAD staff, members of national drug control commissions and

other professionals involved with activities related to the drug problem, as well as giving technical and financial support for academic research.

### ***University Partnership Projects***

Since 1997, CICAD has been developing several models of collaboration with universities in the Americas as reported to the Commission at its thirty-ninth regular session (CICAD/doc.1458/05). This initiative started with schools of nursing, which incorporated a broad range of course content (promotion of better life styles, prevention of drug use and abuse, and social integration) in undergraduate and graduate nursing curricula, as well as the development of extension activities and pilot research studies. At present, 16 university schools of nursing in 11 Latin American countries are involved. A model curriculum with drug-related content was published in 2004 for undergraduate and graduate nursing programs (specialization, masters, and doctorate). Thus far, over 30,000 nursing undergraduate and graduate students have participated. This approach has expanded to include schools of public health, and exploratory work has begun with schools of medicine, public health and education.

### **Schools of Nursing**

In 2005, CICAD expanded its experience of working with the Latin American schools of nursing to include developing partnerships with associations of schools of nursing and the national drug commissions in **Argentina, Colombia, Chile, Peru** and **Mexico**. The CICAD schools of nursing project also organized two international meetings on leadership and research to discuss the contribution of the nursing profession on drug issues in Latin America in August 2006 in Bogotá, Colombia. In the two meetings, 150 representatives came from four universities in the United States and 19 in Latin America.

### **Schools of Public Health**

In conjunction with the Pan American Health Organization (PAHO), CICAD undertook an evaluation of schools of public health in Central and South America and the Caribbean to determine how these schools address drug and international health related issues in their curricula. In October 2006 in Córdoba, Argentina, CICAD and PAHO organized a three-day meeting on drug and international health issues with the participation of representatives of 13 schools of public health. The objectives of the meeting were: to present the progress of implementation of the CICAD Schools of Public Health Project in each school; to identify the advances and barriers for the creation of the information exchange network among schools of public health in Latin America; and to deliver a training course called Drug Issues and International Health in the Americas – Emphasis on Prevention of Use and Abuse of Drugs.

### **Schools of Medicine**

A pilot initiative with the ABC Foundation School of Medicine in São Paulo, **Brazil** was launched in 2004 to incorporate drug-related content into undergraduate and graduate medical curricula, extension activities and research. In 2006 the ABC Foundation School presented five posters about lessons learned on the experience at an international conference in Colombia.

### **Schools of Education**

Ten schools of education from nine Latin America countries are introducing drug content into undergraduate and graduate curricula, implementing extension activities at community level, and developing pilot research studies on drug issues, as well as curriculum guidelines. A web site was developed and hosted at the Interamerican Open University, in Buenos Aires, Argentina.

## **Research**

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

In March 2005, CICAD and the School of Nursing at the University of São Paulo at Ribeirão Preto (**Brazil**) launched an on-line research specialization program for health and related professionals to study the drug problem in Latin America. This first class of 32 students from 10 countries graduated in August 2006. The second class include 30 Latin American students and five African students from Portuguese speaking countries. As part of a December 2005 horizontal cooperation agreement with CICAD, the National Anti-Drug Secretariat (SENAD, Brazil) provides technical and financial support for this project until 2008. SENAD is providing 74% of the costs and CICAD the remaining 26%. For more information about the On-Line Research Program, go to <http://preinvest.cicad.oas.org>.

### **International Research Capacity-Building Program for Health-Related Professionals to Study the Drug Phenomenon in Latin America**

In June 2006, CICAD and the Center for Addiction and Mental Health (CAMH, Toronto, Canada), with the financial support from the government of **Canada**, offered an advanced research training program for health-related professionals from Latin America to study drug issues through the development of a multi-centric research study. Ten participants from seven Latin American countries completed the 10-week activity in Toronto and then returned to their own countries to implement a multi-centric study entitled *Illicit Drug Use in Seven Latin American Countries: Critical Perspectives of Family and Relatives*.

## **Horizontal Cooperation**

### **Research Project on Drugs, Women and Violence in the Americas**

CICAD and **Brazil's** Anti-Drug Secretariat (SENAD) and Public Security Secretariat (SENASP) are partnering with 22 universities in 12 countries (19 in Latin America and 3 in the United States) to conduct comparative studies on drugs, women and violence in the Americas. The research groups have already collected the data and presented preliminary findings at an international conference in **Colombia** in August 2006. CICAD is covering 52% of the costs and SENAD 49%.

