
United States Department of State

**Bureau of International Narcotics
and Law Enforcement Affairs**

Fiscal Year 2004 Budget

**Congressional
Justification**

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Program Overview and Budget Summary

Program Overview

Program Objectives

Americans face growing security threats both at home and abroad from international terrorist networks and their allies in the illegal drug trade and international criminal enterprises. Terrorism, drug trafficking, and international crime all exploit weaknesses in international law enforcement institutions in ways that undermine our interests and those of close friends, neighbors, and allies.

Illegal drugs impose a staggering toll on our society, killing more than 19,000 Americans annually and costing more than \$160 billion in terms of law enforcement, drug-related health care, and lost productivity. This is in addition to the devastating impact on families and communities and the generally corrosive effect on public institutions. In President Bush's words, "Illegal drug use threatens everything that is good about our country." Drug trafficking threatens the rule of law, undermines political and economic stability, and destroys lives in all the major drug producing and transit countries. No country is immune.

Transnational organized crime groups, although they attract less media attention, rival the threat posed by narcotics traffickers. Of the estimated \$750 billion – \$1 trillion laundered globally each year, about half is from non-drug crime. Trafficking in persons, migrant smuggling, money laundering, public corruption, credit card fraud, cyber crime, IPR theft, vehicle theft, environmental crimes, and trafficking in illegal firearms cost U.S. taxpayers and businesses billions of dollars each year. International crime groups threaten free market economies in both developing and developed states and undermine rule of law and stability. In microstates in the Caribbean and Pacific areas and in other economically vulnerable states such as Paraguay, organized crime often represents the greatest economic opportunities for entrepreneurs.

The September 11 attacks and their aftermath highlight the close connections and overlap among terrorists, drug traffickers, and organized crime groups. The nexus is far-reaching. In many instances, such as Colombia, the groups are the same. Drug traffickers benefit from terrorists' military skills, weapons supply, and access to clandestine organizations. Terrorists gain a source of revenue and expertise in the illicit transfer and laundering of money for their operations. All three groups seek out weak states with feeble justice and regulatory sectors where they can corrupt and even dominate the government. September 11 demonstrated graphically the direct threat to the United States by a narco-terrorist state such as Afghanistan where such groups once operated with impunity. Although the political and security situation in Colombia is different from the Taliban period in Afghanistan – the central government is not allied with such groups but rather is engaged in a major effort to destroy them – the narco-terrorist linkage there poses perhaps the single greatest threat to the stability of Latin America and the Western Hemisphere and potentially threatens the security of the United States in the event of a victory by the insurgent groups. The bottom line is that such groups invariably jeopardize international peace and freedom, undermine the rule of law, menace local and regional stability, and threaten both the United States and our friends and allies.

To meet these challenges, the President has placed the fight against terrorism, international narcotics, and transnational organized crime high on our national security and foreign policy agendas. The State Department and the Bureau of International Narcotics and Law Enforcement Affairs (INL) play a key role in carrying out the President's agenda by leading in the development and coordination of U.S.

international drug and crime policies and programs. To deal with the increasing linkage and overlap among terrorist, drug, and crime groups, INL has begun shifting from separate programs for counternarcotics and anticrime to a broader and more integrated law enforcement effort to combat the full range of criminal, drug, and terrorist threats. We do this through a comprehensive range of bilateral, regional and global initiatives aimed at building up the law enforcement capabilities of foreign governments so they can help stop these threats before they reach U.S. soil. This includes extending our first line of defense by strengthening border controls of other countries in addition to our own, ensuring that global criminals have no place to hide, attacking international financial and trade crimes, and responding to emerging crime challenges.

INL efforts center on two performance goals:

1. International trafficking in drugs, persons, and other illicit goods are disrupted and criminal organizations dismantled. For counternarcotics, this includes reducing drug crop cultivation through a combination of law enforcement, eradication, and alternative development programs in key source countries as well improving the capacity of host nation police and military forces to attack narcotics production and trafficking centers. It also includes strengthening the ability of law enforcement and judicial authorities in both source and transit countries to investigate and prosecute major drug trafficking organizations and their leaders and to seize and block their assets.
2. States cooperate internationally to set and implement antidrug and anticrime standards, share financial and political burdens, and close off safe-havens through justice systems and related institution building. International cooperation is key for combating drugs and crime. The job is simply too large for one nation to handle alone. Such cooperation includes working directly with other governments on a bilateral basis as well as multilateral cooperation at the global, regional, and even sub-regional levels in order to set standards, monitor and assist in their implementation, and coordinate on collective actions. Since drug and crime groups tend to thrive best in developing nations where justice sector institutions are weak, institution building is a core ingredient of INL programs. To carry out our institutional development programs, INL works closely with, and draws on, the expertise of sixteen other USG agencies, including USAID, Justice, Treasury, Homeland Security, Defense, DEA, FBI and the Coast Guard.

Program Performance

Although the FY 2003 INL counternarcotics budget represents only a small (7.8 percent) part of the federal drug control budget, INL bilateral and multilateral programs and diplomatic initiatives are currently strengthening counternarcotics and law enforcement efforts in more than 150 countries around the world in support of the President's 2003 National Drug Control Strategy. The focus of our programs, and our budget, remains the Andean Ridge, the primary source of the cocaine and heroin entering the United States, and their immediate neighbors. We are also targeting major transit states in South and Central America and the Caribbean, and Mexico, which is also a source country for heroin and marijuana.

CY 2002 posed many new challenges as INL focused on strengthening the counterterrorism elements of our program. It also presented new opportunities, including South Asia, where the U.S. and other donors face a unique opportunity to stabilize Afghanistan and the region. Highlights of INL programmatic and diplomatic accomplishments over the year include the following.

Colombia. CY 2002 was a banner year for counternarcotics efforts in Colombia, the source of more than 90 percent of the cocaine and approximately 40 percent of the heroin entering the United States.

For the first time since the drug cultivation began increasing in the mid-1990s, overall coca cultivation declined by approximately 15 percent while cultivation in the key coca provinces of Putumayo and Caqueta declined by more than 50 percent. That level of coca cultivation has the potential to produce 680 metric tons of cocaine, down from 795 metric tons in 2001. These declines are the direct result of the robust U.S.-assisted aerial eradication program, which sprayed over 122,000 hectares of coca in 2002, a 45 percent increase over 2001, itself a record year. In addition, the spray program destroyed more than 3,000 hectares of opium poppy, a 67 percent increase over 2001. With the addition of more capable spray airplanes, Colombia plans to do even more aerial eradication of both coca and heroin poppy in 2003 and beyond. On the interdiction side, Colombia military and police counterdrug forces destroyed 129 cocaine-processing labs and nearly 1,247 cocaine base labs while seizing more than 94 metric tons of cocaine and 30 metric tons of coca base, a jump of more than 50 percent over 2001. Perhaps most important, President Uribe's commitment to get tough on drug trafficking and narco-traffickers has ushered in a new political climate and a step-up in counternarcotics and counterterrorism operations around the country. We are currently coordinating with the Colombian government to see how best to use expanded Congressional authorities in support of Uribe's new national security strategy. Since USAID began implementing alternative development programs in late 2000, its activities have benefited more than 20,000 families and supported more than 15,000 hectares of licit crops in both coca and poppy areas. The alternative development program has also completed more than 200 public infrastructure and income-generating projects in 11 municipalities in key coca provinces, including construction of roads, bridges and sewer systems and rehabilitation of schools. Other USAID projects have improved local governments

Bolivia and Peru. Even with a very strong overall eradication effort in 2002, Bolivia witnessed a 23 percent net increase in coca cultivation due to rapid replanting by cocaleros and the Government's reluctance to conduct forced eradication in the coca-rich Yungas province in the face of strong and violent cocalero opposition. In Peru, following a slow start, including a temporary suspension of eradication operations in some regions due to intimidation by organized cocaleros, the government eradication program accelerated during the last four months of the year and reached its goal of 7,000 hectares. As in Bolivia, however, replanting led to an overall, albeit smaller (8 percent), increase in cultivation. Despite these increases, cultivation in both countries remains significantly below the peak years of the mid-1990s and far below the levels in Colombia. Even with these increases, the total Andean coca crop declined by about 8 percent in 2002. The challenge for 2003 and beyond in Peru and Bolivia is to consolidate the successes of previous years and support continued aggressive and successful eradication programs despite cocalero and other opposition.

Mexico. Under the Fox Administration, cooperation between the United States and Mexico in fighting drug trafficking and other transnational crime has significantly improved. During 2002, the Government of Mexico (GOM) extradited 25 fugitives to the United States, up from 17 in 2001, but denied extradition in three high profile cases due to differences over sentencing laws. Mexican law enforcement agencies and military personnel continued their successful targeting of major drug trafficking organizations and their leaders, including the arrest of 36 major fugitives wanted on drug charges in the U.S. Opium poppy cultivation, which is widely dispersed in small plots in isolated areas, dropped slightly under Mexico's intensive, primarily manual, eradication program. To raise the profile and urgency of counternarcotics, the Fox Administration unveiled an ambitious six-year National Drug Control Plan in 2002 that called on Mexican society and institutions to wage a frontal assault against all aspects of the drug problem, including production, trafficking, and consumption. Following September 11, the United and Mexico significantly stepped up cooperation on border security to ensure tighter screening of both people and goods.

Afghanistan. Poppy cultivation in Afghanistan resumed following September 11, and Afghanistan resumed its position as the world's largest producer of heroin in 2002. Without an organized security force or rule of law, the drug trade and the revenues and criminal groups generated by it will

undermine the stability of both Afghanistan and the region. Following the fall of the Taliban, the U.S. and other members of the international community laid the groundwork for rebuilding Afghanistan's almost completely destroyed security and criminal justice systems. Under pressure from the U.S. and others, the new Afghan government announced a ban on the cultivation of opium poppy; set up a Counternarcotics Directorate under the National Security Council (where it will have needed visibility and access); supported UK eradication programs (that reduced the spring 2002 crop by an estimated 30 percent) and U.S. alternative development programs; and began to directly press provincial governors to support eradication. INL is working closely with countries taking the lead on reestablishing Afghan public security capabilities, including Germany, which is providing training and equipment to the national police; Italy, which is developing and modernizing the judicial system; and the UK, which is creating mobile counternarcotics forces.

Pakistan. Immediately after September 11, we designed a \$73 million supplemental assistance package that is now helping to strengthen Pakistan's critical 1,500-mile border with Afghanistan against penetration by traffickers, terrorists, and other illegal combatants. To provide much-needed mobility for border units, we delivered, on an accelerated basis, five helicopters (training of personnel is nearly completed) and more than 1,100 vehicles along with communications equipment. This assistance will significantly improve Pakistan's ability to patrol and monitor the frontier. On the narcotics side, Pakistan, which was once the third largest producer of heroin, continued to trim away at the dwindling cultivation of opium poppy.

Alien Smuggling. To improve USG enforcement and other response efforts, INL is working with several federal agencies to develop the Migrant Smuggling and Trafficking in Persons Coordination Center. When fully operational, the Center will bring together federal agencies representing policy, law enforcement, intelligence, and diplomacy to allow faster conversion of intelligence into effective enforcement actions. Since foreign governments are often reluctant to commit resources to what they see as a victimless crime, INL has been actively engaging in "consciousness raising" with our foreign counterparts, including urging governments to sign, ratify and implement the UN Transnational Crime Convention and its protocol on migrant smuggling. The latter commits governments to criminalize smuggling, strengthen law enforcement cooperation, tighten border controls, and ensure prompt return of smuggled migrants.

Border Security. Post-September 11, INL began to review migration management and document issuance and control systems in the Western Hemisphere, with initial assessments conducted in Jamaica, Honduras, and Belize. We developed a range of programs for improving border control for selected target governments and provided assistance to several countries. This includes \$25 million in the 2002 supplemental for assistance to Mexico to strengthen screening at key airports and border crossing points. Work is currently underway on agreements to share advanced passenger information for airline passengers entering the United States, Mexico, and Canada and to expand frequent travelers programs to allow faster crossings for bona fide passengers while permitting more careful screening of others.

Fighting Corruption. Early in his Administration, President Bush identified the fight against corruption as a key foreign policy objective. In support of this objective, INL has been providing political and financial support for UN negotiations to establish the first global convention against corruption. The initial three rounds of negotiations in 2002 produced a draft text; completion of the agreement is expected in early 2004. INL also provided assistance and experts to help more than 60 countries implement anticorruption commitments through mechanisms within the OAS, Council of Europe, Stability Pact Anticorruption Initiative for Southeast Europe, and the ADB/OECD Asian Anticorruption Initiative. As part of a long-term process to help build popular support against corruption among the next generation, INL developed a Culture of Lawfulness education program that targets middle-school children in several countries.

Financial Crimes and Money Laundering. Terrorists and their supporters often employ the same methods and exploit the same financial systems as money launderers. Moreover, the tools used to combat terrorist financing are in many ways similar to the means used to deter money laundering. Following September 11, INL helped lead an interagency process to identify and deliver assistance to the 19 countries at greatest risk for terrorist financing. We also played a key role in expanding the scope of the 31-member Financial Action Task Force (FATF), the world's standard-setting body on money laundering, to develop eight new standards on terrorist financing, including improved regulation of alternative remittance systems and steps to prevent exploitation of charitable organizations for terrorist financing. As in the past, INL provided financial and political support for regional FATF-like bodies, such as the Caribbean Financial Action Task Force, the Asia/Pacific Group and others. The members of these bodies have committed to meet international anti-money laundering standards and undergo mutual evaluation by peers. INL provided assistance to many of the jurisdictions on FATF's list of Non-Cooperating Countries and Territories to help improve their performance and "graduate" from the list.

Civilian Police Program (CIVPOL). To meet urgent needs in countries emerging from violent conflict, INL is taking measures to enhance the USG capacity to identify, train, equip and deploy civilian police, law enforcement and justice advisors to participate in multilateral peacekeeping and complex security operations. Using PKO and SEED money, INL is managing program implementation involving approximately 775 police, advisors and justice experts in seven countries, including over 600 uniformed and armed U.S. police to conduct law enforcement operations in UN peacekeeping missions in Kosovo and East Timor. INL is also implementing programs that have helped establish, train, and equip 5,500 members of the new Kosovo Police Service as well as provide training for the 2,500-member East Timor Police Service and more than 20,000 existing local police in Bosnia, Croatia, Macedonia, and Serbia. Using funds from the 2002 Counterterrorism Supplemental, INL is cooperating with key donor countries to initiate programs to help rebuild the justice sector and national police in Afghanistan.

Law Enforcement Training. Our four International Law Enforcement Academies (ILEAs) have adapted their curricula to address current global threats with special emphasis on counterterrorism issues. We have signed a bilateral agreement with Costa Rica, which must be approved by the Costa Rican parliament, to establish a new ILEA in San Jose. We hope this ILEA can begin operations in 2003. The permanent facility for ILEA Gabarone opened in 2003. In 2002, the ILEAs, geared to regional issues and problems, provided training for 2,400 foreign law enforcement officials. In addition, approximately 9,500 officials benefited from bilateral training courses. This figure was below the target because DEA, FBI, Customs and other training agencies shifted their resources to counterterrorism operations in the aftermath of September 11.

Trafficking in Persons. According to some experts, at least 700,000, and as many as 4 million people, primarily women and children are trafficked around the world each year, where they are subjected to economic and/or sexual exploitation. Using INL funding, the Department's Office to Monitor and Combating Trafficking in Persons assessed the progress of 165 governments in addressing trafficking in 2002 and published the findings in the second annual Trafficking in Persons Report. The Office also funded over 60 anti-trafficking programs in some 35 countries, including shelters for trafficking victims, support for return and reintegration for victims, law enforcement training, and assistance in drafting anti-trafficking laws. The Department also continued to engage in a strong outreach program aimed at governments, international and regional organizations, private groups and the media to increase awareness about trafficking, which is a form of modern day slavery.

Program Justification

The FY 2004 INL budget request of \$1.01555 billion is designed to support President Bush's comprehensive strategy for combating the global threat of narcotics, organized crime, and terrorism. It also reflects INL's shift away from separate programs for counternarcotics and anticrime to a broader and more integrated law enforcement approach. The request builds on and strengthens ongoing initiatives in the Andean region, South Asia, and international law enforcement training, which were developed in the FY 2002/2003 budget cycle and related supplemental appropriations. While attacking the core targets in Latin America and Asia, the strategy focuses on strengthening host nation capabilities through institution building so that key countries can bolster their own effectiveness in fighting international drugs and crime. It is a long-term approach that underscores the need to create competent and honest counternarcotics and anticrime forces in countries where laws and institutions are weak, and it promotes more effective action in nations where motivated and capable enforcement organizations are hampered by a lack of public awareness and political will. The strategy also supports efforts by multilateral organizations to reduce drug crop production in those major growing areas where our access is limited, such as Burma. Finally, the budget request will enable INL to bring a broader range of anticrime tools to bear in the fight against terrorism. This includes aggressive diplomatic initiatives to bolster international cooperation, backed by an expanded international training program through International Law Enforcement Academies. It places special attention on money laundering and financial crimes.

The primary focus of the FY 2004 budget request is our counternarcotics efforts in Latin America, a regional approach aimed at eliminating the cocaine and heroin trafficking out of the Andean Ridge and Mexico. The budget supports programs initiated under the FY 2000 Emergency (Plan Colombia) Supplemental and continued under the Andean Counterdrug Initiative. The request will allow us to advance our source country approach against the cocaine threat in South America; it will provide for alternative development resources to buttress successful crop control efforts; it will allow continued materiel and logistical support to the police and military to block drug shipments out of the producing areas and through key transit zones; and it will furnish the training and other institution-building assistance needed to strengthen the judiciary's ability to resist trafficker corruption and to prosecute major cases successfully.

COUNTRY PROGRAMS – \$871.5 MILLION

Andean Counterdrug Initiative (ACI) – \$731 million

Colombia (\$463 million). Colombia supplies approximately 90 percent of the cocaine sold on American and European markets and continues to be the focus of our counternarcotics effort. FY 2004 programs will build on the momentum established in 2002 and expected in 2003. The increasingly successful aerial eradication program – which targets coca and opium poppy at their most vulnerable point, in the field before harvest – remains the centerpiece of our program. With delivery of the final Plan Colombia spray airplanes in 2003, the aerial eradication program will move into high gear, surpassing the two record spray years of 2001 and 2002. At the same time, our overall counternarcotics program faces a major challenge in FY 2004. Our air assets and the units we support will be increasingly called on to take a more active mission to attack narco-terrorist assets and personnel, defend vital infrastructure, and rescue victims kidnapped by insurgent groups. To support President Uribe's commitment to regain state authority over all of Colombia and establish "democratic security", we are requesting \$463 million to strengthen our eradication, interdiction, alternative development, and police and justice institution building programs. Support for the Colombian Army (COLAR) Counterdrug (CD) Mobile Brigade will provide the lift and mobility needed for striking at

high-value narco-terrorist targets throughout the country. Alternative development projects will focus on introducing alternative legal economic activities in areas of illicit cultivation, developing economic and commercial infrastructure, and providing technical assistance and training to improve the skills, efficiency, and economic capacity of affected rural inhabitants and areas.

Peru and Bolivia (\$207 million). To prevent traffickers from simply relocating elsewhere, we will continue to augment our counterdrug efforts in countries neighboring Colombia. These programs complement and support specific host government initiatives. Programs for Peru (\$116 million) and Bolivia (\$91 million) include support for both interdiction and eradication and for their highly effective alternative development programs. For Bolivia, this means forced eradication in the Chapare, where all coca is illegal, and voluntary agreements in Yungas, where Bolivian law allows up to 12,000 hectares (nearly half the national crop) of legal coca cultivation for traditional uses. The planned FY 2004 upgrade of the Peruvian counternarcotics air fleet will provide greater mobility for expanded and improved monitoring, eradication, and interdiction operations.

Other ACI countries (\$61 million). Given its close proximity to key coca-producing areas of Colombia, Ecuador (\$35 million) could be drawn into conflict with narco-insurgent groups operating along the border. To help guard against this, INL will continue to assist Ecuadorian National Police efforts to combat traffickers, especially along the northern border and at air and sea exit ports. INL programs will also support alternative development projects, including the promising Sustainable Cacao Tree Crop Research project. Increasingly successful counternarcotics efforts in Colombia, Peru, and Bolivia have aggravated the drug transit problem for neighboring Brazil. FY 2004 assistance to Brazil (\$12 million) will focus primarily on operations designed to secure the border with Colombia and the adjoining, largely unpopulated Amazonian basin against traffickers and other crime groups. INL will also support drug awareness/demand reduction programs in Brazil, which has become the world's second largest consumer of cocaine after the United States. Colombian traffickers heavily exploit neighboring Venezuela's location on the Caribbean to ship drugs to the U.S. To help plug this leak, U.S. assistance to Venezuela (\$5 million) will provide training, equipment, and management support to improve detection, seizure, intelligence, and investigative capabilities of law enforcement bodies and support two U.S. Customs officials assigned to the Port Security Program. INL assistance to Panama (\$9 million), Colombia northern neighbor, will also focus on border control enhancement and will include training and equipment to both border and port security units. Counternarcotics and law enforcement assistance will strengthen GOP ability to interdict shipments of narcotics, arms, precursor chemicals, and stolen vehicles as well investigate contraband shipping as part of the Black Market Peso Exchange. Since Panama's dollar economy and relatively sophisticated banking system make it attractive for money laundering operations, our assistance also includes training for prosecutors and the Financial Investigation Unit to enable them to detect, investigate and successfully prosecute such operations.

Other Latin America – \$47.5 million

Mexico (\$37 million). Special case Mexico is the transit zone for most illicit drugs entering the U.S. and a source country for heroin and marijuana. It is also the overwhelming source of host country or transiting illegal aliens entering the U.S., some with links to terrorist organizations. FY 2004 programs (\$37 million) will focus on continuing the excellent counternarcotics and law enforcement cooperation of the first two years of the Fox Administration while helping the GOM reform and modernize its criminal justice sector. While the GOM invests heavily in reform and modernization, U.S. training, technical assistance, and equipment can speed up the process at key points and for critical projects. Assistance for the justice sector will focus on institutional development and rooting out corruption, including professionalization of police agents, prosecutors, and both state and federal judges. Assistance will also be directed at strengthening the specialized anti-money laundering units

belonging to the Treasury Department and the Attorney General. INL assistance will also support improved border security and counternarcotics enforcement. Border security projects – both equipment and training – will parallel inspection and other improvements on the U.S. side, including a special lane for pre-vetted frequent travelers. Our counternarcotics assistance will provide equipment and technical assistance to strengthen investigative and interdiction abilities as well as support for modernizing the air wing of the counternarcotics unit.

Africa – \$7 million

The Africa program is aimed at states in the region with a demonstrated commitment to good governance and democratic policing and/or states with the political will to achieve these goals. Much of the funding for FY 2004 will go to the law enforcement and criminal justice sectors of key states Nigeria and South Africa. FY 2004 funds will be used for programs designed to upgrade core policing skills through modernization of academies and teaching methodologies and to improve forensic capacity. Programs will improve the capacity of governments to combat trafficking in narcotics and other contraband, illegal migration, public corruption, and financial fraud.

Asia and the Middle East – \$86 million

Afghanistan (\$40 million). The fall of the Taliban regime and Operation Enduring Freedom have provided a rare opportunity to stabilize and rebuild Afghanistan, whose law enforcement and justice sectors were almost destroyed by nearly three decades of civil strife. The stakes are high. Without a major effort to root out the drug trade and create a sustainable criminal justice system, including an organized security force, Afghanistan will again fall back into a decentralized culture of anarchy and lawlessness, a potential sanctuary for terrorist groups. Following the U.K. lead on counternarcotics, INL will fund alternative development and income generation programs in poppy-growing areas to promote voluntary eradication and provide sustainable alternative crops and income opportunities. We will also help establish trained and equipped counternarcotics units capable of operating against armed trafficking groups in the provinces. To complement German-led efforts to rebuild the Afghan national police, INL will provide basic training, include human rights awareness, for lower-level cadres, first in Kabul and then moving into the provinces by the end of 2004. Assistance to the justice sector includes help in rebuilding the physical infrastructure – including court and training facility refurbishment – and in the training and professional development of judges and other personnel.

Central Asia. Drawing on funding from the Freedom Support Act (FSA) account, we will build on new cooperative relationships in the region by supporting a broad range of law enforcement programs: anti-money laundering, border control, criminal justice assistance, and counternarcotics special investigative units. These activities should parallel and reinforce counterterrorism efforts in the region and are designed to counter the spillover effects from Afghan drug production on these vulnerable states and Russia.

Pakistan (\$38 million). September 11 shifted the focus of INL assistance to Pakistan from drug control and related programs to law enforcement, including security of the critical border with Afghanistan. The border security program is designed to build on and expand initiatives undertaken with the 2001 and 2002 supplemental appropriations to strengthen the capacity of law enforcement agencies in Pakistan to secure the western border against terrorists, criminal elements, and narcotics traffickers. Additional aircraft in FY 2004 will increase the rapid response capability for the Northwest Frontier Province. INL funding of the comprehensive law enforcement program is part of a longer-term move to reform, upgrade, and professionalize the broad range of law enforcement agencies in the urban centers.

Thailand (\$2 million). Thailand is a long-time U.S. ally in the fight against drugs and host to one of our regional ILEAs. At one time a source country for heroin, Thailand's aggressive counternarcotics strategy kept opium poppy cultivation below 1000 hectares in 2002, for the fourth year in a row, and at the lowest level since the mid-1980s. Thailand also plays a leading regional role in combating illegal drugs and other transnational crime. Even so, Thailand serves as a transit zone for heroin and the sharp increase in methamphetamines coming out of Burma and other states in the region. At U.S. urging and with our assistance, Thailand is in the process of amending virtually all of its basic narcotics laws and all substantive and procedural criminal laws, including those that pertain to money laundering. Our FY 2004 funding will continue to support this important and on-going effort. The Philippines (\$2 million) is a crossroad where the global wars on terrorism and drugs come together. The joint U.S.-Philippine campaign to root out Islamic terrorists in the southern Philippines in 2002 exposed systematic shortcomings in the Government of the Republic of the Philippines (GRP) law enforcement bodies and practices. To meet the GRP request to help upgrade law enforcement performance, INL will provide training, technical assistance, and some equipment to upgrade both the police and the larger criminal justice system.

GLOBAL PROGRAMS – \$130.2 MILLION

Interregional Aviation Support (\$70 million). In FY 2004, the Interregional Aviation budget will continue to provide core level services necessary to operate a fleet of 164 fixed and rotary wing aircraft supporting aviation activities in Colombia, Bolivia, and Peru, border security operations in Pakistan, and, as needed, programs at other temporary deployment locations. Operations include eradication, mobility, interdiction, monitoring, and logistical support. The primary focus will continue to be the aggressive aerial eradication of Colombian coca. The establishment of host-government self-sufficiency remains a central goal for air wing operations in each country and all are progressing toward meeting that objective.

International Organizations (\$14 million). The International Organizations budget is a good example of the whole being greater than the sum of its parts. Multilateral approaches allow financial and political burden-sharing, generate buy-in by more countries, provide a legal framework for countries needing one to justify domestic legal changes, and allow the United States to reach areas, such as Burma, where U.S. influence is limited. Assistance from international organizations (versus bilateral assistance) is often more palatable politically for countries with sovereignty sensitivities. FY 2004 programs include financial support to foreign countries ratifying and implementing the UN Convention Against Transnational Organized Crime and to countries that may elect to ratify and implement the UN Convention on Corruption currently under negotiation and expected to be opened for signature in late 2003. Counternarcotics assistance to the UN Office for Drugs and Crime will support alternative development programs in Burma and Laos – the second and third largest source of illicit heroin worldwide -- and where opium poppy cultivation levels are now on the decline; the development and maintenance of data banks to track chemical precursors and to train law enforcement officials on the issue of chemical precursors; and the global program against money laundering, primarily to countries not on the terrorism financing priority list, since the latter are currently receiving the bulk of the our bilateral assistance. Funding for the OAS/Inter-American Drug Abuse Control Commission (CICAD) will focus on technical support and training to address shortcomings in country drug programs identified in the Mutual Evaluation Mechanism (MEM).

Drug Awareness/Demand Reduction (\$5 million). While INL programs focus almost exclusively on reducing the supply of drugs entering the United States, our demand reduction programs have become increasingly important in recent years as governments and organizations increasingly realize that no country is immune to drugs and that sharing best practices increases prospects for success. INL will continue our technical assistance to source/transit countries and networking efforts with public and

grassroots anti-drug organizations, which now number more than 3,500 organizations in the Western Hemisphere and over 7,000 in more than 70 countries worldwide, including many faith-based organizations in Muslim countries. Such efforts address the President's new goals and priorities, generate international support for U.S. antidrug policies, improve the U.S. image abroad, and mobilize international opinion against the drug trade. They also help close off emerging new markets – and revenues – for traffickers and narco-terrorists.

INL Anticrime Programs (\$8 million). INL will continue to support a range of diplomatic and programmatic anti-crime initiatives, funded in part from the Anticrime account, but also from other INL budget line items, such as International Organizations and some country accounts. The most prominent programs will focus on money laundering, corruption, alien smuggling, border security, and various cyber-related threats, but funds will also be used to meet a wide range of other law enforcement training needs in scores of countries around the world.

Alien Smuggling. In FY 2004, INL will continue to contribute to the development of the Migrant Smuggling and Trafficking in Persons Coordination Center. We will also focus on strengthening the investigative and prosecutorial capacity to combat alien smuggling in Ecuador, a major transit point for Asian migrants being smuggled into the United States. Internationally, the Department will continue to press other states to ratify the protocol on migrant smuggling to the UN Conventional Against Transnational Organized Crime.

Border Security. FY 2004 funding will expand the Third Border Initiative to three additional Caribbean states, support completion of earlier efforts in Central and South America, and begin programs in South and Central Asia. INL assessments will help identify the most vulnerable countries. We will concentrate on those countries that are major transit locations used by migrant smugglers and terrorist organizations. Programs will focus on controlling the flow of people – both regular and irregular – improving security of travel documents and issuance systems, and strengthening immigration management systems.

Cyber Crime, Intellectual Property Rights and Critical Infrastructure Protection. FY 2004 INL programs will support the National Strategy to Secure Cyberspace by providing training and technical assistance to build legal regimes and law enforcement in key developing nations like the Philippines, Nigeria, Brazil, Argentina, India, and Mexico, and work as part of an interagency process to advance cyber security initiatives bilaterally and in forums like APEC and the OAS. In addition, INL will fund programs to combat intellectual property theft, which has a growing IT component.

Fighting Corruption. Like money laundering, corruption is integral to terrorist, trafficking, and organized crime groups. FY 2004 funding may support foreign countries, should they elect to sign, ratify, and implement the UN Anti-Corruption Convention (which may be opened for signature in late 2003) as well as norm-setting, implementation review, and institutional development of regional organizations and groups such as GRECO, OAS, Stability Pact, ADB-OECD (Asian Pacific Region), and the Global Coalition for Africa. Bilateral assistance will focus on a range of transitional states and emerging democracies, including Brazil, Mexico, Russia, Colombia, and the Baltic states. We will also support follow-up to the third biennial Global Forum on Fighting Corruption, a U.S.-initiated process that will take place in South Korea in 2003.

Financial Crime and Money Laundering. USG money laundering and terrorist financing efforts and initiatives will continue to widen in FY 2004. INL will continue to support

this effort with training and technical assistance aimed at countries that need to improve their ability to combat terrorist financing, financial crimes, and money laundering. Such assistance will focus on tracking, freezing and seizing terrorist assets; developing money laundering laws and regulations that meet international standards; and providing law enforcement bodies with financial investigative and prosecutorial skills. We will also continue to support FATF and the FATF-like regional organizations, with special emphasis on expanding the FATF-like organization that has been established in South America.

G-8 and Lyon Group. When the United States serves as President of the G-8 (Group of Eight) in 2004, INL will use the U.S. chairmanship of the Crime (Lyon) and Counterterrorism (Roma) Experts Groups to advance U.S. initiatives to combat international crime and terrorism, including increasing G-8 assistance for capacity building. Other initiatives include establishing a shared international data base to combat child internet pornography, developing agreed principles in critical information and infrastructure protection (CIIP), and begin implementing an expected 2003 agreement on G-8 biometric standards for travel documents.

Trafficking in Persons (\$10 million). FY 2004 programs will focus on assistance-eligible countries in Tiers 2 and 3 of the TIP Report. This includes legislative initiatives in Central America, a transit region to the United States, and member states of ECOWAS in Africa, a region with significant child labor. Where countries already have laws on the books and are already receiving training, we will provide needed equipment, such as computers, forensic rape kits, radios and vehicles. In other areas, assistance will focus on protection of victims, including awareness training for criminal justice officials, creation of victim-sensitive forensic interview room either within shelters or police stations, and establishment of hotlines. The Trafficking Office also plans to support anti-trafficking public information campaigns in underserved areas such as Goa in India, southern Brazil, and rural parts of Thailand, Pakistan, and Indonesia.

International Law Enforcement Academy (\$14.5 million). Our regional International Law Enforcement Academies (ILEAs) not only provide high-quality training and technical assistance to foreign law enforcement officials, they also encourage strong partnerships among participating regional countries, and foster relationships between U.S. trainer-agencies and their counterparts in the region. The ILEAs also develop an extensive network of alumni who become leaders and decision-makers in their respective countries and who are more likely to apply rational, democratic solutions to administrative and operational problems and challenges of law enforcement, according to extensive surveys of ILEA graduates. In FY 2004, INL will continue to provide funding and foreign policy oversight and guidance for the existing ILEAs, including continual updating of curricula to reflect emerging and increasing threats, such as terrorism, trafficking in persons, corruption, and environmental crime. We hope that the planned ILEA for Costa Rica will begin operations in 2003 and have a full training program in FY 2004.

Civilian Police Program (\$2.7 million). In FY 2004, INL will continue to increase the cadre of civilian police, law enforcement and justice advisors, from 500 established in FY 2003 to 750, en route to our eventual goal of over 2000 highly qualified, trained and equipped personnel available for duty abroad on short notice to serve in international peacekeeping and complex security missions. INL expects to manage over \$100 million in funds, largely from non-INL sources, to support programs in the Balkans, East Timor, Afghanistan, and elsewhere.

INL Budget by Program

(\$000)

	FY 2002 Actual	FY 2002 Supp	FY 2003 Actual	FY 2004 Request
ACI COUNTRY PROGRAMS				
Bolivia: Interdiction & Eradication	48,000	—	49,000	49,000
Alt Dev/Institution Building	39,600	—	41,727	42,000
Colombia: Interdiction & Eradication	243,500	—	284,000	313,000
Alt Dev/Institution Building ¹	130,400	6,000	149,200	150,000
Ecuador: Interdiction & Eradication	15,000	—	15,000	20,000
Alt Dev/Institution Building	10,000	—	15,896	15,000
Peru: Interdiction & Eradication	75,000	—	59,500	66,000
Alt Dev/Institution Building	67,500	—	68,552	50,000
Brazil	6,000	—	6,000	12,000
Venezuela	5,000	—	2,075	5,000
Panama	5,000	—	4,500	9,000
Total ACI Country Programs	645,000	—	695,450	731,000
<i>Subtotal: Interdiction & Eradication</i>	<i>397,500</i>	<i>—</i>	<i>420,075</i>	<i>474,000</i>
<i>Subtotal: Alt Dev/Institution Building</i>	<i>247,500</i>	<i>—</i>	<i>275,375</i>	<i>257,000</i>
INCLE COUNTRY PROGRAMS				
<u>Other Latin America</u>				
The Bahamas	1,200	—	1,100	1,000
Guatemala	3,500	—	2,500	3,000
Jamaica	1,550	—	1,200	1,500
Mexico	12,000	25,000	12,000	37,000
Latin America Regional	10,000	4,000	9,500	5,000
Subtotal	28,250	29,000	26,300	47,500
<u>Africa</u>				
Nigeria	2,270	—	1,760	2,250
South Africa	2,034	—	1,442	1,770
Africa Regional	3,196	—	3,498	2,980
Subtotal	7,500	—	6,700	7,000

	FY 2002 Actual	FY 2002 Supp	FY 2003 Actual	FY 2004 Request
<u>Asia and the Middle East</u>				
Afghanistan	3,000	60,000	—	40,000
Indonesia	—	4,000	—	—
Laos	4,200	—	2,500	3,000
Pakistan	2,500	15,000	6,000	38,000
Pakistan Border Security Supplemental	73,000	—	—	—
Philippines	—	—	—	2,000
Thailand	4,000	—	3,700	2,000
Asia/Middle East Regional	5,050	—	4,500	1,000
Southwest Asia Initiative	—	—	—	—
Subtotal	91,750	79,000	16,700	86,000
Total INCLE Country Programs	127,500	114,000	49,700	140,500
INCLE GLOBAL PROGRAMS				
Interregional Aviation Support	60,000	—	65,000	70,000
Systems Support/Upgrades	6,000	—	4,000	5,000
International Organizations	16,000	—	12,200	14,000
Drug Awareness/Demand Reduction	5,000	—	5,000	5,000
Regional Narcotics Training	5,000	—	4,500	1,000
INL Anticrime Programs	15,330	—	12,300	8,000
Civilian Police Contingent	—	—	4,670	2,700
International Law Enforcement Academy	14,500	—	14,500	14,500
Trafficking in Persons	7,670	—	10,000	10,000
Total INCLE Global Programs	129,500	—	132,170	130,200
PROGRAM DEVELOPMENT & SUPPORT	13,000	—	13,850	13,850
TOTAL ACI PROGRAMS	645,000	—	695,450	731,000
TOTAL INCLE PROGRAMS	270,000	114,000	195,720	284,550
TOTAL INL PROGRAM ²	915,000	114,000	891,170	1,015,550

¹ The \$6 million supplemental funding for Colombia was appropriated as INCLE funding.

² The totals do not include FSA and SEED Act funding transfers from USAID, nor do they include PKO funding.

INL Budget by Function

(\$000)

	FY 2002 Actual ¹	%	FY 2003 Actual	%	FY 2004 Request	%
Narcotics Law Enforcement and Interdiction	318,738	31.0	333,075	37.4	380,296	37.5
Eradication and Crop Control	156,187	15.2	162,631	18.2	166,540	16.4
Alternative Development	236,170	23.0	226,295	25.4	223,927	22.0
Administration of Justice and Support for Democracy	57,871	5.6	56,780	6.4	63,250	6.2
Border Control	103,000	10.0	3,500	0.4	48,000	4.7
International Organizations	16,000	1.6	12,200	1.4	14,000	1.4
Drug Awareness and Demand Reduction	13,360	1.3	10,654	1.2	11,435	1.1
Regional Narcotics Training	5,000	0.5	4,500	0.5	1,000	0.1
Anticrime Programs	65,273	6.3	14,176	1.6	38,500	3.8
Civilian Police Program	—	0.0	4,670	0.5	2,700	0.3
International Law Enforcement Academy	14,500	1.4	14,500	1.6	14,500	1.4
Trafficking in Persons	7,670	0.7	10,000	1.1	10,000	1.0
Program Development and Support	35,231	3.4	38,189	4.3	41,402	4.1
Total	1,029,000	100.0	891,170	100.0	1,015,550	100.0

¹ Figures in this column include the \$73 million Pakistan Emergency Response Fund (ERF) Supplemental and the \$114 million FY 2002 Supplemental.

Andean Counterdrug Initiative

Bolivia

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
87,600	—	90,727	91,000

Program Objectives and Measures of Effectiveness

The Government of Bolivia (GOB) develops stronger, cohesive democratic government institutions capable of disrupting narcotics production and trafficking in Bolivia.

The size of the illegal coca sub-economy and the amount of coca exports will be decreased.

The awareness of the local populace of the dangers of drug abuse and trafficking to Bolivia's economy and society will be increased.

The production and export of coca and cocaine products from Bolivia is significantly reduced through eradication of illicit coca, increased interdiction, and the more robust economic growth in the Chapare and the Yungas regions.

The residual coca will be reduced (and new plantings reduced) in the Chapare and illegal coca planting will decline in the Yungas.

Increased interdiction operations along Bolivia's borders will head off an increasing influx of drug trafficking activity resulting from the implementation of Plan Colombia.

The number and amount of seizures of cocaine and other illicit coca derivatives, precursor materials, and assets of the coca trade will be increased.

Viable, licit employment and income-earning alternatives will be created for 10,000 additional families that have been growing coca in the Chapare.

The value of licit produce leaving the Chapare will increase to \$80 million in value and 300,000 metric tons in volume from the FY 2000 levels of \$44 million in value and 200,000 metric tons in volume.

The availability of water, sanitation, electricity, education, health care, roads and market linkages in the Yungas will be improved.

The efficiency of the Bolivian criminal justice system is strengthened and improved.

The number of arrests and successful prosecutions of major drug traffickers will increase.

The number of cases completed in the criminal courts within the legally prescribed time periods will increase.

Program Justification

Bolivia remains the world's third largest producer of cocaine. From June 2001 to June 2002, despite eradicating the second highest amount of coca in its history, Bolivia experienced a 23 percent increase in overall cultivation. This was due to high coca-leaf prices that encouraged massive replanting in the Chapare and new cultivation in the Yungas. While Bolivia now produces substantially less coca or cocaine than Peru or Colombia, left unchecked, Bolivia could return to the high levels of production that were the hallmark of the early to mid-1990s.

