

SOUTHWEST ASIA

Afghanistan

I. Summary

Narcotics production in Afghanistan hit historic highs in 2007 for the second straight year. Afghanistan grew 93 percent of the world's opium poppy, according to the United Nations Office on Drugs and Crime (UNODC). Opium poppy cultivation expanded from 165,000 ha in 2006 to 193,000 ha in 2007, an increase of 17 percent in land under cultivation. Favorable weather conditions and expanded planting in more fertile agricultural areas also boosted Afghanistan's yield per hectare. UNODC estimates that Afghanistan produced 8,200 MT of opium in 2007, an increase of 2,556 MT over the 5,644 MT produced in 2006. In 2007, opium production was 34 percent above 2006 levels and nearly double the amount produced in 2005. The export value of this year's illicit opium harvest, \$4 billion, made up more than a third of Afghanistan's combined total Gross Domestic Product (GDP) of \$11.5 billion.

Afghanistan's drug trade is undercutting efforts to establish a stable democracy with a licit economic free market in the country. The narcotics trade has strong links with the anti-government insurgency, most commonly associated with the Taliban. Narcotics traffickers provide revenue and arms to the Taliban, while the Taliban provides protection to growers and traffickers and keeps the government from interfering with their activities. During recent years, poppy production has soared in provinces where the Taliban is most active. Five relatively higher-income, agriculturally rich provinces along the Pakistan border accounted for 70 percent of Afghanistan's 2007 poppy production, with Helmand Province alone accounting for 50 percent. At the same time, poppy cultivation declined in many of the poorer, but more secure northern and central provinces, with 13 provinces poppy-free in 2007, compared with only six provinces so designated in 2006. These statistics address the misconception that most farmers grow poppy because they have no economic alternative; poppy is flourishing in the areas with the richest land and best developed agricultural marketing and distribution networks. Nationwide, UNODC estimates that approximately 14.3 percent of Afghans were involved in poppy cultivation in 2007, up from 12.6 percent in 2006.

For the most part, farmers choose to plant opium poppy because it is a profitable, hardy, and low-risk crop. Credit is available, abundant manual labor makes harvesting cheap, and it is easy to market. Economic assistance alone will not overcome the overall narcotics problem in Afghanistan. Some provincial governors have reduced or eliminated cultivation through determined campaigns of persuasion, law enforcement, and eradication. Alternative development opportunities can yield acceptable incomes, but must also be backed by measures to increase risk to those who plant poppy. This risk should fall heaviest on those who plant the most.

The Government of the Islamic Republic of Afghanistan (GOIRA) is working cooperatively with the international community to implement its current counternarcotics strategy more effectively. Eliminating narcotics cultivation and trafficking in Afghanistan will require a long-term national and international commitment. The Afghan government must take decisive action against poppy cultivation soon to turn back the drug threat before its further growth and consolidation make it even more difficult to defeat. During 2007, President Karzai weighed the possibility of limited aerial spray eradication of opium poppy, but ultimately declined to approve the program.

II. Status of Country

During 2007, Afghanistan increased its position as the world's largest heroin producing and trafficking country, with 93 percent of world cultivation. Afghanistan is involved in the full narcotics production cycle, from cultivation to finished heroin, with drug traffickers trading in all

forms of opiates, including unrefined opium, semi-refined morphine base, and refined heroin. Terrorist violence such as roadside bombs, suicide bombings, and attacks on police rose across the country during 2007. Still, the overall Afghan economy continued its brisk growth rate of more than 10 percent annually over the last five years. Improvements to Afghanistan's infrastructure since 2002 have created more economic alternatives and enhanced the Afghan government's ability to combat drug trafficking in some parts of the country, even though improvements such as roads and modern communications can also be exploited by narcotics traffickers. Increased insecurity in Afghanistan's south, where most poppy was grown, impeded the extension there of governance and law enforcement. Narcotics traffickers also exploited government weakness and corruption. Large parts of Afghanistan's best agricultural lands in Nangarhar, Kandahar, Uruzgan, Nimruz, Farah, and Helmand provinces suffered from Taliban activity.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In January 2006, the Afghan government inaugurated an eight-pillar National Drug Control Strategy (NDCS) calling for coordinated action in the areas of Public Information, Alternative Livelihoods, Law Enforcement, Criminal Justice, Eradication, Institutional Development, Regional Cooperation, and Demand Reduction. The NDCS approach is similar to U.S. and UK counternarcotics strategies for Afghanistan. While the NDCS is generally viewed as a sound strategy, the Afghan government failed in 2006 and 2007 to implement it in ways that could stop the growth of the country's narcotics problem. The Ministry of Counter Narcotics, charged with directing implementation of the NDCS, was unable to effectively influence other government agencies. Counter Narcotics Minister, Habibullah Qaderi, resigned in July 2007 for personal reasons; the delay in appointing a successor struck some observers as indicative of the Afghan government's lack of commitment to the fight against narcotics.

Following UNODC's announcement of poppy cultivation figures in August 2007, President Karzai convened the second annual national counternarcotics conference. This meeting brought together representatives from key Afghan government Ministries, governors from the 17 largest poppy producing provinces, tribal elders, police chiefs, religious leaders, and members of the international community. Afterward, the Ministry of Counter Narcotics (MCN) held a pre-planting season planning session for the 17 governors in attendance. The Afghan government instructed provincial and district leaders to launch pre-planting information campaigns to reduce poppy cultivation. The response from governors was uneven. Some governors (notably those in Balkh, Nangarhar, and Badakhshan) developed vigorous anti-poppy campaigns, while others did little to discourage poppy cultivation. The acting Minister of Counter Narcotics led government delegations to key narcotics-producing provinces to hold anti-narcotics shuras or community councils.

In mid 2007, the Afghan government's Policy Advisory Group (PAG) added counternarcotics as one of its key policy pillars. The PAG was formed in late 2006 by the Afghan Government, in cooperation with the U.S., UK, Canada, the Netherlands, NATO International Security Assistance Force (ISAF), and United Nations Assistance Mission in Afghanistan (UNAMA), to deal with critical issues in the unstable southern provinces of Helmand, Kandahar, Farah, Zabol, Nimroz, and Uruzgan. In October 2007, the Afghan government agreed in the PAG to a 50,000 hectare national eradication target for 2008, 25 percent of the expected crop. The Afghan government also agreed to arrest high-level traffickers and provide one to two battalions (140-280 personnel) of Afghan National Army forces as protection for police eradication operations. Concerned that his forces would be stretched too thin, the Minister of Defense raised objections to their deployment to provide force protection to poppy eradicators. To date, the situation remains unresolved.

In November 2007, President Karzai issued an edict announcing the 2008 terms of the Good Performers Initiative (GPI), a U.S.-UK-funded initiative started in 2006 to reward provinces for successful counternarcotics performance. On the basis of UNODC poppy cultivation estimates to

be released in August 2008, GPI will fund development projects proposed by governors of poppy-free provinces, provinces that reduce their poppy crop by more than 10 percent, and provinces that make a good faith effort to reduce poppy but fail to meet other GPI criteria. To date, the U.S. government has agreed to contribute \$35 million to the GPI, while the UK has promised \$6.5 million.

The Counter Narcotics Trust Fund (CNTF), in which some GPI funds are deposited, frustrated governors with delays in approving and implementing 2007 GPI projects. As of November 2007, CNTF had disbursed just \$4.1 million of \$10 million deposited a year earlier for GPI projects. Under U.S. and UK pressure, CNTF undertook to reform its grant-administration procedure in the fall of 2007. In order to promote faster disbursement of smaller GPI grants and provide additional incentives to governors, the U.S. Embassy is establishing a process by which it can directly disburse up to \$50,000 for 2008 GPI projects.

The U.S.-funded Afghan government Poppy Elimination Program (PEP) developed and disseminated counternarcotics information to farmers and the general public in seven major poppy-growing provinces. In addition to organizing local shuras during pre-planting season, the provincial PEP teams worked to build public support for eradication activities undertaken by authorities.

Justice Reform. The Afghan government's Criminal Justice Task Force (CJTF), with assistance from the U.S., UK and other donors, uses modern investigative techniques to investigate and prosecute narcotics traffickers under the December 2005 Counter Narcotics Law. Narcotics cases are tried before the Counter Narcotics Tribunal (CNT), which has exclusive national jurisdiction over mid- and high-level narcotics cases in Afghanistan. Under the new law, all drug cases that reach certain thresholds must be prosecuted by the CJTF before the CNT. The thresholds are possession of two kg of heroin, ten kg of opium, and 50 kg of hashish. Secure facilities, including offices, courtrooms, and a detention facility, for the CJTF and CNT will be opened at the Counternarcotics Justice Center (CNJC), constructed by the U.S. government in early 2008.

The Afghan government, with assistance from the U.S. and UNODC, refurbished a section of the Pol-i-Charkhi prison to house 100 maximum-security narcotics convicts. This prison is Afghanistan's largest and is the site of frequent disturbances and unrest due to poor conditions, poor prison management, and lack of resources. Through the Corrections System Support Program (CSSP), the United States is helping to improve the corrections system with training, capacity-building, and infrastructure. The CSSP works closely with the U.S.-funded Justice Sector Support Program (JSSP), which has over 60 U.S. and Afghan justice advisors in Kabul and four provinces providing training, mentoring, and capacity-building for Afghanistan's criminal justice system.

Law Enforcement Efforts. Eradication efforts, though stronger in 2007 than 2006, failed to keep pace with expanded poppy cultivation. Without an aerial eradication program, poppy reduction was limited to labor-intensive manual eradication efforts in medium to high threat areas. According to UNODC estimates, 19,047 ha were eradicated in 2007 compared to 15,300 ha in 2006. Governor-led eradication (GLE) accounted for 15,898 ha, and the Poppy Eradication Force (PEF), a U.S.-supported, centrally-deployed police unit specifically trained and equipped for eradication activities, eradicated another 3,149 ha of poppy in Helmand, Uruzgan, and Takhar provinces. The percent of the poppy crop eradicated increased from 8.9 percent of planted poppy in 2006 to 9.9 percent in 2007. For the most part, both GLE and PEF eradication were arranged through negotiations with poppy-growing communities, a practice that reduced eradication's deterrent effect. Even so, violent resistance to manual ground-based eradication increased in 2007, resulting in 17 fatalities.

Narcotics law enforcement was hampered by corruption and incompetence within the justice system as well as the absence of governance in large sections of the country. Although narcotics make up one-third of Afghanistan's GDP, no major drug traffickers have been arrested and

convicted in Afghanistan since 2006. In addition, too few high-level drug traffickers served terms in Afghanistan's prisons during 2007. However, from January to October 2007, the CJTF prosecuted 409 lower-level cases.

In 2003, the Ministry of Interior (MOI) established the Counter Narcotics Police of Afghanistan (CNPA), comprised of investigation, intelligence, and interdiction units. At the end of 2006, the CNPA had approximately 1,500 of its 2,900 authorized staff, including the 500-member PEF. The U.S. Drug Enforcement Administration (DEA) works closely with the CNPA to offer training, mentoring, and investigative assistance in order to develop MOI capacity.

The DEA operates permanently assigned personnel and the Foreign-deployed Advisory Support Teams (FAST) in Afghanistan. The FAST teams, which consist of eight special agents, one intelligence analyst, and one supervisor, operate in Afghanistan on 120-day rotations and deploy around the country with the Afghan National Interdiction Unit (NIU). During 2007, FAST and the NIU deployed to Herat, Farah, Helmand, Kandahar, Kunduz, and Nangarhar Provinces to conduct operations.

From September 2006 through September 2007, the CNPA reported the following seizures: 4,249 kg of heroin, 617 kg of morphine base, 39,304 kg of opium, and 71,078 kg of hashish. During the same period, the CNPA also destroyed 50 drug labs. The CNPA seized 37,509 kg of solid precursor chemicals and 33,008 liters of liquid precursors. The CNPA also reported 760 arrests for trafficking under the provisions of the Afghan Counter Narcotics law where possession of 2 kg of heroin (or morphine base), 10 kg of opium, or 50 kg of hashish mandates automatic jurisdiction for the CNT.

During 2007, the Afghan government, with DEA support, created two vetted units, the Sensitive Investigative Unit (SIU) and the Technical Investigative Unit (TIU), to investigate high-value targets. They will gather evidence through means authorized under Afghanistan's Counter Narcotics Law and approved through the Afghan legal system. Personnel in these units were recruited from a wide variety of Afghan law enforcement agencies and had to pass rigorous examinations. The SIU was fully functional by the end of 2007, while the TIU will begin its work in 2008.