### **National Organization Registry Project with Brazil**

Under the Multilateral Evaluation Mechanism's (MEM) technical assistance program, CICAD and the government of **Brazil's** National Anti-Drug Secretariat (SENAD) started work on a nationwide cataloguing of government and non-governmental organizations working and delivering treatment services for alcohol and other substance abuse. SENAD has financed two thirds of the cost of the study and CICAD, the remaining third.

### **Program for Integrated Academic Education**

The program involves the incorporation of drug-related content in undergraduate and graduate courses in medicine, psychology, social work, nursing and education, as well as extension and research activities. It will be implemented in six public universities in the northern, northeastern and central regions of Brazil where a scarcity of qualified human resources holds back work on drugs. The project will last three years (2006-2008). SENAD will cover 91% of costs and CICAD, the remaining 9%.

### ***National Drug Commission-Specific Professional Training***

In response to the need for technical training of the staff of the national drug control commissions, the EDR and Institutional Development sections offered training courses on the *logical framework* methodology for project design, covering all national drug control commissions of Latin America and the Caribbean.

#### ***CICAD Publications.***

CICAD (through the Educational Development and Research section) has published the following documents in 2006 related to the schools of nursing projects in Latin America:

CICAD/OAS (2006). *The Role of the Nursing Profession and the Drug Phenomenon in Latin America*. First Edition (English), Santa Catarina. Serie 5

CICAD/OAS (2006). *El Liderazgo, la Investigación de Enfermería y el Fenómeno de las Drogas en las Américas*. First Edition (Spanish), Santa Catarina. Serie 7.

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

### ***Overview***

The Inter-American Observatory on Drugs (OID) is CICAD's statistical, information and research branch. Its mandate is to promote and support a hemisphere-wide drug information network with and for CICAD member states that provides scientifically valid, up-to-date and comparable information on the production, trafficking, use, and societal impact of drugs. Informed by a sound, evidence-based picture of the drug problem both nationally and at the hemispheric level, CICAD member states, individually and collectively, can better understand all the dimensions of the drug problem, and design and implement policies and programs to address them.

The Observatory helps countries to improve the collection and analysis of drug-related data; by promoting the establishment of national observatories and the use of standardized methods and data; and by providing scientific and technical training for, and the exchange of experiences among, professionals working on the drug problem.

### ***Statistics on Drug Use***

Since 2005 and through 2006, the statistical area of the Observatory increased its support to the national anti-drug commissions in order to measure the magnitude of drug consumption. In partnership with the United Nations Office on Drugs and Crime (UNODC), it produced a comparative analysis about drug consumption among secondary school students in nine South American countries: **Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Peru, Uruguay and Venezuela.**

In addition, the national reports of the surveys carried out in 2005 were also published.

### **Surveys in 2006**

**Household surveys:** During 2006, the national reports of surveys in **Costa Rica, Guatemala, El Salvador and Nicaragua**, were published. Surveys were conducted in **Argentina, Chile, Peru and Uruguay** in a joint initiative with UNODC Peru. ***Such surveys are also being carried out in Bolivia and Ecuador.*** Corresponding national reports, as well as a comparative study of the results, should

become available in the first half of 2007, as well as a comparative study of the results. Another household survey took place in **Barbados**.

**Secondary school surveys:** Surveys were carried out in **Costa Rica, Barbados, Dominica, Guyana, Jamaica, St. Kitts and Nevis, St. Vincent and the Grenadines and Trinidad and Tobago**. The results of some of these studies were available by end-2006, with the remainder to be published in early 2007. In addition to each country report, a comparative analysis of the status of drug use and abuse in the Caribbean will be prepared in 2007.

**University student surveys:** The special methodology for surveying drug use among university students underwent final review and will be ready for application in 2007.

**Public employees:** The report of a **St. Lucia** survey of drug use among public employees conducted at the end of 2005 as part of a workplace prevention program was published in 2006.

### **Latin American Epidemiology Work Group (REDLA).**

In a joint initiative with the U.S. National Institute of Drug Abuse (NIDA), the Latin American Epidemiology Work Group (REDLA) was created in December 2006 to encourage drug use research in the academic environment in Latin America and also to establish a flow of information among the participants. The working group agreed to hold annual meetings.

### **Meeting of Ibero-American Observatories on Drugs**

The third meeting of Ibero-American Observatories on Drugs took place under the auspices of the Spanish Agency for International Cooperation (AECI) and NIDA in Cartagena, **Colombia**, in December. More than 50 professionals from 20 countries, as well as special guests from the National Hispanic Science Network, the Spanish Observatory on Drugs, and the European Monitoring Centre for Drugs and Drug Addiction, attended.