Over the past two years, Bolivia has become a transshipment zone for Peruvian cocaine products en route to Brazil and other Southern Cone countries. This has increased the need for the GOB to increase interdiction, particularly in the Chapare, northern Beni-Pando region and along its waterways and extensive border regions. In the Yungas, this enhanced interdiction effort will require the GOB to revamp its General Directorate for the Legal Trade of Coca (the governing body charged with regulating the sale of licit coca used by the indigenous population) and to deploy additional forces to stem the increasing diversion of coca leaf from traditional licit consumption to illegal cocaine production.

In August 2002, a new government was inaugurated in Bolivia. It is facing massive challenges because of a strong electoral showing by militant cocalero leader Evo Morales, who wants to stop coca eradication and alternative development projects. The next five years could bring significant reversals in Bolivia's counternarcotics achievements if the new administration fails to consolidate previous GOB success. The FY 2004 budget request reflects a level of support needed to strengthen counternarcotics operations in the Chapare and the Yungas regions where plantings are increasing. Violent ambushes of eradication forces in the Chapare and interdiction forces in the Yungas took place in 2002, highlighting the need to increase manpower and resources in these volatile regions.

Bolivia remains one of the poorest countries in the hemisphere with a per capita GNP of less than \$1,000. Without USG assistance, Bolivia would be unable to support the present level of counternarcotics and alternative development programs.

Program Accomplishments

Bolivia had significant success in coca reduction in recent years, and eradicated nearly 12,000 hectares of coca in the Chapare during 2002. The Special Drug Police (FELCN) and its operational units expanded by nearly 15 percent in 2002, and were able to construct 14 new bases throughout the country. A national communications grid was established, as were several computer-based data banks and information sharing systems. In 2002 the GOB seized 101 metric tons of illicit coca leaf, 362 kg of cocaine HCL, 4.7 metric tons of cocaine base, 240,403 liters of liquid precursor chemicals and 150 metric tons of solid precursor chemicals in addition to destroying 1,420 cocaine labs and making 3,229 drug arrests.

In response to increasing demands from Chapare farmers who had all of their coca eradicated, USAID accelerated alternative development activities to increase business and farmer investments, improve roads, increase technology transfer, strengthen local level organizations, privatize the production and marketing of planting material, and update state-owned research facilities. There are now over 120,000 hectares of licit crop cultivation in the Chapare, and direct technical assistance has been

provided to just over 20,000 Chapare families since 1998. Annual family income from licit agricultural products in the Chapare increased from \$1,706 in 2000 to \$2,055 in 2001.

FY 2004 Program

In FY 2004, additional INL resources will support Bolivian efforts to reduce the growth and export of coca in Bolivia, increase interdiction of essential chemicals and cocaine products, foster alternative economic development, increase successful prosecutions of narcotics related cases, and improve the quality of investigations into alleged human rights violations. Counternarcotics alternative development support is conditioned on the elimination of illegal coca through forcible means (in the Chapare where all coca is illegal) and voluntary agreements (in the Yungas where Bolivian law allows up to 12,000 hectares of legal coca cultivation for traditional use). USAID estimates that there may be as many as 50,000 families now living in the Chapare, where increased assistance is needed.

There are twenty-six counternarcotics programs in Bolivia for which INL provides funding and support. These projects can be grouped into four areas: Narcotics Law Enforcement Interdiction /Eradication Operations; Alternative Development/Economic Incentives; Institution Building/Rule of Law; and Drug Awareness/Demand Reduction. In addition, funding will also be used for Program Development and Support costs.

INTERDICTION AND ERADICATION

Ground Operations Support. Ground Operations projects supports all non-air interdiction efforts that operate under the direction of the Vice Ministry for Social Defense. In FY 2004, FELCN, and its sub-unit UMOPAR, will need to assume the additional costs of support and maintenance for a network of interdiction bases established throughout the country during FY 2002 and FY 2003, as well as a national secure communications grid, three computer networks/data banks and specialized computer/imaging systems. Additional personnel to control coca production and enhanced interdiction efforts in the Chapare and Yungas will be needed in FY 2004, including more mobile patrol units. GIOE also will need more personnel for intelligence support. Enhanced interdiction efforts will require support for chemical (GISUQ) and financial (GI AF) investigative units. The K-9 program has not grown sufficiently to keep pace with the volume of drug detection inspections. The Office of Professional Responsibility (OPR) will continue to grow in FY 2004 to address the high level of corruption in the GOB and constant pressures by narcotraffickers to compromise counternarcotics forces. Funding for the Seized Assets office, suspended in FY 1998 due to inefficiency and corruption in maintaining and disposing of assets, was resumed when the office was reconfigured. In FY 2004, additional warehouse space, office space, equipment, security personnel and leased sites are planned. A special training unit to address the shortage of Green Devils Task Force drivers is planned. The Controlled Substance Prosecutors, a branch of the Attorney General's office that prosecutes drug crimes, will require enhanced support in FY 2004 to enable more prosecutors to join counternarcotics police units in raids and arrests. In addition, salary supplements may have to be raised to avoid losing highly trained personnel to private sector jobs.

Air Operations Support. The Red Devils Task Force (RDTF) is comprised of Bolivian Air Force personnel who provide general aviation support for the FELCN with 16 UH-1H helicopters, and six light fixed wing aircraft. The Black Devils Task Force (BLDTF), also made up of Bolivian Air Force personnel, fly three C-130B aircraft in support of counternarcotics and eradication missions. Enhanced interdiction and eradication operations will necessitate additional funding for FY 2004. Conversion of 12 of the 16 UH-1H helicopters to Huey IIs, originally planned to start in FY 02, was postponed due to insufficient funding. FY 2004 funding will be used to start this essential, multi-year

upgrade, as spare part availability for the older helicopters is fast dwindling. Four UH-1H helicopters will be converted using funding available in FY 2004.

Blue Devils Task Force. The Bolivian Navy Riverine unit patrols the country's extensive river system to interdict drug and precursor chemical trafficking and to provide intelligence and logistical support to other counternarcotics units. The full overhaul of the fleet, begun in FY 2001, will be completed in FY 2004. The replacement of some antiquated equipment and modest personnel increases will also be accomplished with FY 2004 funding.

Eradication Operations. The Joint Eradication Task Force (JTF) consists of 1,600 military, police and civilian personnel, with one-half of the force providing security for the other half, which engages in coca eradication operations. Support includes food, billeting, field equipment, transportation and fuel. The Ecological Police eliminate new coca and seedbeds as well as provide additional security for the JTF. The Office of Agricultural Reconversion and Coca Crop Substitution (DIRECO) has a staff of agronomists, surveyors and field agents who negotiate coca eradication agreements and supervise the destruction of coca fields. The General Directorate for the Legal Trade of Coca (DIGECO) controls the licensing, transportation, pricing and marketing for licit coca grown in the Yungas region, where the Bolivian law allows up to 12,000 hectares of coca cultivation. Since FY 2002, we have been revamping this previously corrupt and inefficient office to ensure its integrity. In FY 2004, additional inspection stations, vetted inspectors, vehicles, office space and training for 115 new field personnel and administrative staff will be needed.

Field Support and Infrastructure. The Field Support and Infrastructure project provides assistance for administrative requirements of the Vice Ministry for Social Defense (Drug Tsar) which implements all GOB counternarcotics policies and programs, and the Garras School, which is the principal training center for the FELCN and all subordinate units. The ability of the Garras School to keep up with the growth of law enforcement personnel and to prepare them for increasingly sophisticated operations is key to the success of GOB counternarcotics operations. Construction to greatly enhance the physical facility began in FY 2001. With construction completed in FY 2002, and increases in faculty in FY 2003, the Garras School is programmed to expand its curriculum to include more varied professional police training in FY 2004. This project also provides operating expenses for all NAS facilities located outside of La Paz, including rents and utilities for NAS field offices, vehicles and vehicle maintenance facilities and warehouses in Santa Cruz, Cochabamba, Trinidad Chimore and Villa Tunari.

Drug Awareness/Demand Reduction. While there is an alarming growth of drug abuse in South America, Bolivia still has a small problem that can be attacked before it becomes a crisis. Drug Awareness and Demand Reduction projects in Bolivia will help the interdiction efforts by reducing the local market fed by Bolivian crack and cocaine, as well as help to boost the USG public image.

Program Development and Support (PD&S). PD&S funds are used for the salaries, benefits, and allowances of direct hire and contract U.S. and foreign national personnel, residential leasing, field travel, International Cooperative Administrative Support Services (ICASS) costs, and other general administrative and operating expenses for counternarcotics and anticrime program planning, design, implementation, monitoring, and evaluation.

ALTERNATIVE DEVELOPMENT AND INSTITUTION BUILDING

Alternative Development. Alternative development in the Chapare region will include expanding market consolidation activities and investments in the social capital and infrastructure in order to sustain a Chapare free of coca and narco-transit activities. These projects will include land titling, AIDS/HIV awareness and prevention, tourism, ornamental flower and wood product development as

well as emergency assistance to restore disrupted market linkages. In the Yungas, where the GOB has decided not to pursue forced eradication due to security considerations, activities will focus on community negotiated coca reduction in exchange for social infrastructure programs such as rural electrification, college scholarship programs, road maintenance and bridge building, as well as enhancement of market access for high-quality coffee and other boutique crops.

Administration of Justice. Now in its third phase – full implementation of the Code of Criminal Procedures – this program seeks to ensure that police, prosecutors and judges are fully aware of their respective roles in the new oral accusatory system and have adequate training and investigative resources. For example, a Forensic Investigative Institute will be established in FY 2004, along with local forensic laboratories, to make the criminal justice system work better. In addition, \$1 million of the Administration of Justice budget will be used to fund NAS police development projects previously undertaken by the DOJ International Criminal Investigative Training Assistance Program (ICITAP).

Bolivia
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Ground Operations Support UMOPAR, GIOE, DISUQ, GIAF, K9, Garras Training Center, FELCN, OPR	13,071	—	14,770	14,770
Air Operations Support Black Devils, UH-1H Conversion	11,460	—	8,864	8,356
Blue Devils Task Force	1,741	—	1,201	1,201
Green Devils Task Force	2,085	—	2,190	2,344
Field Support and Infrastructure	3,859	—	4,204	4,204
Seized Assets	800	—	856	856
Controlled Substance Prosecutors	1,811	—	1,932	1,932
Subtotal	34,827	—	34,017	33,663
Eradication Operations	9,315	—	9,855	9,952
DIGECCO, DIRECCO, Eco Police, JTF				
Drug Awareness/Demand Reduction	1,042	—	1,935	1,935
Administration of Justice ^{1, 2}	4,000	—	3,500	3,500
Alternative Development ¹	35,600	—	38,227	38,500
Program Development and Support				
U.S. Personnel	714	—	781	830
Non-U.S. Personnel	871	—	922	980
ICASS Costs	388	—	500	530
Program Support	843	—	990	1,110
Subtotal	2,816	—	3,193	3,450
Total	87,600	—	90,727	91,000

¹ This is an IN-funded and USAID-administered program.

² The FY 2002 amount includes \$500,000 for a Bolivian Police Development Program. An equal amount of ESF funding was provided for the same purpose.

Brazil

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
6,000	—	6,000	12,000

Program Objectives and Performance Indicators

The Government of Brazil (GOB) will focus on disrupting the activities of major trafficking organizations, interdict illegal drugs and control precursor chemicals by improving the capabilities of the Federal Police and other law enforcement entities.

An increased and more effective GOB presence in the Amazon region will deter illegal drug activities and result in an increase in cocaine seizures.

The Brazilian criminal justice system will investigate and successfully prosecute drug traffickers, reduce money laundering and dismantle international criminal organizations.

An increase in the number of drug-and money laundering related arrests and prosecutions and an increase in the number of major cartel operations dismantled by law enforcement efforts.

Increased public awareness of the dangers of drug trafficking and drug abuse as Brazilian organizations seeking to reduce the domestic demand for drugs improves.

Illicit drug use will decrease and public support for law enforcement efforts will increase as drug awareness programs deliver their messages.

Program Justification

Brazil shares its borders with Peru, Bolivia and Colombia, the three major drug source countries in the region. The sparsely populated Amazon region comprises more than one half of the country, which has long, porous borders. Brazil has a well developed communications infrastructure and banking system that, together with major international airports and seaports, makes it a desirable transit route for illicit narcotics bound for the U.S. and European markets. These factors, coupled with increasingly successful enforcement efforts in neighboring countries, contribute to a growing drug transit problem in Brazil. The Government of Brazil (GOB) has been particularly concerned about the security of the Amazon since the implementation of Plan Colombia.

In response to these concerns, Brazil implemented Operation COBRA in 2000. This is an ambitious inter-agency effort that allocates greater resources to the Amazonian border area to enhance border

security and illegal narcotics control. USG counternarcotics support to Brazil, which has more than doubled since FY 2000, is largely assistance for Operation COBRA.

Program Accomplishments

Recent counternarcotics efforts in Brazil have resulted in material improvements for law enforcement agencies, the implementation of cooperative initiatives and new legislation. Perhaps most significantly, the omnibus federal antidrug law was finally passed. In eight states of the Amazon region, the INL projects provided basic law enforcement equipment to state civil police, while continuing support for Operation COBRA including the completion of nine forward operating bases. INL funding was used to provide computer equipment to all drug councils in the 26 Brazilian states and the Federal District and expand the specialized drug court program in several states. A countrywide household drug consumption study (partially financed by INL) was released that showed that 19.4 percent of the population had used illicit drugs at least once, while 2.3 percent had used cocaine at least once. A pilot project supported with INL funding was implemented on the southern border of Brazil, pairing four Brazilian cities with cities in Uruguay, Argentina, Paraguay and Bolivia to integrate the cities' drug demand reduction programs.

FY 2004 Program

Increased resources requested for Brazil will support projects designed to combat the continuing threat of cross-border narcotics trafficking, particularly from Colombia, consistent with the Administration's objectives for the Andean Counterdrug Initiative. INL resources will also reinforce Brazilian efforts to combat money laundering and promote effective public awareness/demand reduction programs.

Narcotics Law Enforcement. Funding for this project will be used to provide operational support and equipment to the Brazilian Federal Police to conduct more effective investigations and interdiction operations against specific international narcotics cartel leaders and their associates. In addition, the project will continue to build on training already provided by INL and other USG agencies to enhance port and airport security, and to counter narcotics trafficking activities such as arms trafficking and money laundering.

Operation COBRA. This project will continue to support Brazil's interagency Operation COBRA for fortifying the northern border. The GOB plan for Operation COBRA will assist with the construction of riverine bases and a tactical command center in Tabatinga.

Northern Brazil Law Enforcement. The Northern Brazil Law Enforcement project, similar to the Narcotics Law Enforcement project but not limited to the Brazilian Federal Police, will work with various GOB law enforcement authorities to provide operational support and equipment in the Amazon region.

State Security Law Enforcement. This project will assist the counternarcotics activities of the Brazilian National Public Safety Secretariat and promote improved coordination of counternarcotics activities within Brazil's law enforcement community by providing equipment and training to Brazilian state, civil and military police forces. The project may include counternarcotics training for community-oriented police forces, and assistance in the implementation of a witness protection program.

Fluvial Counternarcotics Operation Center. This project will provide the Brazilian Federal Police with riverine and maritime platforms for counterdrug surveillance and interdiction that will be

integrated into the Brazilian Amazonian Surveillance System network. The Project centers on constructing and equipping of a fluvial mobile Counternarcotics center and will also provide operational support and training.

Drug Awareness/Demand Reduction. The recognition of the seriousness of the increase in drug use in Brazil, particularly among young people, has led to the passage of drug legislation that emphasizes demand reduction. In FY 2004 the Drug Awareness/Demand Reduction project will continue support for demand reduction programs through the National Anti-Drug Secretariat, focusing on drug education. The project will work to increase public awareness of the drug problem and build public support for counternarcotics efforts by providing grants to individual state drug councils, federal and state government agencies, university educational research and treatment groups, and private organizations and youth programs.

Program Development and Support (PD&S). PD&S funds will provide necessary resources for salaries, benefits, and allowances of U.S. and foreign national direct hire and contract personnel, field travel, International Cooperative Administrative Support Services (ICASS) costs, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Brazil
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Narcotics Law Enforcement	2,000	—	2,000	3,000
Operation COBRA	—	—	—	2,500
Northern Brazil Law Enforcement	2,100	—	2,080	1,300
State Security Law Enforcement	1,000	—	1,000	1,000
Fluvial Counternarcotics Operations Center	—	—	—	3,200
Subtotal	5,100	—	5,080	11,000
Drug Awareness/Demand Reduction	475	—	500	500
Program Development and Support				
U.S. Personnel	160	—	166	178
Non-U.S. Personnel	41	—	44	77
ICASS Costs	90	—	90	106
Program Support	134	—	120	139
Subtotal	425	—	420	500
Total	6,000	—	6,000	12,000

Colombia

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
373,900	6,000	433,200	463,000

Program Objectives and Measures of Effectiveness

There is a major reduction of coca leaf and opium poppy.

All coca and opium poppy cultivation will be sprayed.

There will be an increase in the number of families assisted and hectares of licit crops replacing drug crops due to alternative development projects.

The capability of the Government of Colombia to disrupt and dismantle major drug trafficking organizations and prevent their resurgence is strengthened.

There will be a continued high level of extraditions, especially among leadership levels of criminal and narco-terrorist organizations.

The Air Bridge Denial Program will be fully implemented with a resulting increase in successful aerial interdiction events.

Cocaine and heroin processing industries are significantly destroyed and the diversion of licit chemicals into illicit channels is reduced.

Coca and opium poppy production will continue to decline at a high level, as repeated spraying deters planting.

Cocaine and heroin laboratories will continue to be destroyed at a high level.

Processed drugs and precursor chemicals will continue to be interdicted at a high level.

The Government of Colombia capability to establish the rule of law throughout its territory, reducing the numbers of illegal armed groups, is greatly enhanced.

A permanent police presence will be reestablished in areas of conflict.

Additional legal assistance offices and oral trial courtrooms will be constructed.

An effective human rights early warning system will be developed and maintained.

Program Justification

Colombia continues to be the dominant supplier of cocaine sold on American (representing some 90% of the cocaine market) and European markets. In recent years, it has become one of the major sources of heroin in the U.S., particularly in eastern U.S. markets. The country is a producer of raw materials for cocaine and heroin, a major manufacturer of refined drugs, and the home and headquarters of major trafficking criminal and narco-terrorist organizations. INL funding supports the Government of Colombia's (GOC) continuing efforts to counter the illegal narcotics industry and the threat that drug cultivation, production, and trafficking poses to the stability of Colombia's democracy and economy and to the security, health, and well being of U.S. citizens at home and abroad.

The funding requested in FY 2004 will allow the U.S. and GOC to build upon the prior investments and ongoing successes of the 2001 Plan Colombia assistance package. Our specific goals are to pursue vigorous eradication and interdiction efforts to disrupt and destroy the production of drugs destined for U.S. and world markets; promote alternative development designed to provide legal, viable, economic options to farmers and others drawn to the illegal drug trade; assist in the institutionalization and professionalization of Colombian counter-drug entities to improve their effectiveness and capabilities while enhancing the respect for basic human rights; and ameliorate and help those who are suffering from the dangers and costs associated with or abetted by the illegal drug trade.

Program Accomplishments

In 2002, the aerial eradication program had a banner year and spray planes treated over 122,000 hectares of coca, a 45 percent increase over 2001, itself a record setting year. In addition, over 3,000 hectares of opium poppy were sprayed, a 67 percent increase over 2001.

Colombian interdiction programs continued to attack the heart of drug production. The Colombian Army (COLAR) Counterdrug (CD) Brigade destroyed 5 cocaine-processing laboratories and over 682 cocaine base laboratories – even though the Brigade stood down in the last part of the year for reorganization and retraining. The CD Brigade also provided valuable ground support for aerial eradication, an increasingly vital mission as the success of spraying is causing increased ground fire aimed at spray planes. The Colombian National Police (CNP) Directorate of Anti-Narcotics (DIRAN) destroyed 61 cocaine-processing laboratories, over 401 cocaine base laboratories and three heroin laboratories while seizing over 34 metric tons of cocaine and over 18 metric tons of coca base.

In 2002, U.S. funds assisted over 545,000 internally displaced persons (IDPs) and over 400 ex-combatant children. The Early Warning System, created in 2001 by Plan Colombia to prevent massacres and forced displacement, issued 170 alerts that resulted in over 150 GOC responses. The Promotion of the Rule of Law program established 10 legal aid offices in 2002, for a total of 29 offices covering the western half of the country. Nineteen oral trial courtrooms were constructed with U.S. financing, enabling the Colombian judicial system to handle an additional 1.5 million cases. This program has also created 9 human rights units. The GOC extradited 40 fugitives (34 on narcotics-related charges) to the U.S., a 54 percent increase over the CY 2001 record-year total, when 26 fugitives were extradited.

USAID supported medium- and long-term alternative development programs concentrated in Putumayo and Caqueta, the areas of Colombia's densest coca cultivation. By the end of the year, programs had aided over 16,800 families and established over 11,800 hectares of licit crops. In addition, USAID constructed 142 social infrastructure projects. In 2004, USAID will provide technical assistance to promote agricultural and non-agricultural alternatives through the provision of

modern production technologies, processing, credit, and marketing assistance to producer associations. Non-agricultural activities may include vocational training and technical workshops to assist small farmer families to transition to alternative productive activities. The program will be expanded into new geographical areas. USAID will promote sustainable production for alternative crops through agro-forestry and silvo-forestry systems and will continue to provide technical assistance for forestry activities in Putumayo and for a new commercial forestry initiative for the rest of Colombia. Projects to expand rural social infrastructure will finance construction of roads, bridges, electricity, schools, health clinics, potable water and sewage systems. USAID will also continue to strengthen the GOC's National Alternative Development Plan in the areas of planning, implementing, monitoring, and evaluating projects.

FY 2004 Program

Our counternarcotics programs in Colombia face a major challenge in FY 2004. Our air assets and the forces we are training will be increasingly called upon to take a more offensive approach against narco-terrorist assets and personnel; to defend vital infrastructure resources from terrorist attacks; and to rescue victims of kidnappings and assaults carried out by guerrilla groups. All of this will be in addition to the central focus on eradication and interdiction operations. All of these programs are the core of what we must do if President Uribe is to succeed in his determination to wipe out the narcotics trade in Colombia and stop the terrorists that threaten the democratic system of one of our key Latin American allies as well as the stability of the entire Andean region.

INTERDICTION AND ERADICATION

Colombian Army (COLAR) Counterdrug (CD) Mobile Brigade. Funding for this project will provide ongoing logistical and operations support to the First COLAR CD Brigade in support of its mission to conduct interdiction operations against high-value narco-terrorist targets and support eradication missions. We are engaged in an effort to retrain the CD Brigade to make it smaller, lighter, faster, and more truly air-mobile. U.S. assistance will give the unit a reconnaissance capability and allow it to take in high-value targets such as narco-terrorist leadership and key narco-terrorists actively involved in the drug trade. It will also make the CD brigade more effective in eliminating key targets such as hydrochloride laboratories. We want the CD Brigade to be able to use the 71 helicopters we are supporting to strike high-value targets outside southern Colombia, following up on recent CD Brigade successes that have triggered the migration of drug targets to western Colombia. Major expenditures will include the purchase of additional military equipment and ammunition, as well as contributions to upgrade selected forward operating locations and general sustainment and repair costs for this vital unit.

Colombian Army Aviation Support. FY 2004 funds will support the COLAR Aviation Brigade consisting of 32 UH-1N, 14 UH-60, and 25 Huey II helicopters dedicated to providing airlift capacity for operations against high value targets. These aircraft provide air mobility for the CD units and, given the severely limited number of helicopters otherwise available, will continue to be the only reliable airlift available for military units engaged in counterterrorism operations. The burdens on COLAR aviation will increase dramatically as a result of new legal authorities that allow the use of the 71 helicopters listed above for activities other than counternarcotics missions. These aircraft will now also be used to conduct missions throughout Colombia, responding to opportunities to interdict high value narco-terrorist targets. We expect that by FY 2004 the number of human rights vetted COLAR units will have expanded; this implies that the same number of aircraft will be called upon to transport more troops. Major expenditures will include fuel, parts, repair and maintenance of the helicopter,

training for crews, and infrastructure support. These funds would also be used to sustain operations of the helicopters supporting the infrastructure security project in Arauca.

Air Bridge Denial Program. This program aims to deny Colombian airspace to narcotics traffickers. The project will support contractor and in-country costs to cover the operations and maintenance of Colombian Air Force tracker aircraft used for the interception of suspected trafficking aircraft.

Colombian National Police (CNP) Aviation Support and CNP Support for Eradication. These projects will support the CNP counternarcotics operations in four interrelated activities: the operation of the CNP air wing; aerial eradication of coca and poppy; assistance to CNP interdiction and institutionalization efforts; and construction/infrastructure improvement. Aerial eradication is the highest priority in the joint USG/GOC counternarcotics program, and President Uribe has emphasized his commitment to the program, asking for additional spraying resources. Additional counterterrorism missions, including expanding police presence into the areas of conflict, will increasingly tax the CNP Air Service and other law enforcement efforts the CNP will take on under the expanded Congressional authorities. Major purchases will include: the procurement of additional aircraft (for support, transport, spraying, and intelligence gathering), operation and maintenance costs, training for CNP personnel, and upgrades to existing aircraft.

CNP Support for Interdiction and Administrative Support. Funding for these two projects will enhance and expand CNP infrastructure and provide logistical support for counternarcotics operations. Major purchases will include: new base construction, munitions and arms, security upgrades and equipment, and establishing/enhancing secure and interoperable communications and information systems. These funds will also be used to assist in implementing operations and counter-narcotics programs under CNP command. These include: improving forward counter-narcotics operating base capabilities, enhancing road interdiction operations, assisting the auxiliary police, and helping the CNP/DEA Heroin Strategy Program. As is the case for the COLAR, funding requirements for CNP interdiction will increase as the CNP is required to take on additional missions under the expanded Congressional authorities.

Program Development and Support (PD&S). PD&S funds are used for the salaries, benefits, and allowances of direct hire and contract U.S. and foreign national personnel, residential leasing, field travel, International Cooperative Administrative Support Services (ICASS) costs, and other general administrative and operating expenses for counternarcotics and anticrime program planning, design, implementation, monitoring, and evaluation.

ALTERNATIVE DEVELOPMENT AND INSTITUTION BUILDING

Support for Democracy. These funds are designed to promote more responsive, participatory and accountable democracy. They are divided into five interrelated components: Administration of Justice; Human Rights; Local Governance; Transparency and Accountability; and Support to Peace Initiatives. Projects include: assisting the GOC to establish two Justice Houses and two Oral Trial courtrooms, continued protection programs for 1,600 individuals and 20 offices under threat for working on human rights and related issues, implementing the Early Warning System (a system designed to monitor the human rights scene and provide warning of impending problems), and promoting a government and civil human rights protection infrastructure. The timeframe within which these programs will be completed is five years, from FY 2000 to FY 2005.

Alternative Development. These funds will be used to increase legal economic opportunities for small producers of coca and poppy as an alternative to illicit cultivation. The funding will support four principal activities: strengthening private and public national and local institutions; expanding rural infrastructure; increasing licit economic opportunities; and improving the management of natural

resources. Projects include: introducing alternative legal crops and other economic activity in areas of illicit cultivation, developing local and international markets for these products, and providing technical assistance and training to improve economic capabilities and efficiency.

Support to Vulnerable Groups/IDPs. USAID will use INL funds to support programs that provide economic and social opportunities to vulnerable groups, particularly internally displaced persons. Working with a municipal focus, the program runs more than 300 projects in 25 departments and 200 municipalities throughout the country. These projects include assistance in physical and mental health, community strengthening, income and employment generation, urban assistance (shelter, water and sanitation) education, and the rehabilitation of ex-child combatants. By providing viable life and employment options, the program discourages families from taking up cultivation of illicit crops.

Support to Vulnerable Groups/IDPs. The Department of State's Bureau for Population, Refugees, and Migration (PRM) will use INL funding to provide emergency (i.e. 0-90 day) internally displaced persons assistance. This assistance includes food, shelter, psychosocial assistance, and health services. It will also strengthen the GOC agency responsible for IDP coordination, protection and border monitoring.

Promote the Rule of Law. These funds will be used to enhance GOC capacity to address the problems of crime and to institutionalize the rule of law throughout its territory. Major programs will provide support to establish a police presence in areas of conflict; expand institutional reforms; increase desertions from the illegal armed groups; improve intelligence capabilities; train and equip CNP bomb squads; sustain a vetted financial investigative unit; assist in prison reform; support USDOJ's judicial reform programs; support GOC counternarcotics organizations; and continue counternarcotics educational programs. USAID-administered Protection of Human Rights Workers and Direct Protection to Witnesses, Prosecutors, and Judges projects are also funded through this budget. Funding requested for this project includes \$0.612 million for Program Development and Support.

Colombia

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Support to the Colombia Military				
Army Counterdrug Mobile Brigade	9,650	—	9,300	5,000
Army Aviation Support	78,000	—	128,750	147,304
Air Bridge Denial Program	13,980	—	8,000	6,400
Navy Maritime Interdiction Support	2,370	—	1,000	—
Subtotal	104,000	—	147,050	158,704
Support to Colombian National Police				
Aviation Support	67,467	—	62,260	60,338
Support for Eradication	37,360	—	44,870	44,185
Support for Interdiction	24,330	—	21,820	40,973
Administrative Support	4,943	—	2,000	2,000
Subtotal	134,100	—	130,950	147,496
Promote Social & Economic Progress ¹				
Support for Democracy	24,000	—	24,000	24,000
Alternative Development ²	49,900	—	60,200	60,200
Support to Vulnerable Groups/IDPs	24,000	—	38,000	38,000
Subtotal	97,900	—	122,200	122,200
Support to Vulnerable Groups/IDPs ³	10,000	—	3,500	5,000
Promote the Rule of Law				
Special Financial Investigations Unit	1,000	—	500	—
Anti-Kidnapping Strategy	3,600	—	—	—
Bomb Squad/Explosive Database Center	1,750	—	1,000	500
Prison Security/Drug Rehabilitation Training	2,300	—	—	500
Cellular Intercept Switch Project	1	—	—	—
Ministry of Defense Human Rights Reform	2,500	—	1,000	—
Reinstatement of Illegal Armed Groups	2,000	—	—	—
Protection of Human Rights Workers ¹	2,500	—	—	—

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Protection of Witnesses Prosecutors Judges ¹	1,500	—	—	—
Financial Crimes Programs ⁴	—	—	2,000	—
Judicial Reform Programs ⁵	—	—	7,500	7,500
Drug Awareness/Demand Reduction	500	—	500	250
Culture of Lawfulness Program	100	—	500	250
Reestablish Public Security in Conflict Zones	4,749	—	10,500	13,800
Subtotal	22,500	—	23,500	22,800
Pipeline Security	—	6,000	—	—
Program Development and Support ⁶				
U.S. Personnel	1,642	—	1,825	2,000
Non-U.S. Personnel	1,318	—	1,464	1,500
ICASS Costs	725	—	805	1,000
Program Support	1,715	—	1,906	2,300
Subtotal	5,400	—	6,000	6,800
Total	373,900	6,000	433,200	463,000

¹ This is an INL-funded and USAID-administered program.

² The FY 2002 figure does not include \$6.6 million of FY 2001 INCLE funds provided in FY 2002 for the Colombia IDP program.

³ This is an INL-funded and PRM-administered program.

⁴ These are INL-funded and DOT- and DHS-administered programs.

⁵ This is an INL-funded and DOJ-administered program.

Ecuador

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
25,000	—	30,896	35,000

Program Objectives and Performance Indicators

Ecuadorian National Police increase effective control of airports, seaports, and land routes used by traffickers to transport illegal narcotics and diverted precursor chemicals.

The port cargo inspection and highway checkpoint facilities will provide deterrents to trafficking in narcotics, precursor chemicals and other illicit goods.

The presence of counternarcotics enforcement and military units in northern border areas provide increased border security that deters narcotics trafficking activities.

The Ecuadorian Navy, using new coastal patrol boats along northern border estuaries and the coastal areas, and Ecuadorian military and police security patrols operating throughout the northern border area, will provide an effective deterrent to illicit activities.

The Government of Ecuador (GOE) develops and maintains institutional capabilities to interdict illegal drugs, drug trafficker assets and controlled chemicals; successfully prosecute traffickers; and seize illicit drug assets.

Counternarcotics police will have the training and equipment needed to fulfill their responsibilities; counternarcotics intelligence officers will have the training and equipment needed to gather, analyze and share information effectively.

The growth of the coca/cocaine economy is discouraged with an alternative development program that increases opportunities for licit employment and citizen satisfaction with the performance of local democratic institutions.

Program Justification

As drug eradication and interdiction programs in neighboring Colombia continue to expand, insurgent groups that control the Colombian drug crop cultivation regions increasingly affect Ecuador. The security situation along Ecuador's northern border, most notably in Sucumbios province where most of Ecuador's oil wealth is located, has continued to deteriorate due to increased Colombian guerrilla, paramilitary and criminal activity, as well as increasing social unrest fueled by chronic and increasingly high levels of poverty. This concern extends as well to other border provinces,

particularly to coastal Esmeraldas. With fiscal constraints in Ecuador limiting the government's available funding for security forces, the Ecuadorian National Police (ENP) requires assistance to confront the increased drug trafficking and cultivation threat on its northern border. The Ecuadorian military, which is responsible for northern border security and supports the ENP in counternarcotics operations, will require sustained logistical support in order to strengthen its northern border and coastal presence and operational readiness. Attention to alternative development will assist the vulnerable population in the northern border areas by strengthening its licit economic base and community infrastructure, thereby building public support for local democratic institutions and enabling the community to better resist the pressures of criminal elements and the illicit coca/cocaine economy.

The ports through which drugs transit Ecuador are an important part of the USG counternarcotics focus in country. Ecuador is a major staging and transshipment area for drugs and precursor chemicals due to its location between two major cocaine source countries, Colombia and Peru. Cocaine and heroin enter the country primarily by truck on the Pan-American Highway. Narcotics traffickers then exploit Ecuador's porous borders and poorly controlled seaports to consolidate smuggled drugs into larger loads for bulk shipment to the United States and Europe, hidden in containers of legitimate cargo. Precursor chemicals imported by ship into Ecuador, along with those produced in-country, are often diverted to cocaine processing laboratories in southern Colombia.

The Ecuadorian criminal justice procedural code, which entered into force in July 2001, fundamentally changed the country's legal system from an inquisitorial- to accusatorial-style system. This will, in due course, strengthen the criminal justice system and speed up the process by converting to oral trial procedures. The roles of police, prosecutors, judges and other elements of the legal system are profoundly changed and still poorly understood by judicial operators. Therefore, criminal justice reform continues to require USG technical assistance to retrain judges, prosecutors, police and other components of the criminal justice system.

Program Accomplishments

Accomplishments in 2002 include the construction of a major police base at Lago Agrio on the northern frontier, due to open in April 2003; award of contracts to build a police cargo inspection facility in the Port of Manta and remodel the inspection facility in the Port of Guayaquil; and completion of construction plans for a police base and checkpoint at San Lorenzo on the western end of the northern border. The first phases of the \$4 million police and military communications projects were completed, as was the first phase of a renovation and upgrade of the police counternarcotics intelligence data network. The NAS placed an order for 100 Humvees and 51 heavy trucks for use by the Army in the northern border area, with delivery expected in May 2003. Thirty vehicles were donated to the National Counternarcotics Police. A yearlong course to train trainers and develop a training curriculum for the Judicial Police concluded successfully. Drafting of a new money laundering law for submission to the congress early in 2003 was substantially completed with USG technical assistance. Military-police cooperation in joint missions on the northern border improved significantly. Army forces in the border area interdicted a large volume of illicit precursor chemicals en route to Colombia. Alternative development projects progressed rapidly. Completion of potable water projects brought sanitary drinking water to 24 northern border communities for the first time. Eleven new bridges and 84 km of new road improved land transportation for remote northern border villages.

A major accomplishment of the 2002 was the completion of the construction of the integrated highway interdiction checkpoint in Baeza, which serves as a base for counternarcotics police patrolling the Pan American highway, and construction began on the Lago Agrio road checkpoint project.

Program security assistance also provided 27 vehicles, more than \$4 million in communications equipment, maintenance support, as well as training to improve military and police professionalism and capabilities while reinforcing the principles of civilian rule and human rights. Significantly, military-police cooperation has shown signs of improvement. The Port Security project gained a U.S. Customs Advisor on-site in Guayaquil, an important advance. A judicial police advisor joined the Narcotics Affairs Section to serve as a liaison with and provide expertise and guidance to police and prosecutors learning to work with the new accusatorial justice system. The northern border area alternative development projects have progressed, and some of the potable water projects have reached completion.

FY 2004 Program

INTERDICTION AND ERADICATION

Police Operations. This project is implemented through the Ecuadorian National Police Counternarcotics Directorate (DNA), which provides operational and administrative support to DNA port and canine operations. INL funding will be used to provide law enforcement and communications equipment; maintenance, repair and operational costs of project vehicles; aviation support; and a U.S. Customs Service port advisor to be posted on-site in Guayaquil.

Police Facilities Construction. The Police Facilities Construction project will add a port cargo inspection facility and a DNA base in the border province of Esmeraldas and port and integrated highway interdiction checkpoints in San Luis Buenos Aires and La Troncal. Eight helipads will be constructed and the largest and most active DNA provincial headquarters in Pichincha will be remodeled.

Police and Judicial Training. As the DNA gains an additional 300 or more personnel over the next two years, the Police and Judicial Training project will focus on ground and airborne field operations, intelligence methods, cargo and personnel inspection techniques, human rights, investigative techniques, evidence collection and handling, case preparation and tracking, and interagency collaboration (essential to working within the new code of criminal procedures).

Money Laundering and Chemical Control. The Money Laundering and Chemical Control project will assist the GOE to establish money laundering and chemical investigation and enforcement units by providing necessary equipment and training.

Military Border and Coastal Control. This project will expand on previous assistance to the Ecuadorian Navy by completing the planned surveillance system, providing additional interdiction capability in the form of new coastal patrol boats, and providing comprehensive training in drug interdiction.

Drug Awareness/Demand Reduction. This project will improve the understanding of the citizens and leaders of Ecuador of the effects of the drug trade on society and government institutions. Information and materials will be distributed that explain the effects that drug production and trafficking can have on the society; the relationship of narcotics trafficking and terrorism; and USG policies and activities regarding the war on drugs. The project will sponsor travel for opinion leaders, government officials, and public information workers to view USG counternarcotics projects and activities; fund guest speakers; and conduct other activities to meet emergent needs.

Program Development and Support (PD&S). PD&S funding will be used to pay salaries, benefits and allowances of U.S. and foreign national direct hire and contract personnel, field travel, International

Cooperative Administrative Support Services (ICASS) costs, and administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

ALTERNATIVE DEVELOPMENT AND INSTITUTION BUILDING

Northern Border Development. This project will continue to be administered by USAID. The project includes a range of activities targeting the northern border region, including capital investments and complementary technical assistance to help local governments build and sustain social productive infrastructure; technical assistance and training for municipal governments and local communities to identify and resolve local development problems democratically; support for small farmers to legalize land holdings; and support to strengthen the competitiveness of existing agricultural and related enterprises in the north. There have been an increasing number of reports of small coca crops found and eradicated in Ecuador.

Sustainable Cacao Research Tree Project. This project, administered by the U.S. Department of Agriculture, is part of the country strategy to deter future cultivation of drug crops. The project will continue work being done by the GOE agricultural research institute to improve the quantity and quality of Ecuadorian cacao production, particularly varieties that have high export market value and are key ingredients for U.S. manufacturers.

Ecuador
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Police Operations	4,675	—	4,325	8,400
Police Facilities Construction	2,100	—	2,700	3,565
Police and Judicial Training	1,000	—	1,000	1,000
Money Laundering and Chemical Control	50	—	150	150
Subtotal	7,825	—	8,175	13,115
Military Border and Coastal Control	6,000	—	6,000	6,000
Drug Awareness/Demand Reduction	75	—	125	150
Alternative Development ¹	10,000	—	15,896	14,700
Cacao Project	500	—	—	300
Program Development and Support				
U.S. Personnel	158	—	208	210
Non-U.S. Personnel	38	—	76	85
ICASS Costs	191	—	228	240
Program Support	213	—	188	200
Subtotal	600	—	700	735
Total	25,000	—	30,896	35,000

¹ This is an INL-funded and USAID-administered program.

Panama

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
5,000	—	4,500	9,000

Program Objectives and Performance Indicators

The Government of Panama (GOP) implements a comprehensive strategy for criminal justice system reform and modernization using an integrated program, training, and technical assistance plan.

There will be an increase in the effectiveness of criminal justice institutions and personnel, an increase in the number of investigations of official corruption, improved case tracking systems and reductions in pre-trial detention times.

The GOP confronts transnational organized crime by increasing its institutional capabilities to investigate and prosecute criminal activities, seize and forfeit assets, and dismantle criminal organizations engaged in such crimes as drug and arms trafficking, alien smuggling, and terrorism.

There will be an increase in the number and importance of traffickers arrested and successfully prosecuted as a result of GOP investigations and cooperative bilateral or regional law enforcement efforts.