The SIU and TIU will carry on their work in a secure facility within the new National Interdiction Unit (NIU) base that opened in 2007. The Afghan government established the NIU in 2004 with DEA assistance. The NIU currently consists of 181 members, with an authorized strength 216. NIU officers receive a substantial amount of tactical training. The aim of this program is to have SIU and TIU investigations culminate in the issuance of arrest and search warrants executed by the NIU. The investigations conducted by the SIU and NIU with DEA assistance will be prosecuted at the Counter Narcotics Tribunal through the Criminal Justice Task Force (CJTF), which consists of Afghan prosecutors and investigators mentored by experienced Assistant U.S. Attorneys and U.S. Department of Justice Senior Trial Attorneys. The CJTF mentors have also been working with the Afghan authorities to create a formal legal process to gain authority for controlled deliveries of narcotics to trafficking suspects.

Haji Baz Mohammad, a major Afghan trafficker, was extradited to the United States in October 2005. In July 2006, he pled guilty to conspiracy to import heroin into the U.S. and in October 2007 was sentenced to more than 15 years in prison for running an international narcotics-trafficking organization that imported millions of dollars worth of illegal drugs into the United States. Similar to the indictment of Haji Bashir Noorzai, an Afghan drug kingpin who was indicted and then arrested in the United States in 2005, Baz Mohammad's indictment also alleged that he was closely aligned with the Taliban.

During 2007, two drug traffickers with links to the insurgency volunteered to be transported from Afghanistan to stand trial in the United States. The first, Mohammad Essa, was a key heroin distributor for the Haji Baz Mohammad network in the United States. Essa had fled the United States when Baz Mohammad was sent to stand trial in New York. In December 2006, he was apprehended in Kandahar Province by the U.S. military, during a battle with insurgents, and he was voluntarily transferred to the United States in April 2007. The second was Khan Mohammad, who was a supporter of the insurgency and arrested in Nangarhar Province in October 2006. He was indicted for selling opium and heroin to CNPA/NIU informants, knowing that the drugs were destined for the United States. He agreed to return to the United States for trial and was transferred to U.S. authorities in November 2007 and will stand trial in Washington, D.C.

Corruption. Although the illicit production or distribution of narcotic or psychotropic drugs and other controlled substances and the laundering of proceeds from illegal drug transactions are illegal, many Afghan government officials are believed to profit from the drug trade. Narcotics-related corruption is particularly pervasive at the provincial and district levels of government. Corrupt practices range from facilitating drug activities to benefiting from revenue streams that the drug trade produces.

On June 28, 2007, five Afghan Border Police officers were arrested while transporting 123.5 kg of heroin from Nangarhar to Takhar Province. The heroin was seized outside Kabul. At the time, the officers were transporting the heroin in a Border Police truck. The officers worked for Border Police Commander Haji Zahir, also alleged to be a drug trafficker. Defendants in the case included his personal body guard and his nephew, who acts as his personal secretary. Though this seizure did not result in Zahir's arrest, he was suspended from his position as commander in Takhar Province. The investigation into his involvement with this shipment continues.

Since Attorney General Sabit's appointment in September 2006, he has become an anti-corruption activist, dismissing prosecutors across the country for corruption and pursuing corruption investigations against politically sensitive targets. A new reform-oriented Supreme Court Justice, Abdul Salam Azimi, was also appointed by President Karzai in August 2006. Azimi was asked by President Karzai to lead a completely Afghan-driven interagency commission to develop a government-wide anti-corruption strategy, the report of which is expected to be released in 2008.

Agreements and Treaties. Afghanistan is a party to the 1988 UN Drug Convention, the 1971 UN Convention, and the 1961 UN Single Convention on Psychotropic Substances. Afghanistan is also a party to the UN Convention Against Transnational Organized Crime. Afghanistan has signed, but has not yet ratified, the UN Convention Against Corruption. The Afghan government has no formal extradition or legal assistance arrangements with the United States, but American mentors are working with the Criminal Justice Task Force to help draft such a law. The 2005 Afghan Counter Narcotics law, however, allows the extradition of drug offenders under the 1988 UN Drug Convention. Haji Baz Muhammad, mentioned above, was extradited to the United States under the authority of the 1988 UN Drug Convention in October 2005. In 2006, however, a similar effort to extradite Misri Khan, a major trafficker, and his associates met with a request from President Karzai that the defendants first stand trial at Afghanistan's Counter Narcotics Tribunal, which subsequently sentenced the defendants to 17 years in prison. The defendants are still incarcerated in Afghanistan as of December 2007.

Illicit Cultivation/Production. Based on UNODC data, the number of hectares under poppy cultivation in Afghanistan increased 17 percent, from 165,000 ha in 2006 to 193,000 in 2007. Resulting opium production reached a record 8,200 MT. The opium yield per hectare was the highest in five years, increasing from 37 kg/ha in 2006 to 42.5 kg/ha in 2007. UNODC attributed the high yield to ideal weather conditions, even though floods in Uruzgan moderated intensive poppy cultivation in that province. The number of people involved in opium cultivation increased

in 2007 from 2.9 million to 3.3 million. According to UNODC estimates, 14.3 percent of Afghans were involved in opium cultivation during 2007. Considered in terms of its estimated \$4 billion illicit export value, opium represented about one-third of Afghanistan's total GDP (licit and illicit). On the other hand, the portion of narcotics money actually received by farmers was a small share of the whole: opium poppy's \$1 billion farm-gate value accounted for only 11 percent of total licit and illicit GDP.

Poppy is a hardy, low risk crop. High profits, access to land and credit, and trafficker-facilitated access to illicit markets outside of Afghanistan make poppy immensely attractive to farmers in Afghanistan's circumstances. However, the reduction of poppy cultivation in the poorer northern and central provinces and the explosion of poppy cultivation in agriculturally rich areas such as Helmand, Kandahar, and Nangarhar, where poppy has displaced wheat and other legitimate crops, disproves the notion that most farmers grow poppy because they have no viable alternatives. In its 2007 Opium Survey for Afghanistan, UNODC stated "opium cultivation is no longer associated with poverty and is closely linked to the insurgency."

Thirteen of Afghanistan's 34 provinces were poppy-free in 2007. This compares favorably to the six provinces that were declared poppy free in 2006. In Badakhshan, according to UNODC, the governor combined persuasion and eradication to slash cultivation from 13,056 ha in 2006 to 3,642 ha in 2007. Governor-led eradication cut opium production in Balkh from 10,037 ha in 2006 to zero in 2007. Many farmers in Balkh province reverted to planting marijuana, a traditional crop in Balkh. UNODC estimated that 70,000 ha of marijuana were cultivated country-wide in 2007, an increase of 20,000 ha over 2006.

The eastern province of Nangarhar demonstrated the historic volatility of Afghan poppy cultivation with a 285 percent jump in area planted in 2007 to 18,739 ha, placing the province second to Helmand in total cultivation. Nangarhar farmers had previously responded to a strong anti-narcotics campaign by the governor by virtually ceasing to grow poppy altogether in 2005. This fluctuating trend continued in fall and winter 2007, when the new governor, Gul Agha Sherzai, pursued his own pre-planting and eradication campaign, which is anticipated to cause a substantial drop in cultivation in 2008.

Afghanistan's poppy free provinces are in the relatively secure central and northern parts of the country, while poppy cultivation has exploded where the insurgency is strong, particularly in the south and southwest. The United States, UK, UNODC, ISAF and other major international stakeholders now acknowledge that a symbiotic relationship exists between the insurgency and narcotics trafficking in Afghanistan. The Taliban taxes poppy farmers to fund the insurgency. Traffickers provide weapons, funding, and personnel to the insurgency in exchange for the protection of drug trade routes, poppy fields, and members of their organizations. For their part, narcotics traffickers thrive in the insecurity and absence of governance in areas where the Taliban is active. The nexus between militants and narcotics trafficking was vividly illustrated when the Taliban gained control in February 2007 of the Musa Qala district in northern Helmand. When Afghan and coalition troops retook the district nine months later, they found that Taliban governance had deliberately sheltered a flourishing narcotics industry. The full production cycle, from raw opium to finished heroin, was traded in Musa Qala's open narcotics markets, benefiting local traffickers and Taliban tax-collectors alike.

The southern province of Helmand province was in a class of its own in 2007, growing 53 percent of Afghanistan's poppy crop with 102,770 ha under cultivation. Helmand's 2007 poppy crop increased 48 percent over 2006. Poppy cultivation has quadrupled in Helmand since 2005 and has almost entirely taken over a once prosperous agricultural region growing legal crops. Helmand opium production is organized on a large scale, employing thousands of seasonal migrant laborers and supporting cultivation with systems of credit and distribution. Massive amounts of

development assistance to Helmand have not held back the explosion of poppy cultivation and trafficking there. As the recipient of \$270 million in FY2007 alone, if Helmand were an independent country, it would be the sixth largest recipient of bilateral USAID development assistance in the world.

Drug Flow/Transit. Drug traffickers and financiers lend money to Afghan farmers in order to promote drug cultivation in the country. Traffickers buy the farmers' crops at previously set prices or accept repayment of loans with deliveries of raw opium. In many provinces, opium markets exist under the control of regional warlords who also control the illicit arms trade and other criminal activities, including trafficking in persons. Traders sell to the highest bidder in these markets with little fear of legal consequences, and gangsters and insurgent groups tax the trade.

Drug labs operating within Afghanistan process an increasingly large portion of the country's raw opium into heroin and morphine base. This process reduces the bulk of raw opium about one-tenth, which facilitates its movement to markets in Asia, Europe, and the Middle East with transit routes through Iran, Pakistan, and Central Asia. Opiates are transported to Turkey, Russia, and the rest of Europe by organized criminal groups that are often organized along regional and ethnic kinship lines. Pakistani nationals play a prominent role in all aspects of the drug trade along the Afghan/Pakistan border.

Precursor chemicals used in heroin production must be imported into Afghanistan. Limited police and administrative capacity hampered efforts to interdict precursor substances and processing equipment. Afghan law requires the tracking of precursor substances, but the MCN has failed to create an active registry to record data. Progress in this regard requires the establishment of new laws, a system for distinguishing between licit and potentially illicit uses of dual-use chemicals, and a specialized police force to enforce the new system. UNODC has established a five-man unit at CNPA that is charged with tracking precursor chemicals.

Domestic Programs/Demand Reduction. The Afghan government acknowledges a growing domestic drug abuse problem, particularly opium and increasingly heroin. In 2005, Afghanistan's first nationwide survey on drug use was conducted in cooperation with UNODC. This survey estimated that Afghanistan had 920,000 drug users, including 150,000 users of opium and 50,000 heroin addicts, with 7,000 intravenous users.

The NDCS includes rehabilitation and demand reduction programs for drug abusers. Given Afghanistan's shortage of general medical services, however, the government can only devote minimal resources to these programs. To address demand reduction needs, the UK and Germany have funded specific demand reduction and rehabilitation programs. For its part, the United States is funding five, 20-bed residential drug treatment centers in Afghanistan, including the only residential facility in the country dedicated to serving female addicts. In 2007, the United States also supported 26 mosque-based drug education programs, five drug prevention/life skills pilot programs in Afghan schools, drug prevention public awareness programs, and a research study on the effects of second-hand opium smoke.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation/The Road Ahead. In 2007, the United States enhanced its five pillar Afghanistan counternarcotics strategy, which calls for decisive action in the near term and identifies a more extensive array of tactics in all sectors, including:

-- Use public information campaigns to win support for the Afghan government's counternarcotics program. The U.S. Embassy will increase support for radio, print media, and person-to-person outreach campaigns. Particular emphasis will be placed on grassroots, person-to-person community

outreach activities through the Multiplying Messengers and PEP programs, which engage local community, religious, and tribal leaders on counternarcotics issues.

-- Attack the problem at the provincial level. The U.S. expanded the Good Performer's Initiative in 2007 to provide greater incentives to governors, including those who succeed in keeping their provinces poppy-free. Provincial counternarcotics planning will be integrated with military planning at local commands in key provinces such as Helmand and Nangarhar.

-- Engage in a stronger eradication campaign. Until such time as the Government of Afghanistan approves more efficient and safe methods of eradication, the United States will continue to support the centrally-led PEF program, which conducts non-negotiated eradication to increase the impact of eradication by targeting large landowners and by encouraging governors to eradicate where it will have the greatest deterrent impact.

-- Develop alternative sources of income to poppy in rural areas. USAID continued its comprehensive Alternative Development Program (AD), which is providing \$228,950,000 for AD projects in the major opium cultivation areas of Afghanistan. Starting in late 2006, USAID implemented a rural finance program that provides credit to farmers and small- and medium-sized enterprises in areas where financial services were previously unavailable.

-- Accelerate narcotics-related investigations, arrests, prosecutions, and incarcerations. In keeping with the overall justice sector strategy pursued jointly by Afghanistan, the United States, and international partners, the United States will expand its training efforts in Afghanistan for provincial and district-level prosecutors during 2008.