### **CICAD/NIDA Competitive Research Award Fund**

CICAD, in conjunction with the NIDA, created a grant program to encourage epidemiological research in CICAD member states to encourage the use of existing databases of surveys to generate additional analysis at low cost.

### ***Statistical Indicators on Supply Reduction***

#### **Promotion of CICDAT Software**

In 2006 the Observatory took action to promote the use of its software application among the member countries. The system permits the standardization of information and its transmission within and among the member states and the Executive Secretariat. In addition, the institutions of each country that generate data (police, customs service, etc.) can send data electronically to the national coordinator, who can then process data, validate it and then transmit it to OIDA via the Internet.

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

The CICAD Program to Estimate the Human, Social and Economic Costs of Drugs in the Americas arose from a mandate from the Action Plan of the Third Summit of the Americas in 2001, which was renewed in the Fourth Summit in Mar de Plata in November 2005. The methodology developed was based on the *International Guidelines for Estimating Costs of Substance Abuse* developed by the Canadian Centre on Substance Abuse and its international working group on costs. Six countries (**Barbados, Chile, Costa Rica, El Salvador, Mexico and Uruguay**) participated in the pilot study.

Subsequently, the governments of **Argentina** and **Colombia** joined the study group. The government of **Trinidad and Tobago** has expressed an interest in the program and expects to implement it by end-2006. **Chile** will expand its participation in the program by implementing the first study on avoidable costs (factors that are immediately influenced by government policy decisions), for which CICAD/OAS has approved the execution of this study with funds from the Canadian government.

### ***Information***

The Observatory concentrated disseminating of drug-related information through CICAD's [web site](#) and on the online news bulletin, the *Observer News*. The Observatory continued giving support to member countries so that they could collect information for the MEM process and develop and strengthen their national observatories. In its fourth year, the quarterly online newsletter highlighted activities in the 34 member states and provided updated information about CICAD programs and projects. It also reported on new tendencies in drug use and innovative methods of prevention and treatment. The online newsletter underwent a redesign to improve its readability and access.

### ***Decentralization of Counter-Drug Policies in the Andean Countries***

In January 2006, the OID assumed the management of the Project on the Decentralization of Drug Policies in the Andean Countries (initially handled by the Institutional Development section). This project began in 2003, with financial and technical support of the *Agencia Española de Cooperación Internacional* (AECI) of Spain and of its National Drug Plan (*Delegación del Gobierno para el Plan Nacional sobre Drogas, Ministerio de Sanidad y Consumo*). CICAD has worked with the national drug control commissions of all five participating countries (**Bolivia, Colombia, Ecuador, Peru and Venezuela**) to strengthen the process of decentralization of national drug policies, particularly strengthening the capacity of regional, provincial and municipal governments to detect new patterns of drug use and conduct locally tailored prevention and treatment programs.

During 2006, the project developed an intense work in the field in several important areas along the following lines:

- Formal establishment of local drug committees in the participating municipal governments and promoting work and creating awareness among politicians and local institutions;
- Development of local diagnoses on drug use in the municipalities of Bolivia, Ecuador, Peru and Venezuela as a starting point for work with the existing municipal committees;
- Design and elaboration of training and public awareness materials aimed at local actors;
- Training of local actors involved in drug policies on aspects related to demand reduction, planning and management;
- Writing and approval of local drug plans by the participating municipal governments
- Design, funding and execution of local pilot prevention projects; and
- Staging of the III Andean Meeting on Decentralization of Drug Policies, in the Training Center of Spanish Cooperation in Cartagena, on December 4-8.

## CHAPTER II<sup>1</sup>.

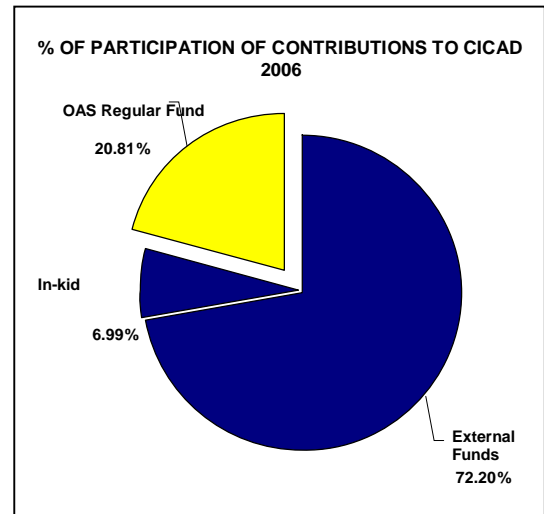
### FINANCIAL AND BUDGETARY CONSIDERATIONS

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

CICAD's funding comes from two financing sources: the Regular Fund of the OAS and in cash and in kind contributions from external donors. In 2006, CICAD received US\$7,778,809 in cash and US\$584,932 in kind.