There will be evidence that traffickers have decreased their use of Panama as a bridge for illegal activities because of improved GOP law enforcement efforts.

The GOP achieves an ability to interdict land and maritime shipments of illicit drugs, chemicals, stolen vehicles and weapons; counter alien smuggling; and enhance control of its borders, airports, and seaports.

There will be an increase in the number of arrests of narcotics traffickers, alien smugglers, terrorists and other criminals entering and departing Panama by air, sea and land.

There will be an increase in interdiction activity of chemicals, narcotics, arms, stolen vehicles and alien smugglers that will reduce the amount of trafficking in and through Panama.

The GOP is able to combat money laundering and other financial crimes, and to coordinate effectively with international partners.

There will be an increase in successful prosecution of money laundering cases.

The GOP develops successful strategies to deter drug use and increase public awareness of the dangers of drug abuse.

Public awareness of the dangers of drug abuse will increase, as will community involvement in prevention, resulting in a decrease in drug use and violence among youth.

Program Justification

As a neighbor to the largest cocaine-producing country, Panama is a crossroads for the transshipment of narcotics and other illicit goods. International drug shipments are trafficked through Panama destined for the U.S. and Europe. An ineffective criminal justice system that is undermined by corruption and inadequate maritime, airport, and border controls all contribute to Panama's vulnerability to transnational organized crime. In addition to drug trafficking, criminal groups engage in money laundering, chemical diversion, arms and stolen vehicle trafficking, alien smuggling and other criminal activities. The steady flow of illicit drugs has taken a toll on Panamanian society by increasing domestic drug abuse.

Panama is an attractive site for money laundering operations due to its dollar-based economy and large, sophisticated banking and trading sectors. In 2000, the Financial Action Task Force (FATF) determined that Panama was not cooperating effectively with other governments in this area, in part because of institutional weaknesses. As a result of the passage of new legislation and increased prosecutions, Panama was subsequently removed from the FATF list of non-cooperating nations. However, Panama continues to need technical assistance to support its efforts to implement the new legislation and to dismantle criminal and terrorist groups engaged in money laundering.

Programs Accomplishments

In 2001 and 2002, INL funds were used to support programs and activities critical to Government of Panama (GOP) and USG shared law enforcement objectives. Technical assistance and equipment provided by INL to law enforcement agencies at the border and in airports has increased the GOP's capacity to interdict drugs and secure its borders. Furthermore, INL has supported interdiction efforts through assistance to the Joint Information Coordination Center that has led to enhanced information sharing and cooperation between U.S. and GOP law enforcement agencies. INL funds have played a key role in interdiction successes of the National Maritime Service (SMN) by providing training, technical assistance and equipment upgrades. INL support has further enhanced GOP capability to investigate narcotics cases by the creation of a Public Ministry/Technical Judicial Police (PTJ) vetted unit in 2002. Furthermore, the ability of the GOP to interdict drugs along its land routes has increased through the establishment of a Panama National Police (PNP) Mobile Inspection Unit. An International Airport Drug Task Force has increased seizures at Panama's International Airport.

In FY 2003, INL will continue to develop an Administration of Justice project that will assist the GOP to develop and implement an integrated strategy for modernizing and improving the criminal justice system. A case tracking system to improve the effectiveness of the court system, reduce pre-trial detention, and increase accountability will be developed. Support to law enforcement agencies will continue in FY 2003 with the provision of commodities and training to support the PNP, the SMN, and the National Air Service (SAN). INL will provide infrastructure support, equipment and training for airport and border control facilities to enhance control of the entry of aliens into the country, including drug traffickers and smugglers.

Further support to improve the capability of Panamanian law enforcement agencies will be provided to the Joint Information Coordination Center (JICC), the National Criminal Statistics and Analysis Agency (CONADEC) to enhance GOP intelligence infrastructure, enabling the security forces to better investigate narcotics trafficking activities. Training and commodities will be provided to the Public Ministry's Elite Vetted Unit, the PTJ and the PNP. Support will continue for the recently established Financial Investigations Unit (FIU) and Panamanian prosecutors with training provided in detecting, investigating and prosecuting sophisticated money-laundering cases. A port security project will be developed to increase the interdiction of illegal goods passing through the Colon Free Zone and Panama's other ports of entry.

In FY 2003, support will continue for drug awareness and demand reduction programs to curb the spread of drug abuse, crime and violence, and reinforce the rule of law by changing societal attitudes toward crime and corruption. The Drug Awareness/Demand Reduction project provides support to health and education agencies and NGOs to promote drug abuse prevention, treatment and increased public awareness. The project will help the GOP develop successful strategies to deter drug use and monitor and evaluate the effectiveness of school drug control strategies.

FY 2004 Program

National Police Border Units. FY 2004 funding will be used to strengthen law enforcement agencies within the Ministry of Government and Justice. Due to its geographical location, Panama is a primary trafficking route and transshipment point for Colombian narcotics moving northward toward the U.S. The PNP is on the front line of efforts to stop this flow of drugs as near to the source as possible. The project will provide funding to upgrade the PNP border units by providing additional training and equipment.

National Air Service. Because of the shared border with Colombia, the flow of drugs through Panamanian air space is a significant concern. Funding will be provided to the SAN to increase air mobility capabilities by providing training, equipment and repair parts for the UH-1 helicopters. The SAN will also be provided with long-term training on preventative maintenance procedures and operations.

Border Enhancement. Counterterrorism response training will be provided to the Panama Public Forces (PPF) to aid in detecting, deterring and responding to terrorist threats and attacks against Panamanian and U.S. institutions within Panama, particularly the Panama Canal. Assistance will be provided for the operation of border and interior checkpoints to deter trafficking in arms, narcotics and aliens through the country. This project will provide resources to support the Mobile Interdiction Unit and joint USG/GOP law enforcement interdiction operations in interior provinces and along the Costa Rican border.

National Maritime Service. GOP narcotics interdiction capabilities will be further enhanced through continued support for the professionalization of the SMN and with equipment and training provided by the U.S. Coast Guard. In addition, Panama will benefit from increased maritime and port security, thereby providing an additional deterrent to migrant smuggling and trafficking in other contraband.

Port Security System. In FY 2004, training and operational assistance will be provided for the Port Security System project at the port of Colon. The project will be expanded to provide all remaining ports with communications links to the Tocumen International Airport and the Colon Free Zone. This

project will enhance the ability of the GOP to secure its borders and increase both land and sea interdiction capabilities.

Public Ministry Special Investigations Unit. Funding will be provided to the Public Ministry for training, commodities and operational support to the Vetted Special Investigations Unit (SIU). This will be the third year of a three-year commitment to fund the Vetted SIU, after which the GOP will assume full responsibility.

Panamanian Customs Service. Operational assistance and training will be provided to Panamanian Customs officials for cargo inspections, investigations into black market Peso exchange, money laundering and infringements of intellectual property rights.

Technical Judicial Police. Training and commodities will be provided to the PTJ counternarcotics and stolen vehicles units and the central and regional forensics laboratories. This support will increase GOP capability to investigate, arrest, and prosecute Colombian drug kingpins and other organized criminals, and to interdict increased amounts of drugs, precursor chemicals and stolen vehicles.

Financial Investigations Unit. Training will be provided to prosecutors and the FIU to improve FIU investigative skills and enable the prosecution of increasingly sophisticated money-laundering cases. Training will continue to be provided to the highly successful integrated interdiction task force at Tocumen International Airport and will be expanded to key domestic airports.

Law Enforcement Advisor. A law-enforcement training advisor will be employed to analyze the training needs of GOP law enforcement institutions and to develop short, medium and long-term training strategies. This support will strengthen Panamanian law enforcement institutions and enhance its capabilities to interdict shipments of narcotics, arms, precursor chemicals, and stolen vehicles and investigate and prosecute criminal organizations.

Administration of Justice. FY 2004 support will be provided to continue the judicial reform projects that were launched in FY 2002. Specifically, a case tracking system will be developed and a statistical database by the National Criminal Statistics Analysis Commission will be completed using information from the judiciary, the penal system and the prosecutor's office. These efforts are central to raising the standards of professionalism and improving the management and execution of criminal justice sector in Panama.

Drug Awareness/Demand Reduction. FY 2004 funding will support Phase IV of the epidemiological survey that examines the links between risk factors and drug use and violence. The result of the survey will be used to develop strategies to deter drug use and evaluate the effectiveness of school anti-drug programs. Funding will also be provided to the Office for Drug Prevention Education to provide teachers and community leaders with anti-drug training and materials. This assistance will increase the awareness of the dangers of drug use in society.

Program Development & Support (PD&S). PD&S funds will be used to pay salaries, benefits and allowances for U.S. and foreign national direct hire and contract personnel, field travel, International Cooperative Administrative Support Service (ICASS) costs, and general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Panama
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Border Control Enhancement				
National Police Border Units	1,250	—	567	1,700
National Air Service	968	—	500	950
Border Enhancement	352	—	875	500
National Maritime Service	696	—	900	1,700
Port Security System	368	—	150	150
Subtotal	3,634	—	2,992	5,000
Law Enforcement Enhancement				
Public Ministry Special Investigations Unit	285	—	—	500
Panamanian Customs Service	—	—	—	300
Technical Judicial Police	115	—	425	400
Financial Investigations Unit	285	—	175	350
Law Enforcement Advisor	—	—	—	750
Subtotal	685	—	600	2,300
Administration of Justice	60	—	—	700
Anti-Corruption Initiatives	—	—	100	—
Drug Awareness/Demand Reduction	76	—	100	250
Program Development and Support				
U.S. Personnel	229	—	311	330
Non-U.S. Personnel	29	—	48	50
ICASS Costs	173	—	254	270
Program Support	114	—	95	100
Subtotal	545	—	708	750
Total	5,000	—	4,500	9,000

Peru

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
142,500	—	128,052	116,000

Program Objectives and Performance Indicators

The Government of Peru (GOP) institutionalizes policy-making and coordination and takes ownership of counternarcotics law enforcement and alternative development efforts.

The maintenance and operation of Peruvian National Police air wing is 75 percent nationalized.

The police aviation unit receives additional and upgraded helicopters that will be used to extend counternarcotics-related efforts to remote areas of Peru.

The Peruvian National Police Anti-Narcotics Directorate (DIRAVPOL) builds a cadre of intelligence and training specialists that contribute to a dismantling of Peruvian narcotics trafficking organizations.

The Peruvian judicial sector is reformed and achieves the capacity to provide effective processing of drug cases.

The cultivation of coca and opium poppy is reduced, along with the level of drug trafficking through and from Peru.

Coca cultivations will be reduced by an additional 12,000 hectares in 2004.

The GOP will develop a reconnaissance capability to identify and eradicate opium poppy cultivations.

There are an increased number of port and road counternarcotics interdiction checkpoints east of the Peruvian Andes.

The number and amount of cocaine seizures will increase by 50%.

The number of drug-related money laundering arrests and prosecutions will increase.

The GOP implements economic reforms that support the elimination of the illicit coca cultivation economy.

There are viable alternatives to the illegal coca economy resulting from the implementation of comprehensive macroeconomic policy reforms and projects in and outside of coca-growing areas.

There is an increased awareness of the dangers of drug trafficking and drug abuse and a reduction in the demand for illicit drugs.

There is improved public support and political will for law enforcement efforts.

Program Justification

Peru is the second largest cocaine producing country in the world and a major exporter of high purity cocaine and cocaine base to markets in South America, Mexico, the United States, and Europe. Peru legally produces cocaine base and coca leaf for medical and commercial consumption in the U.S. and Europe. The country's production increased eight percent in 2002 but it is still 36,000 hectares below the 1995 level.

The principal goal of the U.S. counternarcotics strategy in Peru is to reduce, and ultimately to eliminate, the production and processing of opium poppy and coca. This goal is consistent with the President's National Drug Control Strategy and the Andean Counterdrug Initiative, which seeks to deny traffickers the ability to spillover from one country to another as law enforcement successes eliminate established drug cultivation and operational areas. The means to achieve this goal is firmly rooted in implementing complementary programs of eradication, interdiction, and alternative development in the drug cultivation source valleys and to intercept coca movement throughout Peru.

To decrease coca cultivation, funding is required to support airlift for drug crop eradication and law enforcement interdiction in outlying areas, to implement possible actions for an aerial trafficking interdiction program (air bridge denial), and to strengthen alternative development in and outside of drug cultivation areas. Of immediate concern in areas subject to eradication is near-term alternative development emergency assistance to help meet nutritional and health needs, generate family income lost to eradication of coca fields, and long-term alternative development to sustain the development of licit economies.

President Toledo and his Administration have shown the political will to confront drug issues. Shortly after taking office, Toledo followed through on his promise to appoint the first ever Drug Czar for Peru with cabinet level authority. In March of 2002, when President Bush visited Peru, President Toledo pledged to fight narcotics trafficking and terrorism. However, the Government of Peru (GOP) lacks the financial resources and equipment to adequately address drugs in the midst of double-digit unemployment and a continuing recession. These problems are exacerbated by recent natural disasters, ongoing riots and strikes by several sectors of the national economy, and a resurgence of terrorism.

Anticipated European assistance pledged during donor conferences to support GOP alternative development efforts has not materialized in the amounts anticipated.

Program Accomplishments

Despite GOP eradication efforts, the total number of hectares of cultivated coca increased by eight percent to 36,600 hectares in 2002. However, beginning in July, the Ministry of the Interior pledged full support to reach the 7,000-hectare eradication goal. A new pilot auto-eradication model was implemented that the GOP hopes will avoid social unrest. This model incorporates farmers into the eradication brigades, paying them a daily wage. Communities that have eliminated coca are also eligible for employment-generating public works for short-term assistance and longer-term alternative

development. While still in its infancy, the model shows promise, with over 900 hectares eradicated, mostly in native communities.

The Peruvian Coca Reduction Agency (CORAH) also entered into two new areas, dramatically increasing eradication rates and achieving its 2002 goal of 7,000-hectares. The GOP is reluctant to eradicate in areas where confrontation with coca growers might occur. To date, it has not approved eradication in areas such as the Apurimac and Monzon areas, two key source zone valleys where principal concentrations of coca leaf are found. An eradication plan for 2003 is in the approval process. It will cover between 9,000 and 12,000 hectares. Under this plan, eradication would be carried out in the Apurimac and Monzon valleys.

Police were not successful in locating poppy fields during 2002, despite repeated efforts. The fields are typically small, in remote and broken terrain, or co-mingled with legitimate crops, which makes it difficult to identify them from imagery or over-flight.

During 2002, the Peruvian National Police Narcotics Directorate (DIRANDRO) began monthly interdiction operations in the Apurimac valley, a major cultivation zone infrequently attacked in the recent past. DIRANDRO destroyed over 200 rustic cocaine and cocaine base labs and multi-ton quantities of precursor chemicals. Similar operations in the Huallaga Valley region eliminated another 349 rustic labs and coca maceration pits.

DIRANDRO also began to enhance truck and vehicle inspections of suspected drug and chemical smugglers during 2002, utilizing the roads and highways throughout Peru. The PNP Road Unit conducted weekly road operations using trained K-9 drug dogs on the major highways exiting the coca producing jungle region heading west to the coastal areas, on major roads entering Lima, and throughout key Departments in Peru. In cooperation with U.S. law enforcement agencies, private shipping companies improved their abilities to monitor sea cargo containers. They provided DIRANDRO and Peruvian Customs with information to support investigations of major Peruvian and other international trafficking organizations utilizing sea cargo containers to transport large shipments of cocaine to the U.S., Mexico and Europe.

An increase in the number and availability of GOP prosecutors led to sharp increases in the destruction of laboratories and maceration pits, arrests, etc. In the first seven months (January through July) of 2002, 765 operations were carried out, resulting in the destruction of 137 labs and 198 maceration pits, the seizure of 8,670 kilos of cocaine base and 3,373 kilos of cocaine, and the arrest of 1,606 persons.

In 2002, the alternative development program invested \$32 million dollars in two main coca-producing valleys (the Huallaga and Ene-Apurimac River Valleys), and in consolidation areas where coca has declined but could re-emerge if the licit economy is not further developed. Continuing high coca prices, combined with extremely low international market prices for key alternative development crops such as cacao, coffee, plantain, heart of palm, and native cotton, complicated the challenge to promote and expand the production of licit alternatives to coca. The greatest success lay in promoting high quality production targeted at niche export markets.

In 2002, the alternative development program financed substantial rural road rehabilitation (355 kilometers) and maintenance (458 kilometers) and bridges to improve market access for relatively isolated communities. The USG is working with the GOP to rehabilitate 170 kilometers of the Fernando Belaunde Highway, a major link between the Huallaga Valley and national markets running from Juanjui to Tocache.

FY 2004 Program

INTERDICTION AND ERADICATION

Law Enforcement Support. A significant number of law enforcement operations are planned for FY 2004, in the major coca-growing valleys as well as in the transit zones, to interdict illicit chemicals and drugs. DIRANDRO will have tripled the number of personnel located in drug source zones by FY 2004. Consistent with focusing on the drug-producing areas, these operations are essential to drive down the price of coca and encourage abandonment. The operations will include air, land and riverine operations, road stops and the use of canines. FY 2004 plans include providing additional training and field exercises to enhance the capabilities of DIRANDRO to conduct basic road and riverine exercises, as well as to provide security for eradication teams in outlying areas. These enhanced law enforcement efforts will require additional vehicles, communications, field gear, emergency/safety reaction gear, and drug detector canines.

Aviation Support. Aviation support for narcotics law enforcement covers operating and maintenance costs for the National Police Aviation Division (DIRAVPOL). It provides funding for pilots, aircrews, and support personnel for 15 USG-owned UH-1H helicopters and 14 Peruvian Mi-17 helicopters, which support coca eradication and law enforcement actions in the field. FY 2004 funds support the counternarcotics operations of the USG-owned helicopters, providing fuel, maintenance, hangars and warehousing, aircraft rental when needed, and operational support for DIRAVPOL personnel. Eradication and interdiction missions are becoming more difficult and dangerous, because of the need to access illicit crops (particularly opium poppy) at higher altitudes in more rugged terrain. For FY2004, funds will be directed at upgrading UH-1H helicopters to Huey II helicopters in order to overcome current logistical difficulties. The program also requires an improved aerial reconnaissance capability. Funds will therefore be used to acquire an additional C-208 aircraft that can carry an imaging acquisition system.

Riverine Support. FY 2004 funding will focus on strengthening Peruvian capabilities to conduct counternarcotics law enforcement operations on the rivers. The Riverine Project has the following goals: 1) build host nation capabilities to maintain an effective riverine drug interdiction program through infrastructure development, facilities improvements, equipment acquisitions, training, and operational planning and execution; 2) coordinate multi-agency USG activities in support of the overall program; and 3) provide support to Peruvian institutions for maintaining an aggressive operations tempo for ongoing counternarcotics riverine activities designed to disrupt and dismantle illegal trafficking. An increasingly important goal will be to integrate riverine and land operations, and to stage regional, multilateral riverine operations.

Coca and Opium Poppy Eradication. Coca eradication will continue to be more difficult now that the areas of less resistance have been cleared of coca, and more established cultivation areas are being targeted. The GOP has introduced a two-track approach to coca reduction, providing for auto-eradication, or voluntary eradication, in selected communities and areas where alternative development is feasible, and involuntary eradication in national forests, new growth areas and around drug-processing facilities. The FY 2004 budget will support GOP Coca Reduction Agency (CORAH) ability to increase the number of eradication sites, and cover the significant logistical and transportation costs associated with multiple eradication efforts, including opium poppy wherever it can be found. There are indications that drug traffickers are trying to jump-start an opium poppy-growing industry in Peru by providing seeds to farmers to grow in high-altitude, difficult-to-reach locations. The Peruvian National Police (PNP) has eradicated opium poppies wherever detected, and the FY 2004 budget will also strengthen efforts to expand the scope of its detection program. The FY 2004 program will also continue and amplify the successful social communication program, and

introduces a mechanism for timely humanitarian aid to affected families. Social unrest and increasingly radicalized coca grower associations are resisting GOP efforts to reduce coca cultivations, which make these humanitarian and communication programs key to defusing violence against the eradication program.

Support to the Armed Forces. In FY 2004, there may be considerable costs associated with supporting a Peruvian Air Force (FAP) counternarcotics air interdiction program, if the President makes a determination to restart support for an air bridge denial program (ABD). These support costs include facility improvement, aircraft modification, fuel facilities and training to monitor and force down suspected narcotics trafficking flights in Peruvian airspace. Funds will also support Peruvian Navy maritime commerce control and port security to begin building a capability for systematic waterborne law enforcement.

Peruvian Customs. The Peruvian Customs Service, a component of the Ministry of Economy and Finance, is responsible for control of arriving and departing passengers and cargo at Lima's air and maritime terminals, at other air and maritime ports of entry, and at land border checkpoints. Although the customs drug enforcement section maintains a cooperative relationship with DEA, the Customs Service has been more focused on general contraband interdiction. In FY 2004, funds will support a new airport effort, in which DIRANDRO will have the lead, but where Customs will participate. This effort should result in increased drug seizures of cocaine being carried to the U.S. and Europe by air passengers. Should Customs' participation become significant, additional funding might be considered.

Administration of Justice/Prosecutors. In FY 2004, funding will continue to support a unit of GOP prosecutors that has been granted special national jurisdiction to accompany police and military narcotics law enforcement operations to interrogate suspects and witnesses, take charge of evidence, supervise the destruction of illegal facilities such as laboratories or airstrips, and prepare cases to be carried to trial. This project will continue support for the national narcotics prosecutors, provide training to personnel of the judicial branch that handle these cases, and provide selected jurisdictions with adequate resources to handle heavy narcotics caseloads.

Institutional Development. Previously known as CONTRADROGAS, the GOP's cabinet-level coordinator for counternarcotics efforts, renamed DEVIDA, will continue receiving support for further development of national drug control policies, make contact with multilateral and bilateral donors, and enhance communication and coordination between the various GOP counternarcotics agencies.

Drug Awareness/Demand Reduction. This project will focus on providing the Peruvian public with information about the harmful personal and societal effects of cocaine production and abuse, conducting surveys on drug abuse to identify groups requiring assistance, and supporting educational fora for prevention and treatment professionals. This project will continue to provide assistance to drug awareness institutions and the Ministry of Education, to support drug awareness, abuse prevention and treatment programs.

Crop Monitoring and Research. An affiliated organization of CORAH called CADA (Coca Survey and Verification) provides a means to verify the extent of coca reduction within communities, which is a critical condition of continued alternative development funding. In FY 2004, this project will expand efforts to verify licit crop development in coca growing areas in conjunction with forced and voluntary eradication efforts. The CORAH civil construction unit will provide counternarcotics law enforcement and military agencies with construction and facility improvement capabilities in outlying areas. Demand for both CADA and CORAH construction has been high: CADA statistical information is being used by the international community, such as the OAS Drug Commission, to

prioritize its alternative development projects; and CORAH construction services have allowed the police and navy to establish riverine forward operational bases in key coca cultivation areas.

Program Development & Support (PD&S). PD&S funds will be used to pay salaries, benefits, and allowances for U.S. and foreign national direct hire and contract personnel, field travel, International Cooperative Administrative Support Service (ICASS) costs, and general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

ALTERNATIVE DEVELOPMENT AND INSTITUTION BUILDING

Successful implementation of the alternative development program is premised on the hypothesis that offering farmers and their families licit sources of income and employment, coupled with improved social conditions and legally organized institutions with the ability to manage local resources efficiently, will lead to their increasing participation in the licit economy. In three annual surveys, customers in alternative development program working areas identified better access to markets, credit availability and low production of licit crops as the three most important constraints to increasing licit incomes. At the community level, road improvement, adequate health facilities and the availability of potable water supplies were identified, particularly by women, as important basic needs yet to be satisfied. Community leaders and individual members have stated that they would abandon coca production for a society that could offer licit employment and income opportunities within a restored legal and institutional framework that satisfied basic needs.

The alternative development program is an INL-funded and USAID-administered program that will use FY 2004 funds to focus on three programmatic areas. The Licit Economic Activities project will support the efforts of families to increase income from licit crops and other incoming generating activities. The Economic Infrastructure project will support the rehabilitation of roads, bridges, electrical power grids and other essential infrastructure. The Local Government Strengthening project will support municipal government efforts to strengthen their governance skills, including participatory mechanisms, administrative and financial systems, and project management.

A joint USG/OAS/CICAD Alternative Crop Research and Extension project complements the bilateral alternative development program. This project will continue to perform field research into coffee and cacao diseases, with a focus on finding ways to increase production yields in alternative development areas, and in developing international markets. The U.S. private sector has responded favorably to these efforts, and has provided supplementary personnel and funds for expert marketing and scientific assistance. FY 2004 funding will support the dissemination of the practical research results to alternative development farmers throughout the region.

Peru
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Law Enforcement Support	11,900	—	9,400	11,000
Aviation Support	34,150	—	31,600	35,340
Riverine Support	2,300	—	1,000	2,000
Subtotal	48,350	—	42,000	48,340
Coca and Opium Poppy Eradication	5,500	—	6,000	7,000
Support to the Armed Forces	11,150	—	3,500	1,000
Peruvian Customs	250	—	—	50
Administration of Justice/Prosecutors	200	—	300	700
Institutional Development	700	—	300	400
Drug Awareness/Demand Reduction	1,250	—	800	1,000
Crop Monitoring and Research	4,600	—	3,600	4,300
Alternative Development ¹	67,500	—	68,552	50,000
Program Development and Support				
U.S. Personnel	808	—	819	875
Non-U.S. Personnel	681	—	862	925
ICASS Costs	713	—	659	705
Program Support	798	—	660	705
Subtotal	3,000	—	3,000	3,210
Total	142,500	—	128,052	116,000

¹ This is an INL-funded and USAID-administered program.

Venezuela

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
5,000	—	2,075	5,000

Program Objectives and Effectiveness Measures

There is an increased level of cocaine and heroin seizures at key transportation hubs as a result of improved methods for gathering raw intelligence and follow-up criminal investigations.

A national drug intelligence network will be created: security forces capable of detecting and seizing illegal shipments will monitor key transportation hubs.

Venezuela’s public prosecutors and police investigators improve their professional capabilities.

There will be an increased number of drug trafficking arrests and convictions.

Program Justification

Colombian narcotics traffickers heavily exploit neighboring Venezuela’s position on the Caribbean to route illicit drugs going to the U.S. Poorly regulated border crossings permit the transport of illicit drugs by land and river from Colombia to Venezuela’s seaports, particularly Puerto Cabello, where most of the large containerized shipments of cocaine seized in Florida in the last ten years originated from. Seizures of heroin in Venezuela have risen sharply over the past three years; in August, a single airport seizure netted over 130 pounds of heroin, a record for South America. Venezuela also exports chemicals used in the manufacture of narcotics to Andean drug source countries, and has a modern financial sector that is a target for the laundering of drug proceeds.

Program Accomplishments

Despite a year of considerable domestic political unrest, progress was achieved in the process of passing new counternarcotics legislation, in the development of a new law enforcement task force, and in addressing port security. In October, after nearly a year of being sidelined, two-thirds of the 150 articles in the Organized Crime Bill passed a second reading in the National Assembly. Unfortunately, completion of this process in 2002 was thwarted by the national strike that dominated Venezuelan political life at the end of the year. The newly-created Prosecutor’s Drug Task Force (PDTF) emerged as a professional investigative agency, with the seizure of multi-ton loads of cocaine, follow-up investigations resulting in asset seizures, arrests, and dismantling of at least one national

cartel. Port security was addressed with the initiation of programs at critical sea (Puerto Cabello), land border (San Antonio de Tachira), and air (Maiquetia and Valencia) transit hubs.

FY 2004 Program

Port Security, Border Security, Mobile Inspection and Intelligence Fusion and Analysis. These four narcotics law enforcement projects will provide expert assessments of Venezuela's high threat import-export transportation hubs, and provide advice on procedural and organizational improvements, training, procurement and installation of inspection and detection equipment. In addition, the project will organize, train, and equip Venezuelan law enforcement personnel to conduct follow-up investigations after seizures have been made, gather intelligence information at the local level, and perform intelligence fusion and analysis at the national level. Two U.S. Customs inspectors will provide full-time advisory assistance to the Port Security Project, while one DEA analyst will provide advisory support for the nascent intelligence apparatus.

Precursor Chemical Control. The Precursor Chemical Control project will provide a variety of equipment to support the work of two of Venezuela's principal precursor chemical control units, with the full-time advisory assistance of a DEA agent.

Money Laundering Control. The Money Laundering project will provide funding for training and computer equipment to support the expanding role of the National Financial Intelligence Unit. While current legislation only criminalizes money laundering if the funds can be specifically tied to drug trafficking, this will change with the passage of the Organized Crime Bill, a third of which is dedicated to financial crimes.

Prosecutor Training, Prosecutor Drug Task Force and MOJ Infrastructure Development. The three administration of justice projects are an essential adjunct to the narcotics law enforcement projects that build on information gained at the tactical level to target, prosecute, and convict key organized crime members. These projects will include prosecutor and investigator training, publication and dissemination of a new handbook for prosecutors, improvements to chain-of-evidence procedures, and assistance in drafting essential legislation. Another key component of these projects will be to provide logistical support for the model Prosecutors' Drug Task Force (PDTF). Up to three DEA agents will provide advisory support to the PDTF.

Drug Awareness/Demand Reduction. This project will serve to increase public intolerance to organized crime, warn of the dangers of illicit drug consumption, and gain broader confidence in and support for law enforcement efforts. This project will also support epidemiological surveys to determine the pervasiveness of drug consumption in Venezuela.

Program Development & Support (PD&S). PD&S funds will be used to pay salaries, benefits and allowances for U.S. and foreign national direct hire and contract personnel, field travel, International Cooperative Administrative Support Service (ICASS) costs, and general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Venezuela

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Port Security	825	—	235	750
Border Security	825	—	235	750
Mobile Inspection	750	—	205	60
Intelligence Fusion and Analysis	50	—	45	250
Precursor Chemical Control	50	—	50	50
Money Laundering Control	260	—	89	50
Subtotal	2,760	—	859	1,910
Administration of Justice				
Prosecutor Training/Resident Legal Advisor	650	—	160	900
Prosecutor's Drug Task Force	250	—	87	1,000
MOJ Infrastructure Development	261	—	80	300
Subtotal	1,161	—	327	2,200
Drug Awareness/Demand Reduction	460	—	89	50
Program Development and Support				
U.S. Personnel	224	—	281	295
Non-U.S. Personnel	23	—	31	33
ICASS Costs	173	—	240	252
Program Support	199	—	248	260
Subtotal	619	—	800	840
Total	5,000	—	2,075	5,000

Other Latin America

The Bahamas

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
1,200	—	1,100	1,000

Program Objectives and Performance Indicators

Operation Bahamas and Turks and Caicos (OPBAT) achieves the capacity to impede the use of Bahamian territory for the movement of illicit drugs to the U.S.

The number and amount of seizures of cocaine and marijuana will increase, along with the number of arrests of narcotics traffickers.

Bahamian law enforcement, with U.S. assistance, conducts sophisticated criminal and financial investigations and effective maritime interdiction operations that will result in a reduction in narcotics trafficking activity.

Cooperation and coordination with U.S. law enforcement will increase and several major Bahamian drug trafficking organizations will be dismantled.

The number of narcotics trafficking and money laundering cases successfully prosecuted will increase.

Judicial institutions are modernized so that drug traffickers and money launderers are successfully prosecuted in an expeditious manner and their assets seized and forfeited.

The value of assets seized and forfeited will increase significantly and the government will respond expeditiously to U.S. extradition requests.

The Government of the Commonwealth of The Bahamas (GCOB) reaches Bahamian youth – including remote islands - with effective drug-use prevention programs.

Local surveys will show a decline in drug use.

Program Justification

An estimated 12 percent of the cocaine from South America destined for the United States passes through the Jamaica-Cuba-Bahamas vector. Bahamian drug trafficking organizations send go-fast drug smuggling boats to Jamaica to pick up cargoes of cocaine and marijuana or, less frequently, to areas around Cuba to pick up airdrops from South America or Jamaica. These boats then return to The

Bahamas before attempting to smuggle the drugs into south Florida. Since 1982, the Bahamian and U.S. governments have cooperated closely in OPBAT to interdict the flow of drugs through The Bahamas. OPBAT currently utilizes seven USG helicopters and other USG surveillance aircraft in coordination with Bahamian go-fast interceptor boats to detect and interdict drug smuggling go-fast boats operating in Bahamian waters. Detection of go-fast boats is difficult from the air as is the pursuit and arrest of smugglers who, once sighted and pursued by OPBAT, typically dump their illicit cargo in the sea and abandon their boats on the beach. The key to countering this threat in an area as vast as The Bahamas is accurate intelligence that permits the coordinated deployment of surveillance aircraft and interceptor boats. INL assistance is directed toward improving the capacity of Bahamian law enforcement to effectively participate in joint interdiction efforts.

The Bahamas is a major offshore financial center. In June 2000, citing deficiencies in the Bahamian anti-money laundering regime, the Financial Action Task Force (FATF) included The Bahamas in a list of “non-cooperating” jurisdictions in the fight against money laundering. The Bahamas responded by enacting legislation in December 2000 reforming its bank secrecy laws and creating a Financial Intelligence Unit. In June 2001, FATF recognized these improvements by removing The Bahamas from the list of “non-cooperating” jurisdictions. The Bahamas now must develop the expertise and demonstrate the willingness to detect and prosecute financial crimes.

Program Accomplishments

OPBAT is an important USG drug interdiction effort in the Caribbean and a model for regional cooperation. As in past years, project funding will support construction, maintenance and operating costs of three OPBAT helicopter bases and additional training for the Bahamian Drug Enforcement Unit training. In FY 2001 and FY 2002, INL provided a total of three go-fast interceptor boats to the Bahamian police to permit the pursuit and arrest of drug smugglers. An additional boat will be provided to the police in FY 2003. Total cocaine and marijuana seizures by OPBAT and Bahamian police during FY 2002 increased by 160 percent and 183 percent respectively, as compared to FY 2001. In FY 2002, a joint Bahamas-U.S. investigation resulted in the arrest of 32 members of a major Bahamian drug trafficking ring, the Austin Knowles organization. Also in FY 2002, The Bahamas Customs Department created a canine drug detector unit to prevent the exploitation of the Freeport Container Port by drug smugglers.

FY 2004 Program

Law Enforcement Investigations. This project works to increase the efficiency of the Bahamian police, Defense Force, and Customs Department to detect, investigate, and prosecute drug smugglers. It will fund training, technical assistance and vehicles as well as the expansion of the Customs detector dog program.

Operation Bahamas Turks and Caicos (OPBAT). This project will provide support to maintain OPBAT bases, repair and replace communications equipment, construct new buildings, procure water supply and treatment equipment, and provide interdiction operations training to promote more effective joint interdiction efforts.

Drug Awareness/Demand Reduction. This project will continue to provide funding to the National Drug Council to promote drug public awareness activities to foster support for the interdiction programs.

Program Development and Support (PD&S). PD&S funding will be used to cover the cost of salaries, benefits, and allowances of U.S. direct hire personnel, field travel, International Cooperative Administrative Support Service (ICASS) costs, and general administrative and operational expenses for program planning, design, implementation, monitoring, and evaluation.

The Bahamas

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Law Enforcement Investigations	200	—	150	263
OPBAT	611	—	140	262
Fast Response Boats	—	—	355	—
Subtotal	811	—	645	525
Drug Awareness/Demand Reduction	60	—	50	50
Program Development and Support				
U.S. Personnel	153	—	190	200
Non-U.S. Personnel	—	—	—	—
ICASS Costs	97	—	130	135
Program Support	79	—	85	90
Subtotal	329	—	405	425
Total	1,200	—	1,100	1,000

Guatemala

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
3,500	—	2,500	3,000

Program Objectives and Performance Indicators

The Government of Guatemala (GOG) achieves an effective program to interdict illicit drugs transiting the region en route to the United States.

Counternarcotics and law enforcement capabilities and results will improve as a result of increased training and material support while the performance of the judiciary will improve with the implementation of new procedures and installation of modern equipment.

The GOG controls opium poppy and marijuana crops with an effective eradication program.

The levels of drug crop production will decrease.

The GOG attains the capability to perform professional and effective investigations that lead to the successful prosecution and conviction of narcotraffickers.

The number of successful prosecutions will increase.

The GOG develops and maintains an effective and well-publicized demand reduction program.

Survey results will show that drug use by young people decreases.

Program Justification

Guatemala is a significant transit country for cocaine from South America to Mexico and onward to the United States. U.S. intelligence experts estimate that between 150 and 250 metric tons of cocaine are transshipped annually through Guatemala. Small amounts of opium poppy and marijuana are cultivated for domestic consumption. Diversion of precursor chemicals is a serious concern.

The GOG is working to strengthen its drug enforcement capability and in October 2002 formed a new counternarcotics investigation unit, the SAIA. The Ministry of Government (MOG), the Public Ministry (MP), and judicial organizations have initiated the integration of computerized systems to track cases and enhance information sharing within the GOG and eventually with counterpart Central American institutions. The GOG supports interdiction and eradication operations, including, when

available, the use of aerial spraying against marijuana and opium poppy crops. At the same time, the Executive Secretariat for the Commission Against Addiction and Illicit Drug Trafficking (SECCATID) is aggressively pursuing demand reduction in Guatemala.

The GOG was determined to have failed demonstrably in its counternarcotics efforts in 2002. Corruption forced the dissolution of the Department of Anti-Narcotics Operations (DOAN), which was plagued by scandals ranging from extra-judicial killings in Chocon, to the theft of 200% more drugs than were officially seized by police. INL support for interdiction efforts will include the training of the new counternarcotics unit (the SAIA), as well as operational support and equipment maintenance. While significant poppy cultivation in Guatemala has been eliminated, it remains necessary to periodically reassess the magnitude of the crop using the INL Regional Aerial Reconnaissance and Eradication (RARE) capability. The Peten region of the country continues to be the main source of marijuana cultivation. GOG narcotics control police carry out manual eradication, limited air-mobile interdiction (with INL assistance), port control operations, narcotics investigations, and road interdiction and inspection functions.

Program Accomplishments

Despite the rampant corruption and dismal performance of the GOG in 2002, the INL program moved forward. After the dissolution of the DOAN, INL provided extensive training to the 400 new SAIA agents at the Regional Counternarcotics Training Center. The center also successfully trained counternarcotics teams throughout the region on investigations, small unit tactics, information analysis and human rights. In addition, the program provided the necessary equipment for both the SAIA and the Narcotics Prosecutors to successfully perform their duties. The Executive Secretariat for the Commission Against Addiction and Drug Trafficking (SECCATID) was able to conduct a survey of drug usage amongst schoolchildren, and continued to build on ideas generated by a regional demand reduction seminar.

FY 2004 Program

Narcotics Interdiction. This project focuses on developing the investigative and operational capacity of the SAIA. It will strengthen Guatemala's enforcement capability by providing training, equipment, and infrastructure for the SAIA. INL will continue to support the Guatemalan Regional Anti-Narcotics Training Center, a fulltime facility offering courses to other Central American police as well as the Guatemalan forces. The NAS-funded training program at the center currently offers courses for detector dog handlers, instructors, supervisors and narcotics investigators for countries throughout the region. The project also supports the SAIA port security program by funding a U.S. Customs port advisor and training for SAIA agents.

Drug Crop Eradication. The Eradication Project supports continuing eradication of opium poppy and marijuana plants. This project increases eradication capabilities through training and logistical support for police units involved in counternarcotics operations. Operational training will be provided to support Mayan Jaguar and other USG regional eradication efforts, including RARE and Central Skies regional deployments.

Institutional Development. In addition to direct interdiction and eradication training and technical assistance, INL will make a concerted effort to develop the new narcotics police into a modern and efficient counternarcotics force. Emphasis will be placed on leadership skills, respect for human rights, case management systems, personnel management, career development in the police, and the promotion of inter-institutional cooperation.

Administration of Justice. The Narcotics Prosecutor Assistance Project will provide funding for the special narcotics prosecutors and an anticorruption prosecutor unit of the Attorney General's office (Public Ministry). This project will expand the number of prosecutors in the program, increase professional training, and promote a modern case management system that can eventually be linked to the system being developed for the National Civilian Police. Better case management and a linking of systems should lead to increased drug convictions. This project supplies equipment and training in coordination with USAID judicial reform efforts and funds a local-hire legal advisor. A well-received element of the project, developed in 1998, provides assistance to the GOG to streamline operations, prepare cases and draft counternarcotics legislation. The legal advisor will assist in the drafting of counternarcotics and organized crime legislation in Guatemala and other Central American countries. The legal advisor will continue to develop the new financial crimes unit to investigate and prosecute money-laundering crimes.

Administration of Justice. This project will assist a Guatemalan Supreme Court initiative to improve the recently established high-impact courts designed to handle sensitive organized crime and narcotics cases that regular courts cannot handle. In addition to staff training, the court case-tracking system will eventually be integrated with the National Civilian Police case management system. The primary objective of the project is to promote greater coordination and cooperation between the judiciary, the prosecutors and the police. Project provided training and technical assistance would also encourage the adoption of asset forfeiture laws and narcotics-related legal reforms.

Drug Awareness/Demand Reduction. The GOG recognizes that domestic drug addiction is a growing threat and has made demand reduction a national priority. This project is designed to advance efforts in this area while encouraging the government to pass needed counternarcotics legislation. The main recipient of aid from this project is the Executive Secretariat for the Commission Against Addiction and Drug Trafficking (SECCATID). SECCATID develops education programs and actively promotes public awareness of drug issues. The project will also develop specific advertising and public information programs, including printed material and videos addressing the dangers of drug use by youth.