-- Destroy drug labs and stockpiles. The NIU and the U.K.-sponsored Afghan Special Narcotics Force (ASNF), in cooperation with the DEA, will target drug labs and seize drug stockpiles.

-- Dismantle drug trafficking/refining networks. DEA will work closely with the CNPA, NIU, and ASNF in pursuing criminal investigations and disrupting the narcotics trade.

V. Statistical Table

Drugs Seized (kg)					
(Through September 2007)					
	2003	2004	2005	2006	2007
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Opium	2,171	17,689	50,048	40,052	39,304
Heroin	977	14,006	5,592	1,927	4,249
Morphine Base	111	210	118	105	617
Hashish	10,269	74,002	40,052	17,675	71,078
Precursor Chemicals Seized					
(Through September 2007)					
	2003	2004	2005	2006	2007
	----	----	----	----	
Solid (kg)	14,003	3,787	24,719	30,856	37,509
Liquid (liters)	0	4,725	40,067	12,681	33,008
Arrests (for trafficking)					
(Through September 2007)					
	2003	2004	2005	2006	2007
	----	----	----	----	
Arrests	203	248	275	548	760
Drug Labs Destroyed					
(Through September 2007)					
	2003	2004	2005	2006	2007
	----	----	----	----	
Labs Destroyed	31	78	26	248	50

Bangladesh

I. Summary

A major narcotics arrest in Dhaka, in October 2007, supported law enforcement officials' claims of a sharp increase in methamphetamine abuse in Bangladesh, particularly among upper-class urban youths. The arrest resulted in the first seizure of drug-making equipment suggesting substantial domestic production, some of which might be available for shipment to other countries. A November 2007 seizure of 23.5 kg of heroin at Dhaka's international airport confirmed that at least some heroin continues to be transshipped through Bangladesh. There is no evidence that Bangladesh is a significant cultivator or producer of narcotics. Government of Bangladesh (GOB) officials charged with controlling and preventing illegal substance trafficking lack training, equipment, continuity of leadership, and other resources to detect and interdict the flow of drugs. An ongoing lack of cooperation among law enforcement agencies has made narcotics control difficult, although, in late 2007, the Ministry of Home Affairs led an effort to improve coordination. While corruption at all levels of government traditionally has hampered the country's drug interdiction efforts, the Caretaker Government that came to power in January 2007 has made fighting graft a top priority. Law-enforcement officials say the anti-graft push has made efforts to go after politically connected drug dealers easier. Bangladesh is a party to the 1988 UN Drug Convention.

II. Status of Country

The country's porous borders make the illegal flow of narcotics from neighboring countries easy and make Bangladesh an attractive transfer point for drugs transiting the region. The number of drug users in Bangladesh has been estimated at between 100,000 and 1.7 million, with 20,000-25,000 injecting drug users and 45,000 heroin smokers, indicating by the wide range of the estimate the lack of any real knowledge of the extent of drug abuse by the estimators. Other drugs used in Bangladesh are methamphetamines, marijuana, and a codeine-based cough syrup. After years of unwillingness to recognize narcotics issues, the country's law enforcement bodies took a stance against drugs in 2006, largely due to two factors: high-profile cases of heroin smuggling to the United Kingdom in 2005 and growing methamphetamine (locally, Thai "yaba" tablets which consist of caffeine and methamphetamine) use among the young elite. Yaba was initially popular among college students who used it to stay awake all night to study for exams, but has since become a popular stimulant at parties and is known as the "sex drug." A large proportion of street urchins in Dhaka also sniff glue as an appetite suppressant as well as for its drug effects, according to the head of a leading drug rehabilitation organization.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Continuing ineffective government coordination to counter narcotics abuse led to the creation of a new interagency monitoring group in November 2007. The new group is led by top officials from the Ministry of Home Affairs and the Department of Narcotics Control (DNC). Additionally, all narcotics cases fall under the speedy trial act, under which a decision must be reached within three months.

Law Enforcement Efforts. Law enforcement units engaged in operations to counter narcotics include the police, the DNC, the border defense forces known as the Bangladesh Rifles (BDR), customs, the navy, the coast guard, local magistrates and the Rapid Action Battalion (RAB), an elite group that plays a leading role in fighting terrorism, corruption and narcotics abuse. Customs, the navy, the coast guard and the DNC all suffer from poor funding, inadequate equipment, understaffing and lack of training. For example, the DNC budget for 2007-2008 of nearly 150

million taka (slightly more than \$2 million) is marginally less than the budget for the previous year. Its work force of about 935 people also is nearly 350 positions short of the number of positions approved by the government. There is no DNC presence at the international airports in Chittagong and Sylhet and only two at Dhaka airport, and DNC officers throughout the country are not authorized to carry weapons. Land crossings are particularly porous, particularly the border with Burma, over which much yaba and other drugs flow. One law-enforcement official noted that some border checkpoints historically have not had female constables who could perform body searches on women crossing into Bangladesh. Although RAB has become perhaps the highest-profile anti-narcotics force in the country, it has neither a special counternarcotics section nor specific counternarcotics training. Its drug-fighting resources, which appear stronger than other law-enforcement agencies, include a recently purchased chemical analyzer that can be used to identify drugs and a newly-trained 44-dog canine corps.

Bangladesh's counternarcotics operations received a huge morale boost in late October 07, when the RAB made one of the largest drug busts in the country's history. In a raid on a Dhaka office the RAB seized about 130,000 yaba tablets, with a street value of more than \$1 million, and large amounts of drug-making equipment and raw materials. RAB officers arrested a man suspected of being a leading drug baron. One immediate result of the raid was to send the street price of yaba from 200-300 Taka a tablet to 700 Taka (\$10), or more.

The DNC keeps tabs primarily on seizures by its own officers. Drugs seized by the department from January through September 2006 (latest statistics) are as follows: 18 kg of heroin (compared to 16.3 kg in all of 2006 and 20.2 kg in 2005); 1,373 kg of marijuana (compared to 1,345 kg in 2006 and 1,589 kg in 2005); more than 20,000 bottles of phensidyl, a codeine-based, highly addictive cough syrup produced in India; 215 ampoules of pethedine, an injectable opiate with medical application as an anesthetic; and 5,652 tablets of yaba. The RAB reported seizing nearly 133,000 tablets of yaba in 2007 through October, almost all of which came from the one Dhaka raid, compared to about 5,000 tablets in all of 2006 and less than 1,000 tablets in 2005. Heroin seizures by RAB through October 2007 were 19.8 kg, compared to 38.5 kg in all of 2006 and 341 kg in 2005. More than 80,000 bottles of phensidyl were seized through October, compared to nearly 190,000 bottles in all of 2006 and about 120,000 bottles in 2005.

Corruption. The Caretaker Government that came to power in January 2007 made fighting the country's endemic corruption a top priority. The chairman and members of the largely ineffective Anti-Corruption Commission were replaced with a new team led by a retired army chief. This new body has charged many of Bangladesh's leading politicians, businessmen and civil servants with graft. The Government also formed a National Coordination Committee to help with the graft investigations. Several task forces were set up to help the committee with its work in Dhaka and outlying districts. Between 100 and 200 high-profile graft suspects were in jail as of October 2007. RAB officials say the new environment has made it much more conducive to target suspected drug barons. The GOB does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances or launder proceeds from their transactions. No senior official has been identified as engaging in, encouraging, or facilitating the production or distribution of drugs or controlled substances.

Agreements and Treaties. Bangladesh is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Bangladesh acceded to the UN Convention against Corruption in February 2007. The GOB and USG signed a Letter of Agreement on Law Enforcement and Narcotics Control (LOA) in September 2002 under which the U.S. provides equipment and technical assistance to the DNC and its central chemical laboratory. The LOA also provided for training, via the U.S. Department of Justice, to law enforcement personnel involved in counternarcotics activities.

Cultivation/Production. The DNC eradicated about 60,000 poppy plants and destroyed about 20 kg of poppy seeds in a single operation in early 2007. The DNC acknowledged that some small amount of cannabis is cultivated in the hill tracts near Chittagong, in the southern silt islands, and in the northeastern region, claiming it is for local consumption. The DNC also reported that as soon as knowledge of a cannabis crop reaches its officers, that crop is destroyed in concert with law enforcement agencies.

Drug Flow/Transit. Customs officials seized 23.5 kg of low-quality heroin at Dhaka's international airport on November 12, 2007. Media reported that two Bangladeshis, bound for China and suspected of belonging to an international drug smuggling syndicate, were arrested after the heroin was found in their luggage. A month earlier, the RAB reported the seizure of three kg of heroin from the Sylhet village home of a Bangladeshi UK resident who was in country on vacation. The heroin, according to RAB, came through India to Bangladesh from an unknown location. Two years earlier, two smuggling cases of about 75 kg of heroin to the UK and the resulting investigations by the GOB identified weaknesses in the country's narcotics-detection infrastructure. Bangladesh is situated between the Golden Crescent to the west and the Golden Triangle to the east, placing the country at continued risk for transit crimes. Opium-based pharmaceuticals and other medicinal drugs are being smuggled into Bangladesh from India. White (injectable) heroin comes in from Burma.

Domestic Programs (Demand Reduction). Law enforcement officials believe that drug abuse, while previously a problem among the ultra-poor, is becoming a major problem among the wealthy and well-educated young. Recent cases of yaba addiction in wealthy neighborhoods and on university campuses are of particular concern to the government. The GOB runs several domestic programs, but is not funding them at levels to ensure their success. The DNC sponsors rudimentary educational programs aimed at youth in schools and mosques, but there is little funding for these programs and no clear indication of their impact. In addition, the DNC currently runs outpatient and detoxification centers in Dhaka, Chittagong, Khulna, and Rajshahi. These centers only remove the drug from the addict's system; they do not address the underlying causes of individual addiction. Hence, they are not successful in assisting addicts to overcome their addiction over the long term. There are other, non-governmental centers with a variety of treatment therapies available. Unfortunately, most of these are quite expensive by Bangladeshi standards and therefore beyond the reach of most drug addicts. A drug addicts' rehabilitation organization, APON, operates five long-term residential rehabilitation centers, including the first center in Bangladesh for the rehabilitation of female addicts (opened in 2005). APON says it is the only organization that includes street children in its drug rehabilitation program.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG continues to support Bangladesh's counternarcotics efforts through various commodities and training assistance programs. With State Department narcotics assistance funds, the U.S. Drug Enforcement Administration held a training seminar in Bangladesh in June 2007. Thirty-one counternarcotics officers—including participants from the Bangladesh Rifles border security force, the police, customs and DNC—participated in training that covered topics from operational planning and undercover operations to proper evidence handling and report writing. The instruction included drug identification using test kits supplied by the DEA, and hands-on training in proper handcuffing techniques. The U.S. Agency for International Development provides about \$3 million annually to Family Health International to implement the Bangladesh AIDS Program, which includes working with intravenous drug users. DOJ efforts to improve the anti-money laundering and financial intelligence capabilities of the Bangladesh Bank support counternarcotics activities in the country.

The Road Ahead. The USG will continue to provide law enforcement and forensic training for GOB officials, much of which will be useful to Bangladesh's counternarcotics efforts. The U.S. Embassy in Dhaka has about \$52,000 available from previous years in narcotics assistance funds that it plans to provide to APON to improve its facilities for rehabilitation of female drug addicts. In late 2007, the U.S. Embassy also began distributing to local narcotics enforcement agencies hundreds of kits to test for marijuana, methamphetamines and opiates.

India

I. Summary

India is the only country authorized by the international community to produce opium gum for pharmaceutical use, rather than concentrate of poppy straw (CPS), the processing method used by the other producers of opiate raw material. India's strategic location, between Southeast and Southwest Asia, the two main sources of illicit opium, make it a heroin transshipment area. Insurgent groups operating in the Northeast finance their activities through smuggling of drugs from Burma into India. Much of the hashish and cannabis intended for international markets is smuggled into India from Nepal. India produces heroin for both the domestic addict market and is a modest, but growing, producer of heroin destined for the international market. The Government of India (GOI) formally released the results of the National Drug Study (NDS) conducted in partnership with UNODC in 2004. Injecting drug use (IDU) of heroin, morphine base ("brown sugar" heroin) and opiate pharmaceuticals, particularly in the Northeast states bordering Burma, continues to be a concern, resulting in an extremely high incidence of HIV/AIDS in these populations. Major metropolitan areas increasingly report the use of cocaine, Ecstasy and other synthetic drugs among the wealthy elite.

The GOI continually tightens licit opium diversion controls, but some licit opium is diverted into illicit markets. India is a party to the 1988 UN Drug Convention.