Under total contributions received, the OAS Regular Fund provided US\$1,740,158, or **20.81%**. Contributions from external donors, both in cash and kind, provided \$6,623,583, which represents **79.19%** of the total received for the year.

From 2005 to 2006 contributions both from external donors in cash and from the OAS Regular Fund declined. Compared to 2005, external contributions declined by 12.24% (\$837,939), while the decrease in distributed and executed contributions from the Regular Fund of the OAS was 12.83% (\$256,160).



The following tables show a breakdown of the contributions in cash and in kind received as of December 31, 2006.

<sup>1</sup> Partial financial information. In process of certification by the Department of Budgetary and Financial Services of the OAS.

**CASH CONTRIBUTIONS TO CICAD IN 2006**

<b>Country - Donor Agency</b>	<b>Contribution</b>
United States	\$ 4,389,000
OAS Regular Fund	\$ 1,740,158
Canada	\$ 1,009,097
Spain	\$ 256,340
Mexico	\$ 145,000
France	\$ 52,240
Pan American Health Organization	\$ 30,000
Inter-American Development Bank	\$ 29,400
NIDA	\$ 20,000
Chile	\$ 15,000
Turkey	\$ 4,000
Bahamas	\$ 3,000
Other donors*	\$ 76,156
<b>Total contributions in cash</b>	<b>\$ 7,778,809</b>

\* Payment of enrolment fees for students in the Online Master's Degree in Addiction Studies.

**SPECIAL AND IN-KIND CONTRIBUTIONS**

(Approximate amounts)

<b>Country - Donor Agency</b>	<b>Contribution</b>
University of Sao Paulo - EERP	\$ 194,000
Spain	\$ 175,000
Canada CAMH	\$ 101,932
Brazil SENAD	\$ 57,000
Universidad Autónoma de Nuevo León	\$ 30,000
Colombia	\$ 12,000
Peru	\$ 10,000
Honduras	\$ 5,000
<b>Total contributions in kind</b>	<b>\$ 584,932</b>

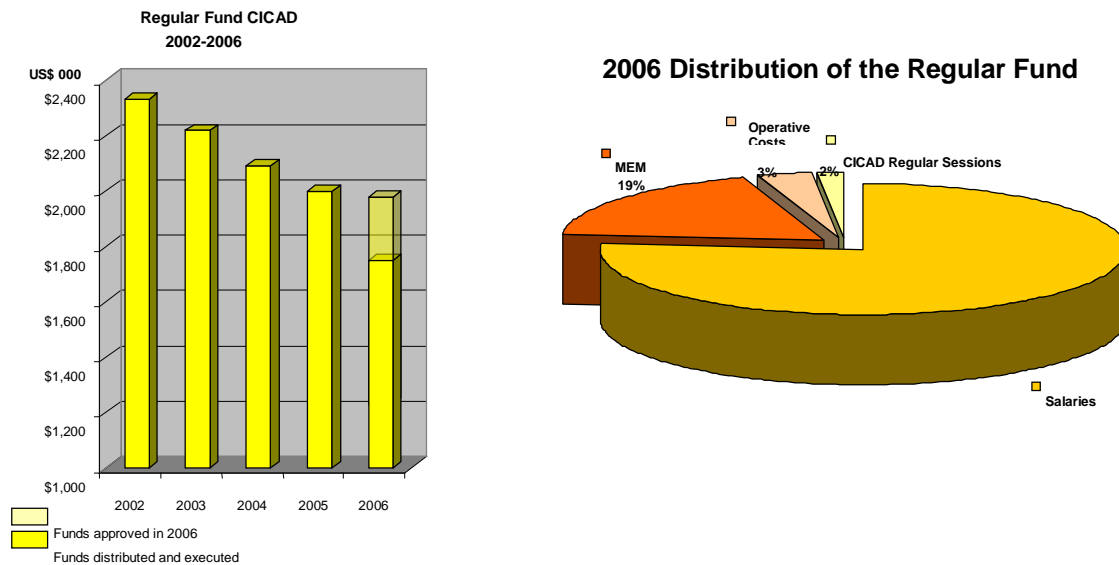
<b>TOTAL CONTRIBUTIONS</b>	<b>\$ 8,363,742</b>
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**B. OAS REGULAR FUND**

Over the last four years CICAD's allocation from the OAS Regular Fund has declined steadily. In 2006, the General Assembly approved \$1,943,100, and of this amount only \$1,746,493 were



distributed to CICAD (and spent), which in percentage terms amounts to a shortfall of 12.52% between the contribution approved and the amount distributed in the same year.