Program Development and Support (PD&S). PD&S funds will provide resources for salaries, benefits, and allowances of U.S. and foreign national direct hire and contract personnel, field travel, International Cooperative Administrative Support Service (ICASS) costs, and general administrative and operational expenses for program planning, design, implementation, monitoring, and evaluation.

Guatemala

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Narcotics Interdiction	300	—	225	200
Drug Crop Eradication	125	—	100	100
Institutional Development	1,645	—	900	1,350
Subtotal	2,070	—	1,225	1,650
Administration of Justice	500	—	500	500
Drug Awareness/Demand Reduction	250	—	150	225
Program Development and Support		—		
U.S. Personnel	208	—	221	228
Non-U.S. Personnel	90	—	94	99
ICASS Costs	200	—	175	185
Program Support	182	—	135	113
Subtotal	680	—	625	625
Total	3,500	—	2,500	3,000

Jamaica

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
1,550	—	1,200	1,500

Program Objectives and Performance Indicators

The Government of Jamaica (GOJ) achieves a more effective criminal justice system.

The enactment and effective implementation of modern anti-crime laws will enable Jamaican law enforcement to conduct sophisticated investigations, leading to an increased number of arrests and successful prosecutions of major drug traffickers, money launderers and other international criminals.

The GOJ will seize and forfeit an increased amount of assets derived from drug trafficking and other criminal activities.

The GOJ will respond more quickly to U.S. requests under the bilateral extradition and mutual legal assistance treaties.

The GOJ develops strong, corruption-free counter-drug institutions capable of disrupting and ultimately deterring the transshipment of drugs through Jamaica and eliminating the cultivation and production of marijuana in Jamaica.

The number of successful maritime interdictions of vessels transporting drugs will be increased.

Increased seizures will result from the improved detection of drugs, precursor chemicals and other contraband transiting Jamaica via commercial means.

A strengthened GOJ capability to identify public corruption will result in increased arrests and successful prosecutions.

Intensified law enforcement operations will result in an increase in marijuana eradication and marijuana seizures.

The domestic consumption of drugs in Jamaica is reduced.

Support for GOJ and NGO demand reduction efforts will increase the number of people who benefit from the anti-drug message, thereby reducing domestic consumption.

Program Justification

Jamaica is a major transit point for South American cocaine en route to the U.S. and the largest Caribbean producer and exporter of marijuana for U.S. markets. Traffickers use Jamaica's offshore waters, ports and airstrips to move drugs to the U.S. Jamaican ports are vulnerable to the illegal diversion of precursor and essential chemicals used in the production of illicit drugs. Corruption continues to undermine law enforcement and judicial efforts against drug-related crime in Jamaica. While Jamaica is not considered an important regional financial center, tax haven, or offshore banking center, the U.S. is concerned about the increase in money laundering in the Caribbean, including in Jamaica.

The GOJ publicly states its commitment to combating illegal drugs and drug-related crimes. The GOJ, however, operates under severe resource constraints, with over sixty percent of its national budget expended for debt servicing. Therefore, U.S. and other donor assistance is essential to help the GOJ develop and sustain an effective counter-drug/crime capability.

Counternarcotics assistance for Jamaica seeks, through the provision of equipment, technical assistance and training, to help the Jamaica Constabulary Force (JCF), the Jamaica Defense Force (JDF), Jamaica Customs, and other GOJ agencies carry out effective counterdrug and anticrime law enforcement investigations and operations, resulting in the dismantling of drug trafficking and other international criminal organizations, a reduction in the amount of drugs transiting Jamaica destined for the U.S., increased seizures of precursor and essential chemicals being diverted for the manufacture of drugs, and the extradition to the U.S. of fugitives from U.S. justice. The program will also strengthen the ability of the GOJ to detect and deter public corruption. Limited funding is provided for programs to reduce the demand for drugs in Jamaica.

Program Accomplishments

The GOJ continues to support existing counternarcotics law enforcement and interdiction programs and take steps to strengthen its counterdrug law enforcement capability, with the support and direction of the political leadership. In 2002, the Jamaican Parliament enacted legislation permitting court-ordered wiretaps and approved implementing regulations for the Corruption (Prevention) Act, the final step needed to bring that Act into force.

Despite its resource constraints, the GOJ spends substantial amounts to maintain an interdiction capability consisting of helicopters and patrol vessels. To augment limited GOJ maritime interdiction resources, counternarcotics program funding was used to purchase three go-fast interceptor boats for the JDF Coast Guard (JDFCG). The JCF has increased the staff of the Narcotics Division and established a special vetted unit, which is supported, in part, by program funds, to work with DEA on investigations targeting major drug trafficking organizations. As a result of joint JCF-JDF operations, the amount of cocaine seized during 2002 increased over the previous two years.

The GOJ continues to provide resources for the Financial Analysis Unit and Fugitive Apprehension Team, the latter of which has been successful in locating and arresting persons subject to U.S. extradition requests. In 2002, the GOJ extradited nine people to the U.S. Jamaica Customs is in the process of expanding the Contraband Enforcement Team, as called for in its modernization program. In addition, the Port Authority of Jamaica is procuring video surveillance equipment for the seaports and hiring an expert to provide technical assistance in port security. The GOJ continued its marijuana eradication program, although the amount eradicated in 2002 fell far short of the amount agreed to by the USG and GOJ.

In 2002, program funds were used to provide equipment for the police academy and an advisor for the National Firearms and Drugs Intelligence Center. Program funds were also provided for a one-year \$2.2 million border control project, to be implemented by the International Organization for Migration, that will improve Jamaica's border management systems through the provision of computers and other technology at Jamaica's international airports and seaports as well as technical assistance and training in areas such as risk profiling, documentation fraud prevention, and criminal intelligence.

FY 2004 Program

All aspects of the counternarcotics program are focused on Jamaican implementation of the 1988 UN Convention Against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances. The program also provides resources to enable the GOJ to counter public corruption in compliance with the Inter-American Convention Against Corruption. The requested funding level for FY 2004 will permit the GOJ to undertake the intensity of counter-drug, anti-money laundering and anti-corruption efforts that will foster an environment conducive to the development of legitimate agriculture and commerce in this struggling economy.

Narcotics Law Enforcement. This project is designed to strengthen GOJ capability to identify, investigate and prosecute drug traffickers, money launderers and other international criminals; apprehend fugitives from justice; detect diversion of essential and precursor chemicals; eradicate marijuana cultivation; and counter public corruption. Through this project, training, technical assistance, and equipment are provided to Jamaican agencies involved in counternarcotics and anticrime activities. Requested funding will be used for training, technical assistance, and equipment for the JCF Special Vetted Unit, Fugitive Apprehension Team and Narcotics Division. Funding will also be used to support development of the Financial Analysis Unit and an Anti-Corruption Investigations Unit.

Border Control and Port Security. Project funding will be used to provide training and equipment to strengthen GOJ capability to disrupt the movement of drugs and other contraband via commercial cargo and conveyances at air and seaports and free trade zones. Requested funding will be used for training, technical assistance and equipment for an expanded Customs Contraband Enforcement Team, portable X-ray equipment to scan cargo, and vehicles and equipment to strengthen security at secondary airfields.

Maritime Interdiction. In support of the U.S.-Jamaica maritime counternarcotics cooperation agreement, the U.S. and Jamaica have undertaken combined maritime operations that have been successful in interdicting vessels transporting drugs. In the past, the USG provided two 82-foot cutters and refurbished several boats for the JDFCG. As these boats lack the speed necessary to counter the threat of go-fast vessels transporting drugs, the U.S., in early 2003, provided three go-fast interceptor boats to the JDFCG. Requested funding for the Maritime Interdiction Project will be used for the procurement of an additional go-fast interceptor boat, expenses related to maintaining the three go-fast interceptor boats, and support of GOJ efforts to establish forward positioning sites that will enable the rapid deployment of boats for maritime drug interdiction operations.

Drug Awareness/Demand Reduction. The INL program also provides limited assistance for demand reduction activities, the majority of which are supported by the GOJ, NGOs, and other donors. The requested funding for this project will enable the U.S. to continue support for existing demand reduction programs and organizations.

Program Development and Support (PD&S). PD&S funds cover the cost of salaries, benefits, and allowances of U.S. and foreign national direct hire personnel, field travel, International Cooperative Administrative Support Services (ICASS) costs, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Jamaica

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement	486	—	395	200
Border Control and Port Security	420	—	160	200
Maritime Interdiction	200	—	235	680
Drug Awareness/Demand Reduction	30	—	32	35
Program Development and Support				
U.S. Personnel	175	—	142	158
Non-U.S. Personnel	19	—	26	28
ICASS Costs	42	—	95	102
Program Support	178	—	115	97
Subtotal	414	—	378	385
Total	1,550	—	1,200	1,500

Mexico

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
12,000	25,000	12,000	37,000

Program Objectives and Performance Indicators

Mexican authorities dismantle organized crime elements and disrupt their criminal activities; authorities arrest and successfully prosecute persons who commit major crimes, including drug kingpins and their lieutenants.

There will be an increase in the number and importance of traffickers arrested (e.g., the leaders, financial experts, transportation experts, and security chiefs.)

Criminal justice sector modernization and reform lead to a reduction in corruption and abuse of authority.

There will be an increase in the efficiency and effectiveness of criminal justice institutions and personnel to bring criminals, especially drug traffickers, money launderers, and members of transnational organized crime groups to justice as well as an increase in the effectiveness of the internal affairs divisions of law enforcement agencies.

Mexican officials enhance their ability to control the country's borders, territorial waters, and airspace, preventing criminal groups from smuggling drugs, weapons, or other contraband into Mexico or through Mexico into the United States.

There will be an increase in the number of seizures of drugs and other contraband through effective inspection and enforcement operations at land ports of entry, airports, and seaports.

The ability of Mexican law enforcement to detect the diversion of precursor and essential chemicals, particularly for production of methamphetamine, and increased seizures of diverted chemicals, will increase.

The United States and Mexico enhance even further their bilateral cooperation to reduce the flow of drugs, weapons, and other trafficked items between Mexico and the United States.

Mexican officials will have a better ability to detect and intercept trafficker vessels, vehicles, and aircraft, resulting in an increased number of drug seizures.

Mexico achieves better control of money laundering and application of seizure and forfeiture laws, including legal reforms to permit the sharing of proceeds from seizures and forfeitures with law enforcement agencies.

There will be an increase in the number of seizures and forfeitures of assets of drug traffickers and other organized crime elements, including companies concealing operations or laundering drug profits.

Mexican eradication of illicit drug crops becomes even more effective through use of scientific and technological advances. Additionally, the GOM focuses more resources on combating the production of methamphetamines and other synthetic drugs.

There will be a sustained decrease in net production of opium poppy and marijuana, and an increase in the number of clandestine labs detected and dismantled.

Demand for illicit drugs decreases as communities mobilize against drugs and crime.

There will be an increase in public awareness of the dangers of drug abuse and trafficking, community involvement in drug abuse and crime prevention efforts, and promotion of the rule of law.

Program Justification

The success of Mexico's antidrug, anti-organized crime, and border security efforts is critical to the U.S. as it pursues its national drug control strategy and border security initiatives. Up to 65 percent of the cocaine and significant amounts of heroin entering the United States pass through Mexico and adjacent waters. Mexico is also a major producer of heroin and marijuana. Mexico-based trafficking groups control drug flows and dominate the growing trade in methamphetamine. These criminal organizations cause considerable violence, corruption, and other crimes in both countries, particularly near the border.

During the first two years of the Fox Administration, the fight against drugs and crime in Mexico moved from an atmosphere of mutual distrust to one of unprecedented cooperation. Mexico wants to work with us. Strong interpersonal relationships have produced results. Authorities have arrested kingpins, dismantled drug networks, and seized drugs. They have established internal controls and rooted out corrupt officials. INL helped build the Federal Agency of Investigation (AFI) and strengthen the National Drug Control Planning Center (CENDRO). We now enjoy an historic window of opportunity in which to act. We must continue assisting the Mexican Government to build institutions now to make this cooperation permanent. Police and prosecutors need better and more equipment, training, and investigative tools. We must promote better teamwork to fight money laundering, stop diversion of precursor chemicals, ensure successful prosecutions, and enhance counterterrorism cooperation. We likewise plan to work with the judiciary to promote reforms that will end impunity and keep pace with advances in law enforcement.

We need to improve Mexico's end-game ability to respond to suspect aircraft landing at remote locations. Mexico needs helicopters to conduct patrols, transport quick response teams, and coordinate police responses. Mexico's aging UH-1H helicopters require upgrade or replacement. Better use of mobile checkpoints and X-ray vans would cut the flow of drugs over land. Greater cooperation between the maritime units of both countries would help in interdicting drug shipments at sea. Access to greater funding would allow INL to complement U.S. efforts in source-countries and provide greater balance to our national counterdrug strategy. Wise investment of additional resources in Mexico would yield great return on our investments.

While drug trafficking constitutes one of the most immediate and visible threats, Mexico and the United States face many other mutual challenges to their national security interests. Arms trafficking, alien smuggling, money laundering, diversion of precursor chemicals, and other criminal activities increase daily in importance. Following the terrorist attacks on the United States in September 2001, the U.S. and Mexican governments redoubled efforts to enhance security of our shared border. To enhance these efforts, the program now focuses significant resources on border security projects that will enable Mexican officials to stem the flow of illegal migrants (including special interest aliens), detect and stop possible shipments of contraband with potential use in terrorist attacks, and combat terrorist financing.

As the drug cartels' profits have increased, their need for money laundering services has also grown. Measures enacted in 1996 and 1997 have provided the basis for more effective control of money laundering, and the GOM has strengthened the capabilities of its money laundering investigators and prosecutors. While critical legal and regulatory reforms have been enacted in the past five years, Mexico still lacks the institutional capability to implement these laws and regulations effectively and prosecute money-laundering groups. Our assistance in this area will also help the GOM to combat terrorist financing.

The Fox Administration has worked energetically to identify and root out corrupt officials, particularly among federal police entities. The AFI has started to address institutional problems by creating a career path for its investigators. Fox Administration efforts to professionalize Mexico's law enforcement agencies, improve their organization, and institute modern management and investigative techniques, will also help to rid the government of corruption. Improved pay and benefits, merit-based promotions, improved training, stronger internal controls, and strict compartmentalization of information will help to improve the efficiency and reliability of law enforcement personnel. In addition to strengthening basic federal law enforcement agencies, INL will assist the Fox Administration to develop specialized units capable of targeting sophisticated organized crime elements and complex forms of transnational crime, such as cyber-crime. Such reforms will take years to become fully institutionalized.

The Mexican government welcomes offers of technical assistance and other support from the United States and other nations and recognizes the importance of active bilateral and multilateral law enforcement cooperation. The Fox Administration's strategic plans for criminal justice sector reform and modernization have aided INL in refining its own support projects, including goals and benchmarks. In FY 2004, the INL program will focus on institutional development, anticorruption, border security, attacking criminal organizations, money laundering control, control of diversion of precursor chemicals, drug crop eradication, and demand reduction. While Mexico will continue to fund the vast majority of its justice sector programs and operations, U.S. funding will assist in undertaking pilot initiatives, accelerating implementation, and providing tools to enhance Mexico's own substantial efforts.

The border region is the most affected by drug crimes and violence and leads the nation in illicit drug use. Only recently, Mexican leaders publicly acknowledged rising rates of abuse of cocaine, crack, methamphetamine, and other drugs, particularly along the border, in large cities, and in tourist areas. Mexican officials have promoted both public and private sector programs, many with U.S. support, to raise public awareness of this growing problem and to mobilize citizens against drug use.

Program Accomplishments

U.S. drug control programs in Mexico support Mexican efforts to strengthen law enforcement institutions, enhance management of human resources, modernize infrastructure, and promote anticorruption initiatives. These areas of focus will enhance Mexican border security and counter-

terrorism efforts. While the GOM continues to invest heavily in its own programs, U.S.-funded technical assistance and equipment remain essential to Mexico's ability to achieve its objectives. In many cases, U.S. assistance permits Mexico to accelerate reform or training efforts, as was the case with the creation of the Federal Agency of Investigation (AFI), in which NAS programs helped the new police agency to become operational within one year. During its first year, AFI investigators played important roles in achieving scores of arrests of major drug traffickers and in dismantling several violent kidnapping rings. AFI has become a vital GOM counterpart for U.S. law enforcement agencies.

The INL program also seeks to support bilateral cooperation and cooperative activities, such as training and support for vetted units that work with U.S. investigators and handle sensitive information. The Mexican National Drug Control Planning Center (CENDRO) has, with NAS support, become one of the region's leading analytical centers; the regional International Drug Enforcement Conference (IDEC) designated CENDRO as one of three regional drug information coordination centers tasked with promoting information exchange in the hemisphere.

We have used INL funding to develop a series of border security projects under the auspices of the U.S.-Mexico Smart Border and Border Partnership Accords. Congress authorized 25 million dollars in funding through a FY 2002 Emergency Supplemental appropriation to support these efforts. NAS has worked closely with U.S. and Mexican officials on these critical activities, aimed at increasing the efficiency of border law enforcement and coordination between U.S. and Mexican police agencies.

FY 2004 Program

The key to enhancing law enforcement cooperation relies on an integrated approach aimed at (1) pursuing criminals and their organizations aggressively, (2) seizing the goods that harm our citizens, (3) targeting the financial proceeds of crimes, and (4) strengthening law enforcement and judicial institutions. The following projects address these key objectives.

Northern Border Security Infrastructure. The Northern Border Security Infrastructure project was initiated with \$25 million in FY 2002 Emergency Supplemental funding. Funding is being used to strengthen border controls by providing Mexican authorities with non-intrusive inspection equipment, computer systems for information sharing on airline passengers, and developing and implementing a border safety training program. FY 2004 funding will allow us to focus on providing Mexican officials with additional non-intrusive inspection equipment, port-of-entry management and planning systems, systems for information sharing, border safety training, and technical assistance on enhancing port security. The project will enhance GOM ability to detect and seize shipments of potential terrorist weapons, illegal drugs, cash, and other contraband. Our counterparts include the Mexican Customs Department, Immigration Service, and Communications and Transportation agencies, among others.

Port Security Initiative. Maritime smuggling constitutes the dominant trafficking method currently used by South American and Mexican drug traffickers. It is likewise a primary method for smuggling aliens, weapons, proceeds of crime, potential terrorist weapons, and contraband of various kinds. Following September 11, the U.S. and Mexico have increased efforts to improve security and efficiency at the major commercial ports. In 2004, we will continue a project started this year to assist the GOM with the development of two specially trained Contraband Enforcement Teams. We will follow through with the pilot project in Manzanillo and conduct a thorough assessment of the port in Veracruz.

The Narcotics and Crime Law Enforcement projects will provide both material and technical assistance, including professional development, to Mexican law enforcement programs, particularly to various entities within the Mexican Attorney General's Office (PGR). These projects will further improve the institutional capability of police investigators, prosecutors, and criminal experts from Mexican federal, state, and municipal investigative, prosecutorial, and judicial institutions so that these agencies can act effectively against drug trafficking and other organized crime activities, including terrorism. Beneficiaries will include drug control entities such as CENDRO, which conducts strategic intelligence analysis and supports organized crime investigations and the AFI, which conducts tactical analysis of organized crime elements. These projects support the goals of the Bi-National Drug Strategy and the Smart Border and Border Partnership Accords. FY 2004 projects will focus on PGR entities most involved in counterdrug and anticrime efforts. The PGR is developing several specialized anticrime units. INL assistance will also provide infrastructure support and equipment, including special investigative tools and laboratory equipment.

Professional Development. This project will support PGR efforts to develop a stronger administrative framework to enhance development of human resources and ensure greater career stability. Helping to build an honest, professional police force will serve the Fox Administration's goal to end corruption and increase operational effectiveness. U.S. support will also focus on strengthening law enforcement training institutions and will include numerous opportunities for professional training, seminars, expert visits, internships, and personnel exchanges with U.S. counterparts. By supporting GOM efforts to make law enforcement a respectable and viable career, this project will help to improve recruitment, reduce chronic turnover, and preserve our training investments. We will provide computers, software, laboratory equipment, and other materials. NAS-supported training over the past 12 months has contributed to seizures of illegal drugs and over 12 million dollars in undeclared cash.

Drug Interdiction and Crop Eradication Support. This project will provide material and technical assistance to Mexican enforcement programs. We will work with Mexican officials to improve their end-game capability to respond to suspect aircraft landing at remote locations or maritime vessels entering territorial waters. Technical assistance in more effective use of mobile checkpoints, non-intrusive inspection equipment, and space accountability (searches for contraband in hidden compartments) would cut the flow of drugs over land. Continued technical assistance, training, and provision of equipment will help the Mexican Navy to interdict more drug shipments at sea. While cocaine arrives in Mexico by air, land, and sea, maritime smuggling remains the preferred mode of smuggling by drug traffickers. INL funding includes support for maritime and land interdiction, including bilateral work in post-seizure analysis, critical to supporting investigations against trafficking organizations. INL also supports a project to improve maritime port security. We will also help Mexican authorities to establish Contraband Enforcement Teams to enable them more effectively to detect and deter trafficking of drugs and other contraband and contribute to border security.

Aviation Support. Through the Aviation Support project, INL will provide technical assistance to the PGR air fleet to improve the efficiency of its fleet in support of interdiction, law enforcement, and eradication operations. In FY 2004, this project will focus on assisting the PGR in implementing its fleet modernization plan. To the extent allowed by scarce resources, this support will cover engine upgrades, repairs, and specialized training, including use of night vision goggles, engine repair, and pilot instructor training, all promoting optimum safety and efficiency.

Office of the Attorney General. NAS will follow closely the development of the Fox Administration's judicial reform efforts, offering assistance, training, and conference and seminar support where needed, including professional development activities for judges and prosecutors. NAS will encourage modern courtroom administration and promotion of transparency in court proceedings. The PGR reorganization will include the establishment of a new division of organized crime prosecutors,

and this project will include broad support for this initiative, especially infrastructure support for computer systems, including systems design, installation, hardware, software, and other equipment.

Anti-Corruption Initiative. This project will also support the GOM anti-corruption plan by offering training, technical assistance, and equipment to develop the Internal Affairs and Auditing Sections of the PGR and other law enforcement agencies. INL training and technical support will also support the reorganized and streamlined Federal Agency of Investigation, responsible for investigating serious crimes, including terrorism, arms trafficking, kidnapping, money laundering, and intellectual property theft. The project will facilitate the expansion of the Culture of Lawfulness program beyond the pilot activities in Tijuana, Ciudad Juarez, Sinaloa, and Ixtapalapa. This program embraces a long-term approach to reducing crime by raising student awareness of the harm that organized crime, corruption, and gangs reek on their communities and nation.

Money Laundering Control. These three projects will support the Financial Investigative Unit (FIU) of the Secretariat of the Treasury, the PGR Money Laundering Control Unit, and the AFI Special Money Laundering Unit. The FIU analyzes suspicious transaction reports and conducts audits for money laundering investigations, while the PGR Money Laundering Unit coordinates criminal investigations and prosecutions. The FY 2003 project will enhance the capabilities of FIU and PGR operations by providing additional information management equipment, consultant services for software design upgrades, office equipment, and training.

Alternative Development. This project assists an indigenous community in an area plagued by drug crop cultivation and trafficking to avoid involvement in those activities. As in many other vulnerable regions, various members of this community become involved in drug crop cultivation because of economic desperation and intimidation by drug traffickers. Activities include prevention education, community mobilization, and the promotion of economic alternatives to poppy or marijuana cultivation.

Drug Awareness/Demand Reduction. This project responds to Mexican concerns about increasing domestic drug consumption through a public information effort and drug prevention education for high-risk populations, principally in urban areas and in communities along the border. The project includes funds to support community-based, non-governmental organizations working to get young people off the streets and away from drug abuse and crime. The project will support printed material and outreach programs, as well as curriculum for drug abuse and crime prevention.

Program Development and Support. PD&S funds will be used to pay salaries, allowances, and benefits of U.S. and foreign national direct hire employees and contract personnel, field travel, International Cooperative Administrative Support Services (ICASS) costs, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Mexico

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Border Security				
Northern Border Security Infrastructure	—	25,000	—	17,500
Port Security Initiative	500	—	500	2,500
Subtotal	500	25,000	500	20,000
Narcotics and Crime Law Enforcement				
Professionalization and Training	2,500	—	2,500	2,800
Equipment and Infrastructure Support	2,000	—	1,187	3,342
Drug Interdiction & Crop Eradication Support	950	—	286	500
Aviation Support	2,100	—	3,615	4,270
Subtotal	7,550	—	7,588	10,912
Administration of Justice				
Office of the Attorney General	1,150	—	913	2,500
Money Laundering Control	100	—	200	400
Anti-Corruption Initiative	600	—	450	500
Subtotal	1,850	—	1,563	3,400
Alternative Development	55	—	55	55
Drug Awareness/Demand Reduction	571	—	603	650
Program Development and Support				
U.S. Personnel	600	—	416	488
Non-U.S. Personnel	185	—	218	259
ICASS Costs	242	—	411	442
Program Support	447	—	646	794
Subtotal	1,474	—	1,691	1,983
Total	12,000	25,000	12,000	37,000

Latin America Regional

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
10,000	4,000	9,500	5,000

Program Objectives and Performance Indicators

Criminal justice institutions respond more effectively to threats of drug trafficking, narcotics-related crime and corruption.

Effective statutes against narcotics trafficking, money laundering, and corruption will be adopted and implemented and the number of successful investigations and prosecutions will increase.

Law enforcement acquires the ability to investigate, prosecute, seize and forfeit assets, interdict drug and chemical shipments and control money laundering.

The number of arrests and successful prosecutions of drug traffickers and money launderers will increase significantly, as will the number of drug seizures, the amount and value of drugs and assets seized, and the number of smuggling attempts deterred.

Bilateral and multilateral mutual legal assistance and extradition cooperation become routine and broader in scope.

The response time for responding to MLAT requests will decrease while the number of successful extraditions will increase.

Effective maritime enforcement occurs throughout the region.

As nations enter into cooperative agreements and receive training, materiel and support for combined operations, the number of successful drug interdictions will increase.

Hemispheric and sub-regional institutions that promote intergovernmental initiatives against drug abuse and drug-related crime are fortified.

Regional bodies undertake new antidrug initiatives that result in a decrease in the level of drug abuse registered.

Program Justification

Goal Four of the National Drug Control Strategy is to shield America's air, land, and sea frontiers from the drug threat. The countries covered by the Latin America Regional Account, which are primarily drug transit countries that lie between the U.S. and the major drug-producing countries, are facing continuing challenges in dealing with changes in traditional drug production and trafficking patterns resulting from the recent increased pressure on the Andean countries. In addition, these countries are subject to increased pressure on their often-fragile social and justice institutions by trafficker violence and corruption and by increased drug abuse. While the U.S. needs the assistance of these countries to interdict U.S.-bound drug shipments, they need U.S. assistance to strengthen their law enforcement institutions, interdiction capacities and drug abuse prevention/treatment programs to protect their societies from the corrupting influences of narcotics trafficking.

Program Accomplishments

Cooperative arrangements, bilateral and multilateral, have been negotiated to increase the ability of governments to detect and interdict illicit drugs and other contraband. To date, Nicaragua, Panama, Costa Rica, Honduras and Belize have concluded Maritime Agreements, while El Salvador is expected to do so in FY 2003. Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala and Mexico have signed Stolen Vehicle Treaties with the United States. During 2002, the U.S. participated in successful negotiations co-chaired by Costa Rica, the Netherlands and CARICOM on a Caribbean Regional Maritime Counternarcotics Cooperation Agreement designed to foster cooperation and coordination in the carrying out of maritime law enforcement operations. The agreement entered into force April 10, 2003.

Financial crime is a major problem in numerous jurisdictions in Latin America and the Caribbean although most have adopted appropriate anti-money laundering regimes. During its June 2002 review, the Financial Action Task Force (FATF) updated its list of non-cooperating countries and jurisdictions in relation to anti-money laundering naming Grenada, Guatemala, and St. Vincent and the Grenadines as the remaining countries in the region that need to take steps to address the issue. At the FATF Plenary in February 2003, Grenada was removed from the list while St Vincent and the Grenadines will likely be removed at the June 2003 Plenary.

Attention to border security was increased during 2002 - 2003 through a series of programs. Belize and Honduras both adopted machine-readable passports, with Belize incorporating the first biometric security feature in the hemisphere. Also in 2003, the last of four inspection stations in the Container Freight Tracking System (CFTS) were completed. The CFTS project will ultimately link together the Pan-American Highway countries (Panama through Mexico) to allow for the collection and sharing of inspection information.

Cooperation among countries at the sub-regional level is yielding positive results. The countries of Central America, through the Central American Permanent Commission Against Drug Trafficking and Abuse (CCP), have developed a Regional Action Plan to guide collaborative actions. The countries of the Caribbean also continue to pursue program initiatives developed under the Barbados Plan of Action. All of these actions and initiatives receive support from the U.S., UNDCP and OAS/CICAD. Coordinated activities multiply the impact of our investment, and promote common approaches among neighboring countries.

FY 2004 Program

Caribbean Country Assistance. The U.S. will continue to provide assistance to upgrade the capabilities of Caribbean countries in the areas of interdiction, law enforcement and administration of justice. Assistance in asset forfeiture and the development of Financial Intelligence Units (FIUs) will be funded in part with INL Anticrime program funding. Country program funds will be used to improve law enforcement's maritime drug interdiction capability by offering training programs and providing go-fast interceptor boats and communications equipment. Funding will also support the salaries of Regional Security System (RSS) C-26 aircraft crews. Joint Information Communications Centers (JICCs) will be upgraded with new equipment, software and training, to promote more real-time interchange of cueing information from maritime and air detection platforms to law enforcement entities. Funds will provide limited support for drug demand reduction activities.

Central America Country Assistance. Funding will be used to continue to support efforts to modernize justice sector institutions and legal frameworks to allow successful prosecution of drug and arms traffickers, money launderers, alien smugglers, as well as corrupt public officials. Assistance will include such things as computer equipment to upgrade law enforcement, court, immigration, and anti-money laundering systems, maintenance and repair of vehicles and vessels, upgraded communications equipment and training. Regional anticorruption, anti-alien smuggling and commercial freight tracking initiatives being developed throughout Central America and which became operational during FY 2002, will require continuing U.S. assistance to be effective. The U.S. will also support sub-regional initiatives aimed at cross-border cooperation on drug interdiction efforts, harmonization of legislation, and improved information sharing.

South America Country Assistance. Paraguay, Chile, Uruguay and Argentina are used by traffickers as transit routes for cocaine originating in Andean source countries as well as to launder money and obtain precursor chemicals. The FY 2003 plan includes support to Argentina to strengthen its capacity to disrupt trafficking at its land borders and commercial ports. Significant seizures of cocaine transiting Chile highlight the need to support GOC interagency counternarcotics coordination and efforts to tighten container shipping inspection protocols and overland transit. In Paraguay, we will assist police to investigate and prosecute major traffickers and money launderers, and enhance border control by supporting the Chaco Mobil Enforcement Unit within the Anti-Narcotics Secretariat. In Uruguay, equipment and training will be provided to sustain the drug enforcement efforts of several agencies charged with implementing GOU counternarcotics legislation.

Regional Programs. The Caribbean Support Tender (CST), a State Department, U.S. Southern Command, and U.S. Coast Guard cooperative initiative, will continue to receive support, although at a reduced level. The CST is a U.S. Coast Guard buoy tender whose mission is to foster international cooperation and operational readiness for regional maritime services. The CST provides formal and on-the-job training to personnel from participating countries as it deploys throughout the Caribbean. During 2002, the two C-26 surveillance aircraft provided by the USG to the RSS, a treaty-based organization consisting of the seven East Caribbean countries, were fully operational. In Trinidad and Tobago, a C-26 aircraft will become fully operational during FY 2003 once an accelerated pilot training program is implemented. In 2004, the RSS and Trinidad and Tobago will begin phasing-in a cost-sharing plan for C-26 program expenses.

Program Development and Support (PD&S). PD&S funds will be used to pay salaries, allowances, and benefits of U.S. and foreign national direct hire employees and contract personnel working in Narcotics Affairs Sections or Offices in the region. In addition, funds pay for International Cooperative Administrative Support Services (ICASS) costs and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Latin America Regional INL Budget (\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Caribbean Country Assistance	3,940	—	2,600	1,000
Central America Country Assistance	2,590	—	2,750	1,000
South America Country Assistance	710	—	755	490
Regional Programs	1,660	—	1,700	700
Border Security Infrastructure	—	4,000	—	—
Program Development and Support	1,100	—	1,695	1,810
Total	10,000	4,000	9,500	5,000

Africa

Nigeria

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
2,270	—	1,760	2,250

Program Objectives and Performance Indicators

The capacity of Nigerian law enforcement to deter, prevent and investigate trafficking in narcotics, illegal migration, and financial fraud will increase.

There will be an increase in the number of seizures of narcotics and successful prosecutions of major traffickers; major narcotics trafficking organizations will be disrupted; an increasing number of illegal migrants will be detected and more smuggling organizations will be disrupted; an increasing number of financial fraud rings will be investigated and put out of business; sufficient resources will be committed to agencies responsible for trafficking and fraud investigations; and the number of countries participating in regional counternarcotics operations will increase.

The Nigerian Police Force (NPF) will become increasingly modernized.

Modern police training curricula will be developed and implemented for recruits and officers; modern adult training techniques in all police academies will be utilized; the administration and management of the NPF will be improved, including its crisis management capacity; the NPF will receive increased public and parliamentary support; sufficient resources will be provided to the NPF to meet basic requirements; and there will be a reduction in the number of police corruption incidents.

Program Justification

INL programs in Nigeria in FY 2004 are designed to achieve key U.S. foreign policy objectives of improving the performance of the criminal justice sector and of strengthening democratic institutions.

Nigerian organized crime groups dominate the African narcotics trade and transport narcotics to markets in the U.S., Europe, Asia and Africa. Some of these criminal organizations are engaged in advance-fee fraud and other forms of financial crime that defraud U.S. citizens and businesses. Years of military rule and economic decline contributed to the expansion of narcotics trafficking and criminality in Nigeria. Severe unemployment and widespread corruption provided both an incentive and the means for Nigerian criminal organizations to make Nigeria a major transit point in the international narcotics trade. Southeast and Southwest Asian heroin smuggled through Nigeria

amounts to a significant portion of the heroin smuggled into the U.S., resulting in Nigeria being placed on our list of major drug producing and drug-transit countries.

Since the end of military rule and dictatorship in 1999, the NPF has made efforts to adopt modern and effective techniques appropriate for policing in a democracy. A follow-on program is needed to train an additional 500 trainer candidates from the 36 states and the Federal Capital Territory (FCT) to enhance the effectiveness of the 200,000-member NPF. Success in this effort is critical to strengthening democratic institutions in Nigeria.

Program Accomplishments

Counternarcotics Support. Under a democratically elected president, Nigeria has demonstrated its commitment to cooperating with the U.S. in combating international crime emanating from Nigeria, including narcotics trafficking, illegal migration, and financial fraud.

Nigeria earned full certification in 2001 and 2002 for its counternarcotics efforts, including the extradition of a fugitive from U.S. justice in August 2002, the first in many years, and the passage of strengthened money laundering legislation in December 2002. By the end of 2002, five banks were under investigation for alleged complicity in narcotics-related money laundering activities.

In January 2003, the instruments of ratification of the U.S.-Nigerian Mutual Legal Assistance Treaty were exchanged and the Treaty entered formally into force. In addition, the Independent Corrupt Practices and Other Related Offences Commission, which has received U.S. assistance, had successfully investigated and prosecuted some 20 public corruption cases, including those involving high-ranking officials, and reportedly has many more under investigation.

Counternarcotics assistance has been focused on the Nigerian National Drug Law Enforcement Agency (NDLEA), which has sole responsibility for combating narcotics trafficking and abuse and which cooperates with U.S. counterpart law enforcement agencies. U.S.-provided equipment and training have assisted the NDLEA in detecting and deterring narcotics trafficking from Lagos' Murtala Mohammed International Airport. Traffickers are increasingly avoiding this airport, evidence of NDLEA's success there as well as an illustration of the need to increase interdiction capacities elsewhere in Nigeria and West Africa.

In 2002, the NDLEA received a special allocation from the Government of Nigeria (GON) for operations and continued facility upgrades, though funding remains inadequate to meet current demands given budget shortfalls and the costs related to the spring 2003 state and national elections. Nevertheless, the NDLEA has used its own funds to recondition four of the 10 blocks of dormitories at its training academy in Jos, as well as two classroom buildings and the administrative block, and built a large library to house the Computer Resource Center the U.S. has funded and equipped. This facility will be used as a low-cost venue for U.S. training, possibly to include participants from other West African countries. U.S. assistance was used to facilitate regional exchanges such as the creation of the West African Joint Operation (WAJO) initiative that brought together drug enforcement personnel from 15 countries in the region to help improve regional cooperation and NDLEA's participation in the USSS-sponsored Nigeria Organized Crime Conference held in Boston in September 2002. A six-week operation involving nine West African countries netted over 160 arrests, seizures of over 30 pounds of heroin, 20 pounds of cocaine, 20,000 pounds of marijuana and forfeiture of assets equivalent to more than \$190,000. Because of this type of experience, the NDLEA is now cooperating with South African police on narcotics related crimes where Nigerian criminal organizations are responsible for the bulk of drug trafficking. The quantity of heroin seized at Lagos airport and seaports were up from 2001 levels by more than 50 percent. The quantity of cocaine was down from

the 2001 level by the same percentage; however, in 2001, the NDLEA seized a record 60 kilos of cocaine at Lagos' Tin Can Island.

Illegal Migration. The USG hopes to enter into a Memorandum of Understanding calling for technical assistance at the international airport in Lagos. This MOU would allow the U.S. to send personnel to Nigeria to provide advice and technical assistance to Nigerian counterparts on issues of mutual interest. The Agreement has been cleared by the Department of State and is currently under review by the Department of Homeland Security for final approval prior to the commencement of bilateral negotiations.

The proposed Agreement is a framework to enhance cooperation between the U.S. and GON to curb the number of airline passengers traveling to the United States on fraudulent travel documents. Under this agreement, the GON would establish an interagency anti-fraud unit and taskforce that will be responsible for combating the use of fraudulent documents. The unit would pre-screen passengers boarding flights from Nigeria to the U.S. and present cases for prosecution related to fraudulent documents. The GON would agree to strengthen its Immigration Service and make best efforts to strengthen its criminal penalties for using fraudulent documents. Further, the GON would consult the U.S. regarding strategies to identify and intercept fraudulent U.S. passports and other travel documents, provide security for U.S. personnel assigned to assist in this initiative, and issue appropriate badges or permits authorizing U.S. personnel access to key areas in the airport.

Pursuant to this Agreement, the USG, through the Department of Homeland Security, would provide the GON with statistics and analysis regarding malafide passengers arriving from Lagos. The USG would cooperate with the GON interagency taskforce through an INL-funded technical assistance initiative on the following: identification and interception of fraudulent documents, U.S. travel documentation requirements, and appropriate controls to prevent illegal entry by air. INL has obligated the FY 2002 funding for this project through a Letter of Agreement signed in September 2002.

Financial Fraud. Advance-fee frauds, a type of fraud dominated by Nigerian criminals, have become a global menace. U.S. assistance in combating financial fraud, including advance-fee frauds and counterfeiting of U.S. currency, the passing of counterfeit or fictitious checks, and the unauthorized use of credit card numbers has been focused on the NPF Special Fraud Unit (SFU). USSS, which has an office in Lagos, works closely with the SFU. The SFU recovered \$150,000 in 2002 from a criminal who had defrauded a U.S. citizen. U.S. intervention was instrumental in the Obasanjo Administration pushing through legislation such as the new money-laundering bill and the creation of an Anti-Terrorism, Economic and Financial Crimes Commission that responded to Financial Action Task Force (FATF) standards. The Central Bank of Nigeria (CBN) was recently empowered, through an amendment to the Banks and Other Financial Institutions Act of 1991 (BOFIA), to freeze accounts of customers suspected of being involved in financial crimes.

Police Modernization. The objective of this project is to professionalize the NPF by establishing a new police academy curriculum that reflects modern police techniques and respect for human rights; training police trainers, new recruits and senior police managers; and offering civil disorder management training. The police reform project will enhance professional capabilities to carry out investigative functions; assist in the development of academic instruction and curricula for law enforcement personnel; improve the administrative and management capabilities of law enforcement agencies, especially their capabilities relating to crisis management; improve the relationship between the police and the community they serve; and create or strengthen the capability to respond to new crime and criminal justice issues.

A DOJ/ICITAP technical advisor was assigned in August 2002 to assist the NPF with modernization and reform efforts. Additional long-term technical advisors were deployed to different police training academies to work with senior police officials in the development of a modern police academy curriculum and to train trainers and new police recruits by utilizing the new curriculum. Training for trainers in Civil Disorder Management (CDM) will be implemented in four different states before the scheduled national elections from mid to late April 2003. While it is too early to evaluate the dividend paid by this training, over 80 police officers have been trained in Election Security and more than one hundred police trainers and their supervisors will undergo training to teach CDM in various locations throughout Nigeria. By the end of 2003, approximately 1000 NPF trainer personnel will have received training focused on civil disorder management, election security, field training officer development, community oriented policing, recruit training and management.