II. Status of Country

Under the terms of international agreements, supervised by the International Narcotics Control Board, India must maintain licit opium production and carry-over stocks at levels no higher than those consistent with world demand to avoid excessive production and stockpiling, which could be diverted into illicit markets. India has complied with this requirement and succeeded in rebuilding stocks from below-recommended levels. Opium stocks now exceed minimum requirements, almost tripling between 1999 and 2003. From a stock of 509 metric tons in 1999/2000, stocks rose to 1,776 metric tons in 2004/05, but are now down to 1,401 metric tons at the end of the 2006/07 crop year.

Licensed farmers are allowed to cultivate a maximum of 10 "ares" (one tenth of a hectare). "Opium years" straddle two calendar years. All farmers must deliver all the opium they produce to the government alone, meeting a minimum qualifying yield (MQY) that specifies the number of kg of opium to be produced per hectare (HA), per state. The MQY is established yearly by the Central Bureau of Narcotics (CBN) prior to licensing. At the time the CBN establishes the MQY, it also publishes the price per kilo the farmer will receive for opium produced that meets the MQY, as well as significantly higher prices for all opium turned into the CBN that exceeds the MQY.

The MQYs are based on historical yield levels from licensed farmers during previous crops. Increasing the annual MQY has proven effective in increasing average yields, while deterring diversion. If the MQY is too low, farmers could clandestinely divert excess opium they produce into illicit channels, where traffickers often pay up to ten times what the GOI can offer. Thus, an accurate estimate of the MQY is crucial to the success of the Indian licit production control regime.

During the 2002/03-crop year, CBN began to estimate the actual acreage under licit opium poppy cultivation by using satellite imagery, then comparing it with exact field measurements. Since licit poppy cultivation is not confined to an enclosed area, many of the farmers inter-crop fields with other agricultural crops like soybean, wheat, garlic and sugarcane. This technology has also been used in conjunction with satellite imagery of weather conditions to compare cultivation in similar

geo-climatic zones to estimate potential crop yields, assess storm damage and determine whether opium was being diverted. The satellite results were then confirmed by on-ground CBN visits that measured each farmer's plot size. This year the CBN intends to use this technology to identify illicit cultivation of opium in various parts of the country as well.

Any cultivation in excess of five percent of the allotted cultivation area is uprooted, and the cultivator is subject to prosecution. During the lancing period, the CBN appoints a village headman for each village to record the daily yield of opium from the cultivators under his charge. CBN regularly checks the register and physically verifies the yield tendered at harvest. The CBN has also reduced the total procurement period of opium in order to minimize opportunities for diversion and deployed additional teams of officers from the Central Excise Department to monitor harvesting and check diversion. In 2006, the CBN also began experimenting with closed circuit television cameras to monitor the collection and weighing of opium gum.

In 2007, the CBN continued issuing microprocessor chip-based cards (Smart Identity Cards) to opium poppy cultivators. The card carries the personal details of the cultivator, the licensed area, the measured/test measured field area and the opium tendered by him to the CBN. The card also stores the previous years' data. The information stored on the card is read with handheld terminal/read-write machines that are provided to field divisions. CBN personnel will enter cultivation data into the cultivators' cards and the data will be uploaded to computers at CBN HQs and regional offices. The cards are delivered to cultivators at the time of licensing. For crop year 2005/2006, the project was expanded to include all of the 17 Opium Divisions, the three State Unit Headquarters and the Central Headquarters in Gwalior.

The GOI periodically raises the official price per kilo of opium, but illicit market prices are four to five, even ten times higher than the base government price. Farmers who submit opium at levels above the MQY receive a premium, but premium prices can only act as a modest positive incentive. In the 2005/2006 opium harvest year, CBN significantly decreased the number of hectares licensed from 8,771 in 2004/2005 to 6,976 in 2005/2006, and the number of farmers licensed from 87,682 in 2004/2005 to 72,478 in 2005/2006. This trend continued in 2006/2007, with a total of 5,913 hectares cultivated and 62,658 farmers under license. Much of this reduction took place in Uttar Pradesh, where CBN is in the process of phasing out opium cultivation. The estimated production for the 2006/07-crop year is 346 metric tons of opium.

Although there is no reliable estimate of diversion from India's licit opium industry, some diversion does take place. The GOI estimate is less than 10 percent of production. There is no evidence that significant quantities of opium or its derivatives diverted from India's fields reaches the U.S. In 2007, the GOI reports it seized 281 kg of licit opium, which had been diverted to illicit use.

Poppies harvested using concentrate of poppy straw (CPS) are not lanced, and since the dried poppy heads cannot be readily converted into a usable narcotics substance, diversion opportunities are minimal. However, it is inherently difficult to control diversion of opium gum collection because opium gum is collected by hand-scraping the poppy capsule, and the gum is later consolidated before collection by the government purchasing agents. The sheer numbers of Indian farmers, farm workers and others who come into contact with poppy plants and their lucrative gum make diversion appealing and hard to monitor. Policing these farmers on privately held land scattered throughout three of India's largest states is a considerable challenge for the CBN. All other legal producers of opium alkaloids, including Turkey, France, and Australia, produce narcotics raw materials using the CPS process. The GOI believes the labor-intensive gum process used in India is appropriate to the large numbers of relatively small-scale farmers who grow poppy in India.

Industrial processing of opium gum is difficult because a residue remains after the narcotic alkaloids have been extracted. This residue must be disposed of with appropriate environmental safeguards. Because of this, pharmaceutical opiate processing companies prefer using CPS for ease of extracting the opiate alkaloids, with the exception of certain companies, which have adapted their equipment and methods to be able to use gum opium.

To meet this challenge, the GOI has explored the possibility of converting some of its opium crop to the CPS method. The GOI is also examining ways to expand India's domestic opiate pharmaceutical processing industry and the availability of opiate pharmaceutical drugs to Indian consumers through ventures with the private sector. Regardless of the GOI's interest in CPS, the financial and social costs of the transfer and the difficulty of purchasing an appropriate technology are daunting. Since alkaloid extraction requires highly specialized equipment, some of the most obvious places where such equipment and technologies would be available, along with advice on how to use them, are in the other countries licensed to produce legal opiate alkaloids and thus in countries in direct competition with India for licit opium sales.

Morphine base ("brown sugar" heroin) is India's most popularly abused heroin derivative, either through smoking, "chasing" (i.e., inhaling the fumes) or injecting. Most of India's "brown sugar" heroin comes from diverted licit Indian opium and is locally manufactured. Indian "brown sugar" heroin is also increasingly available in Nepal, Bangladesh, Sri Lanka, and the Maldives. Most seized "white" heroin is destined for West Africa and Europe. Heroin seizures on the India/Pakistan border, which had plummeted during the recent period of Indian/Pakistani border tensions, are on the upswing.

III. Country Actions Against Drugs in 2007

Policy Initiatives. India's stringent Narcotic Drugs and Psychotropic Substances Act (NDPSA) of 1985 was amended in October 2001, bringing significant flexibility to the Indian sentencing structure for narcotics offenses. After rising for several years, arrests and prosecutions declined under the NDPSA in 2007. However, the overall conviction rate continues to increase, reaching 50 percent in 2006 (9,921 convictions) and 60 percent in 2007 (8,483 convictions). In certain cases involving repeat offenders dealing in commercial quantities of illegal drugs, the law allows for the death penalty, although there have been no such sentences to date.

In April 2003, GOI moved the Narcotics Control Bureau (NCB) from the Ministry of Finance to the Ministry of Home Affairs. The Ministry of Finance remains the GOI's central coordinating ministry for counternarcotics and continues to cooperate with the NCB. The move has enhanced the NCB's law enforcement capabilities and helped align the bureau with other GOI police agencies under the control of the Home Ministry.

Law Enforcement Efforts. Heroin and opium seizures were consistent with previous years, with 966 kg and 1,758 kg, respectively. Seizure statistics for other drugs, such as cocaine, methaqualone and ephedrine, tend to fluctuate more dramatically as a result of larger single seizures. Interestingly, only one kg of methaqualone was seized in 2007 (vs. 4,521 in 2006), while the Government of India recorded its first seizure of LSD in the last five years. After several years of explosive growth, marijuana seizures are down (from 157,710 kg in 2006 to 60,123 kg in 2007), and hashish seizures have stabilized at between 3,000 and 4,000 kg per year.

The year 2006 saw a number of major seizures that indicate an increasing sophistication in the law enforcement response to illicit narcotics and precursor trafficking in and through India, which may help explain the lower seizure figures in most categories in 2007. In June 2006, in what was reported to be the largest cocaine seizure in Asia, the NCB seized 200 kg on a cargo ship in the port of Mumbai. The ship M.V. Voyager had been tracked from Ecuador through the Far East and into India. In August 2006, New Delhi Police seized 100 kg of ephedrine, 600 kg of Ketamine, and

4,400 kg of methaqualone in two separate operations. At least some of those drugs were in the process of being shipped to Canada using commercial express mail services. In September 2006, the NCB seized a total of 550 kg of ephedrine at two DHL locations in New Delhi, again destined for Canada. Using information from the September seizure, on October 18 the NCB raided a factory in New Delhi that was being established as a methamphetamine laboratory and arrested seven individuals and seized an additional 550 kg of ephedrine. In November, the NCB searched a container in the port of Calcutta and found extensive laboratory equipment that is believed was destined for a methamphetamine laboratory outside of New Delhi.

In 2005, a joint investigation by the DEA and NCB led to the dismantling of a major international pharmaceutical drug organization that was distributing controlled pharmaceuticals such as bulk ephedrine (a controlled precursor chemical) and Ketamine (a Schedule III non-narcotic controlled substance in the U.S.) internationally through the Internet. The international drug trafficking ring consisted of over 20 individuals in the U.S. and India, and may have had as many as 80,000 retail customers. The 108 kg of Indian Ketamine seized in the U.S. was valued at \$1.62 million. The total amount of U.S. money and property seized in this investigation was \$2 million dollars in India and \$6 million in the United States. In another joint investigation, DEA and NCB cooperated to take down another Internet pharmacy, resulting in the arrest of seven individuals in the United States and five in India.

Subsequent joint investigations have shown the continuing use of the Internet and commercial courier services to distribute drugs and pharmaceuticals of all kinds from India to the U.S. and other countries. Although ephedrine seizures within India were down in 2007, one seizure in the U.S. in September 2007 found 523 kg of ephedrine shipped through commercial carrier from India through the U.S. and headed to Mexico. The shipment was disguised as green tea extract. In the fall of 2005, Indian Customs seized five international mail packages that were found to contain a kg or more of Southwest Asian heroin destined for individuals in the United States, with controlled deliveries leading to the arrest of five individuals in the U.S. Heroin being smuggled into India from Afghanistan and Pakistan has picked up over the past two years, with West Africans often arrested as the carriers. This trend may continue as the border between Pakistan and India opens up to increasing commerce and travel. Although there have been fewer large seizures over the past year, the number of smaller seizures associated with couriers attempting to travel through India has increased.

Corruption. The Indian media periodically reports allegations of corruption against law enforcement personnel, elected politicians, and cabinet-level ministers of the GOI. The United States receives reports of narcotics-related corruption, but lacks the corroborating information to confirm those reports and the means to assess the overall scope of drug corruption in India. The GOI does not, as a matter of government policy, encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. Similarly, we are not aware of any individual senior government official so involved. Both the CBN and NCB periodically take steps to arrest, convict, and punish corrupt officials within their ranks. The CBN frequently transfers officials in key drug producing areas to guard against corruption. The CBN has increased the transparency of paying licensed opium farmers to prevent corruption and appointing village coordinators to monitor opium cultivation and harvest. These coordinators receive 10 percent of the total paid to the village for its crops, in addition to what they receive for their own crops, so it is advantageous for them to ensure that each farmer under their jurisdiction turns in the largest possible crop. Still, despite the efforts of the overwhelming majority of honest officials, the documented movement of narcotics and precursor chemicals to illicit uses in India is consistent with a certain level of official corruption.

Agreements and Treaties. India is a party to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN

Drug Convention. India has contemporary mutual legal assistance and extradition treaties with the U.S. The MLAT has been in force since October 2005 and the extradition treaty, the replacement for the 1931 US-UK treaty, has been in force since 1999. India has signed but has not yet ratified the UN Convention against Transnational Organized Crime. The USG and the GOI signed a Customs Mutual Assistance Agreement on December 15, 2004.