The contribution of the OAS Regular Fund was used to cover about a third of CICAD personnel costs (US\$1,356,636); the functioning of the Multilateral Evaluation Mechanism (US\$300,086); the operating costs of the Executive Secretariat (US\$57,498); and to partially finance the staging of the two statutory meetings of the Commission (US\$28,933).

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

The total contributions received from external donors in cash was US\$6,038,651. These contributions were received as follows:

#### 1. Contributions of the United States of America: US\$4,398,000.

##### a. INL (Bureau of International Narcotics and Law Enforcement Affairs – US Department of State): US\$4,398,000.

i) At the end of September CICAD received US\$3,369,000 as an annual contribution from INL to finance programs in different areas of CICAD.

ii) In October, CICAD received US\$215,000 for the program on “Mock Investigations in Money Laundering” for Spanish-speaking member states. The training will be imparted jointly by CICAD and the United Nations Office on Drugs and Crime, with the participation of several acknowledged international experts. The Government of Spain has expressed its intention to provide support to the program through the AECI centers

- iii) INL contributed US\$300,000 in August to continue implementation of the Culture of Lawfulness Program in Central America and the Caribbean.
- iv) Through INL, the NAS of Nicaragua made a special contribution of US\$196,000 for the creation of the Financial Intelligence Unit of Ecuador. At the request of the Government of Ecuador the project was cancelled and notification from NAS Ecuador is pending regarding the return of these funds.
- v) The NAS of Bolivia sent a special contribution of US\$218,000 for three specific projects in Bolivia: (1) Drug Abuse in Prison Inmates in Bolivia (\$53,000); (2) “Let’s be leaders in drug abuse prevention in Bolivia” (\$80,000); and, (3) Education and training project on drug abuse prevention in schools, family, and the workplace.
- 2. Contribution of Canada: US\$1,009,097 (CND\$1,158,466)**
- a. Department of Foreign Affairs and International Trade (DFAIT): US\$892,745 (CND\$1,025,250).**
- i) In the first quarter, two reimbursements for Canadian fiscal year 2005-06 were received for a total of US\$773,634 (CND\$890,250), which were reimbursements for expenditures related to the Multilateral Evaluation Mechanism (MEM) and for projects stemming from the recommendations of the second round of evaluation of the MEM in Supply Reduction, Demand Reduction, the Inter-American Observatory on Drugs, and to support the Public Health Schools Program.
- ii) In accordance with the agreement signed, the first disbursement for US\$119,111 (CND\$135,000) was received for the International Research Capacity-Building Program for Health-Related Professionals to Study the Drug Phenomenon in Latin America and the Caribbean. The final balance (10%) would be paid, as necessary, under reimbursement when the project concludes and DFAIT approves the technical and financial report presented.
- b. Department of Public Safety and Emergency Preparedness (PSEPC): US\$116,352 (CND\$133,216).**
- i) PSEPC reimbursed to CICAD US\$28,352 (CND\$33,216) for the meeting of the MEM Intergovernmental Working Group held in February.
- ii) The annual PSEPC contribution of US\$88,000 (CDN\$100,000) was used to finance the Border Security Program – Drug Investigation and Interdiction in Airports in the Caribbean (\$52,800 – CDN\$60,000), and for the Program on Drug Abuse Prevention and Treatment in Prisons in Central America (US\$35,200 – CND\$40,000).
- 3. Government of Spain: US\$256,340.** CICAD received the second contribution to fund the second phase of the Project to Decentralize Drug Policies in the Andean Countries.
- 4. Government of Mexico: US\$145,000**
- a. Secretariat of Foreign Affairs: US\$70,000.** Voluntary contribution of US\$70,000 to support the Multilateral Evaluation Mechanism (MEM).
- b. Office of the Prosecutor General of the Republic of Mexico: US\$75,000.** Annual voluntary contribution to the CICAD General Fund
- 5. Government of France: US\$52,240.** Voluntary contribution through the Permanent Observer Mission of France to the OAS for the CICAD General Fund.