In 2002, the FBI sponsored police training that included courses in officer safety and street survival, collection and preservation of evidence, and violent crime analysis. Training is scheduled in financial and institutional fraud, cyber crimes, forensics and community policing as well as a database project. Passport screening equipment and related training will be sought for the State Security Service for use at the international airports.

FY 2004 Program

Nigerian criminal organizations are international in scope and have a direct impact on the U.S. FY 2004 funds will be used to continue to build strong counterpart agencies for U.S. law enforcement in three critical areas: counternarcotics, illegal migration, and financial fraud. FY 2004 funding will also continue support for modernization of the NPF.

Counternarcotics Support. FY 2004 funds will be used to continue interdiction training (through DEA) at the NDLEA academies in Jos and in Lagos, where much of the NDLEA's operational activities take place. To institutionalize regional cooperation, DEA will co-sponsor a West Africa Joint Operations conference and coordinate a regional Operation Jetway training course. DEA will work with NDLEA to establish intelligence information collection for Nigeria and West Africa to include West African seaports. In addition, NDLEA's training center in Jos will be used as a regional training facility for West Africa.

Police Modernization. FY 2004 funds will be used to provide advisory technical services (through a DOJ/ICITAP technical advisor assigned to NPF HQ) to senior police managers to monitor progress and help develop long-term strategies. The advisor will also work to ensure the sustainability of the changes and investment made during the previous two to three years, namely the implementation of the new curriculum, an assessment of police academy trainers using the new curriculum, and assessing the impact of the project's training on the police force as a whole. To train the approximately 200,000 police personnel in the new curriculum and techniques, a follow-on program will be implemented to train an additional 500 train-the-trainer candidates from the 36 states and the Federal Capital Territory (FCT) to enhance the effectiveness of the overall police force. The trainers will receive specific training in human rights, use of force, ethics, and community oriented policing strategies. Once fully trained, the trainers will offer courses in their states to the rank and file through scheduled 40-hour block sessions. Supervisors will receive additional training in professional standards investigations and complaint resolution.

Kano is the main center for training entry-level officers and has two complete computer training centers. With the completion of the database project, scheduled for 2003, ten trainers will be identified and trained in crime analysis through the use of computer crime data. These trainers will then train officer candidates in data input and crime analysis as part of the standard curriculum.

Periodic course offerings would be made for all management personnel to enhance their computer skills and crime analysis capabilities. An advanced cyber crimes course and advanced evidence collection course (FBI), and counterfeit detection (USSS) training are also planned for FY 2004.

Technical advisors will make final evaluations of the new curricula, methods of training used by college and academy trainers using the new curricula, the impact of community policing strategies on the target areas of Kaduna, and an overall assessment of the impact of the program on the police force as a whole.

Illegal Migration. FY 2004 funds will be used to provide technical advisory services (through DHS) to Nigerian Customs and the NDLEA to improve inspections of passengers boarding flights to the U.S., and to improve communication and coordination between U.S. and Nigerian law enforcement agencies.

Financial Fraud. FY 2004 funds will be used to provide advisory technical services (through USSS and FBI) to the NPF SFU to improve its capacity to locate, investigate and disrupt organizations involved in advance fee fraud and other financial crimes. Funds will also be used to procure equipment for training the SFU and INTERPOL unit of the NPF in the detection of counterfeit U.S. currency utilized by narcotraffickers.

Program Development and Support (PD&S). These funds will provide resources for salaries, benefits, and allowances of permanently assigned US and foreign national direct-hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs, TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Nigeria
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Law Enforcement Support				
Counternarcotics Support	520	—	150	500
Police Modernization	1,150	—	1,060	800
Illegal Migration	100	—	—	200
Financial Fraud	100	—	—	200
Subtotal	1,870	—	1,210	1,700
Program Development and Support				
U.S. Personnel	174	—	166	177
Non-U.S. Personnel	19	—	61	65
ICASS Costs	135	—	148	158
Program Support	72	—	175	150
Subtotal	400	—	550	550
Total	2,270	—	1,760	2,250

South Africa

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
2,034	—	1,442	1,770

Program Objectives and Performance Indicators

The capacity and infrastructure within the Johannesburg Metropolitan Police Department (JMPD) to assist the South African Police Service (SAPS) deter, prevent and investigate crimes in the largest and most crime-ridden metropolitan area in South Africa will be improved.

There will be effective utilization of a U.S. advisor in the operational, management and training aspects of the new JMPD training academy, developed to professionalize and build the capacity of both new and existing officers in the JMPD; an increased number of police trained in safety and survival and violent crimes investigation techniques; and an increased number of cases of violent crime brought to trial and successfully prosecuted.

The capacity of the Government of South Africa to efficiently and effectively combat and prosecute all forms of complex crime, including financial and organized crimes, drug trafficking, counterfeiting, trafficking in persons, and migrant smuggling, will be improved.

There will be an increased number of investigations, arrests and prosecutions of criminals involved in all types of organized and complex crime in South Africa and increased seizures of contraband at points of entry.

The capacity of the Department of Correctional Services to manage prisoner caseloads, introduce rehabilitation programs and use selected long-term prisoners as resources within the prison populations will be developed.

There will be reduced numbers of prisoners awaiting trial, increased access to rehabilitation programs for willing prisoners and continued development of programs for long-term prisoners in drug peer counseling.

Program Justification

South Africa is an anchor for stability and prosperity in the Southern African region, and therefore is a high priority in the President's National Security Strategy. It is a catalyst in the region for encouraging other countries to address crime, terrorism and immigration threats, under the umbrellas of the Southern African Development Community, the New Partnership for Africa's Development and the

Southern African Regional Police Chiefs Cooperation Organization. Assisting South Africa on law enforcement and judicial issues addresses U.S. priority goals of supporting a stable and prosperous South Africa, fighting transnational security threats and creating a favorable climate for investment in the region.

Organized and complex crimes continue to vex the South African Police Service (SAPS), which faces widespread street crime and among the highest rates of murder and rape in the world. When the walls of apartheid crumbled, elements of organized crime entered South Africa and set up business, taking advantage of established smuggling routes, a world-class transportation system and sophisticated financial institutions. Providing technical assistance, training and select material to the South African law enforcement sector for detecting, investigating, and prosecuting complex and organized crime will help address one of South Africa's priority impediments to economic development, support its still-fragile democratic systems, and enhance stability in the region.

In order to provide better security for its citizens, give police responsibility for distinct geographic areas, and improve the capacity of the SAPS to deter crime, the South African Government has begun to establish municipal police forces. These forces have limited powers, and are meant to assist the SAPS through more visible policing and by spearheading the initial investigations of many less complex and serious crimes. In assisting the municipal police force in South Africa, we are providing much-needed stability in an area where established businesses are fleeing and new investors fear to tread due to rampant crime. The Johannesburg Metropolitan Police Department has existed for almost two years and needs technical support, direction and management advice. The JMPD also needs an upgraded training facility to continue the professionalization of its members.

Because South Africa's policing efforts have improved in the past five years, prisons in South Africa are overcrowded, under-resourced, and have become training grounds in illegal activities for young criminals. Numbers of prisoners awaiting trial in South Africa rank among the highest in the world according to the Office of the Inspecting Judge of Prisons; 41% of such prisoners remain incarcerated owing to an inability to pay fines of \$6 or less. The recidivism rate in South Africa stands at approximately 80%, according to South Africa's Institute for Security Studies, and prison personnel are unable to conduct programs that will both reduce the numbers of criminals in prison and rehabilitate those who are open to changing their lives. Working with the Department of Correctional Services in pilot projects has paid large dividends in rehabilitating and reintegrating juvenile offenders into the community and turning them into productive members of society. These programs have also assisted in decreasing the numbers of juveniles in prison through diversion programs, and reduced sentences for prisoners enrolling in rehabilitation programs. These programs will need to continue in the near term before the problem of overcrowding can be addressed.

Program Accomplishments

Law enforcement training programs in FY 2000 – FY 2002 have greatly assisted the SAPS. These programs professionalize their officers, teaching them specialized skills in a wide range of courses including financial crimes, computer crimes, counterfeiting detection, interviewing techniques, border and port control, and drug detection. Relevant parts of these courses have been integrated into the SAPS' own training program and are now a regular part of their training curriculum. An additional benefit of the training courses has been the enhanced cooperation with U.S. law enforcement agencies stemming from personal relationships formed with SAPS officers. In particular, these relationships have proved extremely useful in post-September 11 FBI investigations.

Equipment donated to the police over the past three years has also proved invaluable to the SAPS. U.S.-donated Analyst Notebook software helped the SAPS organized crime units better coordinate

their work, detect overlaps in different cases, and follow complex evidence chains. The software has assisted in numerous investigations on narcotics, criminal gangs, and the South African terrorist group, People Against Gangsters and Drugs. Forensic equipment purchased for the SAPS forensics lab has helped the SAPS and U.S. Secret Service agents in South Africa detect several million dollars worth of counterfeit U.S. currency and numerous fraudulent documents both from South Africa and from around the African continent. Computer forensics reference material purchased for the commercial crimes section of the SAPS have contributed to the knowledge of police officers working on complex computer fraud cases and built upon training provided by numerous U.S. law enforcement agencies, resulting in better investigations and court cases.

U.S. pilot programs in the South African Department of Correctional Services have won awards for their innovativeness, effectiveness and results. Eighteen long-term juvenile prisoners (serving sentences of 15 years or more) have gone through a drug rehabilitation program, learned to be drug peer counselors, and are now working throughout the Johannesburg Maximum security prison to counsel their fellow inmates. Not only is this program assisting the inmate population, but it is also relieving the work of prison social workers and wardens who are overburdened and not prepared for this type of intervention.

A second U.S.-funded pilot project in diversion has reached over 150 children in high-risk areas, diverting them from the criminal justice system. The courses were also provided to select children awaiting trial, and in some cases, the courses assisted in reducing or negating the sentence for these children. Most of the children who have been through this diversion program do not continue with crime as a way of life.

FY 2004 Program

The FY 2004 program has three major components that build upon efforts undertaken in previous years.

Johannesburg Metropolitan Police. FY 2004 funds will be used to build on the successful utilization of a U.S. advisor and training infrastructure developed in previous years. By providing the JMP with more advanced knowledge, management skills, and training techniques, the JMP will develop into a respected police force that will answer the needs of all citizens. INL will continue supporting the force through a U.S. advisor and with training and equipment.

Complex Organized Crime. Assistance to law enforcement agencies in FY 2004 will address objectives by providing continued training on new techniques to deter, detect, investigate and prosecute complex organized crime, and providing equipment needed to enhance SAG law enforcement ability to combat complex organized crimes. This support will facilitate important operations against drug, people and natural resource traffickers, financial criminals and other individuals involved in organized crime.

Correctional Systems Development. Building on effective rehabilitation, diversion and reintegration programs, FY 2004 funding will be used to expand these programs to prisons and courts across the nine provinces in South Africa. This program will further reduce prison populations and recidivism rates.

Program Development and Support (PD&S). These funds will provide resources for salaries, benefits, and allowances of permanently assigned US and foreign national direct-hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs, TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

South Africa

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Law Enforcement Programs	395	—	—	—
Administration of Justice				
Johannesburg Metropolitan Police	1,000	—	—	300
Complex Crime Investigations	—	—	700	600
Correctional Systems Development	—	—	490	600
Youth Crime Prevention	400	—	—	—
Subtotal	1,400	—	1,190	1,500
Program Development and Support				
U.S. Personnel	147	—	152	163
Non-U.S. Personnel	12	—	12	13
ICASS Costs	43	—	49	52
Program Support	37	—	39	42
Subtotal	239	—	252	270
Total	2,034	—	1,442	1,770

Africa Regional

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
3,196	—	3,498	2,980

Program Objectives and Performance Indicators

The capacity of criminal justice sectors within select Sub-Saharan African nations will be improved with respect to combating trafficking in narcotics and other contraband, illegal migration, public corruption and other transnational crimes.

Technical assistance, training and equipment delivered and effectively utilized by recipients; improved inspection routines at ports-of-entry; increased interdictions and arrests of traffickers, smugglers and illegal migrants; increased investigations leading to convictions in public corruption cases; improved police-community relations; and improved bilateral law enforcement cooperation will result in more effective law enforcement institutions.

Sustainable improvements in policing in select Sub-Saharan African countries will be achieved through the modernization and professionalization of select law enforcement groups within the region.

The development and implementation of appropriate curricula and adult teaching methodologies in academies and in-service training programs; development of strategic plans for improving law enforcement training; increase in the numbers of recruits, officers, and instructors trained; improved forensic facilities; and improved bilateral law enforcement cooperation will result in more effective law enforcement institutions.

Program Justification

Criminal activities throughout the African continent corrupt and weaken governments, undermine progress towards the establishment of democratic institutions, and hinder economic growth and foreign investment. Police professionalization and establishing criminal justice institutions are keys to supporting democracy.

East and Southern Africa (Ethiopia, Djibouti, Tanzania, Uganda, Kenya and Mozambique) comprise a transit route for African and Asian criminal activities including trafficking in narcotics, persons, and other contraband; alien smuggling; money laundering; and financial crime.

West Africa (Nigeria, Benin, Cape Verde, Ghana, Togo, and Senegal) is a major transit hub for narcotics trafficking, trafficking of persons, small arms, financial fraud, and fraudulent documents directly affecting U.S. citizens.

Program Accomplishments

Airport security training, a drug enforcement course and commodities provided to key anti-narcotics units operating in Benin and Ghana have strengthened the capacity of these countries to deal with Nigerian “spill-over crime” and improved cooperation with U.S. law enforcement. Assessments were completed on the capacity of Beninois and Ghanaian airport security to interdict illegal contraband; these formed the basis for planned follow-up consultations and training by DOJ and Transportation Security Administration to improve civil aviation security capacities.

An innovative and technologically appropriate community-policing project resulted in the establishment of a bicycle patrol unit in Ghana. The project provided bicycles as well as training on bicycle patrols and repair. The unit has been sustained successfully by the Ghanaian National Police (GNP). GNP statistics show increased numbers of arrests, and the U.S. mission reports improved community-police relations and cooperation with U.S. law enforcement and mission personnel. The project will serve as a model for future community policing projects in Africa.

Anti-corruption assistance has been aimed at creating effective corruption-fighting laws and institutions. An intermittent legal advisor assisted the Government of Mozambique in preparing a complete curriculum for an in-service training program for provincial prosecutors and judges in the areas of anti-corruption, money laundering and organized crime. The advisor also recommended changes to the draft anti-corruption law to strengthen prosecutorial authorities, and developed a case management system for the anti-corruption unit within the Attorney General’s Office.

Civil disorder management training was provided to trainers, line officers and commanders of the Tanzanian Police Force. Thirty-seven police commanders participated in the first iteration of training in December 2002, which included a number of practical as well as written exercises. The average score on the final written exam was 90%. The U.S. trainers confirmed that the participants demonstrated a clearly enhanced level of public order management capability at the end of the course. A strategy developed by class participants will act as a model for future iterations of training for line officers in the spring of 2003.

Work has begun on projects to modernize police academy curricula and teaching methodologies in a number of African countries. A comprehensive assessment was completed at the police sciences academy in Mozambique covering administration, management, curriculum and resource issues. The U.S. and the Government of Mozambique then agreed to proceed with the assignment of an advisor to work closely with the law enforcement officials at the academy to implement the recommendations of the assessment report. Similar projects will be carried out for police academies in Ghana, Uganda, Tanzania, and Ethiopia.

INL assistance in the forensics area began in FY 2001, with equipment and drug kit donations, technical assistance on the protection and care of sensitive forensics equipment, and basic and advanced forensics training for technicians along with senior management assistance and direction provided to the national Forensic Drug Laboratory in Senegal. The combination of upgrading the National Drug Lab and excellent technical training of field agents was the necessary first step of the longer-term goal of establishing a West Africa Regional Drug Lab. The U.S. mission confirms that the donated equipment is being maintained and utilized properly. An assessment of the police laboratory facilities in Tanzania was completed at the end of 2002. Fifty loop magnifiers were

delivered for use by fingerprint specialists, the GOT funded and commenced upgrades to the lab facility, and the first iteration of training began in February 2003.

FY 2004 Program

INL funds will be used to effect sustainable improvements in the capacity of African law enforcement and criminal justice institutions dealing with trafficking of contraband, including narcotics and persons; border security issues including illegal migration and people smuggling; police reform and professionalization; public corruption; curriculum development; and forensic laboratory development. U.S. assistance will continue to be directed at states in the region with a demonstrated commitment to good governance and democratic policing and with a record of having used prior-year U.S. assistance effectively. Programs in West Africa (Senegal, Benin, Cape Verde, and Ghana), in particular, will continue to ensure that criminal activities that formerly originated in Nigeria are not simply displaced to neighboring states.

Law Enforcement Development. FY 2004 funding will be used to continue and expand police academy development programs in Ghana, Mozambique, Tanzania, Ethiopia and Uganda. The emphasis in the second phase of these projects will be to improve instructors' skills and to develop in-service training programs.

Forensic Laboratory Development. Lab development programs initiated in Mozambique, Tanzania, Senegal and Uganda with prior-year funding will continue to receive training, equipment, and resource upgrades for additional specializations. The training laboratory at the police sciences academy in Mozambique will expand to processing evidence for police officers operating within regions near the academy. Support will be given to the Forensics Drug Laboratory in Senegal, which is in the process of becoming a forensics investigations leader in Francophone West Africa, to develop a network of West African experts and investigators through joint training.

Border Security. FY 2004 funds will be used to provide training and drug detection equipment to fight the transit of drugs through Cape Verde to the U.S., an increasing problem.

Anti-Corruption. FY 2004 funding will be used to provide training and technical assistance to investigators, prosecutors and the judiciary in Ghana and Benin. INL will develop a comprehensive anti-corruption program for the judiciary, prosecutors and police in Kenya, including train-the-trainer courses in ethics and public corruption investigations, and technical assistance for the Kenyan Police to set up its own process of internal oversight. Funds will be used for continued assistance to Mozambique's Anti-Corruption Unit within the Attorney General's Office through a joint program with USAID.

Africa Regional
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement	2,456	—	1,682	1,480
Forensic Laboratory Development	360	—	897	800
Border Security	90	—	669	200
Anti-Corruption	290	—	250	500
Total	3,196	—	3,498	2,980

Asia and the Middle East

Afghanistan

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
3,000	60,000	—	40,000

Program Objectives and Performance Indicators

The overall INL program objective is to work with the Government of Afghanistan (GOA) and the international community to reduce poppy cultivation, reform the Afghan judicial system and improve law enforcement capabilities so as to strengthen the rule of law, enhance public security and attack illegal drug production and trafficking.

Administration of Justice. Under Italian leadership, the Judicial Commission, the Ministry of Justice, and related offices will establish a functioning justice system for Afghanistan based on the rule of law that meets internationally accepted human rights standards and enhance public security by providing a legitimate means of resolving disputes.

The Judicial Commission will emerge as the lead Afghan agency for coordinating justice system reforms and will have the resources necessary to do its work.

The Judicial Commission, in conjunction with relevant GOA officials, Italy, the UN and other donors, will develop and implement a unified framework to guide reform of the Afghan justice system.

The GOA, with Italian and UN assistance, will identify the repairs needed for its physical plant (courts, administrative offices, etc.), arrange foreign donor funding and begin rehabilitation.

The Judicial Commission and Ministry of Justice will identify necessary legal changes and draft appropriate laws.

Training on civil laws, human rights and basic legal principles will be provided for judicial personnel and law texts and laws will be distributed throughout Afghanistan.

Women jurists will be reintegrated into the judicial system.

The government will promulgate professional standards for legal system personnel.

Civilian Law Enforcement. Under German leadership, Afghan police and other law enforcement capabilities will be improved through training, technical assistance and institutional capacity building in order to strengthen the rule of law and enhance security in Kabul and in the provinces.

The Ministry of Interior will develop a telecommunications maintenance and repair facility to ensure an ongoing capability to keep its radio systems functioning.

The new U.S. training facility for lower-level police officers in Kabul will be established and training for at least 1,000 police officers will be completed; personnel that complete the training will receive new uniforms and personal equipment.

Office supplies and equipment will be provided to police stations in the Kabul area.

An identification card system linked to a personnel database to register police will be established.

An HF radio communication system will be established to link the Ministry of the Interior with police headquarters in each of the 32 provinces of Afghanistan.

At least two groups of police from outside Kabul will have received training so that they can act as trainers in the provinces. Training in the provinces will begin.

Counternarcotics Support. Under British leadership, opium poppy cultivation, abuse and trade will be reduced by providing alternative livelihood programs, demand reduction projects, an antidrug campaign, and drug law enforcement assistance. Greater European involvement in alternative development efforts in Afghanistan will occur.

Afghan authorities will take responsibility for destroying illegal drug crops and assessing the extent of cultivation.

The National Security Council's Counternarcotics Directorate (CND) will be fully staffed, adequately equipped, funded, and have appropriate facilities in which to work.

The CND will create a framework for centralized statistical reporting on drug arrests and seizures and assume a working role in the annual opium survey and in assessing alternative livelihood needs.

Net poppy cultivation will fall by one-quarter.

Rural development assistance will focus on medium- and long-term projects that bring sustainable alternative livelihoods to poppy growing areas.

New drug intelligence, investigation and interdiction units will be organized and trained and begin operations focusing on Kabul; a British-funded investigative unit will be based in Kandahar.

Centralized data collection on drug arrests and seizures will begin; measures needed to attack drug money laundering will be defined.

A new drug law will systematize data collection and evidence handling.

The Ministry of the Interior will reorganize in accordance with German technical advice and establish a counternarcotics department.

A centralized statistical reporting system will begin to issue reports and procedures for securing, testing, and destroying seized drugs will be developed.

A law making money laundering illegal will be drafted and promulgated.

With the assistance of UNODC, the CND will conduct a baseline assessment of the extent and nature of drug abuse and dependence in Afghanistan. Working with the Ministries of Public Health, Information and Culture, Education, and Telecommunications, the CND will coordinate a national drug abuse prevention and treatment program.

Program Justification

The fall of the Taliban regime and Operation Enduring Freedom have provided Afghanistan a rare opportunity to rebuild the country. Poppy cultivation resumed in Afghanistan after September 11, 2001, and Afghanistan resumed its place as the world's largest producer of opium in 2002, despite the imposition of the government's January 2002 ban on cultivation. Without an organized security force or rule of law, the drug trade and crime will undermine efforts to create a stable recovery in Afghanistan. Although President Karzai has issued decrees outlawing the production, trafficking, and use of illegal drugs, the central government's ability to enforce the decrees is minimal. The USG estimates the extent of poppy cultivation to be 30,500 hectares. There is limited Afghan capability to estimate illegal drug cultivation and destroy illegal drug crops and there is no integrated drug intelligence, investigation, and interdiction capability within the Afghan National Police. Drug arrests, seizures, testing, and destruction are haphazard and drugs confiscated by the authorities are sometimes stolen and/or resold. There is urgent need to help the Afghans pursue licit crop cultivation and enforce their ban on poppy cultivation and the opiate trade.

In addition, a functioning justice system will enable Afghanistan to work with U.S. law enforcement in the future, give Afghans a legitimate means of settling disputes, aid economic recovery through the promotion of foreign investment, and help secure human rights. Currently, the Afghan justice system is in almost complete collapse. Court buildings are destroyed. Records are lost. Temporary facilities are in use. Most personnel are untrained in the law. Women legal professionals disappeared from the system during the Taliban period and have largely not yet returned. Therefore, there is the need to modernize and re-establish a fair and transparent justice system.

The Afghan National Police is a fractured organization without strong central authority. The Ministry of the Interior struggles to identify and exert control over an estimated 75,000 police throughout the country. There is a need to modernize and professionalize the National Police to improve the security environment. The Ministry of the Interior is unable to communicate with or exercise effective supervision of the Afghan National Police. The police are underpaid and ill equipped. They are subject to corruption and intimidation by well-armed and well-financed warlords. The National Police needs to be reorganized to function more effectively.

The FY 2004 INL program will have three main components that build on efforts begun with FY 2002 supplemental funding – police training and reform, justice sector reform and counternarcotics activities.

Program Accomplishments

INL has successfully concluded a Letter of Agreement with the government of Afghanistan for \$60 million to provide justice, law enforcement and counternarcotics program assistance.

Administration of Justice. The Afghan government has appointed a judicial commission made up of 11 members, including two women, considered to be reform minded. The Italian government, under urging from the U.S., has committed an additional \$20 million for judicial reform over the next two

years. INL has put mechanisms in place to refurbish and supply basic equipment to courts in Kabul, as the needs are identified in conjunction with the planned UNDCP assessment. The pre-Soviet basic legal codes, the 1964 Constitution, and the Bonn Agreement have been distributed or are in the process of being distributed to every province in Afghanistan in local languages. These have been well received by local administrators and judges. INL funds supported a United States Institute of Peace conference in early February 2003, which brought together 21 Afghan legal professionals, human rights, constitutional and judicial commission members, legal activists and international experts to discuss approaches to criminal justice and the development of an independent and fair system of justice. The group cut across ministry and ideological lines, and discussions that they began for the first time in Washington will continue in Kabul. INL is working closely with the international community and USAID to begin a training program for judicial personnel in 2003.

Civilian Law Enforcement. INL is in the process of putting together a U.S.-led international training team that will meet to develop curriculum and training plans. The U.S. members have already been selected and a compound has been leased in Kabul to house the team in anticipation of their arrival. A U.S. Police and Justice Advisor has been deployed to Kabul to oversee the progress of the U.S. contribution to the police and justice programs. INL has signed a Memorandum of Understanding with the Department of Justice ICITAP program to assist with curricula development, training and train-the-trainer elements of the Afghan program. The new training site has been identified and INL continues to make progress on its development. A communications team is currently in Kabul and is identifying the precise locations of the base stations in preparation for the installation of the communications system.

Counternarcotics Support. Under significant U.S., UK and UN pressure, the government of Afghanistan has taken important steps to curb poppy cultivation and trade in Afghanistan. In accordance with the UK plan, President Karzai decreed a ban on opium poppy in 2001, and he created the Counternarcotics Directorate as the central drug policy-making body for the government. The government has been undertaking an eradication campaign in poppy provinces over the last several months, which the U.S. will support with significant assistance for alternative livelihoods programs in those areas. USAID and INL have provided more than \$135 million in humanitarian, health, and rural livelihood assistance to principal poppy-producing provinces – \$14.5 million was directed specifically towards reducing poppy cultivation. INL is in the process of obligating an additional \$17 million for alternative development programs through 2003. In July of 2002, INL deployed a full-time officer to oversee all INL programs at the Embassy in Kabul. INL has also provided funds to build and staff the UN Office on Drugs and Crime, which is now fully staffed and operational and has been instrumental in moving the Afghans forward on counter-drug programs. INL contributed to a UNODC program to build the government's drug policy office, the Counternarcotics Directorate, within the National Security Council, which has acquired office space and is hiring staff. The CND staffing consists of the Director-General, several policy advisors and support staff. With extensive assistance from UNODC, the U.S. and the UK, a draft National Drug Control Strategy has been prepared and reviewed by five drug sub-sector working groups, alternative livelihoods, demand reduction, law enforcement, judicial reform and coordination activities. These Working Groups will implement counter-drug programs as directed by the CND. The Cabinet will approve the Strategy in early 2003. The Ministry of Justice has drafted a new drug law as well. The Germans have begun training an intelligence unit, while an investigative unit for a regional office in Kandahar, trained by the British, is underway. INL will fund the training and equipping of an interdiction unit under the auspices of the UNODC in early 2003.

FY 2004 Program

Building on programs begun with \$60 million from the FY 2002 supplemental, \$40 million in FY 2004 funds will be used to continue counternarcotics, police and justice development programs. Of the total FY 2004 funding, \$17.8 million will be used to fund counternarcotics support; \$18.5 million for the Civilian Law Enforcement program; \$3 million for the Administration of Justice program, and \$0.7 million for Program Development and Support.

Counternarcotics Support and Drug Awareness/Demand Reduction. Funding for counternarcotics projects will support the UK lead on counternarcotics activities in Afghanistan and include enforcement, institution building, public diplomacy, demand reduction and rural livelihood programs in major poppy-growing areas. The INL alternative development plan has initiated assistance programs in major poppy areas. It is necessary to provide early aid to the poppy farmers, who are enmeshed in a vicious cycle of opium credit taken against future crops. Within two to three years, however, we plan to discontinue alternative development assistance because: (1) as their capacity grows, the Afghan counternarcotics police will enforce the opium ban in the countryside, and (2) the rural development programs of the major assistance providers will “mainstream” the special needs of poppy farmers in their programs. Alternative development programs should not continue indefinitely because of the perverse effect they may cause over time, by which farmers grow poppy because that is the fastest way to get assistance. Alternative development and income generation programs provide immediate assistance in poppy-growing areas to promote voluntary eradication and provide sustainable, alternative crops and income opportunities. These programs will include agricultural inputs and training for farmers, and vocational training to generate income for other vulnerable populations such as women. A portion of the counter-narcotics funds will support drug control capacity-building programs to assist the Afghan government to maintain a national drug control coordination office. Funds will also support training for border police to improve interdiction capacity and cross-border cooperation and training for a counter-narcotics force to enforce the poppy ban and pursue drug traffickers. The remaining funds will go to programs that focus on counteracting the debilitating effects of illicit drug production and abuse through demand reduction projects and a major public affairs program to encourage support for a drug-free society.

Civilian Law Enforcement. Assistance to train and equip police in FY 2004 will continue to complement the German-led efforts to re-establish law enforcement functions and take steps to organize and professionalize the 75,000-member Afghanistan National Police Force that will be established. The program will build on an effort that enhanced police capabilities in Kabul, contributed non-lethal personal equipment, materials, and supplies, provided an identity card system with personnel database, and established a country-wide chiefs of police communications network. U.S. assistance will support Afghan training activities at the new Ministry of Interior police school in Kabul and the National Police effort to improve and modernize police organization and capacities in the 32 provinces outside Kabul. Funds will be used to assist Afghan trainers deliver basic skills curricula for lower-level police that provide training in the principles of supervision and management for all levels of the police organization, stresses human rights and provides personal police equipment. U.S. assistance will also expand the police identification card system and enhance the police physical plant and infrastructure in the provinces. During FY 2004 INL will expand training of police to include police from outside Kabul who will be trained as trainers.

Administration of Justice. Assistance in the justice sector will continue to support Afghan and Italian-led efforts to rebuild and reform the domestic justice sector. Efforts will focus on establishing the rule of law through assisting the Afghans in rebuilding justice system infrastructure, including court and training facility refurbishment, training of justice system personnel in criminal procedure, human rights and basic skills, and assisting with the development and implementation of professional

standards. In addition, we will continue to support the Ministry of Justice and the work of the judicial commission in its efforts to reform the justice sector.

Program Development and Support (PD&S). PD&S funds are used for the salaries, benefits, allowances, and travel of direct hire and contract U.S. and foreign national personnel, ICASS costs and other general administrative and operating expenses for counter-narcotics and anticrime program planning, design, implementation, monitoring and evaluation.

Afghanistan

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Counternarcotics Support				
Sustainable Alternative Development	3,000	27,050	—	12,000
Drug Control and Capacity Building	—	3,832	—	3,000
Border Security Program	—	—	—	2,000
Subtotal	3,000	30,882	—	17,000
Drug Awareness/Demand Reduction	—	2,000	—	800
Civilian Law Enforcement				
Training of Afghan Police	—	15,000	—	12,500
Equipment, Communications Support	—	9,600	—	6,000
Subtotal	—	24,600	—	18,500
Administration of Justice				
Justice Sector Training Program	—	1,500	—	2,000
Justice Sector Reform & Infrastructure	—	500	—	1,000
Subtotal	—	2,000	—	3,000
Program Development and Support				
U.S. Personnel	—	225	—	345
Non-U.S. Personnel	—	36	—	45
ICASS Costs	—	90	—	100
Program Support	—	167	—	210
Subtotal	—	518	—	700
Total	3,000	60,000	—	40,000

Laos

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
4,200	—	2,500	3,000

Program Objectives and Performance Indicators

A Lao capacity to reduce opium production and narcotics refining through alternative development and crop eradication programs will be built.

Road construction in Phongsali province will be completed; access to markets, government services, food production and alternative income activities will improve; eradication efforts in Phongsali, Luang Prabang and other poppy-growing provinces will increase; and road construction and related activities in Luang Prabang province will begin.

Drug addiction and abuse levels will be reduced.

A nationwide train-the-trainer effort will be developed and implemented; additional treatment centers will be constructed; and demand reduction education and treatment at national- and municipal-level drug counseling centers will increase.

Counternarcotics law enforcement capabilities to combat the production and trafficking of heroin, opium and methamphetamine and promote effective interaction with law enforcement agencies in the international community will be improved.

Effective utilization of donated equipment by the counternarcotics units, Customs Department and Commission for Drug Control and Supervision will result in increased arrest and seizure rates; and improved access to investigators, reports, suspects and samples will become evident.

Program Justification

Laos was the world's third largest producer of illicit opium in 2002. According to U.S. estimates, although opium poppy cultivation in Laos rose slightly in 2002, potential opium production decreased fourteen percent, to around 180 metric tons. Opium poppy is generally grown in remote, mountainous areas largely populated by ethnic minority groups that have traditionally resisted the imposition of central authority. Laos is one of the world's poorest countries, with a lack of infrastructure such as

roads and rail that isolates rural villages from the market economy and most government services and influence.

In 2000, the Government of Laos (GOL) declared counternarcotics to be a national priority. Since then, it has adopted stricter drug control policies, including tough new measures for eliminating opium production, imposing the death penalty for certain drug-related crimes, and organizing a national campaign to address the growing problem of methamphetamine abuse among Lao youth. The GOL has pledged to reduce opium production by 40 percent in 2003, and eliminate it altogether by 2005.

Laos is also a transit route for Burmese drugs going to China, Vietnam, Thailand, Cambodia, and beyond, and is increasingly coming under siege by drug traffickers. Law enforcement capabilities in Laos are both rudimentary and under-funded: more training and better coordination are badly needed – as well as increased GOL support – to be effective against the major trafficking organizations active in Laos.

Laos has the second highest opium addiction rate in the world and much of the opium poppy grown is consumed in Laos. The addict population supports the Lao opium production and increases the difficulties of eradication and crop substitution. In addition, Laos shares with the rest of South East Asia the growing problem of methamphetamine abuse. There is still little conception in Lao society of the complexity and pathology of drug addiction.

INL development projects are aimed at providing income alternatives for opium poppy farmers before instituting a program of crop eradication. Without such alternatives the farmers would face extreme hardship and the Lao Government would be unwilling to enforce eradication. The crop substitution areas funded by the U.S. Government consistently show lower levels of opium cultivation.

The law enforcement project will help train and equip specialized counternarcotics units, with the goal of placing one in each of the 18 provinces in Laos. It will also support Lao Customs and the Commission for Drug Control and Supervision.

The demand reduction project will support Lao demand reduction and drug abuse education efforts through several NGO and international organization channels.

Program Accomplishments

The INL-funded alternative development project in Houaphanh Province has succeeded in reducing opium production in the project area to below commercial levels. The project has included construction of 160 kilometers of rural access roads, irrigation and hydroelectric dams, clean water systems, local hospitals, and primary schools. New rice strains and commercial crops have been introduced and commercial weaving and silk production have been promoted. Similar crop control project in Phongsali Province and Luang Prabang are underway, starting with road construction. At U.S. urging, the GOL has commenced eradication efforts in areas where successful alternative development projects have reduced cultivation to below target levels.

The first INL-supported counternarcotics units (CNUs), now in ten provinces, are slowly maturing and expanding their cooperation with other counternarcotics forces in the region. INL funds administrative expenses of the Ministry of Interior's Drug Control Department, which supervises CNU police officers. Counternarcotics police have improved data collection and entry for arrests and other relevant information, and several CNUs have contributed to effective interdiction efforts. In 2002, CNUs reported 235 cases resulting in the arrests of 472 suspects. Drugs, vehicles, weapons and cash were confiscated in some cases. However, CNU cooperation with U.S. law enforcement remains hampered by restricted access and cumbersome regulations on contacts and training. The INL project

intends to eventually open CNUs in each province and to equip and staff branch offices along trafficking routes; however, GOL cooperation with existing CNUs will have to improve further before the program is expanded. Lao Customs made several significant seizures in early 2003 and promptly shared information with U.S. agencies. Over 300 officials from the CNUs, Customs, and other agencies have received basic officer training and specialized training at ILEA Bangkok.

The GOL is formulating a national demand reduction strategy to focus on the growing problem of ATS (amphetamine-type stimulants). U.S. funds helped build an ATS addiction clinic in Vientiane in 2002 and paid for DEA demand reduction training for 67 police. Opium addiction remains the major drug problem in Laos, however, and in 2002 the UN Office of Drugs and Crime (UNODC) estimates the nationwide opium addict population decreased slightly, to 56,613 vs. 58,000 in 2001.

FY 2004 Program

The FY 2004 program has three major components that build on efforts undertaken in previous years.

Alternative Development/Crop Control. The majority of FY 2004 funds will be used to expand the crop control project in Phongsali province, and to support eradication efforts in other poppy-growing areas such as Houaphanh, Oudomxai and Luang Prabang. According to the UN, Phongsali is the most important poppy-growing province, but has received little development assistance due to its extremely remote location and lack of roads. Funds will be used for completion of a 72-km road as a platform for alternative development activities, such as weaving and raising livestock.

Drug Awareness/Demand Reduction. Drug Awareness/Demand Reduction funding will support efforts throughout the country to increase education and treatment. Specifically, financial support will be provided to a Demand Reduction Training Center to be operated by NGOs within the country to develop and implement a nationwide train-the-trainer initiative. Funds will also be provided to assist the National Center for Demand Reduction in Vientiane and drug counseling centers in several cities and towns.

Narcotics Law Enforcement. Funds for narcotics law enforcement will be used to provide housing, equipment, and training for the CNUs currently active in ten provinces. Assistance will also continue to the Lao Customs Department and National Commission for Drug Control and Supervision, which oversees all GOL counternarcotics activities. In addition, funds will be used to provide training for law enforcement officials from these and other agencies at ILEA Bangkok. Funding will continue to be used to pay administrative expenses of the Drug Control Department of the Ministry of Interior, which supervises the CNUs.

Program Development and Support (PD&S). PD&S funds will cover the salaries, benefits, and allowances of permanently assigned U.S. and foreign national direct-hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs, TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Laos
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement	200	—	50	100
Crop Control/Alternative Development	2,523	—	1,505	1,902
Drug Awareness/Demand Reduction	900	—	300	300
Program Development and Support				
U.S. Personnel	304	—	257	285
Non-U.S. Personnel	27	—	28	30
ICASS Costs	102	—	107	112
Program Support	144	—	253	271
Subtotal	577	—	645	698
Total	4,200	—	2,500	3,000

Pakistan

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
75,500 ¹	15,000	6,000	38,000

Program Objectives and Performance Indicators

The capacity of the Government of Pakistan (GOP) law enforcement agencies to deter, prevent, and investigate major crimes including terrorism and trafficking in drugs, persons and contraband will be enhanced.

The criminal database and automated fingerprint identification systems will be implemented at federal and provincial levels; key training segments (e.g., port of entry operations, criminal investigations, first response to crime scenes) will be delivered and replicated by Pakistani trainers; and donated equipment will be effectively utilized in investigations and operations.

Border controls and border security will be greatly improved as a result of greater access to the western border and coast regions by law enforcement officials, so as to deny safe haven to terrorists and criminals.

There will be an increase in arrests of terrorists, traffickers and smugglers on the western and coastal borders; greater law enforcement access to currently inaccessible areas, particularly in FATA; an increase in GOP law enforcement interagency information sharing and joint operations on the western border; and an increase in effective utilization of Quetta-based air assets in operations and establishment of Peshawar forward operating location.

Police reforms called for in the GOP's Police Order 2002 will be implemented.

A nationwide training needs assessment will be completed; Strategic plans and training curricula for law enforcement will be developed; criminal investigation training will be standardized country-wide; and an executive management training continuum will be established.

The GOP will provide fast and responsive assistance on cooperative investigations.

U.S. law enforcement agencies will experience improved cooperation with their GOP counterparts.

¹ This total includes \$73 million from the Pakistan Emergency Response Fund (ERF) Supplemental.

Program Justification

Pakistan remains a key ally in the war on terrorism and the ongoing fight to curb drug trafficking in southwest Asia. The GOP has been an important partner of the United States and has demonstrated a firm commitment to combat these menaces that threaten Americans and Pakistanis alike.

The GOP has taken into custody well over 400 alleged al-Qaeda members since the 9/11 tragedy. However, it remains hampered by the inaccessibility of large portions of its border with Afghanistan that continue to provide potential safe-havens for terrorists and other criminals. US- and GOP-sponsored road building projects in the Federally Administered Tribal Areas (FATA) are helping to open up some of these areas to law enforcement. However, law enforcement agencies remain under-equipped and poorly trained for effective border control operations – another problem that the US-sponsored border security program, started with FY 2002 Emergency Response Fund supplemental funding, is helping to address.