Cultivation/Production. The bulk of India's illicit poppy cultivation has traditionally been confined to Arunachal Pradesh, the most remote of northeastern states, which has no airfields and few roads. The terrain is mountainous, isolated jungle, requiring significant commodity and personnel resources just to reach it. The poppies are often cultivated by tribal groups that consume the opium themselves, but there have been recent indications that cultivation there is becoming commercialized. The need to combat the many insurgencies in the Northeast states has limited the number of personnel available for such time-consuming, labor-intensive crop destruction campaigns. For those reasons, the GOI had not conducted any major poppy eradication campaign in the Northeast since 2000, when 200 hectares were destroyed. In early 2007, CBN launched a major operation in the Tirap District that resulted in the destruction of 800 hectares of opium poppy. Tirap is one of five districts of Arunachal Pradesh that border Burma and China and produce the bulk of illicit cultivation in the state.

Of greater concern was the discovery of more than 6,500 hectares of illicit opium cultivation in two districts of West Bengal (Murshidabad and Nadia). CBN and West Bengal police destroyed the crop in March, but the size of the area of cultivation raises concerns that local farmers have joined hands with larger, more organized drug syndicates, and that an effective law enforcement presence has been absent. Altogether, the Government of India reported that it destroyed 20,001 acres of illicit opium poppy plants in 2006/07, greatly exceeding that reported in previous years.

Another new trend that bears watching is the connection between illicit opium and marijuana cultivation and Maoist (Naxalite) insurgencies in other parts of the country. There are reports that insurgent groups in Jharkhand finance their operations through opium cultivation destined to be shipped for refining into heroin to laboratories in Uttar Pradesh that previously depended on diversion from the licit crop in that state for raw opium. Arrests in Andhra Pradesh indicate insurgents have sold marijuana to purchase arms.

Drug Flow/Transit. Although trafficking patterns appear to be changing, India historically has been an important transit area for Southwest Asia heroin from Afghanistan and Pakistan and, to a lesser degree, from Southeast Asia—Burma, Thailand, and Laos. India's heroin seizures from these two regions continue to provide evidence of India's transshipment role. Most heroin transiting India appears bound for Europe. Seizures of Southwest Asian heroin made in New Delhi and Mumbai tend to reinforce this assessment. However, the bulk of heroin seized in the past two years has been of domestic origin; it was seized in South India, and was apparently destined for Sri Lanka. Trafficking-groups operating in India fall into four categories. Most seizures in Mumbai and New Delhi involve West African traffickers. Traffickers who maintain familial and/or tribal ties to Pakistan and Afghanistan are responsible for most of the smuggling of Pakistani or Afghan heroin into India. Ethnic Tamil traffickers, centered primarily in Southern India, are alleged to be involved in trafficking between India and Sri Lanka. Indigenous tribal groups in the northeastern states adjacent to Burma maintain ties to Burmese trafficking organizations and facilitate the entry into Burma of precursor chemicals and into India of refined "white sugar" heroin through the porous Indo/Burmese border. In addition, insurgent groups in these states have utilized drug trafficking as a means to finance their operations against the Indian Government.

Indian-produced methaqualone (Mandrax) trafficking to Southern and Eastern Africa continues. Although South Africa has increased methaqualone production, India is still believed to be among the world's largest known clandestine methaqualone producers. Seizures of methaqualone, which

is trafficked in both pill and bulk forms, have varied widely, from 472 kg in 2005 and 4,521 kg in 2006 to one kg in 2007. Cannabis smuggled from Nepal is mainly consumed within India, but some makes its way to Western destinations.

India is also increasingly emerging as a manufacturer and supplier of licit opiate/psychotropic pharmaceuticals (LOPPS), both organic and synthetic, to the Middle East, Pakistan, Bangladesh and Afghanistan. Some of the LOPPS are licitly manufactured and then diverted, often in bulk. Some of the LOPPS are illicitly manufactured as well. Indian-origin LOPPS and other controlled pharmaceutical substances are increasingly being shipped to the U.S. DHS Customs and Border Protection are intercepting thousands of illegal “personal use” shipments in the mail system in the United States each year. These “personal use” quantity shipments are usually too small to garner much interest by themselves, and most appear to be the result of illegal Internet sales.

Domestic Programs/Demand Reduction. Newspapers frequently refer to Ecstasy and cocaine use on the Mumbai and New Delhi “party circuit,” but there is little information on the extent of their use. There has been a considerable amount of reporting in local newspapers indicating that the use of cocaine and Ecstasy is on the rise. While smoking “brown sugar” heroin and cannabis remain India’s principal drugs of abuse, intravenous drug use (IDU) of LOPPS is also present. In parts of India where intravenous drug users (IDUs) have been denied access to LOPPS, IDUs have turned to injecting “brown sugar” heroin. Various licitly produced psychotropic drugs and opiate painkillers, cough medicines, and codeine are just some of the substances that have emerged as the new drugs of choice. In 2004, the Ministry of Social Justice and Empowerment (MSJE) released a drug abuse study showing licit opiate abuse accounting for 43 percent of Indian drug abuse. Although drug abuse cuts across a wide spectrum of Indian society, more than a quarter of drug abusers are homeless, nearly half are unmarried, and 40 percent had less than a primary school education. Itinerant populations (e.g., truck drivers) are extremely susceptible to drug use. Widespread needle sharing has led to high rates of HIV/AIDS and while the illicit supply chain delivers drugs varying wildly in purity, with the result of overdoses in some locations. The states of Manipur and Nagaland are among the top five states in India in terms of HIV infection (disproportionately affecting the 15- to 30-year old population in these states), primarily due to intravenous drug use.

The popularity of injecting licit pharmaceuticals can be attributed to four factors. First, they are far less expensive than their illegal counterparts. Second, they provide quick, intense “highs” that many users prefer to the slower, longer-lasting highs resulting from heroin. Third, many IDUs believe that they experience fewer and milder withdrawal symptoms with pharmaceutical drug use. Finally, licit opiate/psychotropic pharmaceuticals are widely available and easy to obtain since virtually any drug retail outlet will sell them without a prescription.

The MSJE has a three-pronged strategy for demand reduction, consisting of building awareness and educating people about drug abuse, dealing with addicts through programs of motivational counseling, treatment, follow-up and social reintegration, and training volunteers to work in the field of demand reduction. The MSJE’s goal is to promote greater community participation and reach out to high-risk population groups with an on-going community-based program for prevention, treatment and rehabilitation through some 400 NGOs throughout the country. The MSJE spends about \$5 million on NGO support each year. It also has treatment and rehabilitation programs in nearly 100 government-run hospitals and primary health centers.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States has a close and cooperative relationship with the GOI on counternarcotics issues. In September 2003, the United States and India signed Letter of Agreement (LOA) amendments to provide State Department drug assistance funding worth \$2.184

million for counternarcotics law enforcement. In 2004, another \$40,000 was added to the LOA. In 2004, a Customs Mutual Assistance Agreement was signed. The U.S. and India have had a long-standing extradition relationship; however, India's efforts to bring about prompt conclusion of extradition proceedings have been poor.. The USG has repeatedly asked the GOI to take steps to bring extradition proceedings to fruition more promptly. However, in January 2008, India finally concluded the extradition on narcotics trafficking charges of Sarabeet Singh, which had been underway since 2002. In 2006, India's NCB provided prompt and effective cooperation under the MLAT in connection with a narcotics prosecution in EDPA; other requests have been stalled, however.. The USG hopes to consult with India soon on MLAT implementation.

The Road Ahead. The NCB's move to the Ministry of Home Affairs has enhanced the U.S. relationship with the Ministry and NCB. In recent years, DEA offered more courses to more law enforcement officials from a wider variety of state and central government law enforcement agencies than ever before. Other training included standard and advanced boarding officer training by the USCG. Our joint LOA Monitoring Committee Meetings with the GOI ensure that funds achieve desired results, or are otherwise reprogrammed to higher priority projects. The LOA project to enhance and improve NCB's intelligence gathering and information sharing will enable it to better target drug traffickers and improve its cooperation with DEA. Another project managed by the Ministry of Finance trains law enforcement officials across India on asset forfeiture regulations. The USG also is supporting efforts to build the capacity of Indian law enforcement agencies to fight international narcotics trafficking by providing them with badly needed commodities and equipment. The United States will continue to explore opportunities to work with the GOI in addressing drug trafficking and production and other transnational crimes of common concern.

V. Statistical Tables

Drug seizure statistics are kept by the NCB (Ministry of Home Affairs) and updated on a monthly basis. The accuracy of the statistics is dependent upon the quality and quantity of information received by the NCB from law enforcement agencies throughout India. Statistics relative to opium cultivation and production are kept by the CBN (Ministry of Finance). Note: Not all information is available in all categories

Poppy Cultivation

Poppy cultivation/harvest in hectares. Final figures for opium gum yields in metric tons at 90 percent consistency; provisional yields at 70 percent consistency

Average yield of gum per hectare in kg

	2006/07	2005/06	2004/05
Hectares Licensed	6,269	7,252	7,901
Farmers Licensed	62,658	72,478	79,016
Hectares Harvested	5,913	6,976	7,833
Gum Yield (MT)	346	N/A	N/A
Opium Yield (kg/ha)	58.5	59.9	N/A

	2007/08 (Estimate)
Hectares Licensed	4,680
Farmers Licensed	N/A
Hectares Harvested	N/A
Gum yield (MT)	282
Opium Yield (kg/ha)	60.3

Opium prices paid to farmers in rupees (RS. 39 equals one USD). The price of opium for the 2007/08 crop year has yet to be declared by the GOI

	2006/7	2005/6	2004/5
44-54 kg/ha	800-1075	750-1075	756-1076
55-70 kg/ha	1100-1600	1100-1600	1102-1601
71-100+ kg/ha	1625-2200	1625-2200	1627-2205

Drug Seizures 2005-2007 (2007 statistics through December; 2006 figures revised)

	UNIT	2007	2006	2005
Opium	kg	1,758	2,826	2,009
Morphine	kg	15	36	47
Heroin	kg	966	1182	981
Cannabis	kg	76,635	157,710	153,660
Hashish	kg	3,776	3,852	3,965
Cocaine	kg	5	206	4
Methaqualone	kg	1	4,521	472
Ephedrine	kg	295	1,276	8
LSD	Sq. Paper	112	0	0
Acetic Anhydride	kg	857	133	300
Amphetamine	kg	0	0	0

PERSONS	2007*	2006	2005
Arrested	13,881	20,688	19,746
Prosecuted	14,194	19,582	20,138
Convicted	8,483	9,921	9,074

*Through December

Nepal

I. Summary

Although Nepal is neither a significant producer of nor a major transit route for narcotic drugs, hashish, heroin and domestically produced cannabis are trafficked to and through Nepal every year. An increase in the number of Nepalese couriers apprehended by the police in 2007, suggests that Nepalese are becoming more involved in trafficking. Moreover, Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that more Nepalese citizens are investing in, and taking a larger role in running, trafficking operations. Customs and border controls remain weak, but international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. Nepalese officials claim the end of the Maoist insurgency has slightly improved interdiction and monitoring efforts in previously inaccessible parts of the country. The Government of Nepal continues to push legislative efforts to increase control over the trafficking of precursor chemicals between India and China. Nepal is a party to the 1988 UN Drug Convention.

II. Status of Country

Police confirm that production of cannabis is on the rise in the southern areas of Nepal, and that most is destined for the Indian market. Abuse of locally grown and wild cannabis and locally produced hashish, which is marketed in freelance operations, remains widespread. Heroin from Southwest and Southeast Asia is smuggled into Nepal across the porous border with India and through Kathmandu's international airport. Legal, codeine-based medicines continue to be abused. Nepal is not a producer of chemical precursors but serves as a transit route for precursor traffic between India and China.

Monitoring and interdiction efforts have improved since the official end in 2006 of the Maoist insurgency, which had obstructed rule-of-law and counter narcotic efforts in many parts of the country. The NDCLEU reports that the Maoists no longer levy a tax of 200 Nepali rupees per kg (approximately \$3.20 in 2007 U.S. dollars) on cannabis production.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Nepal's basic drug law is the Narcotic Drugs Control Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs is illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export. The government is planning to amend the Act to incorporate provisions for psychotropic substances, demand reduction, treatment and rehabilitation.

In 2006, the Home Ministry updated the ten-year-old Narcotics Control National Policy. Noting the growing incidence of HIV infection among narcotics-using sex workers, abuse of narcotics and psychotropic medicines among youth, and illicit trafficking by organized mafia, the new policy attempts to address these concerns in a more "transparent and enforceable" manner. It consists of five strategies to control drug production, abuse and trafficking: (1) supply control, (2) demand reduction (treatment and rehabilitation and drug abuse prevention), (3) risk reduction, (4) research and development, and (5) collaboration and resource mobilization.

To ensure institutional support, the 2006 policy called for the creation of a Narcotics Control Bureau in the Ministry of Home Affairs that would include the NDCLEU and a special Nepal Police Task Force trained in counter narcotics. As of November 2007, this Bureau has yet to be

made functional. In addition, the National Policy established a high-level Narcotics Control National Guidance and Coordination Committee, chaired by the Home Minister, and a Narcotics Control Executive Committee, chaired by the Home Secretary. These entities exist and reportedly oversee all narcotics control programs, law enforcement activities, and legal reforms.