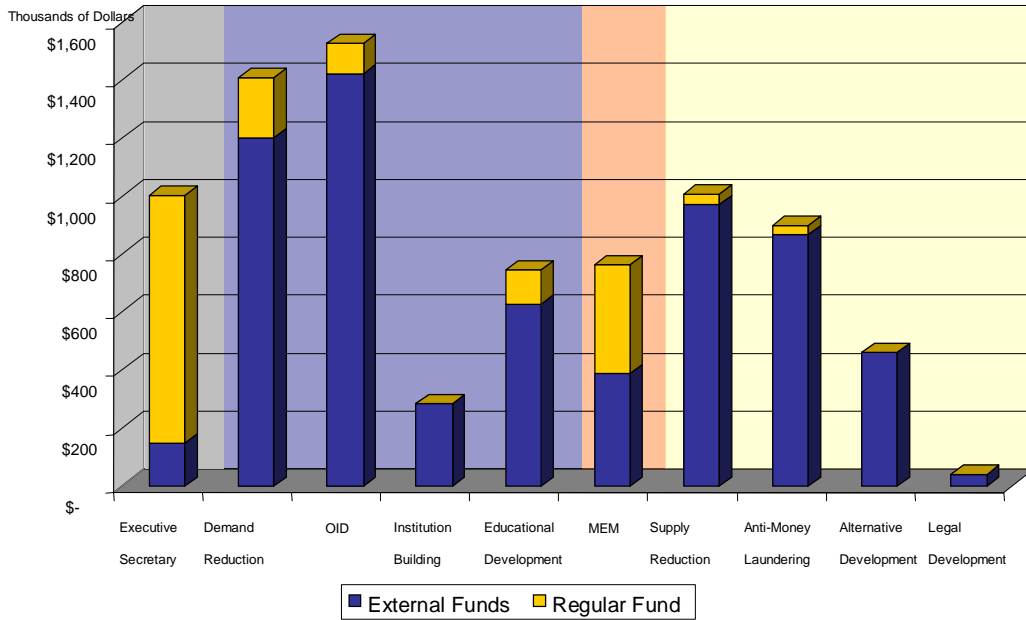
6. **Pan American Health Organization (PAHO): US\$30,000.** These funds were a PAHO contribution to the Schools of Public Health Program.
7. **Inter-American Development Bank (IDB): US\$29,400.** The IDB made an advance to the project on Mock Trials in Money Laundering of 20% (\$29,400) of the Bank's total contribution.
8. **National Institute on Drug Abuse (NIDA): US\$20,000.** These funds were the contribution of NIDA to co-finance the meeting of the Latin American Epidemiology Work Group (REDLA) and the conference of coordinators of the National Drug Observatories of Latin America. Both events were organized by the Inter-American Observatory on Drugs (IOD).
9. **Government of Chile: US\$15,000.** Contribution of the Government of Chile to the CICAD General Fund.
10. **Government of Turkey: US\$4,000.** These funds were a contribution of the Government of Turkey to the CICAD General Fund.
11. **Government of the Bahamas: US\$3,000.** These funds were a contribution of the Government of the Bahamas to support the Multilateral Evaluation Mechanism (MEM).
12. **Contributions in kind. US\$584,932 (approximately):**
  - § **University of Sao Paulo Nursing School at Riberao Preto (USP-EERP), Brazil: US\$194,000** (approximately). Contribution in kind from USP-EERP in salaries for teachers, program advisers, systems technicians, and tutors of the On-Line Specialization Research Capacity-Building Program for Health Professionals (PREINVEST).
  - § **Government of Spain: US \$175,000** (approximately).
    - i) **AECI (Spanish International Development Agency): US\$116,000.**  
 Contributions in kind for US\$87,000 for the Third Andean Region Training Workshop on Decentralization of National Counterdrug Policies (Colombia) and the Third Ibero-American Encounter of National Drug Observatories, Cartagena de Indias, Colombia.  
  
 Contribution in kind of \$29,000 to cover accommodation and meals for 29 participants from Central American countries in the Workshop on Counseling and Treatment for Drug Abuse in Prisons, Antigua, Guatemala.
    - ii) **Ministry of Health and Consumption of Spain/Government Delegation for the National Antidrug Plan. US\$9,000 for the participation of:**  
  
 A national expert in the Third Ibero-American Encounter of National Drug Observatories, Cartagena de Indias (US\$3,000); Participation of two experts in the Third Andean Region Training Workshop on Decentralization of National Counterdrug Policies, Cartagena de Indias (US\$6,000)
    - iii) **Ministry of the Interior and AECI: US\$50,000:**  
  
 Contribution to cover the travel and living expenses of 21 participants in the exercise on Mock Investigations in money laundering.  
  