While Pakistan has held the line on zero opium poppy cultivation, a remarkable achievement given that it was the third largest supplier of opium just a decade ago, it faces a serious threat from drug traffickers, particularly from Afghanistan. GOP seizures of narcotics, primarily heroin and hashish, remain significant but undoubtedly represent only a small fraction of what actually is transiting the country. Arrests of traffickers in the rugged border terrain are difficult as traffickers generally are far better equipped than police. The provision of vehicles, radios, and surveillance equipment as part of our border security program is only now beginning to mitigate this problem.

The GOP recognizes that its ability to combat terrorism and other serious forms of criminality successfully will require not just an infusion of resources focused on the border but also large-scale reform and improvements to law enforcement institutions country-wide. These reforms include better cooperation among law enforcement organizations, more focus on service to the community, and enhancement of technical skills. In October 2002, Pakistan promulgated Police Order 2002, a roadmap for reform. Two boards, the National Police Management Board and the National Police Training Management Board, have been convened to oversee reform efforts and to facilitate coordination and standardization of law enforcement training, policies, and procedures across the country. Pakistan will need outside expert help and resources to fully implement these reforms.

Program Accomplishments

Crop control programs in FY 2001 and FY 2002 succeeded in reducing poppy cultivation to a virtually zero-growth level with ongoing U.S. assistance in facilitating law enforcement access to poppy growing areas (through road construction) and crop substitution programs. In addition, the Anti-Narcotics Force, the Frontier Corps, Customs, the Maritime Security Agency, and Pakistan Coast Guard, with operational and material support from the United States (under the border security and law enforcement support programs), made narcotics seizures totaling more than 8.9 metric tons of heroin and 71 metric tons of hashish in FY 2002. There have been several prominent prosecutions of major drug traffickers; the appellate process is ongoing.

The Ministry of Interior Air Wing was established from scratch in FY 2002 using border security program resources. Five HUEY II helicopters have been delivered and training for new Air Wing personnel is nearing completion so that the helicopters can soon be utilized for border security operations. Three fixed wing surveillance aircraft will be delivered in the first half of 2003.

More than 1,100 vehicles and hundreds of pieces of communications equipment recently have been delivered to recipient agencies under the border security program. These resources will give law

enforcement better access to rugged areas of the western border and improve coordination and communication among those agencies. Outposts are being constructed to support the placement of Frontier Corps personnel at remote border sites.

Training courses involving personnel from fourteen different agencies have begun to improve skills in basic point of entry operations, criminal investigations, first-response at crime scenes, instructor development and executive management. The concepts introduced in these sessions were too new and their audience as yet too limited to have had a measurable impact on the quality of law enforcement and border security to date. However, the students were eager to acquire and implement new skills and substantially more training is scheduled over the next several months.

FY 2004 Program

The FY 2004 program has three major components that build on efforts undertaken in previous years, particularly since 9/11.

Border Security. FY 2004 funds will be used to build on the successful implementation of commodity support, training, and technical assistance that was started with FY 2002 ERF supplemental funding. By giving law enforcement agencies operating on the border basic and more advanced tools that they have long lacked, the program is aiding them to secure the western border and coastline from terrorists, criminal elements and narcotics traffickers. Funds will be used to provide ongoing maintenance, support and operating expenses of the Ministry of Interior Air Wing, which includes three fixed wing surveillance aircraft and five helicopters that are based at Quetta in Balochistan province. They also will extend air mobility for rapid response platoons and other law enforcement personnel into the North West Frontier Province through the establishment of a new forward operating location in Peshawar with five helicopters.

Law Enforcement Initiatives. Assistance to law enforcement agencies in FY 2004 will address two objectives: providing operational assistance to support immediate term needs with short-term results and supporting GOP-led reform of law enforcement institutions that, while perhaps not producing immediate results, will provide for a higher quality and consistency in law enforcement and respect for human rights that is sustainable over the medium to longer terms. In support of the first objective, a range of law enforcement organizations, including the Pakistan Coast Guard, the Maritime Security Agency, the Home Departments, Customs, and the Anti-Narcotics Force will receive assistance including small-scale transportation and communications equipment, training, and operational support, such as office supplies, fuel and maintenance. This support will facilitate important operations against traffickers, smugglers, and other major criminals. Funds for law enforcement reform will provide technical assistance and training for the development of strategic plans for providing law enforcement services and education; enhance the infrastructure and capabilities of the provincial and national law enforcement academies; improve the criminal investigative capacities of provincial and federal law enforcement personnel and provide equipment to link the police at the local, provincial, and federal levels to law enforcement agencies not covered under the border security program.

Program Development and Support (PD&S). These funds will be used to pay salaries, benefits, and allowances of permanently assigned U.S. and foreign national direct-hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs, TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Pakistan
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Khyber, Mohmand, Bajaur, FATA Rd. Projects	—	3,500	—	—
Support to the Law Enforcement Agencies	320	—	1,492	1,500
Support to FATA Law Enforcement	—	1,500	—	—
Criminal Information/AFIS Database	—	10,000	—	—
Police Reform	—	—	—	9,300
Subtotal	320	15,000	1,492	10,800
Crop Control/Alternative Development	1,450	—	100	—
Border Security				
Helicopter & Fixed Wing Operational Support	29,000	—	3,500	9,000
Preshawar Forward Operating Base	—	—	—	17,000
Border Control Infrastructure	39,000	—	—	—
Training	5,000	—	—	—
Subtotal	73,000	—	3,500	26,000
Program Development and Support				
U.S. Personnel	223	—	272	365
Non-U.S. Personnel	86	—	100	134
ICASS Costs	155	—	200	210
Program Support	266	—	336	491
Subtotal	730	—	908	1,200
Total ¹	75,500	15,000	6,000	38,000

¹ The FY 2002 total includes \$73 million from the Pakistan Emergency Response Fund (ERF) Supplemental.

Philippines

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
—	—	—	2,000

Program Objectives and Performance Indicators

The Government of the Republic of the Philippines (GRP) will develop an effective civilian police force in the Autonomous Region in Muslim Mindanao and elsewhere in the Philippines.

A series of basic and advanced training activities, integrating police and prosecutors where possible, will be delivered and later replicated by Philippines trainers, and the Philippines Drug Enforcement Agency will be provided with organizational support and training that will enable it to undertake its mandate effectively.

The criminal justice institutions, including law enforcement, judicial, and prosecutorial bodies, will be developed and modernized.

Functioning forensic and investigative facilities to support criminal investigations will be established and equipped; an effective national automated fingerprint identification system and criminal database will be implemented; and there will be improved police-prosecutorial working relationships leading to increases in successful prosecutions.

Program Justification

The Philippines lies at the crossroads of the global wars on terror and drugs. At the request of the Philippine Government (GRP), U.S. military forces played a significant role in rooting out Islamic militants in the Southern Philippines in 2002, including the Abu Sayyaf Group, designated as a Foreign Terrorist Organization by the Department of State. The successful joint effort showed the effectiveness of the Philippines military but exposed yawning gaps between the military and civilian law enforcement community. This gap threatens national security by leaving the Philippines vulnerable to domestic criminals, international narcotraffickers, and terrorist organizations.

A strategic ally, the Philippines has reached out to the U.S. for assistance with building capacity on the civilian side as well. In July 2002 President Gloria Macapagal-Arroyo (GMA) vowed to build a strong republic by enhancing peace and order. Her administration listed the drug menace as “public enemy No. 1,” signed a comprehensive anti-drug law, and established a new counternarcotics organization modeled after the U.S. Drug Enforcement Administration. While the will is strong, however, the capabilities remain weak. Strengthening the law enforcement and criminal justice

systems remains a top GRP priority and is central to the U.S. goal of fighting terrorism and the organized crime that both nourishes and feeds off it.

Systemic problems in the criminal justice system as well as inadequate funding hamper the GRP's ability to combat terrorism and other transnational crime. The problems are especially acute in the Autonomous Region in Muslim Mindanao (ARMM), but to a great extent apply throughout the Philippines. In the ARMM, a lack of resources and professionalism, ineffectiveness, corruption, and widespread behavior inconsistent with the rule of law plague both the police and the rest of the criminal justice system - the courts, prosecutors, and penal personnel. The result is a criminal justice system with minimal political legitimacy that paves the way for the excesses of local political strongmen, former separatists turned bandits, traditional warlords, and militias. This, in turn, provides fertile ground for ASG and other Islamic terrorists to operate and expand their influence.

Many of the systematic factors limiting the criminal justice system in ARMM apply to the Philippines as a whole, including pervasive corruption, lack of public respect and support, inadequate resources, poor leadership, low morale, lack of basic skills, and reliance on extra-judicial measures. The GRP will require substantial outside assistance to "enhance peace and order" and build a strong and effective law enforcement capability.

Program Accomplishments

Although this is a new program for FY 2004, INL plans to begin some aspects (e.g. assessment, training) in FY 2003.

FY 2004 Program

There are two major components to the FY 2004 program that stem from assessments conducted in FY 2003 and build on initial training courses offered in FY 2003. The combination of hands-on skills enhancement training in tandem with a simultaneous effort to establish a mechanism to address long-term organizational change is best suited to achieve tangible, measurable, and sustainable improvements in the law enforcement and criminal justice sectors.

Law Enforcement Support. FY 2004 funds will provide training (investigative techniques, community relations), technical assistance and limited commodities (communications equipment, motorcycles, protective gear), and infrastructure upgrades (police offices and boxes, training facilities) to build effective civilian law enforcement capacity, starting with the ARMM and extending elsewhere. An important element will be a train-the-trainers component enabling the Philippine National Police (PNP) to deliver training where and when needed. FY 2004 resources will also be used to upgrade the skills of new PNP and Philippines Drug Enforcement Agency (PDEA) officers, provide mid-level management development training, provide equipment and supplies, and promote respect for the rule of law. Support will also be provided to non-governmental organizations that have ongoing programs to strengthen the rule of law in the ARMM and elsewhere.

Administration of Justice. FY 2004 funding will be used to provide technical training, advice, and assistance in support of legislative reform to establish the necessary framework for effective law enforcement. Legislative, technical, and advisory support will be provided to government efforts to make the newly established PDEA an effective drug enforcement agency. Technical and material support will also be provided to improve law enforcement information management systems, enhance forensic investigative capabilities, and improve communication and cooperation between law enforcement agencies, leading to increased rates of arrests and convictions.

Program Development and Support (PD&S). These funds will be used to pay salaries, benefits, and allowances of foreign national direct-hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs, TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Philippines

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Law Enforcement Support	—	—	—	1,100
Administration of Justice	—	—	—	800
Program Development and Support				
U.S. Personnel	—	—	—	—
Non-U.S. Personnel	—	—	—	75
ICASS Costs	—	—	—	20
Program Support	—	—	—	5
Subtotal	—	—	—	100
Total	—	—	—	2,000

Thailand

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
4,000	—	3,700	2,000

Program Objectives and Performance Indicators

The Royal Thai Government (RTG) drug law enforcement capabilities to investigate and prosecute major drug traffickers and their organizations will be improved.

Technical assistance, training, and equipment delivered and effectively utilized by the Office of Narcotics Control Board, Police Narcotics Suppression Bureau, Border Patrol Police, Attorney General's Office, and other organizations will result in an increased number of investigations and successful prosecutions.

The criminal justice sector will be reformed, thereby improving the effectiveness of prosecutions of drug traffickers and other major offenses such as money laundering.

New or amended criminal laws passed (e.g. witness protection, wiretap evidence); delivery and implementation of key training segments; new prosecutorial and investigative techniques implemented and utilized will produce an increased number of cases successfully prosecuted.

Opium poppy cultivation will be reduced through eradication and small-scale alternative development projects.

There will be a reduced area under poppy cultivation, especially in the border areas; lower potential production of heroin; and an increased number of farmers provided with viable economical alternatives.

There will be a reduced drug addiction rate and expanded awareness campaigns in schools and community groups.

RTG and NGO drug abuse prevention and treatment training programs, community outreach, and epidemiological and prevention studies will increase the effectiveness of drug awareness and demand reduction efforts.

Program Justification

Positioned in the center of the Golden Triangle and possessing the most advanced transportation

infrastructure in the region, Thailand finds itself at the nexus of a wide variety of transnational crime. Trafficking in narcotics, weapons and people, alien smuggling, money laundering and terrorist financing are all serious concerns. Thailand, which has identified drugs as its foremost national security issue, has a long tradition of counternarcotics cooperation with the United States and the international community. Thailand has one of the most effective opium eradication and crop substitution programs in the world, and Thailand no longer meets the U.S. statutory definition for a major source country for heroin. In 2003, Thailand's alternative development programs were used as a model for similar programs in Afghanistan, the world's largest producer of illicit opium.

Thailand has also been a leader in developing programs aimed at treatment, epidemiology of substance abuse and demand reduction. Thailand is a key regional leader in efforts to develop international cooperation to fight transnational crime and narcotics, through bilateral agreements, taking a strong role in the regional ACCORD (ASEAN-China Cooperative Operations in Response to Dangerous Drugs) and by co-managing with the U.S. the International Law Enforcement Academy in Bangkok. Extensive law enforcement cooperation programs continue to bear fruit, and with U.S. support and encouragement, Thailand is in the process of modernizing its criminal laws and enhancing its law enforcement and regulatory capabilities against money laundering and financial crime.

Thailand takes justifiable pride in its progress on these issues, but the RTG realizes that much remains to be done and looks to the U.S. for direction, support and expertise. Thailand's criminal justice sector is inadequate to deter or effectively prosecute traffickers in drugs, people and weapons, or dismantle criminal organizations whose activities adversely affect regional security and other U.S. interests. INL-funded Resident Legal and Financial Crime Advisors play key roles in providing the RTG the expertise to address these issues through a comprehensive legal and regulatory framework.

Drug law enforcement assistance has been at the center of U.S. cooperation with Thailand against the production, trafficking and abuse of illicit drugs. Traffickers have diversified drug smuggling operations to include direct maritime transshipment from Burma to major container ports, many of which are in Thailand. Northern Thailand's good roads link refineries in Burma with the remainder of Thailand's transportation system and acts as a conduit for drugs flowing out of drug producing areas and commodities and materials needed by trafficking groups flowing in. There is also increasing pressure on law enforcement resources caused by the huge surge in methamphetamine production and trafficking in the region, usually by the same groups involved in opium production. The RTG is also attempting to prevent, disclose and punish pervasive public corruption – which a U.S. Dept. of Justice assessment in the fall of 2000 found to be the single most debilitating factor affecting the entire Thai criminal justice system – and has sought U.S. assistance for this important task.

Despite the success in crop reduction, attention must continue to be paid as growers adopt multiple irrigated cropping throughout the year and traffickers offer advance payments to growers. Continued U.S. support is crucial to maintaining RTG efforts and preventing a rapid rise in opium cultivation, particularly in the rugged areas along the borders with Burma and Laos. U.S. assistance will continue to be instrumental in the successful opium crop reduction program, particularly as attention and resources are increasingly being turned to methamphetamine and other amphetamine-type stimulants (ATS). The sharp increase in local use of ATS puts pressure on demand reduction efforts and requires different approaches than were used when the main focus was on heroin use.

Program Accomplishments

U.S. estimates for the opium poppy crop in 2002 were 750 hectares, the lowest level since monitoring began in the mid-1980s and the fourth year in a row that the crop has remained below 1,000 hectares. The opium poppy crop reduction effort is a strategic success in that Thailand was one of the original

major source countries for heroin and is the only major producer to have reduced production below the U.S. statutory definition for a major source country.

At U.S. urging and with U.S. assistance, Thailand is in the process of amending virtually all of its basic narcotics and all other substantive and procedural criminal laws. Thailand has drafted, passed, or implemented legislation to enhance important prosecutorial tools, such as plea-bargaining, witness protection, qualified immunity, and address other issues necessary for implementation of the UN conventions against transnational organized crime and illicit traffic in drugs. These latter include a robust anti-money laundering law, an amendment to the narcotics law providing authority to conduct wiretaps and use electronic evidence, and plans to develop a witness protection system modeled on the U.S. program. Amendments to the money laundering law to establish additional predicate offenses, including terrorism and intellectual property crime, are under consideration. Many significant legislative issues remain to be addressed, but INL-funded technical advice and assistance programs support a wide range of activities and resulted in tangible accomplishments.

Thailand continues to play a leading regional role in counternarcotics and fighting other transnational threats. Thailand has encouraged China to take stronger action to prevent the diversion of precursor chemicals used to manufacture methamphetamine and has developed increasingly close and productive counternarcotics cooperation with Burma, despite a temporary freeze in 2002 following border clashes. At the Government of Burma's invitation, in early 2003, Thailand established several pilot alternative development projects in Burma based on Thailand's successful experience. Thailand also plays a leading role in the ACCORD plan of action designed to promote regional cooperation on drug and crime control efforts. Thailand also funded regional drug law enforcement training courses in 2002 and 2003.

Law enforcement investigations using INL assistance have led to significant arrests, seizures, and prosecutions of Thai and non-Thai traffickers, including seizure of funds and assets belonging to several associates of major Wa trafficker Wei Hsueh-Kang. The RTG has cooperated with China, Burma, and others on significant drug investigations, resulting in numerous seizures of significant quantities of heroin and methamphetamine tablets.

Thailand has increased demand reduction and drug prevention efforts with grass roots programs around the country. INL funding supported the landmark 2001 National Household Survey of Drug and Substance Abuse, which established the first credible baseline for levels of drug abuse in Thailand. The survey has been instrumental in developing effective drug abuse awareness campaigns, and placing drug treatment centers where they are most needed. In 2001-2002, the RTG established a network of community-based and national level prevention and rehabilitation programs.

FY 2004 Program

The FY 2004 program has four elements, which build on longstanding counternarcotics cooperation projects while emphasizing institutional development and reform.

Drug Law Enforcement. FY 2004 funds for this project will provide technical assistance, training, and equipment, with emphasis on areas affected by new or evolving trafficking patterns. Funds will support institution building aimed at achieving more effective efforts to arrest, prosecute, and convict significant traffickers and dismantle their organizations. FY 2004 resources will provide training and equipment throughout the country and will support improved coordination between various law enforcement agencies and other organizations involved in counternarcotics.

Criminal Justice Sector Reform. Funding will be used to strengthen and modernize Thailand's legal and regulatory capabilities against money laundering and financial crimes. Funds will support

consideration of new or amended substantive and procedural criminal laws, as well as prosecutorial and investigative techniques (e.g. wiretap evidence) to improve the effectiveness of prosecution of drug trafficking and other offenses. A Resident Legal Adviser (initiated previously with central funding) will advise Thai authorities on draft criminal laws, procedures, and practices. FY 2004 funds will maintain support initiated in previous years from other funding sources for the Anti-Money Laundering Office, and other institutions that investigate money laundering, to prevent and punish money laundering related to drug trafficking, terrorism, and other transnational organized crime. However, significantly decreased funding levels will likely result in the termination of either or both the Resident Legal Adviser or Resident Financial Adviser positions, with remaining funds used to try to support limited program activities (e.g. temporary, short-term advisory visits and/or seminars) to sustain initiatives funded during FY 2001-2003.

Alternative Development/Crop Control. Crop control funding will continue to support Thailand's strategic success in eliminating major opium poppy production and will provide enhanced emphasis on small-scale and demonstration alternative development projects, with special emphasis on border areas where similar activities are being implemented in neighboring countries with U.S. or other international support.

Drug Awareness/Demand Reduction. Funding for demand reduction will provide support for activities initiated in prior years from other funding sources that support Thai government and NGO drug abuse prevention and treatment training programs, community outreach, and epidemiological and prevention studies.

Regional Narcotics Control. FY 2004 funds will fund conferences and training in Thailand and elsewhere in the region in support of Thailand's increasing regional leadership role in counternarcotics and crime issues.

Program Development and Support (PD&S). PD&S funds are used for the salaries, benefits, allowances, and travel of direct hire and contract U.S. and foreign national personnel, International Cooperative Administrative Support Services (ICASS) costs and other general administrative and operating expenses for counternarcotics and anticrime program planning, design, implementation, monitoring, and evaluation.

Thailand
INL Budget
(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement				
Drug Law Enforcement	1,339	—	1,312	600
Criminal Justice Sector Reform	500	—	500	175
Subtotal	1,839	—	1,812	775
Crop Control/Alternative Development	836	—	700	300
Regional Narcotics Control	159	—	150	50
Drug Awareness/Demand Reduction	552	—	350	150
Program Development and Support				
U.S. Personnel	274	—	307	323
Non-U.S. Personnel	76	—	85	90
ICASS Costs	151	—	169	178
Program Support	113	—	127	134
Subtotal	614	—	688	725
Total	4,000	—	3,700	2,000

Asia/Middle East Regional

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
5,050	—	4,500	1,000

Program Objectives and Performance Indicators

The cultivation and production of opium poppy in Burma will be reduced.

A sustainable crop-substitution program in Burma will provide opium farmers with alternative farming methods and skills, tools and inputs to grow a variety of alternative crops.

Program Justification

In Asia and the Middle East, the transnational nature of narcotics trafficking and crime threatens regional stability by undermining democratic institutions, fostering conditions that support organized criminal and terrorist networks, corrupting governments, and subverting the rule of law. Drug trafficking continues to proliferate throughout South and East Asia, involving traffickers from the region and as far away as Africa and Europe. Successful local criminal groups rely on open borders, poorly trained law enforcement, and corrupt officials to build regional and transnational criminal networks. Trafficking networks that exploit weak law enforcement and criminal justice environments can also be used by terrorist organizations for financial and logistical support. The economic, social, and political impact of drug trafficking and the more recent explosion of amphetamine-type stimulants (ATS) have led governments throughout the region to declare the threat posed by illicit drugs their primary national security concern.

Asia/Middle East Regional funds are a critical source of support for counternarcotics and law-enforcement programs designed to assist countries in combating illicit narcotics in a number of ways. The funds support alternative-development projects to reduce opium poppy cultivation, police training, and legal reform. They support bilateral and regional initiatives, both critical to effective narcotics control. Often, availability and use of these funds are the crucial difference between a country's ability to confront drug-related problems or be

overwhelmed by them.

Program Accomplishments

A range of counternarcotics programs throughout Asia and the Middle East has been funded to help law enforcement institutions cope with narcotics production, narcotics trafficking, and related criminal activities.

In Burma, Project Old Soldier is working to provide alternatives to the cultivation of opium poppy in the Kachin area of the Shan State. The project began in five villages in 1997 and involved approximately 100 villagers. It has now expanded to 88 villages and has more than 2,000 participants. It receives strong support from the participants for providing economically viable alternatives to opium poppy cultivation. An independent monitor has confirmed that the project is effective and hampered only by the lack of funding. None of the funding has benefited the government of Burma.

In Thailand, support to the Anti-Money Laundering Office has funded a Regional Financial Advisor, training, and limited commodity assistance. The Financial Advisor has organized seminars on preventing, investigating, and prosecuting money laundering and other illicit financial activities and is assisting the Royal Thai Government (RTG) coordinate efforts to organize the second Pacific Rim Money Laundering Conference. The RTG Police Money Laundering Unit has conducted numerous investigations and seized millions of dollars of assets, including those of public officials suspected of involvement in money laundering crimes. For example, a prison commander was arrested for his role in a narcotics deal with a prisoner in which 1.8 million amphetamine tablets and 31 kilograms of heroin were seized. Funding was also provided to assist the RTG in reforming its criminal code to better facilitate the investigation and prosecution of transnational criminals. Subjects addressed include wiretaps and use of electronic evidence, plea-bargaining and witness protection, and comparisons of inquisitorial and accusatorial systems of criminal justice.

The influx of illicit narcotics, particularly of synthetic drugs, into Indonesia has increased over the past several years. The training and equipment provided to the Indonesian National Police (INP) Anti-Narcotics Unit has been instrumental in increasing its capacity to detect and investigate narcotics trafficking cases. Applying the tools learned in training programs, the INP seized a large-scale ecstasy-manufacturing laboratory in Jakarta in April 2002. Counternarcotics assistance also achieves the larger U.S. policy objectives in Indonesia of building a civilian, decentralized police force based on democratic principles, respect for human rights, and adherence to the rule of law.

In India, INL commodities and training assistance has contributed to substantial progress in the areas of narcotics interdiction, reduction of illicit opium poppy production, precursor chemical control, and domestic demand reduction. For example, the Indian Central Bureau of Narcotics, a major recipient of INL assistance, has reported numerous significant seizures as well as eradication of 208 hectares of illicit opium poppy in 2002. The Indian Narcotics Control Bureau has cooperated with the U.S. Drug Enforcement Administration, the Indian Chemical Manufacturing Association, and the United Nations Office of Drugs and Crime (UNODC) to tighten controls on precursor chemicals. The Joint Licit Opium Poppy Survey has been expanded and extended, with American experts advising the Government of India in methodologies for measuring and preventing diversion of licit opium produced for the pharmaceutical industry to the illicit market.

Fiji serves as a regional hub for shipping and air transport and has become a major transshipment point for heroin and cocaine. Drug test kits and evidence collection kits provided to the Government of Fiji have helped in field investigations of the numerous yachts that transit the 300 islands. Two patrol boats provided to the Maldives have helped the government interdict illicit narcotics entering the islands on fishing boats from India. In Nepal, INL has sponsored drug enforcement and policy integrity training as well as demand reduction programs. A major police professionalism project is

planned for 2003. In Sri Lanka, funds will be used to assist the Police Narcotics Bureau in institutionalizing modern management principles, concepts, and skills among mid-level officers to ensure continuity in investigations and programs. Assistance will be offered to improve the organizational system, position descriptions, and training procedures.

In China, a Resident Legal Advisor (RLA) has been stationed in Beijing to advance reforms in criminal law and the professionalization of the criminal justice system. The RLA works with a variety of officials—legislators, prosecutors and judges, law-enforcement officers, academics—to explain the U.S. legal system and meet larger U.S. policy objectives of enhancing respect for the rule of law and protections for human and civil rights.

Asia/Middle East Regional funds have been used to provide seed funding to ACCORD (ASEAN and China Cooperative Operations in Response to Dangerous Drugs), a major regional initiative aimed at joint actions in key areas: demand reduction, strengthening the rule of law, enhancing law enforcement, and ridding the region of all forms of illicit narcotics by 2015. The participating states have met and developed a regional action plan and mechanism to coordinate information. Task forces have been created for civic awareness, demand reduction, law enforcement cooperation, and alternative development, and a business plan has been approved. The Regional Cooperative Mechanism for executing the ACCORD Plan of Action was approved and staffed.

FY 2004 Program

Alternative Development/Crop Control. INL will continue support to Project Old Soldier, the highly effective crop-substitution program in Burma. Funds will be used to provide uneducated opium farmers with knowledge of alternative farming methods and skills, tools and inputs to grow a variety of alternative crops that supplement their daily diets and incomes. U.S. and local experts, including an agronomist and a small staff, will provide agricultural advice and expertise to this project.

Program Development and Support. These funds will be used to cover salaries, benefits, and allowances of permanently assigned U.S. and foreign national direct-hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs, TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation in the Narcotics Affairs Section in New Delhi and at USEU Brussels.

**Asia/Middle East Regional
INL Budget
(\$000)**

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Narcotics Law Enforcement	3,181	—	1,559	—
Alternative Development/Crop Control	1,260	—	260	270
Administration of Justice	—	—	2,000	—
Program Development and Support	609	—	681	730
Total	5,050	—	4,500	1,000

Global Programs

Interregional Aviation Support

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
60,000	—	65,000	70,000

Program Objectives and Performance Indicators

The Government of Colombia (with INL support and assistance) will conduct an aggressive aerial eradication program to reduce coca and opium poppy cultivation in Colombia.

All known areas of coca and opium poppy in Colombia will be sprayed with herbicide and cocaine and heroin production will be reduced as a result of this eradication.

The Governments of Peru and Bolivia (with INL-provided air transportation support to move people and materials) will expand manual eradication efforts in outlying areas of their respective countries.

In Bolivia, all residual coca will be eliminated and new plantings will be prevented in the Chapare region: there will be a reduction of illegal coca in the Yungas region (subject to the cooperation of the host government).

Coca cultivation in Peru will be reduced as evidenced by the abandonment of the remaining coca fields (subject to the cooperation of the host government).

INL will support missions to transport host government law enforcement or counternarcotics military personnel by air in Bolivia, Colombia, Peru, and other countries for the purpose of destroying cocaine and heroin processing laboratories and interdicting drug trafficking activities.

The number of interdiction operations along Bolivia's borders and in the Yungas region will be increased to prevent the influx of drug trafficking activity resulting from the implementation of Plan Colombia.

The number of interdiction missions flown in Peru will increase significantly in 2004.

Aerial reconnaissance missions will be conducted to locate drug crops and production facilities and verify eradication program results.

Drug production areas and facilities will be successfully identified and mapped year-around in Colombia and on an as-needed basis in other countries.

Border security reconnaissance and interdiction operations in Pakistan will be effective against trafficking of narcotics and weapons, illegal border crossings, and terrorism.

Operations, training, and logistical support provided to the Pakistan border security aviation program will result in more frequent and more effective missions.

Host government institutions will have enhanced capabilities to undertake counternarcotics and border security air operations safely and effectively (Colombian National Police, Colombian Army, Peruvian National Police, Bolivian Air Force Red Devil Task Force, Pakistan Ministry of Interior Border Security Unit).

INL support for institution building of cooperating host government counternarcotics aviation programs in Bolivia, Colombia, Peru, and Pakistan will result in more professional, capable and effective forces.

The aerial eradication and interdiction programs will see objective improvements in effectiveness, efficiency and safety.

Technological innovations will be developed and implemented to improve the effectiveness and safety of aerial eradication and interdiction efforts.

Program Justification

The INL aviation program is an essential element in achieving international counternarcotics objectives. INL assists host governments worldwide in their efforts to locate and eradicate drug crops, interdict drug production and trafficking activities, and develop internal institutional counternarcotics aviation capabilities.

The aviation program provides eradication, mobility, interdiction, and logistical support capabilities that augment and facilitate ground operations and in many cases perform functions that would not be possible by any other means. For example, aerial eradication techniques allow for campaigns to destroy illicit crops that are faster, more widespread, and more cost effective than manual eradication. This is particularly important in eradicating the vast growing areas in Colombia during the limited dry season when a window of opportunity for this activity exists. In those countries that conduct manual, rather than aerial, eradication, crop destruction is substantially less. Nonetheless, INL aircraft provide essential transportation of manual eradicators and supporting logistics to remote drug growing areas. These efforts significantly reduce the amount of illegal drugs entering the U.S. by eradicating raw materials for drug production where they are cultivated. Airplanes and helicopters allow for transportation of law enforcement personnel, critical supplies, and equipment to remote, underdeveloped, unsecured regions that would otherwise be inaccessible. Air reconnaissance assets are an essential element in locating, identifying and targeting drug activities and verifying operational results.

By working closely with host government personnel to instill aviation technical and management skills and technology transfer, INL supports the operational goal of enhancing political determination to combat illegal drug production and trafficking. This builds long-lasting institutions that have the trained personnel and demonstrated abilities to assume increased responsibility for counternarcotics air activities.

Program Accomplishments

The Interregional Aviation Support program has made possible the tremendous expansion of aerial eradication in Colombia that, along with alternative development, is the backbone of that country's counternarcotics strategy. INL and the Colombian National Police have collaborated in the mounting

of an effective campaign using T-65 Thrush, OV-10D Bronco, and AT-802 Air Tractor spray planes to eradicate coca and opium poppy cultivation in the various regions. In CY 2002, over 122,000 hectares of coca were sprayed – a record setting year. INL has assisted the Colombian National Police with training, maintenance, logistics, and operational support to make this effort possible. The program also has provided logistical and operational support in the form of C-27 cargo airplanes and a Multi-spectral Digital Imaging System (MDIS) mounted on a Cessna Caravan for identification and mapping of coca.

Besides supporting Colombian National Police aerial eradication activities, the Interregional Aviation Support program initiated and sustained the Colombian Army (COLAR) UH-1N helicopter program that provides air mobility to the counterdrug battalions. This project included establishing infrastructure, training personnel, and preparing, configuring, deploying, and supporting the operation and maintenance of thirty-three UH-1N helicopters. The result of this effort, a fully trained COLAR aviation unit capable of conducting air mobile operations, is yielding results in terms of interdiction and ground support to aerial eradication. That unit has flown over 29,000 hours since its inception, with only one serious accident. More recently, INL-owned UH-60 and Huey-II helicopters were integrated into the COLAR counternarcotics aviation program allowing it to expand on the success of the initial group of UH-1N aircraft.

INL aviation support to Peru and Bolivia has also been instrumental in continued coca reduction operations. In Peru, INL-owned helicopters transport manual eradication teams and Peruvian counternarcotics police in order to implement far-reaching counternarcotics operations using a mobile-basing strategy. In Bolivia, INL helicopters have enabled the government to project authority over vast areas where drug traffickers previously operated with impunity. The significant eradication of coca in the Chapare region of Bolivia would not have been possible without the helicopter support provided through the INL aviation program. INL-provided aviation technical, training, and logistical support was an essential ingredient of the success enjoyed by host nation personnel operating these helicopters. The aviation program has also continued to make progress in establishing self-sufficiency in host nation counternarcotics aviation organizations.

INL has provided support to other Latin American countries in identifying and curtailing drug cultivation through its Regional Aerial Reconnaissance and Eradication (RARE) program. In addition to keeping drug crop cultivation in check in Guatemala, Panama, Ecuador, Venezuela, Belize, and several other countries, this program has provided a capability to intercept drug smuggling aircraft, day or night, on a short-notice temporary deployment basis.

In 2002, INL established and supported a project in Pakistan to assist the host government in securing its border with Afghanistan. This project provided five Huey-II helicopters to the Ministry of the Interior in order to provide law enforcement with the operational capability to interdict drug trafficking and other illegal activities. We have already begun to reduce contractor presence at that location due to successful training and institution building efforts.

INL has put into place many technological innovations to enhance the safety and effectiveness of operations. INL has continued to modify its OV-10 aircraft to provide appropriate armoring and night vision goggle capability in addition to state-of-the-art, satellite guided spray systems. This has provided more protection and safety for crews, while delivering herbicide in an effective manner. Many of these same features were incorporated in the more recently acquired Air Tractor spray planes. The aviation program also established a technologically advanced system for identifying, plotting, and targeting coca cultivation using multi-spectral digital imaging.

In FY 2003, the Interregional Aviation Support program will continue successful eradication efforts in Putumayo, Caqueta, Guaviare and other coca growing regions in Colombia. INL will continue to

provide flight operations and instruction, maintenance quality control, and repair parts support to the CNP to make possible a high sortie rate against illicit crops. Simultaneously, we will train police and military counternarcotics elements allow them to assume increased responsibility in these areas. INL will continue to support helicopter operations in Peru, Bolivia, and Pakistan. Training and institution building efforts will allow us to continue to reduce the number of American contractor personnel at those locations. At the same time, we will continue to pursue technological innovations to improve aircraft performance and explore the use of new variations of aircraft to enhance eradication capabilities at a reasonable cost.

FY 2004 Program

In FY 2004, the Interregional Aviation Support budget will continue to provide core level services necessary to operate a fleet of 164 fixed and rotary wing aircraft supporting counternarcotics aviation activities in Colombia, Bolivia, and Peru, border security operations in Pakistan, and, as needed, programs at other temporary deployment locations. This base of support is essential to logistically sustain depot level maintenance and the safe and professional operational employment of INL air assets. This budget will be augmented with funding various country programs to support specific, dynamic local NAS and cooperating host government missions.

A primary concern will be the continued aggressive aerial eradication of Colombian coca. Success in that campaign is expected to reduce the target population of coca fields, allowing for some aircraft to be shifted toward the task of eliminating opium poppy in Colombia and increasing surveillance and eradication activities in other countries to prevent resurgence.

In Bolivia, we will continue to support efforts to eliminate residual coca and prevent new plantings in the Chapare region, and reduce illegal coca in the Yungas region. INL will also support increased interdiction operations along Bolivia's borders and in the Yungas. In Peru, we will continue to support the reduction of coca cultivation, seek to aurally verify the extent of opium poppy cultivation, and increase the number of interdiction missions. In Pakistan, INL will refine operational procedures and provide logistical support, including the introduction of fixed wing, sensor-equipped aircraft.

The establishment of host country self-sufficiency in counternarcotics and border security aviation programs will continue to be a priority in Bolivia, Peru, Pakistan, and Colombia. We expect dramatic results in this area with the COLAR aviation program, as personnel we have trained gain experience and maturity, allowing the reduction of contractor support requirements. We will continue to emphasize technological improvements to maximize productivity and safety of spray platforms while maintaining cost effectiveness.

The Interregional Aviation Support program budget, as augmented by country program funds for location-specific requirements, will continue to provide safe, professional aviation support to counternarcotics and border security programs worldwide.

Interregional Aviation Support

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Aviation Support Services Contract	51,700	—	56,250	58,775
DOD-Source Parts, Maintenance and Overhaul	4,000	—	4,000	5,000
Operations Support				
Salaries and Benefits	1,700	—	1,900	3,300
Field Travel	220	—	235	235
Administrative Services and Program Support	1,780	—	1,925	2,000
Base Support at Patrick AFB	600	—	690	690
Subtotal	4,300	—	4,750	6,225
Total	60,000	—	65,000	70,000

Systems Support and Upgrades

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
6,000	—	4,000	5,000

Program Objectives and Performance Indicators

The number of detections of narco-trafficking events will increase significantly in the Eastern Caribbean with the C-26 aircraft in Barbados and Trinidad and Tobago. Effective Colombian National Police (CNP) signal collection in Colombia will continue to provide valuable intelligence while surveillance missions in Mexico will begin paying dividends to that nation's counternarcotics effort.

The C-26 Support project will provide more effective surveillance aircraft and better-trained personnel to accomplish counternarcotics detection and monitoring missions within each host nation area of operation.

The effectiveness of host-nation C-26 programs will continue to be improved.

The Airborne Surveillance Initiative project will support upgrades of aviation performance characteristics while promoting program cost savings through standardization of services and using economy-of-scale procurement.

Program Justification

The Systems Support and Upgrade program has historically included the C-26 Support project, the Airborne Surveillance Initiative project, OV-10 Broncos refurbishments, and UH-1H helicopter upgrades. Through this funding, specialized systems that were previously not available were to be provided to meet counternarcotics mission requirements in support of surveillance, detection, eradication, interdiction and logistics. This project also allowed INL to improve the performance characteristics of existing systems to better utilize their capability, extend their useful life, and increase the effectiveness of reconnaissance, eradication and interdiction efforts.

INL has contracted for engineering and modification services to modify C-26 aircraft (owned by the host governments of Barbados, Colombia, Peru, Mexico, Venezuela and Trinidad and Tobago) with a suite of surveillance sensors. To ensure effective utilization of these powerful resources, host countries must be taught the appropriate tactics, techniques, and related doctrine that will lead to a systems approach in their counternarcotics surveillance and interdiction efforts. With appropriate information management protocols in place, these host nation operations will generate surveillance

information of import to the U.S. and other donor nations. As C-26 operations mature, the need for optimized spare parts protocols (both airframe and sensor system) will be of increasing importance. An appropriately tailored spare parts protocol could save C-26 user nations as much as 50 percent of the cost of traditional spares packages.

Program Accomplishments

C-26 Support

The C-26 Support project has given host nations (Barbados, Trinidad and Tobago and Colombia) their own capability to conduct surveillance, detection and monitoring missions. In addition, Joint Interagency Task Force East (JIATF-E) has been able to schedule the use of the two aircraft from Barbados (used by the Regional Security System) in other parts of the Caribbean as a force multiplier. As a result, JIATF-E has shifted meager USG detection and monitoring assets to critical areas throughout the Caribbean and Eastern Pacific. The program in Barbados also supports the U.S. Coast Guard GANTSEC and British, Dutch and French counternarcotics operations in the Caribbean. For the Barbados program, the following statistics are available for CY 2002.

- Total number of C-26 counterdrug missions: 285
- Total number of C-26 Mission Hours: 1,105 hrs.
- Average Mission Time: 3.87 hrs.
- Total number of counterdrug events involving suspect vessels detected and monitored with other law enforcement agencies that lead to an end game: 38
- Estimated amount of marijuana seized or shipments disrupted: 10,000 lbs.
- Estimated amount of cocaine seized or shipments disrupted: 3,300 lbs.

The program in Trinidad and Tobago was started more recently. Two aircraft have been modified and delivered to the Trinidad and Tobago Coast Guard Air Service. Extensive training for the pilots, sensor operators and mechanics is being provided. Counternarcotics surveillance operations will begin in FY 2003 and the program will be in full operation by the end of the calendar year.

The C-26 program in Mexico, operated by the Mexican Air Force, is now beginning to conduct operations after extensive training in both the United States and in Mexico. We have trained over 45 sensor operators, and 9 pilots. This program should be showing result during CY 2003.

The CNP C-26 signal collection aircraft continue to perform successful missions in support of the Colombian National Police (CNP) the Colombian armed forces, DEA and other USG Embassy agencies. These aircraft are continually being flown in support of eradication missions, and hostage/rescue situations. These aircraft continue to be the aircraft of choice for host nation aerial surveillance/collection missions without the need to ask for USG for assistance.

Airborne Surveillance Initiative

To date, we have completed sensor upgrades for two C-26 aircraft each in Barbados, Trinidad and Tobago and Colombia. The programs in Barbados and Colombia are already providing valuable information and results. The aircraft in Trinidad and Tobago conducted operations throughout the Caribbean in support of JIATF-E. In Colombia, the C-26 program continued to provide valuable

signal communications information that the CNP and military forces have used in drug laboratory seizure and aerial eradication missions.