Nepal is actively implementing a National Drug Abuse Control Plan (NDACP), but other proposed efforts still await legislative approval. Legislative action on mutual legal assistance and witness protection, developed as part of the NDACP, has stalled for another year. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. Legislation on asset seizures, drafted in 1997 with United Nations Office on Drugs and Crime (UNODC) assistance, is also awaiting approval. All are under review by the Ministry of Law and Justice. Legislation on criminal conspiracy has not yet been drafted.

In response to reports from the NDCLEU of increased trafficking and criminal behavior among tourists, the government has restricted the travel of several countries' nationals to Nepal. Citizens of Nigeria, Swaziland, Ghana, Zimbabwe, Iraq, Afghanistan, and residents of the Palestinian territories are unable to obtain visas on arrival. The Home Ministry and the NDCLEU reported that Nigerians in particular travel on false passports to Nepal, via South Africa and India, to widen their organized crime network and traffic heroin, humans and arms.

Law Enforcement Efforts. The NDCLEU has developed an intelligence wing, but its effectiveness remains constrained by limited human resources and inadequate technological equipment. Coordination and cooperation among NDCLEU and Nepal's customs and immigration services, while still problematic, are improving. Narcotics officials admit that the destruction of areas of illicit drugs cultivation is not as effective as it could be; however, final statistical data for 2006 indicate an improvement over 2005. In 2006, 328 hectares of cannabis cultivation were destroyed, compared to 121 hectares in 2005. In 2005, 4 hectares of opium cultivation were destroyed; data was unavailable for 2006. Nepal does not have a crop substitution program.

The NDCLEU reports that arrests and drug seizures increased in 2007. From January-September 2007, police arrested 78 foreigners (13 in Kathmandu) and 524 Nepalese citizens (115 in Kathmandu) on the basis of drug trafficking charges—as compared to all of 2006, when police arrested 46 foreigners and 473 Nepalese citizens. Local police made 80 percent of the arrests in 2007, while the NDCLEU accounted for the remaining 20 percent. In the same time period, the NDCLEU and local units reportedly seized 7,731 kg of cannabis—more than twice as much as the amount of cannabis seized in all of 2006 (3,624 kg). The NDCLEU also seized 15 kg of heroin from January-September 2007, comparable to the amount seized in all of 2006. Most of the seizures were of “brown sugar”—low quality heroin smuggled from India. Police made relatively few seizures of more expensive white heroin from Afghanistan. The NDCLEU further reported the seizure of 3,843 kg of hashish (2,517 kg in 2006) in Nepal from January-September 2007. Most seizures of heroin and hashish in 2007 occurred along the Nepal-Indian border, within Kathmandu, or at Tribhuvan International Airport (TIA) as passengers departed Nepal. The NDCLEU did not report seizures of opium for 2006 or 2007.

Corruption. Nepal has no laws specifically targeting narcotics-related corruption by government officials, although provisions in both the Narcotics Control Drug Act of 1976 and Nepal's anticorruption legislation can be employed to prosecute any narcotics-related corruption. As a matter of government policy, Nepal neither encourages nor facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Nepal is party to the 1988 UN Drug Convention, the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic

Substances. Nepal has signed but has not yet ratified the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation/Production. Cannabis is an indigenous plant in Nepal, and cultivation of certain selected varieties is rising, particularly in the lowland region of the Tarai. There is some small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. Nepali drug enforcement officials reported that all heroin seized in Nepal originated elsewhere. Nepal does not produce precursor chemicals. Importers of dual-use precursor chemicals must obtain a license and submit bimonthly reports on usage to the Home Ministry.

According to the Home Ministry, there have been no seizures of precursor chemicals since 1997. There have been no reports of the illicit use of licensed imported dual-use precursor chemicals. Nepal is used as a transit route to move precursor chemicals between India and China. With ratification of the SAARC Convention on Narcotics Drugs and Psychotropic Substances, which holds countries liable for policing precursor chemicals, the Home Ministry said it planned to assert control over precursor chemicals. These chemicals are currently under the jurisdiction of the Ministry of Health and are not carefully monitored for abuse. As of November 2007, the government is still reviewing policies for the control and regulation of precursor chemicals for a proposed amendment to the Narcotics Drugs Control Act.

Drug Flow/Transit. According to NDCLEU, evidence from narcotics seizures suggests that narcotics transit Nepal from India, Pakistan, and Afghanistan to other countries in the region and to Europe, the U.S. and Japan. Media reports have claimed that most narcotics are bound for India, and law enforcement sources indicated that most seizures do occur at the India/Nepal border. Government officials report that 2007 saw considerable improvements in stemming drug flow and transit through Nepal and better border security compared to previous years. Nevertheless, the NDCLEU says customs and border controls are weak along Nepal's land borders with India and China, while the Indian border is essentially open. Security measures to interdict narcotics and contraband at TIA and at Nepal's regional airports with direct flights to India are also inadequate. The Government of Nepal (GON), along with other governments, is working to increase the level of security at the international airport, and the Nepal Army is detailed to assist with airport security. The NDCLEU took the increase in arrests of Nepalese couriers in other countries as an indication that Nepalese were becoming more involved in the drug trade both as couriers and as traffickers. This also suggests that Nepal may be increasingly used as a transit point for destinations in South and East Asia, as well as in Europe-particularly Spain, the Netherlands and Switzerland. The NDCLEU has also identified the United States as a final destination for some drugs transiting Nepal, typically routed through Bangkok.

Domestic Programs (Demand Reduction). The GON has continued to implement its national drug demand reduction strategy in association with the Sri Lanka-based Colombo Plan, assistance from the United States, UNODC, donor agencies, and NGOs. However, resource constraints have limited significant progress.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. policy is to strengthen Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, to maintain positive bilateral cooperation, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug Convention.

Bilateral Cooperation. The United States works with GON agencies to provide expertise and training in enforcement. Nepal exchanges drug trafficking information with regional neighbors and occasionally with destination countries in Europe in connection with international narcotics investigations and proceedings.

The Road Ahead. The United States will continue information exchanges, training, and enforcement cooperation. The United States will provide support to various parts of the legal establishment to combat corruption and improve rule of law, as well as support improvements in the Nepali customs service. The United States also will encourage the GON to enact stalled drug legislation.

Pakistan

I. Summary

Pakistan is on the frontline of the war against drugs as a major transit country for opiates and hashish from neighboring Afghanistan. In 2007, there was frequent conflict between militants and Pakistani forces near the border with Afghanistan, especially in the Federally Administered Tribal Areas (FATA) regions of North and South Waziristan, and increasingly in the settled areas of the Northwest Frontier Province. The imperative of combating militants in the FATA diverted resources and political attention away from Pakistan's goal of returning to a poppy-free status, and Pakistan saw an increase of poppy cultivation in 2007. Roughly 2,315 ha were cultivated in 2007 compared to cultivation of approximately 1,908 ha in 2006. Over 600 ha were eradicated, impressive under the circumstances, bringing harvested poppy down to 1,701 ha. A large opium processing lab in Baluchistan was destroyed by the ANF (Anti-Narcotics Force) in June 2006. The Government of Pakistan (GOP) maintains that no opiate laboratories have been detected operating in Pakistan. The number of drug addicts in Pakistan is estimated to be from two to three million.

GOP counternarcotics efforts are led by the Anti-Narcotics Force under the Ministry of Narcotics Control. The long-anticipated GOP five-year Master Drug Control Plan, due in early 2007, has not been approved or released to date by the ANF. This is a concern. The past year has seen major counternarcotics interdictions by the Frontier Corps Baluchistan and the Pakistan Coast Guards. Customs and Excise, the Maritime Security Agency, and the Home Departments of the Northwest Frontier Province (NWFP) and Baluchistan Province also are active in disrupting traffickers. Counternarcotics cooperation between the GOP and the United States has long been strong. U.S. assistance programs in counternarcotics and border security continue to strengthen the capacity of law enforcement agencies and improve their access to remote areas where much of the drug trafficking takes place, evidenced by 11 MT of heroin and 15 MT of opium seized in 2007. The 1931 US-UK extradition treaty is in force with respect to Pakistan; however, it is outmoded. Pakistan's Extradition Act is also in need of modernization. Extradition to the United States of persons charged with narcotics offenses and other crimes continues to be delayed for years due to judicial and administrative delays, with GOP authorities taking little action to resolve judicial delays. Pakistan is a party to the 1988 UN Drug Convention. The US-Pakistan Joint Working Group on law Enforcement and Counter-Terrorism has met four times; it is anticipated that the next meeting will occur in 2008. The JWG is chaired at the Ministerial level on the Pakistan side and Assistant Secretary-level on the U.S. side, and addresses the effectiveness of U.S. counternarcotics programs in Pakistan and other law enforcement cooperation.

II. Status of Country

The GOP is committed to regaining the poppy-free status it reached in 2001. Since then tensions between the GOP and Pakistan's tribal populations on the Afghan border have increased. Small cultivators in remote areas tried to exploit this tension by resuming poppy cultivation at levels not seen for a decade. Poppy cultivation went from 213 ha in 2001 to 7,571 ha in 2004. The GOP responded with forceful eradication campaigns, destroying 4,400 ha in 2004. Thus Pakistan reversed the trend in 2005 and 2006, reducing the poppy harvest (i.e., after eradication) to 1,549 ha by 2006. In the tribal belt where militant activity is a continuous threat, 2,315 ha were cultivated this year. Under these circumstances, and given the temptation to look the other way to win over these locals from extremism, the net harvest of only 1,701 ha, while a turn in the wrong direction clearly shows that the authorities are seriously committed to poppy eradication.

Opium production in neighboring Afghanistan is at an all-time high, particularly near the Pakistan border. Since poppy cultivation continues to rise in Afghanistan, Pakistan remains a significant

transit country of heroin, morphine, opium, and hashish, and is a conduit to Iran, the Arabian Peninsula, East Asia, and Africa by land and sea. The U.S.-funded Border Security Project, which began in 2002, is building GOP interdiction capabilities along the 1600-kilometer Afghan border, as demonstrated by drug seizures in 2007 by border security forces. However, successfully interdicting drug shipments is difficult given the vast terrain, the sheer number of smuggling routes, and the fact that smugglers are well armed and not afraid to engage GOP forces.

Pakistan's position as a major drug transit country has fueled domestic addiction, especially in areas of poor economic opportunity and physical isolation. The GOP estimates that they have two to three million drug addicts in the total population of 162 million, although no accurate figure exists. In 2000, the UNODC's National Assessment on Drug Abuse estimated that there were 500,000 chronic heroin abusers that year and identified a new trend of injecting narcotics, which raised concerns about HIV/AIDS. The 2006 UNODC survey estimates 628,000 opiate users in Pakistan. The UNODC survey reveals that the number of chronic heroin abusers has increased and that the numbers of injecting drug users has doubled in the last 6 years from 60,000 to 125,000, with alarming implications for Hepatitis and HIV infection rates.

Pakistan has established a chemical control program that closely monitors the importation of controlled chemicals used to manufacture narcotics. It is possible that significant quantities of diverted precursor chemicals transit Pakistan, but there is no indication that Pakistan is a source country for these precursor chemicals. The ANF and DEA are working to determine the routes and methods utilized by traffickers to smuggle chemicals through Pakistan into Afghanistan. Most Afghan labs are in Helmand province near the Baluchistan border or in Nangahar near the Khyber Agency in the NWFP. DEA continues to provide the ANF with information regarding chemical seizures that occur in Afghanistan and that may be linked to Pakistani smuggling groups and/or chemical companies, to facilitate further investigation within Pakistan.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The ANF, in coordination with UNODC, continues to work on developing a five-year plan to interdict and eradicate narcotics in Pakistan. Publication of the national plan was anticipated in early 2007, and delay in its release is a concern. The goal of the plan is to identify prioritized strategies, agency responsibilities, and funding requirements for attacking drug supply and demand. The GOP also seeks to regain "poppy-free" status, which it had secured from the United Nations in 2001, by enforcing a strict "no tolerance" policy for cultivation. Federal and provincial authorities continue anti-poppy campaigns in both Baluchistan and NWFP, informing local and tribal leaders to observe the poppy ban or face forced eradication, fines, and arrests. Security concerns in the Khyber Agency, where the majority of Pakistani poppy continues to be harvested, prevented full realization of the GOP's goal to be "poppy-free" in 2006-2007.