 Travel and living expenses and fees of Spanish officials who provided training to event participants in conjunction with CICAD-OAS and the UNODC, Colombia Office.

- § **Center for Addiction and Mental Health (CAMH) – Canada: US\$101,932 (CND\$120,000) (approximately).** In kind contribution from CAMH for implementation of the International Research Capacity-Building Program for Health-Related Professionals to Study the Drug Phenomenon in Latin America and the Caribbean.
- § **National Anti-Drug Secretariat (SENAD) - Brazil: US\$57,000.** Contribution in kind to pay for meals, accommodation, and local travel for 35 participants in a one-month on-site course at USP-EERP for the On-Line Specialization Research Capacity-Building Program for Health Professionals (PREINVEST).
- § **Universidad Autónoma de Nuevo León - Mexico: US\$30,000.** Contribution in kind for processing and analysis of hemispheric data for the Multicentric Research Pilot Study on Drugs, Women, and Violence in the Americas.
- § **Government of Colombia US\$12,000.** For the Regional Anti-Drug Investigation and Intelligence Seminar.
- § **Government of Peru: US \$10,000.** Logistical expenditures on training for police from various countries in the hemisphere for the Anti-Drug Operational Intelligence Course in Andean countries held at ERCAIAD, Peru.
- § **Government of Nicaragua US\$ 5,000.** For the Regional Seminar on Container Identification and Inspection, held in July in Nicaragua.

#### **D. CICAD PROGRAM EXECUTION DURING 2006**

During 2006, the cost of CICAD's programs and projects in the hemisphere totaled US\$8,123,831, of which US\$6,392,925 came from external funds and US\$1,740,158 came from the OAS Regular Fund. The following chart shows the distribution of expenditures by CICAD program.

### DISTRIBUTION OF EXPENDITURES BY SECTION



<b>Office of the Executive Secretary</b>	<b>12.3%</b>	<b>Multilateral Evaluation Mechanism</b>	<b>9.4%</b>
<b>Demand Reduction Programs</b>	<b>48.7%</b>	<b>Supply Reduction Programs</b>	<b>29.6%</b>

Approximately US\$1.0 million (12.3%) was spent by the Office of the Executive Secretary under the Executive Secretary and the support units (administrative office, technology support and communications) and the holding of the Commission’s statutory meetings.

The units of Demand Reduction, the Inter-American Observatory on Drugs, Education Development and Research, and Institution Building implement the programs grouped under Demand Reduction and executed US\$3.2 million in their programs.

The MEM spent US\$762,344. The cost of projects stemming from MEM recommendations were accounted for under the unit that conducts each project

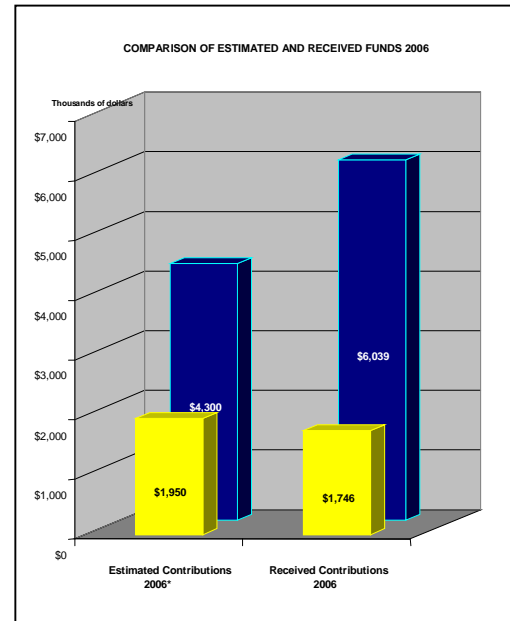
With respect to Supply Reduction programs, the units of Supply Reduction, Alternative Development, Anti-Money Laundering and Legal Development spent approximately US\$2.4 million as of December 31, 2006.

## E. RESULTS OF THE STRATEGY TO OBTAIN EXTERNAL FUNDING

Since 2005, owing to the reduction in contributions to CICAD, the CICAD Executive Secretariat has sought to diversify the sources and forms of financing for the programs that the Commission carries out in the hemisphere.

As part of this strategy to obtain funds the Commission has encouraged horizontal cooperation between member states and key partnerships with international organizations and agencies that work in the area of drugs.