FY 2004 Program

C-26 Support

In FY 2004, the System Support and Upgrades budget will continue to support C-26 Support programs in Barbados, Trinidad and Tobago, Colombia and Mexico. Contractor Logistical Support (CLS), including spare parts, and training will continue to be provided to the programs in Barbados and Trinidad and Tobago. Training and sensor spare parts for the program in Colombia will also be maintained. The program in Mexico will be expanded to include training and operational support for an analysis center and a FLIR maintenance facility to provide the Mexican Air Force the ability to service and repair these sensitive infrared radar systems.

Our primary emphasis will be to continue training pilots and sensor operators for the C-26 aircraft and to ensure that the aircraft maintained properly while we move from the initial training phase to a fully operational program. Host nation self sufficiency of the C-26 programs remains an important goal and INL will continue to explore ways to increase the level of host nation funding and involvement in order to decrease USG contributions.

Airborne Surveillance Initiative

One of the critical shortfalls in the current counternarcotics operational structure overseas is the lack of host government surveillance, detection, and monitoring capability. Traffickers operate with near impunity as they violate border integrity while transporting a variety of forms of contraband. Customs laws have been meaningless as air, land and maritime traffickers choose the points-of-entry to be used at their own discretion.

INL will continue to upgrade C-26 aircraft and surveillance systems and train host nation forces to utilize emerging technology in a manner that benefits domestic, international and U.S. counternarcotics objectives. Additional training will be provided in data management and analysis and the development and implementation of information sharing protocols across host nation interagency and regional counternarcotics communities will be promoted. A systems approach to maritime- and land-based surveillance operations will emphasize the requirement for effective coordination between strategic and tactical airborne surveillance units as well as those directly involved in ground-based interdiction activities. INL will take advantage of contractor, U.S. military, and other law enforcement expertise to provide the international C-26 community with the tools to effectively prosecute their drug law enforcement missions.

International Organizations

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
16,000	—	12,200	14,000

Program Objectives and Performance Indicators

UNDCP

The integration and coordination of counternarcotics programs with anticrime and, where appropriate, counter-terrorism programs will be refined and improved.

At least three of the United Nations Drug Control Program (UNDCP) projects funded by the U.S. will have crossover elements involving at least two of the three issues.

There will be an increase in regional coordination and leadership in counternarcotics control efforts.

The majority of UNDCP projects funded by the U.S. will be regional or global in nature, as opposed to country specific.

OAS/CICAD

The Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) member states will improve their performance in the fight against narcotics trafficking and reducing drug use.

Technical assistance will be extended to at least a third of OAS member states to address weaknesses identified by the Multilateral Evaluation Mechanism (MEM), resulting in measurable progress in strengthening national drug commissions and/or strategies, modernizing legislation, or improving the performance of demand- or supply-side program agencies.

The effectiveness of counternarcotics law enforcement institutions will increase as a result of enhanced cooperation in the Western Hemisphere.

Through regional and sub-regional cooperative activities, active cooperation among hemispheric countries on shared criminal threats, such as cross-border or maritime smuggling, money laundering (including terrorist financing), arms trafficking, chemical diversion, drug abuse, and youth gangs will increase.

There will be an increase in regional information exchange.

At least one of the Commission's hemispheric model laws will be updated.

UN Crime Center

There will be increased integration and coordination of anticrime programs with counternarcotics and, where appropriate, counter-terrorism programs.

International regimes will be enhanced in order to combat and prevent organized crime and corruption, particularly with support from the UN Office of Drugs and Crime (UNODC) and member states to implement the UN Convention Against Transnational Organized Crime and its protocols and to bring the Convention Against Corruption into force.

The Convention against Transnational Organized Crime will be in force: technical activities of the UN Crime Center will promote implementation of the Convention.

The Corruption Convention has been completed and is open for signature: the UN Crime Center will construct program to assist requesting states to ratify and implement the Corruption Convention.

Program Justification

UNDCP

The universal recognition of the close connections among illicit drug trafficking, organized crime, and terrorism after the attacks of September 11, 2001 has changed the way the U.S. and the world look at these phenomena and the approach we take to fighting them. We no longer try to separate them out as three separate and distinct problems, and we do not think that we can successfully defeat them by attacking them only within our own borders. The United Nations International Drug Control Program (UNDCP), as the established leader in international, multilateral counternarcotics efforts, is ideally positioned to work closely with its sister UN organization, the Center for International Crime Prevention (CICP), to provide law enforcement training and technical assistance on intersecting issues, such as money laundering and border security.

U.S. support to a multilateral organization such as the UN complements our bilateral programs and allows us to leverage our funds to gain increased buy-in and support from other countries for our overall anti-narcotics efforts. Through these multilateral programs we are able to address problems on a regional basis and reach areas where it is difficult for the U.S. to operate bilaterally.

OAS/CICAD

Over the past 15 years, U.S. foreign policy has been extremely successful in promoting a strong anti-drug coalition among the countries of the Western Hemisphere. While the OAS has become much more active in anti-terrorism and other security-related matters in the past two years, drug trafficking remains one of the most pressing, shared concerns of the 34 OAS Member States. Therefore, the role of the drug arm of the OAS, the Inter-American Drug Abuse Control Commission (CICAD), has continued to grow in importance. CICAD has been instrumental in building this solidarity and in moving the 34 OAS member states forward in developing strong national anti-drug programs and policies. Because of its recognized expertise in areas such as money laundering and arms trafficking control, CICAD has been an important player in the hemispheric response to terrorism, partnering with the OAS Committee Against Terrorism (CICTE) to confront terrorist financing.

UN Crime Center

Since the events of September 11, 2001, the United Nations has joined with the U.S. in paying greater heed to the close connection between international terrorism and various manifestations of transnational organized crime, particularly crimes that provide the financial wherewithal to support terrorist acts. There is a need to advance the coordination of efforts at the regional and international levels in order to strengthen the global response to this vital security challenge. Our global counter-terrorism efforts require improvements in the capabilities of other governments to counter transnational, sub-state threats. Given the clear nexus between international organized crime and terrorism – particularly in support of terrorist financing – we must use the UN to leverage improved international efforts to combat these mutual threats. We no longer try to separate them out as three separate and distinct problems, and we do not think that we can successfully defeat them by attacking them only within our own borders. The United Nations Center for International Crime Prevention (CICP), otherwise known as the Crime Center, is the established leader in international, multilateral anticrime efforts and is ideally positioned to work closely with other agencies within the UN system, particularly the UN Drug Control Program (UNDCP) and with other relevant international organizations to provide law enforcement training and technical assistance to combat these interconnecting issues.

U.S. support to Crime Center programs complements our bilateral programs and allows us to leverage our funds to gain increased buy-in and support from other countries for our overall anti-crime efforts. These multilateral programs act as force-multipliers in support of key U.S. objectives, and allow us to better reach areas where it is difficult for the U.S. to operate bilaterally.

Program Accomplishments

UNDCP

UNDCP has been a leader in the counternarcotics efforts in Afghanistan as it has begun to provide assistance to the Afghanistan government to build its capacity to fight the prevalence of illicit poppy cultivation and drug trafficking. The global program against money laundering has placed mentors in several different regions, and these mentors have been the driving force in pushing through new financial legislation that brought the countries closer to meeting international standards. A special narcotics law enforcement agency in Tajikistan that is fully supported by UNDCP is making significant seizures of illicit drugs entering and transiting that country and received an excellent report recently from a team of independent evaluators. Computer-based training developed by UNDCP initially for one country has been expanded throughout Southeast Asia and is so successful that it is now being developed for Central Asia. At least five separate but coordinated programs to develop data banks to track precursor chemicals are operating in Asia and Latin America at the same time that the programs are training law enforcement officials in this relatively new area. Alternative development programs in Burma and Laos continue to build the capacity of communities to sustain themselves with licit economic opportunities.

Since May 2002, the UNDCP has been under new leadership and a number of management reforms have been implemented. The organization is winning back the confidence of donors as it integrates programs to eliminate overlap and brings transparency to its operations.

OAS/CICAD

CICAD combines a policy-level commission similar to the UN Commission on Narcotic Drugs (CND) and a UNDCP-equivalent Secretariat that is headed by a talented and experienced U.S. citizen. The

Commission provides a forum for discussion among governments on pressing drug problems and for developing coordinated responses to those problems. Technical sub-groups of CICAD likewise permit valuable exchanges of information and experience among national experts. The Secretariat provides a central resource and coordination point for hemispheric statistics and information, training and technical support, legal standards, national experiences and research. The Secretariat, using funds from INL and other donors, provide a wide array of technical assistance to Member States, some on an individual basis (e.g., national drug strategies) but most often in sub-regional groupings (e.g., Central America, the English-speaking Caribbean, the Andes). At the request of INL and several drug-cultivating countries in South America and the Caribbean, CICAD is also coordinating several multilateral activities in support of Alternative Development, including use of satellite technology to support development programs and research into pests that threaten viable alternative crops (cacao, coffee and banana).

The work of CICAD has been highlighted in the Summit of the Americas process, where heads of state have entrusted CICAD with both the negotiation of the Anti-Drug Strategy of the Americas and an innovative peer review system for evaluating national anti-drug efforts. This Multilateral Evaluation Mechanism (MEM) provides each country with an objective diagnostic of the weaknesses in its anti-drug strategies, programs and laws. It likewise identifies ways in which the countries can improve regional and international cooperation. These reports help to validate national requirements for technical and material support and are proving helpful to INL and other international donors in prioritizing their counternarcotics assistance programs. The MEM system will continue to report publicly on the problem until it is addressed, keeping pressure on individual governments.

UN Crime Center

The Crime Center has taken a leading international role in promoting the ratification, accession, and implementation of the UN Convention against Transnational Organized Crime (TOC) and its three protocols. Working with a pool of international experts from member state governments (including the U.S.) the Center is preparing legislative guides to provide legal advice to countries that need legislative changes for the ratification of the Convention in their national law. The Crime Center is also organizing workshops for law-enforcement practitioners to build capacities through action-oriented training in fighting organized crime and its links with corruption as a first step to prepare the ground for the early implementation of the TOC Convention. The first such workshops were held in Romania and Nigeria in 2002, with additional workshops planned for 2003, including in Ukraine and Indonesia.

With strong U.S. support, the Center has also assumed a leading role in promoting international efforts to combat trafficking in persons, one of the fastest growing and most brutal forms of organized criminal activity. With U.S.-provided funds, the Center is preparing to initiate technical assistance projects in Vietnam, South East Asia, and West Africa.

Using previous-year funds provided by the U.S., the Center initiated in 2002 a preparatory assistance project aimed at providing the required tools for the ratification and implementation of the 12 international conventions targeting terrorism. Aided by a U.S.-funded senior consultant, the Center drafted a set of explanatory materials to serve as guidance notes for legislating and implementing the international instruments pertaining to terrorism, including a checklist for legislators in this field. The Center has also compiled model laws. Examples of relevant legislation are regularly updated to keep abreast of developments in legislating against terrorism. The center has also established a preliminary web page containing examples from national counter-terrorism legislation.

FY 2004 Program

UNDCP

International Organizations (IO) funds will support the UNDCP global program against money laundering. This program places mentors in a country for a year or more to assist them in bringing their laws and regulations up to international financial standards. The program then follows through with training for prosecutors, regulators, investigators and judges to ensure that they understand how to effectively use the legislation. Its work is coordinated with and complimentary to that done by the Financial Action Task Force (FATF). Funds will also support the global legal advisory program as it continues to provide assistance to ensure that parties to the international drug conventions have adequate laws to enforce the treaties and capacity to do so.

As trafficking in the chemical precursors used to manufacture cocaine, heroin, and amphetamine-type stimulants (ATS) grows, UNDCP has been at the forefront of developing programs to enable law enforcement officials to track these precursors. Funds will be used to continue our support to several regional tracking projects and to train law enforcement officials. Alternative development for regions that have historically had few legal economic activities are beginning to show progress in areas such as Burma and Laos, and we will continue to support those projects. These are usually long-term programs and require support for many years to turn the community away from the lure of the easy money from illicit crops.

OAS/CICAD

FY 2004 funding will be used to support the implementation of the Anti-Drug Strategy in the Hemisphere, including the effective operation of the Multilateral Evaluation Mechanism (MEM). Much of the increase will be devoted to providing technical support and training to address shortcomings in country antidrug programs identified by the MEM. It will also support expansion of increasingly sophisticated CICAD demand-side, supply-side and legal development programs. INL funding will be used to support programs in the following areas.

- Funds will be provided for the operation of the MEM and follow-on technical support to OAS Member States.
- Funding will be provided for demand reduction and youth programs including regional demand reduction training, epidemiological surveillance system support, adoption of minimum standards of drug treatment, treatment training for nurses, an on-line Masters program, and policy and program development for youth gang prevention.
- Funding will be provided for the operation of hemispheric statistical systems, the development of national observatories, and the development and maintenance of data banks to track chemical precursors.
- Funding will be provided for the development of national drug strategies and drug policy coordinating bodies.
- Funding will support legal development, including efforts to update regional model legislation (firearms, money laundering, chemicals), orientation for legislators and judges, and communications systems provided to facilitate regional exchange of information and cooperation.

- Funding will be provided for programs related to the control of money laundering, chemical diversion, and arms trafficking; training for regulators (bank, chemical, weapons) and investigators; and for expansion of port security projects.

UN Crime Center

FY 2004 funds will be used to support efforts to ratify and implement the Convention against Corruption. This project will presumably include pre-ratification legal preparatory assistance and technical support for officials and practitioners to better implement measures called for in the Convention. The U.S. contribution may also support the implementation by foreign countries of the Convention against Transnational Organized Crime and supplementary protocols.

The remainder of our contribution will support projects addressing organized crime and corruption. Contingent upon the outcome of a pilot project underway to assist countries to ratify and implement the 12 counter-terrorism conventions, we may also fund some follow-up projects to increase the United Nation's ability to provide technical assistance to states to strengthen their legal frameworks to prevent and fight terrorism, working in close collaboration with other UN and regional organizations.

International Organizations

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
UNDCP	10,000	—	7,400	8,000
OAS/CICAD	6,000	—	4,800	5,000
UN Crime Center ¹	—	—	—	1,000
Total	16,000	—	12,200	14,000

¹ Prior to FY 2004, INL contributions to the Crime Center were made from the INL Anticrime Programs account.

Drug Awareness & Demand Reduction

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
5,000	—	5,000	5,000

Program Objectives and Performance Indicators

Select foreign countries will be able to apply best practices and new prevention/treatment technologies that are scientifically sound and effective at both the national and community level.

One training conference and ten workshops will be conducted to promote skill development in prevention methods related to evidence-based models of prevention.

One training conference and ten workshops will be conducted to promote skill development in treatment methods related to evidence-based models of treatment.

Two parent drug-corps programs each will be established in Latin America and Asia.

Two drug-free communities programs each will be established in Latin America and Asia.

INL will have in place regional-level capabilities for better dissemination and utilization of best practices and scientific knowledge about effective prevention and treatment technologies.

An addiction technology transfer center for the Asia/Pacific region will be established.

Support for technical assistance provided by the Eastern European Institute for Substance Abuse to three Russian countries will be extended.

The number of Latin American students trained in the Colombian and Brazilian sub-regional demand reduction academies will increase by 50 percent.

The international community will be better educated about U.S. policies, programs, and successes in combating drug abuse.

Four regional-level seminars will be provided in collaboration with the White House on U.S. policies and programs to combat drug use.

Multilateral alliances will be established to build public support and political will to combat drug trafficking and abuse, develop support for U.S. foreign anti-drug policies and initiatives, and improve America's image overseas.

There will be an increase in membership in the Global Drug Prevention Network by 500 overseas drug prevention programs or individuals.

There will be an increase in membership in the Western Hemisphere Drug Prevention Network of the Americas by 250 programs or individuals.

The faith-based network of Muslim anti-drug programs in the South/Southeast Asian region will be expanded to 400 programs or individuals.

An International Community Anti-Drug Coalition Institute will be created to provide global technical assistance on forming effective community anti-drug coalitions.

International program accomplishments and lessons learned will be utilized to benefit both U.S. and foreign demand reduction services.

Three international drug prevention best-practices research studies will be conducted and disseminated.

Two international drug-treatment best practices research studies will be conducted and disseminated.

A long-term, outcome-based evaluation of INL demand reduction training in Peru will be completed and disseminated.

Program Justification

The Demand Reduction program seeks to reduce the worldwide demand for illicit drugs by motivating foreign governments and institutions into giving increased attention to the negative effects of drug abuse on society.

Demand reduction efforts aim to reduce the use and abuse of illicit drugs worldwide. The need for demand reduction is reflected in escalating drug use that takes a devastating toll on the health, welfare, security, and economic stability of all countries. In addition, profits from drug distribution are a major source of funding for terrorist organizations. Foreign countries recognize the vast U.S. experience and efforts in reducing drug demand and increasingly request technical and other assistance from the USG to address their problems. Assisting countries to reduce drug consumption helps in an important way to preserve the stability of that country and cut off a major source of terrorist financing. On the other hand, INL support for public/private networks (national and regional) of demand reduction programs helps facilitate support for overall USG counter-narcotics policies in foreign countries. This involves the development of community coalitions of private/public social institutions, the faith community, civil society, and law enforcement entities to implement strong counter-narcotics policies and programs, in addition to improving America's image overseas. Lastly, foreign countries are collaborating with the USG on developing model research-based programs to improve the delivery of prevention/treatment services and reduce drug-related violence among youth.

Program Accomplishments

As a result of INL-funded training and technical assistance, foreign governments are engaging their own national institutions, communities, and resources to address demand for illicit drugs. In Thailand, with INL-funded training, the Department of Health established over 200 treatment centers to address the growing epidemic of methamphetamine abuse. The Philippines Bureau of Corrections instituted

drug intervention programs in over 50 institutions covering over 4,000 drug-addicted inmates daily. Furthermore, St Petersburg, Russia established a citywide services delivery system consisting of intake, outreach, outpatient and residential treatment programs. Governments in South America continue to implement their own national-level, counter-narcotics media campaigns: local media advertisers and businesses in Chile, Venezuela, Brazil, Argentina, Peru, and Uruguay contributed nearly \$250 million to counternarcotics media advertisements since the programs inception in 1996. INL technical assistance resulted in the creation of an Eastern European Institute for Substance Abuse Prevention in the Czech Republic that services seven additional countries. Also, an Addiction Technology Transfer Center that disseminates best practice information to seven Southeast Asian countries was established in Thailand. Finally, public/private sector demand reduction networks significantly increased membership in the Western Hemisphere to 3,500 organizations and internationally to 7,000 organizations from over 70 countries.

FY 2004 Program

INL-funded training will continue to strengthen host nation counter-narcotics institutions so that they can conduct more effective demand reduction and public awareness programs on their own. The program will give particular attention to cocaine producing and transit countries in Latin America, address the recurring methamphetamine abuse problem in Southeast Asia, and address the heroin threat for Asia and Colombia. An expanded area of focus will be the Middle East and South Asia where over 400 Muslim-based antidrug programs are members of the global INL drug prevention network. INL will increase support to its sub-regional demand reduction academies in Brazil and Colombia with the aim of increasing the number of students trained at the centers by 50 percent. INL will enhance the services provided by the Prague-based Eastern European Institute for Substance Abuse Prevention to surrounding countries in the region, including Russia. INL will also maintain support for the Bangkok-based Addiction Technology Transfer Center for the Southeast Asian region. These activities will be undertaken in collaboration with other donor countries and international organizations to reflect an emphasis on increased multilateral activities.

The FY 2004 training and technical assistance program will be designed to prevent the onset of use, to intervene at critical decision points in the lives of at-risk populations to prevent initial use and further use, and to improve effective treatment and prevention programs. The program will expand its emphasis on the development of national, regional, and international coalitions of public/private sector organizations to strengthen international opinion and actions against the drug trade and to strengthen America's image overseas. Programs will continue to facilitate cross-cultural, comparative research to directly benefit foreign and U.S.-based demand reduction programs. The results of this research will be a compilation of best-practices and lessons learned from organizations in selected countries that have developed successful demand reduction programs, both INL- and self-funded. INL will support five international drug treatment and prevention best-practices research studies that provide detailed descriptions of successful local innovations that can be replicated worldwide.

The Demand Reduction Program budget will also support the enhancement of the ability of foreign countries to build public support and strengthen political will to implement strong antidrug programs. Training will emphasize the development of national-level drug awareness campaigns that demonstrate connections between the drug trade, terrorism, and other concerns such as economic growth, democracy, and the environment. On the national level, technical assistance will target the enhancement of the six existing private sector media partnerships for drug prevention education in Latin America. It will support government efforts to conduct and sustain drug awareness campaigns by building linkages between the corporate sector and the mass media.

The Demand Reduction program budget request will also accommodate the increased need for enhancing national, regional and international coalitions of civil society/grassroots organizations to mobilize international opinion against the drug trade, encourage governments to develop and implement strong anti-drug policies and programs, and improve America's image overseas. With INL support, an International Community Anti-Drug Coalition Institute will be established to provide training and technical assistance to key leaders on forming and sustaining effective drug-free community coalitions.

INL support will allow membership in the Western Hemisphere Drug Prevention Network of the Americas to increase by 250 programs or individuals, and the Global Drug Prevention Network to increase by 500 the number of its affiliated programs or individual members. INL funds will expand the Colombo Plan's regional network of Muslim, faith-based demand reduction organizations in South and Southeast Asia. Given the priority on improving America's image and relations with Muslim countries, these networks provide INL with a unique opportunity to deliver services in regions critical to the U.S. for cooperation in the worldwide coalition against terrorism.

At the grassroots level, the program will continue to help establish and sustain strong community partnerships and coalitions of public/private sector programs for drug prevention, expand community mobilization efforts against drugs, and create or enhance effective community- and school-based prevention programs. A goal of strong community-based partnerships is to establish demand reduction programs that address drug-related crime and violence and support national policies.

The demand from foreign countries for INL-sponsored technical assistance on drug prevention programming continues to increase rapidly. Membership in INL-sponsored international and regional demand reduction networks has expanded exponentially, and initial findings from INL-funded research shows potential to directly enhance U.S.-based programs. Increased funding will allow us to better mobilize international opinion and cooperation against the drug trade, encourage governments to develop and implement strong anti-drug policies and programs, and strengthen support for USG counter-narcotics policies and initiatives.

Drug Awareness and Demand Reduction

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Training & Technical Assistance	1,500	—	2,500	2,000
Research and Evaluation	1,200	—	600	750
Coalitions and Networks	1,300	—	1,300	1,250
Demonstration Programs	1,000	—	600	1,000
Total	5,000	—	5,000	5,000

Regional Narcotics Training

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
5,000	—	4,500	1,000

Program Objectives and Performance Indicators

The technical and investigative skills of counternarcotics law enforcement personnel and levels of cooperation and coordination between U.S. and foreign law enforcement officials in key countries will be strengthened.

There will be improved cooperation among counternarcotics law enforcement agencies within and between countries as measured by the increased numbers of narcotics traffickers arrested and successfully prosecuted.

Program Justification

The Narcotics Law Enforcement Training project is designed to assist cooperating countries to create effective national organizations for investigating drug trafficking and interdicting illegal narcotics. It is important to note that additional funding for these activities comes from other program categories within the INL budget. International counternarcotics training is managed and funded by INL and carried out by a variety of U.S. law enforcement agencies including DEA, Coast Guard, and Customs. Between fiscal years 1998 and 2002, INL funding has resulted in training for approximately 7,877 foreign officials. Generally, training programs in the U.S. are tailored to senior-level management and policy-level officials, while programs offered overseas are reserved for operational personnel.

Program Accomplishments

INL-funded international counternarcotics training is carefully targeted based on objectives outlined by each U.S. Embassy Mission Performance Plan. The overall objective is to enable each recipient country to develop self-sufficient counternarcotics institutions. The training delivery focus includes a needs assessment stage where we develop relevant course materials, develop new courses targeted at the legal structures existing in each country, and develop a program evaluation component. The resulting training is tailored to the recipient country, with an emphasis on major producer and transit nations. Regional training is frequently used to foster international cooperation – a necessity given the transnational nature of organized crime and narcotics trafficking.

This constant analysis and refinement of INL law enforcement training programs to meet the current needs of the recipient country is one of the best means to promote U.S. counternarcotics goals. Our

efforts aim to create effective host country enforcement institutions and take drugs out of circulation before they reach the U.S.

FY 2004 Program

In FY 2004, INL-funded training will continue to support the major U.S. and international strategies for combating narcotics trafficking worldwide. INL will continue to furnish programs only to those countries considered to be a high priority for U.S. counternarcotics interests. Major emphasis will be placed on coordination with other donors to organizations such as the UNDCP, the OAS, and the EU, to urge them to shoulder greater responsibility in providing training that serves their particular strategic interests. This coordination will also help avoid wasteful duplication of efforts.

INL will maintain its role of coordinating the activities of Washington agencies in response to assistance requests from U.S. embassies. Again, this will help avoid duplication of effort and ensure that presentations reflect the full range of U.S. policies and priorities. FY 2004 funding will enable INL to continue to use counternarcotics training as a vehicle for achieving basic policy objectives.

INL Anticrime Programs

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
15,330	—	12,300	8,000

Program Summary

The terrorist attacks of September 11, 2001, were not only acts of war against the United States and its allies, but also an attack on civilized society and the rule of law. As we confront this dire terrorist challenge, we also face the unprecedented spread of international crime groups that exploit the vulnerabilities of the global economy to amass illicit wealth using increasingly sophisticated and creative means. Terrorists utilize these international crime groups for financing and other activities. More than ever, effective international law enforcement cooperation is an essential element to ensuring global stability and protecting American communities, businesses, and financial institutions.

The Secretary of State mandates the Bureau for International Narcotics and Law Enforcement Affairs (INL) to fund, coordinate, and provide policy guidance for international crime control matters. INL targets strategic countries and provides support for international negotiations and organizations to combat a broad spectrum of transnational crime threats, including those connected to international terrorism and corruption. Specific areas of concentration reflect Presidential and other national security priorities such as the National Security Strategy of the United States, the National Strategy for Homeland Security, and the National Strategy to Secure Cyberspace.

Since September 11, we have redoubled our efforts to strengthen laws and institutions to fight terrorism and other crime and to ensure that our foreign law enforcement partners have the tools they need. For example, some Allied nations are committed to fighting terrorist financing, but lack the legal framework, training, or technical capabilities to fulfill their sovereign responsibilities. Others lack the capability to assert control over their entire territory. In many nations, official corruption renders law enforcement ineffective or worse. Addressing these issues is key to ensuring our national security.

FY 2004 Programs

INL will continue to combat a broad range of crime challenges to our national security, including those with a strong connection to terrorism.

We will contribute to international organizations like the Financial Action Task Force (FATF) to promote the standard-setting and peer reviews vital to fighting terrorist financing. We will continue bilateral efforts to build anti-terrorist financing regimes in priority countries as mandated by the NSC

and also in countries such as Egypt and Guatemala that are on the FATF black list. These programs will focus on creating robust anti-money laundering regimes, law enforcement capabilities, and regulatory agencies.

A key objective of the war on terrorism is stopping the threat as far from our borders as possible. Strong border controls also hinder narcotics traffickers, alien smugglers, and other contraband traders. While continuing to focus efforts on the Caribbean and Central America, we will also look at assessing needs in other areas of the world important to the war on terror.

One serious threat linking transnational crime and terrorism is the likely use of alien smuggling infrastructures by terrorists. We will work to strengthen the ability of priority countries to identify, apprehend, and prosecute alien smugglers and destroy these infrastructures. Suriname, for example, has become a major staging area for smuggling illegal Chinese aliens. We will assess immigration controls in Suriname and provide equipment and training to improve the capabilities of Surinamese immigration and police authorities.

As the National Strategy to Secure Cyberspace makes clear, the prospect of a terrorist-related cyber attack on critical U.S. infrastructures is a growing concern. To support a strategy that addresses this threat, we will provide technical assistance and training to build legal regimes and law enforcement capabilities in key developing nations like the Philippines, Nigeria, Brazil, Argentina, India, and Mexico and work as part of an interagency process to advance cyber security initiatives bilaterally and in forums like APEC and the OAS. In addition, INL funds training for foreign law enforcement to combat intellectual property crime, which has a growing IT component.

The President has made anti-corruption a major foreign policy initiative in the G-8 and elsewhere. INL supports several international mechanisms at the UN, Council of Europe, OAS, and OECD that monitor anticorruption commitments made by governments around the world. INL will continue to ensure translation of these commitments into action by directing technical assistance to strategic countries.

The U.S. G-8 presidency in 2004 will present a critical opportunity for the U.S. to build support for the war on terror. The anti-crime Lyon Group, along with the counter-terrorism Roma Group, coordinates anti-crime and counter-terrorism policies and technical assistance within the G-8. As chair of the Lyon group, INL will lead its efforts and host and chair multiple plenary and working group meetings.

ALIEN SMUGGLING

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
905	—	600	400

Program Objectives and Performance Indicators

INL will work with international partners to interdict and halt alien smuggling as far from our borders as possible. Our efforts will focus on attacking criminal smuggling organizations at all points of their organizational structure. INL will provide technical assistance and training to foreign immigration officers, border guards, and police officials. We will also coordinate the activities of the interagency alien smuggling community in their efforts to disrupt major alien smuggling rings operating both domestically and overseas.

The number of countries with comprehensive laws and trained law enforcement authorities to combat alien smuggling will increase.

Foreign authorities (with active cooperation from the United States or based on their own initiatives) will dismantle alien smuggling networks by identifying, apprehending, and prosecuting their leaders and destroying their assets.

Additional alien smuggling networks will be identified as a result of intelligence, leads, and cases generated by U.S.-trained and assisted foreign law enforcement authorities.

Program Justification

The smuggling of illegal migrants is a widespread, expanding, and increasingly sophisticated criminal industry that has a serious and direct impact on the United States. The United Nations estimates that nearly four million human beings are smuggled and trafficked across national boundaries every year, and roughly \$7 billion is paid to criminal organizations involved in alien smuggling. Viewed from a global perspective, smuggling in illegal migrants is a widespread criminal industry. Some 500,000 illegal aliens are possibly brought into the United States annually by organized crime smuggling networks. They arrive from around the world: Mexico, Central America, and the Caribbean Islands are the major sources in the Western Hemisphere; China, India, and Pakistan are the major sources in Asia. They often take indirect routes to get here. Chinese organizations, for instance, will frequently direct their operations through South and Central America. Eventually, most of the illegal aliens enter the United States by way of Mexico and Canada.

Foreign governments and law enforcement authorities are sometimes reluctant to dedicate resources to alien smuggling cases because they see this as a victimless crime. The reality is that migrants are often subjected to inhumane or dangerous treatment and in some cases to violence. In addition, alien smuggling has a corrosive effect on the integrity of public institutions since bribery is a key component of the alien smuggler's trade.

Program Accomplishments

INL has provided law enforcement training on combating alien smuggling to over three hundred foreign officials in the past three years. The Bureau provided funding to conduct a training course for mid-level managers in developing countries on ways to combat international migrant smuggling and illegal migration. The course was designed to provide technical, legal, and managerial training to

enhance the participating foreign official's ability to implement border security professionally and effectively. INL also provided funding to deliver a training course designed to provide senior instructors and training managers with the skills to develop and manage basic immigration law enforcement training.

INL anticipates providing support to foreign governments that have chosen to ratify and implement the UN Transnational Organized Crime Convention and its protocol on migrant smuggling. To date, over 100 countries have signed the protocol. The main themes of the protocol are to criminalize smuggling, strengthen law enforcement cooperation, enhance border controls, including document security training, and ensure the prompt return of the smuggled migrant.

In response to the migrant smuggling challenge and to further our anti-alien smuggling objectives, INL will help establish a fully operational inter-agency Migrant Smuggling and Trafficking in Persons Coordination Center (MSTPCC). This initiative will bring together federal agency representatives from the policy, law enforcement, intelligence, and diplomatic arenas to work together on a full-time basis to achieve increased progress in addressing these problems, particularly in terms of converting intelligence into effective enforcement actions. The Center will provide a mechanism to foster greater integration and overall effectiveness in U.S. government enforcement and other response efforts and would promote similar intensified efforts by foreign governments and international organizations to combat migrant smuggling and trafficking in persons.

INL purchased computers for the Government of Ecuador to use at the international airport in Quito. Funding was also provided to detail a team of attorneys to Ecuador to provide guidance on strengthening alien smuggling legislation. INL also funded an alien smuggling conference for Caribbean immigration and police officials as part of our effort to focus more attention on our third border. Lastly, INL coordinated and helped fund a program on border controls at an OAS (CICTE) conference in El Salvador where the participants explored the links between alien smuggling and terrorism.

FY 2004 Program

INL will continue to support the development of the MSTPCC. The Center's initial efforts will be fundamentally supportive rather than directive in nature. The Center will provide strategic assessments, identify issues that might benefit from enhanced interagency coordination and attention, and coordinate or otherwise support agency or interagency efforts in particular cases.

INL will also focus on strengthening the investigative and prosecutorial capacity to combat alien smuggling in Ecuador. Ecuador has become a major source and transit country for aliens entering the United States. The vetted unit will be trained in the areas of investigative techniques, consensual monitoring, anti-corruption, and anti-smuggling. After the initial training, the host country vetted units will work in conjunction with trained prosecutors in fully dismantling international smuggling organizations. This team concept will serve to strengthen the law enforcement and prosecutorial branches of the host country government and will provide a reliable and effective means for United States law enforcement and host country law enforcement cooperation.

BORDER SECURITY

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
1,000	—	800	600

Program Objectives and Performance Indicators

INL will continue to assist selected countries strengthen their border control regimes to make it more difficult for criminals and terrorists who threaten the interests of the United States to pass through without being detected and apprehended. INL will identify priority countries, assess their current border control capabilities, and develop implementation plans for strengthening their border control regimes. INL will conduct training to improve the proficiency of customs, immigration, and other border control officials. We shall provide equipment such as computers, vehicle search tools, and narcotic test kits for controls at inspection points. We will work to recommend physical improvements at selected ports of entry, visa processes, travel and identity documents, and immigration policies so as to facilitate travel while at the same time enhancing border controls. And we will improve the integration and coordination among various law enforcement entities at the borders.

Priority countries will identify border security vulnerabilities and develop implementation plans to remedy them through on-site assessments.

The technical capabilities of border control systems in selected countries will be strengthened through the provision and proper use of modern technology.

The competency and professionalism of border control officials will be improved through training and technical assistance, as reflected in increases in confiscations, detentions, investigations, and information exchanges.

Program Justification

Lax border controls greatly enhance the ability of international criminals, smugglers, and terrorists to expand their operations and avoid arrest. In seeking to expand their operations and move their contraband around the world, they will typically either try to avoid these controls, suborn them through corruption, negate them with falsified documentation, or overwhelm them. In many countries, effective control of the movement of persons, vehicles, and cargo across national land borders is non-existent. Border control officials are poorly trained and equipped and inspections facilities are substandard.

As the first line of defense for many countries, stiff border controls provide substantial deterrence to smugglers and other traffickers. They can force them into other, less attractive, routes, provoke traffickers into taking measures that raise their operational costs, and make traffickers more vulnerable to law enforcement countermeasures. Borders are also the points at which to collect important intelligence. Information gleaned from seizures, arrests, and documents can provide leads useful to making even bigger cases that dismantle major international criminal syndicates. Successful enforcement is a powerful instrument for generating greater public support for fighting transnational crime.

Program Accomplishments

In FY 2002, INL conducted a migration management study in Jamaica that was designed to improve border management systems through the provision of computers and software in major airports and seaports. Additional institution building related technical assistance and training is also being provided as a part of this program to ensure its sustained effectiveness. INL also assessed the passport issuance systems of Honduras and Belize and will soon be providing equipment for both countries to improve their systems. In Nicaragua, INL has reached agreement to install the PISCES computer system at the international airport in Managua. This system will greatly enhance the ability of Nicaraguan police immigration officials to identify smugglers, criminals, and possible terrorists who transit through Nicaragua.

FY 2004 Program

Building on our FY 2002 terrorist supplemental request and in support of our border security efforts, INL funds will focus on: improving the ability of governments to control the irregular movement of persons into and through their country, facilitating regular movements, instituting secure travel document issuance systems, and strengthening immigration management systems. Effective border control programs depend on having adequate training, visa regimes, and equipment, including automated systems to track the movement of cargo and people through ports of entry.

Through our border assessments, INL will identify vulnerable countries and will work with them to upgrade their border control systems, including assisting them to improve travel document issuance systems. INL will concentrate on those countries that are major transit locations used by migrant smugglers and terrorist organizations. Initially, INL will focus its attention on improving border controls in Bolivia and Suriname. The Government of Bolivia has expressed interest in improving their migration management systems, and Suriname has become a transit country for aliens destined for the United States.

CYBER CRIME, INTELLECTUAL PROPERTY RIGHTS AND CRITICAL INFRASTRUCTURE PROTECTION

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
650	—	300	200

Program Objectives and Performance Indicators

INL programs will expand U.S. government international cooperation on critical infrastructure protection (CIP) with like-minded and friendly nations. This will be accomplished by a coordinated INL approach to providing technical assistance and training to foreign law enforcement in fighting cyber crime. We will also provide intellectual property rights (IPR) training and technical assistance in accordance with priorities established by the inter-agency working group.

International CIP outreach will be expanded beyond the circle of our closest allies, measured by an increase in the number of nations and multilateral and multinational organizations embracing enhanced cyber security policies and practices.

The number of cyber crime and related criminal misuse of information technology (IT) training and technical assistance programs targeted at nations that are key to our law enforcement needs will increase.

INL will increase the number of IPR training projects delivered, with an emphasis on long-term planning and the involvement of the private sector.

Program Justification

The Internet revolution and the spread of information technology generally led to tremendous productivity gains in the global economy. However, these advances created new challenges for the USG in the areas of law enforcement, national security, and national economic security. In the twenty-first century, nation-state boundaries and distinctions are becoming almost inconsequential. The global interdependence of infrastructures across various sectors, such as finance, trade, transportation, energy and communications, means a physical or cyber attack on the critical infrastructures of one nation will likely impact others. Consequently, U.S. national security depends not only on our own domestic CIP efforts, but also on the capabilities and cooperation of our foreign partners upon whose infrastructures we also rely.

Within the Department of State, the Political Military (PM) Bureau has been designated the CIP functional coordinator, with INL having particular responsibility for law enforcement related CIP issues. Pursuant to the Presidential Decision Directive (PDD 63) issued in May 1998, the USG began to take all necessary measures to eliminate significant CIP vulnerabilities within its borders. In FY 2000, at the direction of the National Security Council, the Department of State developed an interagency-approved four-track strategy for international CIP outreach. In October 2001, President Bush issued Executive Orders 13228 and 13231 establishing, respectively, the Office of Homeland Security and the President’s CIP Board (PCIB).

Under the new policy, the Department will continue its role as lead agency for international outreach and coordination. In February 2003, the direction of U.S. policy was further refined through the issuance of the National Strategy to Secure Cyberspace. The National Strategy contains a strong

international outreach component, focusing on promotion of watch-and-warning networks and a global culture of cyber security. The direction of the Strategy was also informed by cyber crime and cyber security principles encompassed in United Nations General Assembly Resolutions 55/63 and 57/239 sponsored by the United States.

Cyber crime is a significant related issue. The criminal misuse of IT has increased exponentially in the last several years. Cyber crimes can include activities such as fraud, child pornography, and extortion, where IT is a means for carrying out the elements of the crime, and also activities such as hacking, intrusion, and denial of service attacks where information networks are themselves targeted. INL provides technical assistance and training to foreign law enforcement in detection, prevention, and prosecution of high-tech crimes. Given the nascence of cyber crime in many developing nations, our assistance includes enabling U.S. prosecutors to travel abroad to give key nations legislative drafting advice. INL also participates in developing U.S. policy positions on cyber crime in organizations such as the G-8, the Council of Europe, APEC, the OAS and the United Nations.

The USG has also long been engaged on issues related to protection of IPR. The 1998 Crime Control Strategy directed U.S. agencies to protect IPR rights by enhancing foreign and domestic law enforcement efforts. The Department remains tasked with a mission to help combat IPR theft worldwide and to help create predictable legal and economic environments so American business interests can prosper. Through an inter-agency training coordination group (TCG) that includes industry participation, INL promotes IPR foreign training and technical assistance projects that involve significant cooperation with the private sector.

Program Accomplishments

Since the establishment of the PCIB in 2001, the United States has accelerated its international CIP outreach program. INL has helped advance our diplomatic objectives through participation in bilateral discussions with close allies, with multilateral organizations like the Organization of American States (OAS), the Council of Europe and APEC, and through our input into the National Strategy. This diplomatic activity has often set the stage for concrete follow through. For example, in 2003, INL provided support for the first-ever OAS conference on cyber security in Buenos Aires, Argentina. We followed up bilateral discussions with India by agreeing to provide high tech crime investigative training to Indian national police. We enabled the Department of Justice to provide in-country cyber crime legislative drafting assistance to Brazil and Argentina. We continue to assess our programs with an eye on how best to fulfill the goals of the National Strategy to Secure Cyberspace.