ANF is the lead counternarcotics agency in Pakistan. Other law enforcement agencies have counternarcotics mandates, including the Frontier Corps Baluchistan (FCB) and Frontier Corps NWFP (FCN), the Pakistan Coast Guards, the Maritime Security Agency, the Frontier Constabulary (FCONS), the Rangers, Customs and Excise, the police, and the Airport Security Force (ASF). The GOP approved significant personnel expansions for the ANF, the FCB and FCN, and the FCONS in 2006 and 2007. The Pakistan Coast Guard has started using counternarcotics cells to better coordinate and execute counternarcotics operations.

Law Enforcement Efforts: In 2007, GOP law enforcement and security forces reported seizing 10.9 MT (MT) of heroin/morphine and 15.3 MT of opium. 93.8 MT of hashish was also seized in this time period.

According to the ANF, in 2007, all GOP law enforcement authorities reported arresting 50,100 individuals (48,724 cases) on drug-related charges for 2007. The ANF itself had 1,702 cases

pending, 1,187 from 2006 and 515 new cases through September 2007. Of that total there were 301 convictions through October 1, 2007. The great majority of narcotics cases that go to trial continue to be uncomplicated drug possession cases involving low-level couriers and straightforward evidence. The problematic cases tend to involve more influential, wealthier defendants. To date the ANF continues to prosecute appeals in seven long-running cases in the Pakistani legal system against major drug traffickers, including Munawar Hussain Manj, Sakhi Dost Jan Notazai, Rehmat Shah Afridi, Tasnim Jalal Goraya, Haji Muhammad Iqbal Baig, Ashraf Rana, and Muhammad Ayub Khan Afridi.

Since many strong cases were reversed on appeal, in an effort to address those reversals, the ANF has hired its own special prosecutors. The ANF also added additional attorneys as part of its expansion. The DEA continues to advance the concept of conspiracy investigations (i.e., active planning with serious intent to commit a crime) with the ANF to target major traffickers. Through September 30, 2007, drug traffickers' assets totaling Rs 110.8 million rupees (about \$1.8 million USD) remained frozen.

In 2005, Prime Minister Shaukat Aziz approved 1,166 new positions for the ANF with the first group of 600 graduating in mid-2007. The GOP also approved an increase of 10,264 personnel for the Frontier Corps Baluchistan to increase their capacity along the border with Afghanistan and Iran. In 2000, the DEA-vetted and funded the ANF Special Investigative Cell (SIC) to target major drug trafficking organizations operating in Pakistan. Each vetted investigator undergoes a thorough screening and a five week training course at the DEA training facility in Quantico.

Corruption. The United States has no evidence that the GOP or any of its senior officials encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions. However, with government salaries low and societal and government corruption endemic, it is not surprising that some narcotics-related corruption among government employees occurs. The National Accountability Bureau (NAB), a Pakistani agency tasked with investigation and prosecution of corruption cases (not only narcotics-related), reports that it received 13,722 complaints of corruption in 2006, of which it investigated 701 cases and completed 241 cases. The investigations resulted in 165 arrest warrants and 46 convictions. NAB recovered Rs.930 million rupees (almost \$15.5 million) from officials, politicians, and businessmen in 2006 through plea bargains and voluntary return arrangements.

Agreements and Treaties: Pakistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. The United States provides counternarcotics and law enforcement assistance to Pakistan under a Letter of Agreement (LOA). This LOA provides the terms and funding for cooperation in border security, opium poppy eradication, narcotics law enforcement, and drug demand reduction efforts. There is no mutual legal assistance treaty between the U.S. and Pakistan, nor does Pakistan have a mutual legal assistance law and has not been helpful with U.S. requests. The U.S. and Pakistan's extradition agreement is carried out under the terms of the 1931 U.S.-U.K. Extradition Treaty, which continued in force after Pakistan gained independence in 1947. The treaty, as well as Pakistan's Extradition Act are outmoded. Lack of action by Pakistani authorities and courts on pending extradition requests for four drug-related cases continues to be of concern to the United States. Obstacles to extradition include inexperience of GOP public prosecutors, the existence of an interminable appeals process that tolerates defense-delaying tactics, and corruption. There is a similar lack of action in responding to U.S. requests for mutual legal assistance. Pakistan is a party to the UN Convention against Corruption, and has signed, but has not yet ratified the UN Convention on Transnational Organized Crime.

Cultivation/Production: Through interagency ground monitoring and aerial surveys, the GOP and USG confirmed that Pakistan's poppy harvest increased by roughly 400 ha. In 2007, Pakistan cultivated 2,315 ha compared to cultivation of approximately 1,908 ha in 2006. The actual number of ha harvested only increased by around 200 ha to 1,701 due to a strong eradication effort. Based on the GOP's methodology for determining poppy crop yield, which estimates that approximately 25 kg of opium are produced per hectare of land cultivated, Pakistan's potential opium production was approximately 42.5 MT in 2007.

Cultivation in the "non-traditional" areas in NWFP remained almost completely contained this year, with Kala Dhaka as the only trouble spot. The USG does not fund any application of aerially applied herbicides in Pakistan.

The NWFP Government struggled this year to contain and eradicate poppy in the FATA agencies where both the Pakistani Army and the FCN are combating an aggressive militancy with elements of al-Qaida. Both the FCN and FCB engage frequently with militants and have limited resources to combat poppy cultivation. In Khyber, eradication efforts are limited to the lower Barra river valley. The upper Barra poses the risk of armed confrontation with poppy growers and militants controlling the high ground. Politically, some officials are reluctant to enforce eradication efforts in some places because they might disrupt community acquiescence to counterterrorism operations. In addition, extensive efforts to combat militants mean that there are shortages of law enforcement forces to enforce eradication. Ground monitoring teams continue to observe, particularly in Khyber, a trend of increased cultivation within walled compounds to prevent eradication.

Drug Flow/Transit: Although no exact figure exists for the quantity of narcotics flowing across the Pakistan-Afghan border, Pakistan's Anti-Narcotics Force estimates that 36 percent of illicit opiates exported from Afghanistan transit Pakistan en route to Iran, Western Europe, the Middle East, the Arabian Peninsula, Africa, and East Asia. The UNODC's Afghanistan Opium Survey 2007 notes that 193,000 ha of poppy were cultivated in 2007. This large increase in poppy cultivation in Afghanistan almost certainly means more opiates transiting Pakistan as well as the possibility of escalating domestic drug use in Pakistan. The GOP is alert to the possibility that law enforcement efforts in Afghanistan could push Drug Trafficking Organizations (DTOs) and labs into Pakistan. Many of the DTOs already have cells throughout Pakistan, predominantly in remote areas of Baluchistan where there is little or no law enforcement presence. DTOs in Pakistan are still fragmented and decentralized, but individuals working in the drug trade often become "specialists" in processing, transportation, or money laundering and sometimes act as independent contractors for several different criminal organizations.

Pakistan is a major consumer of Afghan heroin. But most of the heroin is smuggled through Pakistan to more lucrative markets in Iran, the Arabian peninsula, and onward to Europe, including Russia and Eastern Europe. The balance goes to the Western Hemisphere and to Southeast Asia where it appears to supplement opiate shortfalls in the Southeast Asia region. Couriers intercepted in Pakistan are en route to Africa, Nepal, India, Europe, Thailand, China, Bangladesh, Sri Lanka, and the Middle East (especially the United Arab Emirates (UAE)). The ANF believes precursor chemicals are most likely smuggled through UAE, Central Asia, China, and India, and that mislabeled containers of acetic anhydride form part of the cargo in the Afghan transit trade. Ecstasy, Buprenorphine (an opiate adapted for use in the treatment of opiate addiction), and other psychotropics are smuggled from India, UAE, and Europe for the local Pakistani market. The ANF has seized small amounts of cocaine smuggled into the country by West African DTOs.

Afghan opiates trafficked to Europe and North America enter Pakistan's Baluchistan and NWFP Provinces and exit either through Iran or Pakistan's Makran coast or through international airports located in Pakistan's major cities. The ANF reports that drugs are being smuggled in the cargo holds of dhows to Yemen, Oman, Saudi Arabia, and United Arab Emirates via the Arabian Sea.

Traffickers also transit land routes from Baluchistan to Iran and from the tribal agencies of NWFP to Chitral, where they re-enter Afghanistan at Badakhshan Province for transit through Central Asia.

In Baluchistan, drug convoys are now smaller, typically two to three vehicles with well-armed guards and forward stationed scouts, who usually travel under cover of darkness. Several years ago there were seizures of 100-kg shipments, but now traffickers are transporting smaller quantities of drugs through multiple couriers, both female and male, to reduce the size of seizures and to protect their investment. This is evidenced by the 20-30 kg seizures, which are now typical. Other methods of shipment include inside false-side luggage or concealed within legal objects (such as cell phone batteries or carpets), the postal system, or strapped to the body and concealed from drug sniffing dogs with special sprays. The ANF reports that traffickers frequently change their routes and concealment methods to avoid detection. West African traffickers are using more Central Asian, European, and Pakistani nationals as couriers. An increasing number of Pakistani females are being used as human couriers through Pakistan's international airports. In 2007, the GOP has also detected an increase in narcotics, both opium and hashish, traveling through Pakistan to China via airports and land routes. Arrests of couriers traveling via Pakistan to China have increased significantly.

Demand Reduction. Concerned about an increasing number of drug addicts in Pakistan, the GOP, in coordination with the UNODC, completed a drug use survey. The survey indicates that Pakistan has approximately two to three million drug addicts, with around 628,000 opiate abusers. The alarming trend from the survey is the near doubling of the number of injecting drug users to an estimated 125,000. The drug-users in the survey self reported that eight percent of them were HIV positive, 11 percent reported being infected with Hepatitis and 18 percent reported being infected with Tuberculosis. With the increased use of intravenous drug abuse these diseases have the potential to spread rapidly. The GOP views addicts as victims, not criminals. Despite the perseverance of a few NGOs and the establishment of two GOP model drug treatment and rehabilitation centers in Islamabad and Quetta, drug users have limited access to effective detoxification and rehabilitation services in Pakistan. The ANF is also tasked with reducing demand and increase drug use awareness.

In 2007, the ANF continued to conduct a number of drug abuse awareness programs, including a series of UNODC and USG-funded demand reduction workshops on raising the awareness of district officials and highlighting the increasing number of women identified as drug abusers. The ANF organized seminars for religious leaders in each provincial capital. The USG funds a drug treatment center in Peshawar via contributions to the Colombo Plan Secretariat, extending an already-successful program with a local NGO. The USG also funded outreach/drop-in centers in Karachi, Quetta, and Peshawar via the Colombo Plan, as well as directly funding four outreach centers in the FATA. Other USG-funded programs include technical support and assistance to aid UNODC's drug use survey, a study on drug addiction in women, creation of youth groups to prevent drug abuse through organized alternative activities, and media messages and information dissemination. In GOP rehabilitation and detoxification centers, the ANF uses a symptomatic method, utilizing Restoril and Dyzopan, when necessary.

The ANF plans to implement other projects to increase community participation in demand reduction, including the establishment of a national awareness media campaign. While the GOP has the political will to do more, it lacks the human and technical resources and an updated, comprehensive demand reduction strategy. We expect the results of the new drug use survey to propel the GOP to create a comprehensive strategy.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. It is becoming increasingly clear that there is at least a financial link between local militancy and opiates in South Asia. The United States maintains several counternarcotics policy objectives in Pakistan that are in sync with America's larger goals to block insurgency on the Pak-Afghan border and prevent terrorist support in the FATA and Baluchistan. These objectives are to continue to help the GOP fortify its borders and coast against drug trafficking and terrorism, support expanded regional cooperation, encourage GOP efforts to eliminate poppy cultivation, and inhibit further cultivation. The United States also aims to increase the interdiction of narcotics from Afghanistan and to destroy DTOs by building the capacity of the GOP, as well as to expand demand reduction efforts. USG agencies continue to strive to enhance cooperation on the extradition of narcotics fugitives and to encourage enactment of comprehensive money laundering legislation. With the support of the RLA-Resident Legal Advisor, the United States is focusing on streamlining enforcement legislation, making it easier for the ANF and other law enforcement agencies to prosecute narcotics court cases. The United States presses for the reform of law enforcement institutions and encourages cooperation among the GOP agencies with counternarcotics responsibilities. Although the ANF is the lead counternarcotics agency in Pakistan, the United States also focuses on improving anti-smuggling capabilities of a number of agencies, including the Customs Department, the Frontier Corps, and the National Police.