Although the contributions secured in 2006 were lower than the funds received in 2005, the total sum received surpassed the estimated revenue for 2006. The chart below compares the total estimated income for 2006 (taken from the 2005 annual report) and the amount that was actually received in the year.



There is a decrease in the contribution from the Regular Fund, from which the amount of funds received and executed was lower than that approved by the General Assembly for 2006.

As regards contributions in cash from the specific funds, CICAD received US\$1,739,000 more than the amount projected in 2005.

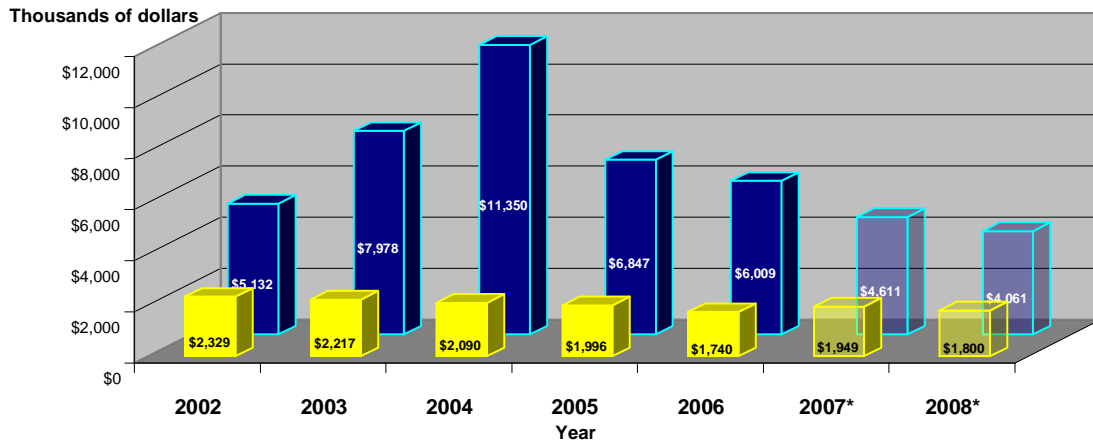
These additional funds were obtained thanks to the efforts of the Executive Secretariat, its different sections, and the will and commitment of various traditional and new sources of financing for CICAD.

The contributions received from the United States and Canada exceeded the estimated amount. The United States provided \$4.3 million, \$1.3 million more than the estimated contribution; and Canada supplied an additional \$200,000 to the amount projected, which took its total contribution to approximately \$1.0 million in 2006.

It is important to note the new sources of financing in 2006, including the Pan American Health Organization (PAHO), the US National Institute of Drug Abuse (NIDA), the Government of Turkey, and the Government of the Bahamas. By the same token, the traditional contributors, such as Spain, France, Mexico, Chile, and the IDB, showed their commitment to the Commission with their consistent annual contributions which are important for the implementation of CICAD's various programs.

Although the drop in contributions received in 2006 was not as significant as estimated in 2005, there is a worrying downward trend in the intake of contributions from both external funds and the Regular Fund. The total contributions received (\$7.7 million) was lower than the funds spent in the same period (\$8.1 million).

## CONTRIBUTIONS TO CICAD 2002-2008



\* Estimated

As regards funding for the years ahead, at the end of 2006, CICAD signed an agreement with the European Community for a contribution to a project to improve drug treatment and rehabilitation practices through the exchange of experiences among different cities in Europe, and Latin America and the Caribbean. The agreement covers a period of three years and has an estimated total cost of \$2.0 million, of which the European Community will contribute approximately \$1.8 million (EUR\$1.4 million).

Even with the inclusion of the proportion to be contributed by the European Community, which the Commission expects to receive in 2007, it is estimated that, compared to 2006, there will be a drop in external contributions of \$1.6 million (23.44%) in 2007 and of approximately \$2.0 million in 2008.

In order to maintain its ongoing programs and projects, CICAD needs to increase the contributions for the next two years by approximately \$3 million in order to maintain an annual level of contributions of approximately \$9.5 million.

Given the foregoing, the Executive Secretariat will reinforce its strategy to secure new funds, diversify financing sources, and continue to establish key partnerships with other international organizations. The Executive Secretariat will devise a strategic plan for the next three years in order to complement the activities determined by the Commission and the General Secretariat of the OAS in the context of CICAD's budgetary reality.

It is important to reiterate the urgent need for collaboration from the member states by continuing to develop horizontal cooperation ties between governments and their institutions, by increasing counterpart contributions for the projects that CICAD carries out in each country or region, and, if possible, through the creation of a mechanism by which to make an annual contribution to CICAD.