In FY 2002 INL provided additional targeted IPR crime training assistance to law enforcement in Brazil, Egypt and the Philippines - nations that were targeted by the TCG for extra attention. We engaged in further discussions with private industry on the best ways to coordinate and deliver training and technical assistance, such as the creation of joint training materials.

FY 2004 Program

INL will continue to participate as part of the Department of State Inter-Agency Working Group on CIP international outreach activities. This will include working with our closest allies to facilitate sector-to-sector relationships and connectivity between law enforcement, as well as expanding our circle of contacts to selected countries and multilateral organizations. INL expects to fully coordinate its activities with the new Department of Homeland Security, as well as already existing U.S. agencies.

We expect demand for training and technical assistance from foreign law enforcement to combat criminal misuse of IT to increase throughout the range of existing INL programs. INL will provide assistance either by training to fight cyber crime itself, or by assistance in fighting substantive crimes such as money laundering and child pornography that are furthered through use of IT. Raising the

technical capabilities of our foreign law enforcement partners is essential to the mission of U.S. law enforcement. INL expects to work closely with the PCIB and DHS to determine priority targets for such assistance.

INL will continue to promote IPR enforcement through participation in the international training coordination group. Our particular responsibility will be to deliver assistance to countries identified as priorities for IPR training. As we did last year, INL will closely weigh input from the TCG to determine the best candidates for such assistance. We look not only to increase the numbers of such programs, but also to better integrate input and participation from private industry into our long term IPR assistance plans. The countries INL is likely to work with to build institutions to address cyber crime, CIP, and IPR challenges include Philippines, Kenya, Brazil, Argentina, South Africa, India, and Mexico.

FIGHTING CORRUPTION

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
3,575	—	2,300	3,000

Program Objectives and Performance Indicators

In advancing important national security and foreign policy objectives, INL has in recent years pursued a mix of diplomatic and programmatic efforts to attain four USG primary anticorruption goals. These goals, articulated in Secretary Powell's first two reports to Congress pursuant to the International Anticorruption and Good Governance Act in 2001 and 2002, include the following.

Uniting Governments Under Common Anticorruption Commitment. The USG opens the door to better bilateral and multilateral cooperation on traditionally local fronts. This, in turn, encourages the sharing of best practices, builds trust and relationships between cooperating countries, and ultimately increases the effectiveness of USG government and other aid programs that assist these efforts.

Helping Governments Meet or Exceed Those Commitments. The fight against corruption begins at the national and local levels. Where pockets of political will exist, the USG can assist governments to strengthen political commitment to take effective action against corruption. This can involve helping governments take a wide range of actions to address corruption, such as enforcing anticorruption laws and instituting preventive measures within the public administration. The U.S. is also beginning through the Millennium Challenge Account (MCA) and other initiatives to reward those countries that are committed to effectively rooting out corruption.

Mobilizing Popular Will and Private Sector Action. Popular will is the best expediter of political will against corruption. The USG can help enhance popular will in other countries by helping encourage civil society and the private sector to be active in the fight against corruption, increase transparency in governments, and increase integrity in the private sector.

Leading By Example. The USG has been a leader in the fight against corruption by promoting integrity within our own country and making our actions an example for the world. The international community can benefit from our examples, particularly regarding efforts to prevent U.S. multinational business from bribing overseas, enforce corruption laws, promote good public/corporate governance, and build tools and institutions to prevent corruption. The USG is also advancing important anticorruption and accountability elements in its foreign assistance programs including, for example, the President's Millennium Challenge Account and within the G-8 process.

The number of governments committed to implementing comprehensive regimes to address their corruption problems will increase.

International cooperation among governments in the fight against corruption will increase.

The number of countries where political will exists to tackle high-level corrupt actors and problems will increase.

Innovative methods to tackle corruption that show measurable effect against corruption will be developed.

Program Justification

The Administration has made the international fight against corruption one of its key foreign policy priorities. The USG has clear foreign policy and national security interests in seeing corruption addressed on an international scale. Corrupt interests continually hamper global economic activity of American firms, interfere with the accomplishments of USG foreign assistance goals and programs, facilitate the continuing growth of transnational crime and international criminal organizations, and threaten democracy. Terrorists thrive on corruption, using it to facilitate the laundering of funds and illicit trade of weapons, passports, drugs, and persons, obtain sensitive information from government sources, and move across borders and find safe havens.

Program Accomplishments

Uniting Governments Under Common Anticorruption Commitments. Over the past several years INL has helped negotiate and develop several significant regional multilateral anticorruption commitments, including the Inter-American Convention, Council of Europe conventions, Stability Pact compact, the Global Coalition for Africa Anticorruption Principles, the ADB-OECD Asia Initiative, and presently, the Middle East and Gulf Governance Network. A recent INL top priority has been to lead USG efforts to develop the first global convention against corruption at the United Nations. From a diplomatic perspective, the biennial ministerial Global Forum process is by far the most high-level existing intergovernmental forum for promoting the fight against corruption, and INL has led USG efforts to develop and define that process.

Helping Governments Meet or Exceed Those Commitments. INL has focused its attention and resources on promoting implementation of multilateral anticorruption commitments (e.g., monitoring mechanisms) and helping develop effective governmental approaches to preventing corruption (e.g., addressing corruption within the criminal justice system through the legal profession and private bars). INL has provided or led USG experts and assistance to help over sixty countries implement anticorruption commitments through mechanisms within the Organization of American States, Council of Europe, Stability Pact Anticorruption Initiative for Southeast Europe, and the ADB/OECD Asian Anticorruption Initiative. INL has also targeted anticorruption advisors and technical assistance to help governments address weaknesses discovered during these evaluation processes. INL has recently led efforts with State regional bureaus and USAID to develop a coordinated and holistic anticorruption pilot assistance program that can be targeted to countries that exhibit strong political will to address corruption problems. INL continues to lead USG law enforcement-related anticorruption assistance, particularly, to help counties build their capacities to investigate and prosecute corruption cases. Over the past two years INL further developed the capability to react rapidly to unexpected Embassy requests for anticorruption assistance to new governments or governments exhibiting strong and unusual political will to address corruption.

Mobilizing Popular Will and Private Sector Action. INL has developed and funded innovative technical assistance programs that help build the popular will against corruption and promote integrity within the private sector. Recent examples include the development of a Culture of Lawfulness educational program in several countries targeted at middle-school students and support to develop a corporate governance blueprint for Russian businesses. INL also has led USG input and assistance to the World Bank Corporate Governance Forum, which has sponsored numerous efforts to promote corporate integrity internationally.

Leading By Example. INL has led recent USG interagency participation, including the Department of Justice, Office of Government Ethics, and others, in key multilateral efforts to observe USG anticorruption efforts, and has helped effectively showcase our efforts a model for other countries. INL is in the process of sponsoring development of the first one-stop website where anyone can get comprehensive information on USG governmental and non-governmental activities to combat corruption within our own country and overseas.

FY 2004 Program

INL will lead USG participation in negotiations on the proposed United Nations anticorruption convention, which may be opened for signature in late 2003. Depending on the outcome of negotiations, INL may provide assistance to other governments that choose to sign and implement anticorruption commitments under this new agreement and other regional pacts for Europe, Western Hemisphere, Asia, the Middle East and Africa. INL will continue to spearhead USG involvement in multilateral monitoring efforts, and help transform the Global Forum process into a body to promote intergovernmental standards. INL will also lead USG efforts to develop innovative and comprehensive pilot assistance programs that can be models for other donors and possibly MCA assistance. INL will continue to support law enforcement-related anticorruption assistance worldwide and develop innovative methods to combat corruption within the public and private sectors in select countries. Finally, we will retain our rapid response ability to provide quick assistance when valuable but vulnerable political will to combat corruption emerges in other countries.

FINANCIAL CRIMES AND MONEY LAUNDERING

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
1,508	—	832	1,000 ¹

Program Objectives and Performance Indicators

INL will promote the use of criminal and regulatory legal tools to deny criminals and terrorists access to financial institutions. Activities and programs will strengthen cooperation against all financial crime and terrorist financing by working with foreign governments to establish or update enforcement and regulatory tools and to implement international anti-money laundering standards. INL will encourage the formation of Financial Intelligence Units (FIUs) and enhance their ability to share critical financial intelligence by providing technical assistance to those countries that have adequate and appropriate anti-money laundering laws and regulations in place and encouraging them to become members of the Egmont Group of FIUs.

There will be an increase in the numbers of successful investigations and prosecutions abroad of important money laundering cases.

There will be an increase in the number of jurisdictions in compliance with international anti-money laundering standards including the Financial Action Task Force (FATF) Special Eight Recommendations on Terrorist Financing as reflected by mutual and other evaluations conducted by FATF and other international standard-setting and peer review bodies.

There will be an increase in the number of effective FIUs.

Program Justification

Financial crime, terrorist financing, and money laundering pose a significant national security threat to the United States and other countries around the world. These activities have the power to corrupt officials, distort economies, skew currency markets, undermine the integrity of financial systems, and destabilize governments. Criminals and terrorists seek to access the financial systems of countries to fund their operations and launder funds stemming from a variety of illegal activities, including drug trafficking, corruption, terrorism, arms trafficking, theft of state assets, and a variety of other financial crimes. Experts estimate that global money laundering exceeds \$750 billion per year and continues to grow through a variety of new innovative schemes only limited by the imagination of criminals and their organizations. Our ability to conduct foreign policy, promote our economic security and prosperity, and safeguard our citizens is hindered by these threats to democracy and free-markets.

Program Accomplishments

In the past two years, INL has implemented an aggressive program to combat international financial crime and money laundering, with an increasing emphasis on terrorist financing. In FY 2001, INL provided \$6 million in training and technical assistance programs that delivered over 27 courses to bank regulators, bankers, law enforcement, prosecutorial, and judicial personnel from 25 governments. A multi-agency team of experts representing the Departments of State, Treasury, Justice, Office of the

¹ The total commitment is \$3.5 million, of which \$2.5 million will come from carryover balances.

Comptroller of the Currency (OCC), and the Federal Reserve Board delivered the training courses. The FY 2002 statistics include \$3.6 million for 35 training courses presented in 27 countries. In addition, INL provided contributions to multilateral organizations such as the Financial Action Task Force (FATF), the Caribbean Financial Task Force (CFATF), the Asia/Pacific Group, and other regional bodies to support anti-money laundering efforts in those areas. The members of these bodies have made a commitment to meet international anti-money laundering standards and undergo mutual evaluations by their peers. Our contributions assist in supporting the ongoing operations of these bodies, as well as funding for special programs, such as mutual evaluation training seminars.

During 2001-2002, INL also participated in the development of the FATF's Non-Cooperating Countries and Territories (NCCT) program to identify jurisdictions not cooperating in the fight against money laundering. Many of the 19 jurisdictions that FATF identified as NCCTs were the subject of U.S. Treasury Department advisories, warning all U.S. financial institutions to pay enhanced scrutiny to financial transactions with the listed NCCTs. INL provided training and technical assistance to many of these jurisdictions to help them correct the deficiencies identified by the FATF. With the help of this assistance, FATF removed eight of them from the list in 2002.

In addition, INL participated in the FATF Extraordinary Plenary on the Financing of Terrorism held in Washington, D.C. on October 29-30, 2001. As a result of this meeting, FATF expanded its mission beyond money laundering and now also focuses on a worldwide effort to combat terrorist financing. INL is co-chairing an interagency process to identify the countries most vulnerable to terrorist financing activities around the world. The Bureau is a central contributor to assessing the anti-terrorist financing needs of these countries and developing implementation plans for them, and funding anti-terrorist financing technical assistance programs so they can combat this threat.

FY 2004 Program

In FY 2004, INL will aim its training and technical assistance programs toward countries that need to improve their ability to combat terrorist financing, financial crimes, and money laundering. Training will focus on: tracking, freezing, and seizing terrorist assets; developing anti-money laundering laws and regulations that meet international standards; training bank supervisors to ensure compliance with regulations; developing anti-money laundering examination procedures; providing law enforcement with financial investigative skills; and training prosecutors to develop money laundering cases.

INL will also fund the placement of intermittent and long-term advisors in countries to assist in the development of financial intelligence units to analyze suspicious transaction reports and share information with allies. We will continue to work closely with other USG agencies to provide this assistance, including the FBI, Secret Service, Customs Service, Internal Revenue Service, the Federal Reserve Board of Governors, and the OCC. It is expected that training will focus on many of the NCCT jurisdictions, including Lebanon, Israel, Egypt, Indonesia, Philippines, and Ukraine. In addition, assistance will be provided to many emerging jurisdictions that are in need of technical assistance to develop anti-money laundering laws to protect their economy and financial services sector against financial crime and terrorism.

We will continue to support multinational anti-money laundering organizations, such as the FATF, and FATF-styled regional and other anti-money laundering bodies, such as the Asia-Pacific Group, Council of Europe, CFATF, GAFISUD, ESAAMLG, the Organization of American States Inter-American Commission on Drug Abuse Control (OAS/CICAD), and the Egmont Group. In particular, we want our assistance to ensure that the FATF-style regional bodies incorporate anti-terrorist financing training into their anti-money laundering criteria, that they conduct a steady stream of mutual evaluations of their members, and that they train a core of evaluators to conduct these evaluations.

G-8 AND LYON GROUP

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
—	—	500	500

Program Objectives and Performance Indicators

When the United States serves as President of the G-8 in 2004, INL will use the U.S. chairmanship of the Crime (Lyon) and Counterterrorism (Roma) Experts Groups to advance US initiatives to combat international crime and terrorism, including increasing the level and coordination of G-8 countries' capacity building assistance against terrorism and crime. Additional initiatives include establishing a shared international database to combat internet child exploitation, developing agreed principles on Critical Information Infrastructure Protection (CIIP) protection, and moving to implementation stage of expected 2003 agreement on G-8 biometric standards for travel documents.

INL will develop and recommend to ICAO, IMO and ILO for implementation, all portions of the "people" section of the 2002 G8 Action Plan on Transportation Security, including reciprocal access to departure and transit lounges, minimum standards on biometric identifiers, and improved procedures and practices for sharing information on lost/stolen passports.

The G-8 will establish a CTC Support Group, with the broadest possible donor participation and the Lyon/Roma as secretariat, to coordinate, de-conflict, analyze needs and prioritize assistance to ensure global implementation of UNSCR 1373.

Interpol will launch the G-8/EU sponsored database on Internet Child Exploitation.

The G-8 Lyon Group will adopt principles on CIIP and share them with regional and international organizations.

Program Justification

Created at the 1995 Halifax G-8 Summit to address transnational crime issues, the Lyon Group has become one of the G-8's most active success stories. During its first year, the Group developed 40 recommendations for action against transnational crime, which helped catalyze negotiation of the UN Convention against Transnational Organized Crime and three Protocols, which the Lyon Group then developed and coordinated. After September 11, 2001, at US initiative, the Lyon and Roma Groups have met jointly, bringing counter-terrorism visibility and focus to the Lyon Group and Lyon Group anti-crime expertise to bear in the fight against terrorism. The Lyon and Roma Groups recently redrafted and issued sets of recommendations on transnational crime and terrorism issues. The Groups developed a 25 Point Action Plan against Terrorism and have worked to implement important elements of the US Transportation Security Initiative and other counter-terrorism measures.

The Lyon Group's principal resource is the ability to marshal international expert practitioners from all areas of policing and law enforcement as well as foreign affairs to address topics relating to organized crime and to search for specific and practical solutions and ways to cooperate. This has been achieved largely through the work of the Lyon Group's Subgroups on High Tech Crime, Judicial Cooperation and Law Enforcement Projects and the ad hoc Migration Experts Group.

Since the events of September 11, 2001, the joint meetings of the Lyon Group and the G-8 Counterterrorism Group (Roma Group) have resulted in strengthening both policy coordination and information sharing, as well as engaging in task sharing in order to maximize G-8 resources. These joint meetings have brought visibility and focus to the efforts on migration, high-tech crime, and judicial cooperation to overcome long-standing obstacles to cooperation and develop new measures important to combat terrorism and transnational crime.

At U.S. encouragement, the G-8 Lyon/Roma Groups have exchanged points of contact on capacity building. The French Presidency plans to develop an initiative for announcement at the May 2003 Summit on capacity building with the UN Counterterrorism Committee (CTC) to coordinate delivery of counterterrorism assistance and resources by G-8 countries to help ensure global implementation of UNSCR 1373. The G-8 Lyon/Roma Groups are also addressing important issues of biometric identifiers, passport and travel document issuance standards, information sharing on asylum seekers, protection of critical information infrastructures, and protection of children from exploitation on the Internet.

Program Accomplishments

At the close of 2002, the G-8 Lyon/Roma Groups had compiled a compendium of principles and best practices against crime and terrorism which was shared among the Eight and with more than 30 regional and international organizations, including the UN CTC. The G-8 also developed recommendations on specific aspects of the "people" portion of the Transportation Security Initiative, including passport issuance standards that it shared with ICAO to be adopted as the international standard. Such outreach has been incorporated as an integral part of project undertaken by the Lyon Group.

FY 2004 Program

The U.S. will assume the year-long Presidency of the G-8 beginning in January 2004 and will chair at least three Lyon Group plenary sessions in the U.S. as well as meetings as required of relevant subgroups (likely more often than the plenary) during that time. These funds will ensure these costs will be met.

LAW ENFORCEMENT AND POLICE SCIENCE

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
6,000	—	500	1,200

Program Objectives and Performance Indicators

INL will contribute to the basic infrastructure needed to carry out law enforcement activities in cooperating countries. We will improve the technical and investigative skills of law enforcement personnel in key countries and increase cooperation and coordination between U.S. and foreign law enforcement officials.

There will be enhanced cooperation among regional law enforcement agencies.

Communication of law enforcement officers within and between countries, regions and U.S. law enforcement will be improved.

An increased number of criminals will be successfully prosecuted.

Program Justification

The Regional Crime Training Program is designed to assist cooperating countries create effective national organizations for preventing and investigating crime. It is important to note that additional funding for these activities comes from other program categories within the INL budget.

Program Accomplishments

International crime training is managed and funded by INL and carried out by a variety of U.S. law enforcement agencies including DEA, FBI, DOJ, Department of Homeland Security, and U.S. Coast Guard. Between fiscal years 1998 and 2001, for example, INL funding resulted in training for approximately 10,000 foreign officials. Generally, training programs in the U.S. are tailored to senior-level management and policy-level officials, while programs offered overseas are reserved for operational personnel.

During the past year, the process for delivering INL-funded international law enforcement training was significantly enhanced. Courses were targeted to objectives outlined in each U.S. Embassy Mission Performance Plan (MPP) to increase the ability of each recipient country to develop self-sufficient law enforcement institutions. This shift in training delivery focus also included the introduction of a needs assessment process to develop relevant course materials, the development of new courses targeted at legal structures existing in each country, and the development of a program evaluation component.

FY 2004 Program

Refining INL law enforcement training programs to meet the needs of recipient countries constitutes one of the best means of implementing the USG anticrime strategy for institution building and host nation self-sufficiency. INL will continue to furnish programs only to those countries considered high priority for U.S. anticrime interests. Major emphasis will be placed on coordination with other donors (e.g., the OAS and the EU) to urge them to shoulder greater responsibility for training that serves their particular strategic interests. This coordination will help avoid wasteful duplication of efforts.

In FY 2004, INL will maintain its role of coordinating the activities of Washington agencies in response to assistance requests from U.S. embassies. This will ensure that programs reflect the full range of U.S. policy priorities. Continued funding will allow us to accommodate the growing emphasis on law enforcement training as a vehicle for achieving many of the basic objectives of USG anticrime policy.

PROGRAM DEVELOPMENT AND SUPPORT

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
1,142	—	1,000	1,100

Program Justification

Program Development and Support (PD&S) funds are used to cover the domestic administrative operating costs associated with the Washington-based INL staff, personal services contract personnel, rehired annuitants and reimbursable support personnel, field travel, maintenance of information resource management systems, and administrative support expenses such as office equipment rental, telephone services, printing and reproduction, miscellaneous contractual services, materials, supplies, furniture, furnishings, and equipment.

FY 2004 Program

PD&S funding will be required in FY 2004 to continue the evolving mission of INL. The FY 2004 budget includes a modest increase to cover planned increases in field travel and the anticipated higher costs for salaries and benefits, personal services contracts, miscellaneous contractual services, and expenditure for office materials, supplies, equipment and telephone expenses.

INL Anticrime Programs

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Alien Smuggling	905	—	600	400
Anti-Money Laundering ¹	—	—	4,968	—
Border Security	1,000	—	800	600
Cyber-Crime, IPR and CIP	650	—	300	200
Fighting Corruption	3,575	—	2,300	3,000
Financial Crimes & Money Laundering ²	1,508	—	832	1,000
G-8 and Lyon Group	—	—	500	500
Law Enforcement and Police Science	6,000	—	500	1,200
Rule of Law	550	—	500	—
Program Development and Support	1,142	—	1,000	1,100
Total	15,330	—	12,300	8,000

¹ These funds will be directly apportioned to the Department of Treasury.

² For FY 2004, the total commitment is \$3.5 million, of which \$2.5 million will come from carryover balances.

Civilian Police Contingent

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
—	—	4,670	2,700

Program Objectives and Performance Indicators

The overall program objective for the Civilian Police Program (CIVPOL) is to continue to develop and enhance the U.S. capacity to participate in international civilian police missions and respond to complex security operations; and to enhance the capabilities of the United Nations, the Organization for Security and Cooperation in Europe, regional organizations and other countries to address civilian police and justice issues in countries emerging from hostilities.

The capacity of the USG to identify, train, equip, deploy and support uniformed police and advisors overseas will be enhanced.

The process of obtaining certification of the basic U.S. training program from every state will be completed.

A command structure will be established and implemented that will include a formal performance evaluation system and code of conduct and ethics for the CIVPOL program.

A logistical system for rapid deployment of U.S. police to support international police and complex security operations will be implemented.

Specialized training programs that complement the basic training program will be established and implemented.

U.S. federal, state and local law enforcement agencies will support the CIVPOL program.

INL will continue to establish and broaden its relationships with nation-wide law enforcement associations, organizations, and unions.

INL will work with other countries to develop standardized civilian police training programs.

Selected countries will be invited to become involved in our CIVPOL training programs and related activities.

Program Justification

U.S. participation in international civilian police operations will continue in 2003 with approximately

550 experienced police officers and advisors assigned to Croatia, Bosnia, Kosovo, Macedonia, Serbia, East Timor, and Afghanistan. The CIVPOL support contract solicited in FY 2003 will provide a mechanism to establish a cadre of up to 500 U.S. police and a roster of an additional 1,500 potential candidates for the cadre. The FY 2003 program will build on existing training and advisory capacities and further improve our capacity to respond to requests from internal U.S. agencies, the UN and other organizations for U.S. participation in police components of international peacekeeping missions and respond to complex security operations.

Deployment of U.S. police and law enforcement advisors can range from short-term assessments or training and advisory activities requiring only a few weeks, to secondments for a year or more to operational missions that may include the authority to carry weapons and perform a full range of law enforcement functions. To be prepared for such operations, personnel included in the U.S. contingent are issued basic uniforms and personal equipment applicable to all deployments. Special equipment and materials needed to accommodate a particular operating environment are provided immediately prior to an actual deployment. Such equipment may include communications equipment, uniforms and other clothing, medical supplies and protective gear to meet conditions in the particular area of operation, and camping gear in the event lodging accommodations are not available. While this program may fund short-term and urgent requirements for law enforcement expertise and field activities, the long-term operational support needed to maintain U.S. police in actual CIVPOL operations continues to be provided from other regional or special accounts, such as Support for Eastern European Democracy (SEED), Peacekeeping Operations (PKO), and funds made available from supplemental budgets.

Program Accomplishments

INL is currently managing program implementation involving the placement of up to 775 police, advisors and justice experts in seven countries; the secondment of a technical expert to OSCE Vienna and another to a position at the USUN in New York; and agreements with other U.S. agencies to provide training and justice sector expertise overseas. We have deployed over 600 uniformed and armed U.S. police to conduct law enforcement operations in United Nations peacekeeping missions in Kosovo and East Timor. INL implemented programs that helped establish, train and equip 5,500 members of the new Kosovo Police Service; provided training expertise needed to establish the 2,500-member East Timor Police Service; and produced training events for over 20,000 local police in Bosnia, Croatia, Macedonia, and Serbia. In addition, INL implements programs to train judges and prosecutors in Kosovo, Bosnia, and Afghanistan to assist with judicial reform and rebuilding in post conflict environments.

The CIVPOL training program has been greatly improved in the recent past. The completion of accreditation requirements for 11 states will complete an effort to meet in-service training criteria for police officer certification in every state of the country. In FY 2003, INL will implement training and equipment programs to support the Afghanistan National Police, Border Police, and the reestablishment of judicial capacities in Afghanistan.

FY 2004 Program

Building on funds provided in FY 2001 and FY 2003, FY 2004 funding will be used to sustain the cadre of U.S. police, maintain databases of qualified individuals and equipment inventories, and maintain the capacity to identify and provide, on short notice, law enforcement personnel to participate in international peacekeeping missions and complex security operations. FY 2004 activities will also include continued INL program management and oversight; continued development of training

curricula; and outreach to the U.S. law enforcement community and international organizations involved in police peacekeeping and justice-related issues.

The FY 2004 budget will sustain the voluntary reserve of law enforcement personnel who remain in their regular jobs until called for duty. The FY 2004 program will continue to implement standardized organizational structures, operating procedures, a code of conduct, ethics standards, and the systems needed to effectively manage personnel identified for the roster. Through this program, U.S. police will have better opportunities to participate in specialized law enforcement training that is designed to meet U.S. Police Officer's Standards and Training (POST) in-service training requirements to keep their police credentials up to date, as well as basic and advanced instruction that is unique to the organizational and operational challenges presented by international missions. The FY 2004 program will sustain an advisor to the Organization for Security and Cooperation in Europe (OSCE), an INL training coordinator in Washington, D.C., and a position established at the U.S. mission in New York responsible for working with the UN Department of Peacekeeping Operations. FY 2004 funds will also sustain an earlier U.S. commitment to identify a voluntary cadre of police experts to respond to requests from the OSCE for U.S. contributions to operations in the European region that are recently emerging from conflict.

The FY 2004 program will also sustain the logistical capability to insure timely U.S. response to calls from the UN or other organization to contribute American police on an expedited basis to address a special circumstance or to participate in an international effort to assist a country emerging from a crisis situation. Key elements of this capacity will be contingencies for transporting U.S. personnel and equipment, providing emergency medical support, administrative and logistical support in the field, and an operational communications system. The FY 2004 program will also sustain a U.S. ability to provide an evacuation contingency for U.S. police in the event of a terrorist threat or attack.

FY 2004 funds will support continued outreach efforts to U.S. local, state, and federal law enforcement, agencies and professional associations for the purpose of attracting and encouraging law enforcement interest and participation in UN or OSCE missions. In addition, we will engage in efforts to assist police programs, planning, training, and operations of other countries, regional or international organizations. Administration of such a comprehensive program will continue to strengthen existing and developing capacities designed to assess, conceptualize, plan, prepare, implement, manage, and evaluate U.S. participation in international police missions.

International Law Enforcement Academy

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
14,500	—	14,500	14,500

Program Objectives and Performance Indicators

National law enforcement capabilities will be strengthened and stronger linkages between U.S. law enforcement entities, foreign law enforcement authorities, and future criminal justice leaders will be established.

ILEA graduates will adopt methods and technologies learned at the academies to conduct successful criminal investigation.

ILEA alumni will be actively engaged in training others, either at their national academies or on-the-job.

Specific areas of growing international criminal activity will be addressed by presenting training on counterterrorism, corruption, and trafficking in persons to combat these trends.

A modified core curriculum designed to counter international criminal trends (with no fewer than 15 hours of training on counterterrorism, corruption, trafficking in persons, and related topics) will be implemented in gradual phases.

Four specialized courses will be introduced to address the same international criminal trends as the core curriculum: implementation will begin with ILEA Budapest and continue to the other academies.

The present level of student output for the existing ILEAs in Bangkok, Budapest, Gaborone, and Roswell will be maintained.

The annual student output will not drop below 2,100 for all four academies.

The establishment of a new ILEA for Latin America to serve critical countries in the Andean region, Central America, and the Caribbean will be completed.

A new ILEA that we hope to establish in San Jose, Costa Rica will begin operations and launch an initial program of core and specialized courses.

Program Justification

International Law Enforcement Academies (ILEAs) help advance U.S. interests through international cooperation while promoting social, political, and economic stability by combating crime. To achieve these goals, the ILEAs provide high-quality training and technical assistance, support institution building and enforcement capability, and foster relationships of American law enforcement agencies with their counterparts in the region. The ILEAs encourage strong partnerships among regional countries, to address common problems associated with criminal activity. The ILEAs also develop an extensive network of alumni, who will become the leaders and decision-makers in their respective countries to exchange information with their U.S. counterparts and assist in transnational investigations.

The Department of State works with the Departments of Justice, Treasury, Homeland Security, and with foreign governments to implement the ILEA program. The regional ILEAs offer three different types of programs: the core program, specialized training courses, and regional seminars, all targeted at mid-level officials in the police and criminal justice services of strategic countries throughout the world. State's primary roles are to provide foreign policy guidance to the ILEA Directors, ensure availability of adequate funding to support ILEA operations, and provide oversight that will ensure that U.S. foreign policy objectives are achieved.

The ILEAs will continue to be a dynamic training program, providing quality training in an environment of shifting regional economic, social and political issues as well as challenges created in dealing with international criminal activities such as terrorism, corruption, financial fraud and money laundering, alien smuggling, and organized crime.

Program Accomplishments

The Bureau of International Narcotics and Law Enforcement Affairs (INL) has established ILEAs in Hungary, Thailand, Botswana, and New Mexico. To date, these ILEAs have trained over 8,500 officials from over 50 countries.

The ILEA in Budapest, Hungary, opened in 1995 and has trained over 5,900 officials from Central, Southern European countries as well as Russia and the former Soviet Union. ILEA Bangkok in Thailand opened in 1999 and has trained over 1800 officials from the Association of Southeast Asian Nations (ASEAN) and the Peoples Republic of China (PRC). ILEA Gaborone in Botswana opened in FY 2001 and has since trained over 450 officials from the Southern African Development Community (SADC). It now operates from its permanent facility, which was completed in early FY 2003. INL opened a graduate style ILEA in Roswell, New Mexico, in late FY 2001 and has trained over 350 international criminal justice officials who had graduated from the regional academies.

In FY 2002, a bilateral agreement was signed with the government of Costa Rica to establish an ILEA in San Jose. This agreement has not yet been ratified by the Costa Rican parliament. If and when it is established, participants of ILEA San Jose will be criminal justice officials from Central America, the Andean region, and the Caribbean. It is hoped that this ILEA will open during calendar year 2003 and have a full training program shortly thereafter.

Extensive surveys from a number of ILEA graduates showed that criminal investigators adopted more rational, democratic solutions to administrative and operational challenges of law enforcement. Participation in ILEA is associated with an increased willingness to share information with U.S. police and surveys taken of a large pool of students showed that former ILEA participants are more likely than any other police to exchange information with foreign police.

FY 2003 Programs

INL will continue to support the work of the established ILEAs in Bangkok, Budapest, Gaborone, and Roswell. INL will also continue to encourage ILEA alumni to be actively engaged in training others in methods and technologies learned at the academies, either at their national academies or on-the-job. This in turn will either open or strengthen lines of communications to conduct joint investigations, and to share information with US counterparts.

INL will continue negotiations with Costa Rica for the establishment of the new ILEA in San Jose. If established, ILEA San Jose is expected to deliver its full training program in FY 2004. Similar to the other regional ILEA's curricula, the ILEA will offer a mid-level management core program for law enforcement and criminal justice officials as well as specialized courses for police, prosecutors, and judicial officials. The training program will concentrate on attacking international terrorism, illegal trafficking in drugs, alien smuggling, financial crimes, and accountability in government.

Other activities will include modifying the core and specialized curriculum to target areas of growing international criminal activity such as terrorism, hazardous materials, corruption, and trafficking in women and children. ILEA Budapest will introduce a series of specialized training courses in counter-terrorism with the anticipation of expanding these courses to all other academies.

International Law Enforcement Academy

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Bangkok, Thailand	3,198	—	3,155	2,900
Budapest, Hungary	355	—	539	600
Gaborone, Botswana	3,857	—	2,910	2,700
Roswell, New Mexico	5,000	—	5,000	5,000
San Jose, Costa Rica	2,090	—	2,896	3,300
Total	14,500	—	14,500	14,500

Trafficking in Persons

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
7,670	—	10,000	10,000

Program Objectives and Performance Indicators

There will be an increased number of regional and country initiatives underway to strengthen and standardize penalties against trafficking in persons, a modern form of slavery.

West African and Central American countries will review and revise their anti-trafficking legislation.

Police academies in some of the Tier 2 and 3 countries will have anti-slavery curriculums.

Training of trainers will be provided in at least three countries.

With US assistance, academies will develop anti-trafficking curriculums.

Task forces or police units will be materially equipped to investigate and prosecute trafficking cases.

There will be more investigations initiated against slave traffickers.

An increased number of shelters able to house victim/witnesses and provide venue for investigators and prosecutors to interview these witnesses will be available.

Shelters will be refurbished and available to provide safe housing.

Victim/witnesses will begin collaborating with police and prosecutors.

There will be improved information collection on the scope and magnitude of modern-day slavery as well as on the number of prosecutions and convictions where there is currently little information.

The TIP report will include more information about prosecutions and convictions.

Program Justification

Trafficking in persons is among the fastest growing human rights violations and transnational crimes internationally. This modern-day form of slavery involves both sexual and labor exploitation, adopting such forms as indentured servitude, debt bondage, chattel slavery and peonage. Estimates vary, but at least one million people, primarily women and children, are annually trafficked worldwide, of which tens of thousands are brought into the United States each year.

The Office to Monitor and Combat Trafficking in Persons is the U.S. Government's focal point for assisting the President's Interagency Task Force on Trafficking in Persons to coordinate implementation of the Trafficking Victims Protection Act. Since FY 2002, the Anti-Trafficking Office has taken over the management of INL's programs in this area leading to a significant increase in requested funding. The Office uses INCLE funds to leverage the efforts of other funding offices especially in the areas of prosecution against slave traders, bilateral programs, and underserved geographic regions.

Program Accomplishments

INL has supported unique projects throughout the world. In Thailand, for example, a well-respected Thai NGO conducted 10 training seminars for over 2,200 police, prosecutors, and social workers. The training emphasized changes in the Thai penal code and awareness of a Memorandum of Understanding between the NGOs and the Thai government on proper treatment of victims. Our embassy reported that the trainings were well received by the participants.

In Latvia, INL funds went towards equipping a special interview room within an NGO center for abused children. To minimize further trauma, child victims are interviewed by trained psychotherapists on behalf of police and prosecutors. The child's testimony is recorded and then used during court proceedings. The interview room is used on a daily basis.

In Calcutta, India, INL funds supported a highly respected NGO to conduct awareness training on trafficking at the village level for 700 law enforcement, local government officials, and residents. This training resulted in back-to-back trafficking cases in West Bengal's Nadia district. Both the NGO and village level law enforcement believe that the training session played a major role in developing the public and police awareness that led to these cases.

In Mumbai, India, INL assistance was used by an NGO for a successful pilot "Zero Violence Zone" project in four police station areas. The pilot project covered a population of 20,000. The NGO worked in the neighborhood areas with police to raise awareness on trafficking, domestic violence, and women's rights. The project resulted in increasing numbers of women going to the police to report violence, crimes against women, and trafficking. In addition, community participation was enhanced and trust in the police increased dramatically.

For Fiscal year 2002, the Trafficking Office used INCLE funds to support over 60 programs benefiting approximately 35 countries around the world.

FY 2004 Program

INCLE funds will be targeted primarily to assistance-eligible countries in Tiers 2 and 3 of the Trafficking in Persons Report, including those underserved countries/regions where there is a modern-day slavery problem.

The Office to Monitor and Combat Trafficking in Persons will seek to assist those governments that are committed to investigating and prosecuting traffickers. Strong legislation is integral to any successful anti-trafficking effort especially if it can be done within a region where countries seek to collectively harmonize and strengthen their penalties against these exploiters. The Trafficking Office proposes to support legislative initiatives, for example, in Central America, a transit region to the United States, and to member states of ECOWAS in Africa, a region with significant child trafficking. Funding will continue to support technical training for police, immigration and criminal justice

officials, for example in Thailand, Indonesia, the Dominican Republic and Central America (major trafficking centers). To the extent possible, training will be provided at the International Law Enforcement Academies. The Trafficking Office will work with our embassies to identify local police academies to support the development of anti-trafficking curriculums. Where countries have laws and are receiving training, we will provide equipment such as computers, forensic crime kits, radios, and vehicles for specialized police units or taskforces.

In geographic regions where other USG funds are insufficient or unavailable, the Trafficking Office will use INCLE funds to support protection of victims. Those regions, among others, include Afghanistan, India, Pakistan, Cambodia, Vietnam, southern Africa, Brazil, the Dominican Republic, Mexico, Central America, Morocco, Mauritania, Ethiopia, Niger and Chad. Examples of protection programs would include the following: awareness training by NGOs or international organizations for criminal justice officials on appropriate treatment of victims; renovation of shelters; creation of victim-sensitive forensic interview rooms either within a shelter or at a police station; and establishment of national hotlines.

The Trafficking Office also proposes to support anti-trafficking public information campaigns in underserved areas such as Goa in India, southern Brazil, rural parts of Thailand, Pakistan, and Indonesia. We want to continue to gather data on trafficking flows to strengthen the TIP Report as well as help countries build capacity in their law enforcement efforts. The Trafficking Office proposes further research where there is limited information such as Egypt, Algeria, Guyana, French Guinea, Suriname and Central and East Africa.

Trafficking in Persons

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Prosecution Program	3,000	—	4,500	5,000
Protection Program	2,540	—	3,000	2,500
Prevention Program	2,130	—	2,500	2,500
Total	7,670	—	10,000	10,000

Program Development and Support

Program Development and Support

Budget Summary (\$000)

FY 2002 Actual	FY 2002 Supp	FY 2003 Estimate	FY 2004 Request
13,000	—	13,850	13,850

Program Justification

The Bureau of International Narcotics and Law Enforcement Affairs (INL) is charged with developing strategies and programs to achieve international counternarcotics and criminal justice foreign policy objectives. INL maintains a cadre of both domestic and overseas program and technical experts to carry out a wide range of initiatives. Washington personnel functions include, but are not limited to: international narcotics control and law enforcement policy formulation and implementation; coordination of policies and programs with other USG agencies and with other governments and international organizations; budget and financial management activities; program administration and analysis including development, implementation, oversight and evaluation of overseas programs; contract, procurement and information systems support; field assistance visits to Embassy Narcotics Affairs Sections and Law Enforcement Sections to review, analyze and make recommendations on programs, funds control and procurement; sponsoring regional policy and program management conferences and seminars; and, developing and providing training programs both domestically and overseas for embassy and INL personnel.

The Program Development and Support (PD&S) account funds the domestic administrative operating costs associated with the Washington-based INL staff. Over three-quarters of the PD&S budget request is programmed for salaries and benefits of U.S. Direct Hire (USDH) employees, personal services contracts, rehired annuitants and reimbursable support personnel. Currently, INL funding supports a Washington-based staff of 112 U.S. direct hire positions, 21 personal-services and 18 non-personal services contractor personnel, and 20 employees on detail from, or assigned to, other USG agencies. Eleven additional domestic positions support the Interregional Aviation Support program, but are funded from the Interregional Aviation Support account. Ten positions in the INL Office of Anticrime Programs are funded from the Department of State D&CP account.

Field travel for the INL personnel based in Washington is funded from the PD&S account. This is an essential component of the bureau's program, needed for program development, implementation, oversight and review, as well as for the advancement of international counternarcotics and criminal justice foreign policy objectives. PD&S funds are utilized to maintain a reliable and secure information resource management system and operating infrastructure to enable bureau employees to

pursue policy objectives and complete work requirements effectively and efficiently. In addition, funding for the following expenses ensure an adequate level of administrative support to allow the bureau to function effectively: office equipment rental, telephone services, printing and reproduction, miscellaneous contractual services (Information Management non-personal services contractor personnel, INL office renovation expenses, etc.), materials, supplies, furniture, furnishings and equipment.

FY 2004 Program

The PD&S budget request for FY 2004 will cover the annual, government-wide cost of living increase, in-grade step increases and promotions that occur during that fiscal year. It will also cover the annualized portion of wage increase for positions that INL plans to fill during FY 2004 to improve program oversight and expanded programs. Higher costs resulting from inflation for field travel and transportation costs; equipment rentals, communications and utility expenses; printing and reproduction; miscellaneous contractual services; and furniture, furnishings and equipment have been factored into the FY 2004 budget request.

Program Development and Support

INL Budget

(\$000)

	FY 2002	FY 2002 Supp	FY 2003	FY 2004
Personnel Compensation	8,196	—	8,532	8,830
Personnel Benefits	2,172	—	1,901	2,050
Field Travel and Transportation	535	—	560	560
Equipment Rentals, Communications and Utility Expenses	195	—	205	205
Printing and Reproduction	172	—	181	185
Miscellaneous Contractual Services	1,632	—	1,915	1,915
Materials and Supplies	69	—	72	75
Furniture, Furnishings and Equipment	29	—	484	30
Total	13,000	—	13,850	13,850