Bilateral Cooperation. The United States, through the State Department-funded Counternarcotics Program and Border Security Project, provides operational support, commodities, and training to the ANF and other law enforcement agencies. The United States also provides funding for demand reduction activities. Under the Border Security Project, the USG has built and refurbished 64 Frontier Corps outposts in Baluchistan and NWFP, and another 62 Levy (tribal police force) and 11 Frontier Constabulary outposts in the NWFP. Another 39 new outposts are still under construction in NWFP and Baluchistan, for a total of 176 border facilities. Construction of 113 kilometers of roads in the border areas of the FATA is complete, and ongoing construction of 266 kilometers continues to open up remote areas to law enforcement. Since 1989, the State Department also has funded construction of more than 500 kilometers of counternarcotics program roads in previously inaccessible areas, facilitating farmer-to-market access for legitimate crops while providing authorities access for poppy eradication. The Department has implemented over 820 development projects to provide water and electricity to remote areas and to encourage alternative crops in Bajaur, Mohmand, and Khyber Agencies. An additional 4 projects are projected for completion by the end of 2007. Alternative crop programs were extended into Kala Dhaka and Kohistan in 2006, where this year seven kilometers of new road were completed and 45 kilometers are underway. A total of \$10 million has been committed to road construction and small electrification and irrigation schemes for this earthquake-devastated area of NWFP.

In October 2006, an RLA was deployed to the U.S. Embassy in Islamabad. It is anticipated that through the RLA's cooperative efforts productive changes in the administration of courts and the law enforcement agencies will occur.

The United States funds a Narcotics Control Cell in the FATA Secretariat to help coordinate counternarcotics efforts in the tribal areas, where the overwhelming majority of poppy is grown. The U.S.-supported Ministry of Interior (MOI) Air Wing program provides significant benefits to counternarcotics efforts and also serves to advance counterterrorism objectives. DEA provides operational assistance and advice to ANF's Special Investigative Cell (SIC) to raise investigative standards. The Department of Defense began providing assistance to the Pakistan Coast Guards to improve the GOP's counternarcotics capabilities on the Makran Coast.

The USG-supported Border Security Project continues to make progress in strengthening security along Pakistan's Afghan border through training to professionalize border forces, provision of

vehicles and surveillance and communications equipment to enhance patrolling of the remote border areas, and support for the USG-assisted MOI Air Wing to enhance border surveillance and interdiction. In 2007, the nine Huey IIs of the Air Wing executed 186 operational missions. These included transporting law enforcement forces to raid suspected drug compounds and drug processing facilities, poppy surveys, casualty evacuations (casevacs) for personnel injured during FC and ANF operations, support for law enforcement agencies along the Afghan border, and border reconnaissance. The three fixed-wing Cessna Caravans, equipped with FLIR surveillance equipment, executed 132 operational missions, including surveillance, casevacs, and command and control support for large operations.

In May 2002 the first meeting took place of the US-Pakistan Joint Working Group on Law Enforcement and Counter-Terrorism (“JWG”). The JWG was established to create a bilateral mechanism to address the means of improving cooperative law enforcement efforts, assessing the progress on US-funded law enforcement projects in Pakistan, and combating terrorism. The fourth meeting occurred in Washington, DC, in April 2006 and the next meeting is anticipated to occur in 2008.

The Road Ahead. The centerpiece of USG assistance to Pakistan is a newly launched effort to support the Government of Pakistan’s FATA Sustainable Development Plan (SDP). The U.S. has launched a five-year, \$750 million FATA Development Strategy which features job creation, health, and educational services, institution building, infrastructural development, and measures for expanding the local economy. This supports the GOP’s nine-year \$2 billion dollar SDP. In addition, the U.S. is providing training and equipment to the Frontier Corps and Frontier Constabulary to improve security conditions in the FATA and NWFP. State INL’s historic role in supplanting a poppy-based economy in these peripheral areas with alternative development has been instrumental in shaping these plans. This local development also extends the writ of the government.

The USG has allocated \$17 million in 2007 to NAS to expand road and bridge building activity and programs to upgrade law enforcement institutions, such as the Frontier Corps, the Frontier Constabulary, and the FATA internal police force called Levies, recruited from the tribes in FATA. NAS will partner with the FATA Secretariat to provide training and commodities to the newly raised Levy Forces and managerial and capacity building support to the FATA Construction Unit. These initiatives will enhance security throughout the seven FATA Agencies, enabling USAID and other developmental plans to move forward.

The United States will continue to assist the GOP in its nation-wide efforts to eliminate poppy, to build capacity to its borders, to conduct investigations that dismantle drug trafficking organizations, to increase convictions and asset forfeitures, and to reduce demand for illicit drugs through enhanced prevention, intervention, and treatment programs. Implementation of these strategies will require GOP perseverance in strict enforcement of the poppy ban and eradication efforts, development of an indigenous drug intelligence capability, GOP interagency cooperation, more effective use of resources and training, and enhanced regional cooperation and information sharing.

V. Statistical Table

Drug Crop—Opium Poppy					
	2007	2006	2005	2004	2003
Cultivation	2,315 ha	1,908 ha	3,147 ha	6,600 - 7,500 ha	6,811 ha
Harvested	1,701 ha	1,545 ha	2,440 ha	3,145 ha	3,641 ha
Eradication	614 ha	363 ha	707 ha	4,426 ha	3,641 ha
Seizures heroin (including morphine base)	10.9 MT	35.3 MT	Jan-Nov - 24 MT	24.7 MT	34 MT
Seizures opium	15.3 MT	8 MT	Jan-Nov - 6.1 MT	2.5 MT	5.4 MT
Seizures hashish:	93.8 MT	110.5 MT	80 MT	136 MT	87.8 MT
Illicit Labs Destroyed:	No labs have been destroyed to date.				
Arrests (total persons)	50,100	Jan-Oct - 34,170	Jan-Nov - 33,932	49,186	46,346
Number of Users: No reliable data exists. The last National Survey of Drug Abuse in Pakistan in 1993 estimated 3.01 million drug addicts in Pakistan. We do not have reliable new estimates, but most experts believe that the number has grown. The recent 2006 UNODC survey estimated 628,000 chronic opiate users.					

Sri Lanka

I. Summary

Sri Lanka has a relatively small-scale drug problem. The Government of Sri Lanka (GSL) remains committed to targeting drug traffickers and implementing nation-wide demand reduction programs. Government institutions coordinate closely with NGOs to address narcotics problems. In early 2005, the U.S. Government strengthened its relationship with Sri Lanka on counternarcotics issues by offering training for the Sri Lankan Police. Sri Lanka is a party to the 1988 UN Drug Convention.

II. Status of Country

Sri Lanka is not a significant producer of narcotics or precursor chemicals and plays a minor role as a transshipment route for heroin from India. At present, there is no legislation to control precursor chemicals. GSL officials continue to raise internal awareness of and vigilance against efforts by drug traffickers attempting to use Sri Lanka as a transit point for illicit drug smuggling. Domestically, officials are addressing a modest upsurge in domestic consumption, consisting of heroin, cannabis, and increasingly, “Ecstasy.”

III. Country Actions against Drugs in 2007

Policy Initiatives. Sri Lanka has made progress in implementing its counternarcotics strategy, first developed in 1994. The GSL remains committed to ongoing efforts to curb illicit drug use and trafficking. The lead agency for counternarcotics efforts is the Police Narcotics Bureau (PNB), headquartered in the capital city of Colombo. No new PNB officers were recruited in 2007; however, the PNB recruited more officers in 2006, resulting in increased investigations and interdictions. The National Dangerous Drugs Control Board (NDDCB) assists PNB in an advisory capacity. In early 2006, a special court was established to assure speedy trials in drug cases. In 2006, the President of Sri Lanka initiated a three-year “End to Drugs” program which continued throughout 2007. Under this initiative, law enforcement authorities are intensifying educational and awareness efforts against drug abuse, and the GSL is providing assistance to non-governmental organizations that provide counseling and rehabilitation to drug addicts. In October 2007, the Parliament passed two narcotics-related bills: a bill putting into effect the UN and South Asian Association for Regional Cooperation (SAARC) Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and a Drug Dependent Persons (Treatment and Rehabilitation) Bill.

Accomplishments. The PNB, the Excise Department, and Sri Lanka Customs worked closely to target cannabis producers and dealers, resulting in several successful arrests. The PNB was an active partner for the U.S., taking full advantage of U.S.-sponsored training for criminal investigative techniques and case management practices.

Sri Lanka continued to work with the SAARC and the United Nations Office of Drugs and Crime (UNODC) on regional narcotics issues. GSL officials maintain regular contact with counterparts in India and Pakistan, the origin countries for most illicit drugs in Sri Lanka. The SAARC Drug Offences Monitoring Desk (SDOMD) is co-located within Colombo’s PNB. Counternarcotics officials based in India and Pakistan regularly share information with the SDOMD, though other SAARC countries reportedly do not maintain regular contact. In 2007, PNB launched a quarterly newsletter based on this shared information.

Law Enforcement Efforts. PNB continued to cooperate closely with the Customs Service, the Excise Department, and the Sri Lankan Police to curtail illicit drug supplies in and moving through the country. As a result of these efforts, in 2006 GSL officials arrested 12,551 persons on charges of using or dealing in heroin and over 34,728 persons on cannabis charges. Police seized a total of 65.4 kg of heroin, with one major haul yielding 15.4 kg. Police also seized 18,219 kg of cannabis in 2006. PNB did not make any Ecstasy-related arrests in 2006.

PNB has one sub-unit at Bandaranaike International Airport near Colombo, complete with operational personnel and a team of narcotics-detecting dogs. Greater vigilance by PNB officers assigned to the airport sub-station led to increased arrests and narcotics seizures from alleged drug smugglers. Financial constraints and the ongoing ethnic conflict have delayed plans to establish additional PNB sub-stations.

Corruption. The GSL does not, as a matter of policy, encourage or facilitate the illicit production or distribution of any controlled substances or the laundering of proceeds from illegal drug transactions. A government commission established to investigate bribery and corruption charges against public officials, launched in 2004, continued operations through 2007. In December 2005, six police personnel were arrested for collusion with a high-profile drug dealer, but were released without charges in March 2006. On June 14, 2006, a major in the army was arrested for allegedly trafficking over 15 kg of heroin in Mannar. He is currently in remand prison awaiting his court hearing.

Agreements and Treaties. Sri Lanka is a party to the 1988 UN Drug Convention and a 1990 SAARC Convention on Narcotic Drugs and Psychotropic Substances, regional agreement among South Asian states. In October 2007, Parliament passed implementing legislation for both conventions. Sri Lanka is also a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Sri Lanka is also a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Sri Lanka is a party to the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. An extradition treaty is in force between the U.S. and Sri Lanka.

Cultivation/Production. Small quantities of cannabis are cultivated and used locally, but there is little indication that it is exported. The estimated land area under cannabis cultivation is 500 hectares. The majority of cannabis cultivation occurs in the southeast jungles of Sri Lanka. PNB and Excise Department officials work together to locate and eradicate cannabis crops.

Drug Flow/Transit. Some of the heroin entering Sri Lanka is transshipped to other markets abroad, including Europe. A resurgence in fighting in and near the northwestern coastal waters has recently limited transportation of heroin by sea. As a result, traffickers have increased their use of air routes. Police officials state that the international airport is the second major entry point for the transshipment of illegal narcotics through Sri Lanka. There is no evidence to date that synthetic drugs are manufactured in Sri Lanka. Police note that the Ecstasy found in Colombo social venues is likely imported from Thailand.

Domestic Programs (Demand Reduction). The National Dangerous Drugs Control Board (NDDCB), a policy organization that advises law enforcement authorities, has established task forces in regional provinces to focus on the issue of drug awareness and rehabilitation at the community level. Each task force works with the existing municipal structure, bringing together officials from the police, prisons, social services, health, education and NGO sectors. The security situation has prevented the NDDCB from establishing task forces in those in the Northern and Eastern provinces. The GSL continued its support to local NGOs conducting demand reduction and drug awareness campaigns. During 2006, the GSL and NGOs treated 2,738 people for drug abuse. The Colombo Plan Drug Advisory Program, a regional organization, pledged its assistance to the

government and non-government agencies in their efforts to combat illicit drugs. PNB has observed UNODC's International Day against Drug Abuse and Illicit Trafficking since 1990 and has instituted an annual drug awareness week in June.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG remained committed to helping GSL officials develop increased capacity and cooperation for counternarcotics issues. The USG also continued its support of a regional counternarcotics program, which conducts regional and country-specific training seminars, fostering communication and cooperation throughout Asia.

Bilateral Cooperation. Continuing a USG-PNB law enforcement program implemented in 2004, the USG-trained Sri Lanka police are replicating seminars and scheduling training for colleagues of the original trainees at academies and stations throughout the island. U.S. government officials, primarily DEA, conducted narcotics officer training for local counterparts at a seminar organized by the host government.

The Road Ahead. The U.S. government will maintain its commitment to aid the Sri Lankan police in its transition to a community-focused force with additional assistance for training and dialogue between U.S. counternarcotics agencies and Sri Lankan counterparts. The U.S. expects to continue its support of regional and country-specific training programs.

