

# **SOUTHWEST ASIA**



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# Afghanistan

## I. Summary

The political and economic situation in Afghanistan is improving, but opium production and the resultant trafficking of opium and its derivatives still accounts for roughly one third of Afghanistan's total (combined licit and illicit) GDP. Afghanistan's huge drug trade severely impacts efforts to rebuild the economy, develop a strong democratic government based on rule of law, and threatens regional stability. Dangerous security conditions and corruption constrain government and international efforts to combat the drug trade and provide alternative incomes. However, there was some cause for guarded optimism in 2005. The number of hectares under poppy cultivation dropped 48 percent, from 2004's record crop of 206,700 to 107,400, according to USG statistics. Opium production, however, dropped only 10 percent because yields rose sharply due to favorable weather. The reduction in planting may be credited to a number of factors, including surplus crop from 2004, public information efforts against poppy cultivation, (including President Karzai's public statements), promised alternative livelihoods assistance, and the threat of forced eradication and arrest. President Karzai pledged an additional 20 percent reduction in cultivation for 2006. In a significant positive legal development, the GOA extradited a major drug trafficker to the U.S. in October, the first time Afghanistan permitted the extradition of a citizen for drug trafficking.

The Government of Afghanistan (GOA) continues to pursue an eight pillar counternarcotics (CN) strategy focused on: Public Information, Alternative Livelihoods, Law Enforcement, Criminal Justice, Eradication, Institutional Development, Regional Cooperation and Demand Reduction. In 2005, the GOA adopted the Poppy Elimination Program (PEP), a multi-faceted program working with provincial governments to reduce poppy production in the seven major poppy producing provinces. The GOA also focused on building capacity within its nascent law enforcement and justice sector institutions to increase arrests, prosecutions and convictions of drug traffickers. The international community actively assists the GOA in its CN efforts and to help build its capacity. International counternarcotics activities remain under a multilateral mandate with the UK in the lead. U.S. government assistance focuses on the five pillars of Alternative Livelihoods, Public Information, Criminal Justice (Justice Reform), Law Enforcement, and Eradication in close coordination with the GOA. Although this year saw some encouraging developments, the GOA will need sustained international assistance and political support over many years to achieve its counternarcotics goals.

## II. Status of Country

Afghanistan produces nearly 90 percent of the world's opium poppy and is also the world's largest heroin producing and trafficking country. Trafficking activities include refining and traffic in all forms of unrefined (opium), refined (heroin) and semi-refined (morphine base) opiates. The IMF estimated licit GDP for the Afghan fiscal year ending on March 21, 2005 at \$5.9 billion. UNODC estimated illicit opium GDP at \$2.8 billion for the same period, which indicates that illicit opium GDP accounts for roughly one-third of total GDP. Criminal financiers and narcotics traffickers exploit the government's weakness and corruption. Reconstruction efforts which began in 2002 are improving Afghanistan's infrastructure, laying the necessary groundwork to combat the cultivation and trafficking of drugs throughout the country.

## III. Country Actions Against Drugs in 2005

**Policy Initiatives.** The U.S.—in concert with the UK, designated the international lead-nation on counternarcotics—has worked to ensure that counternarcotics is at the forefront of Afghan policy

initiatives. President Karzai has expressed his clear commitment to stemming drug production and trade in Afghanistan and has set the goal of a 20 percent reduction in opium cultivation in 2006. To accomplish this goal the GOA took the following key actions against narcotics in 2005:

- **Illicit Crop Control.** With U.S. and UK support, the GOA established the Poppy Elimination Program (PEP) in May 2005. PEP is designed to reduce poppy cultivation through year-round targeted public information campaigns to dissuade poppy planting, alternative livelihood programs to spur rural development, and governor-led eradication (GLE) of poppy crops. PEP teams have been deployed to the seven key poppy producing provinces. These teams, comprised of public information, alternative livelihoods and monitoring/verification officers, work with the governors to prevent opium planting and support governor-led eradication by providing monitoring and verification of eradication efforts. The GOA reconfigured the Central Poppy Eradication Force (CPEF) into the Afghan Eradication Force (AEF), a more flexible and mobile force with air support that will broaden the central government's eradication capabilities.
- **Legislation.** The U.S. Department of Justice Senior Federal Prosecutors Program in Afghanistan, working with their Afghan counterparts, drafted a counternarcotics law, which was adopted in December 2005. This legislation was the first step in supporting Amendment 7 of the Constitution prohibiting the cultivation and smuggling of narcotic drugs and provides the legal and investigative authority foundations for high-level investigations and prosecutions. The counternarcotics law also codified the use of the 1988 UN Drug Convention as a legal basis for extradition. This comprehensive counternarcotics law will substantially enhance the GOA's ability to arrest, prosecute and convict drug traffickers.
- **Justice Reform.** In 2004, the U.S., U.K. and other donors established the Vertical Prosecution Task Force (VPTF) and in 2005 established the Central Narcotics Tribunal (CNT); the U.S. Department of Justice Prosecutors helped the GOA craft the legal mechanism to establish this court, designed to move expeditiously against narcotics criminals. The VPTF consists of teams of investigators and prosecutors who will work together in developing and prosecuting narcotics cases. The U.K., Norway, and the U.S. have all dispatched mentors to work with the VPTF. The CNT, established by decree, has exclusive national jurisdiction over mid- to high-level narcotics cases in Afghanistan; and the Supreme Court has now authorized automatic transfer of eligible cases from other courts. The Misri Khan trial, which began in November 2005, has been transferred to the CNT and is the first to rely upon Western-style investigative techniques in Afghanistan. The Misri Khan case involves the investigation, arrest and prosecution of mid-level Afghan drug traffickers for conspiracy to export heroin to the United States.

Once completed, the Counternarcotics Justice Center (CNJC) will provide secure facilities for the VPTF and CNT to operate. It will contain secure courtrooms, and a detention facility to house defendants undergoing trial. The United Nations Office on Drugs and Crime (UNODC) is refurbishing a section of the Pol-e Charkhi prison to securely house convicted narcotics traffickers after they have been prosecuted in the CNT.

**Law Enforcement Efforts.** Drug law enforcement efforts have been hampered by the continuing insurgency and lack of GOA police and legal capacity. In 2003, the Ministry of Interior (MOI) established a Counter Narcotics Police Department (CNPA), which is divided into three units: investigation, intelligence and interdiction. Development of the CNPA will be the focus of efforts to create an Afghan enforcement institution capable of investigating and developing narcotics cases.

Progress has been slow, given the difficulty of the unit's mission. Developing MOI capacity and capability for the CNPA continues to be a high priority for Afghanistan itself and its major foreign donors.

To get action on enforcement now, while the longer term effort at creating the CNPA continues, DEA and the Afghan Government created the National Interdiction Unit (NIU) of the CNPA in 2005. This unit is a specially trained group of approximately 110 CNPA police officers who are supported and mentored by the DEA. The NIU conducts interdiction and investigative activities designed to attack the command and control structure of mid-value and high-value drug trafficking organizations (DTOs) in Afghanistan. To develop and support the NIU, the DEA established the Foreign Advisory Support Teams (FAST) in 2005. FAST teams are rotational deployments of specially trained DEA Special Agents and Intelligence Research Specialists who are assigned to Afghanistan for 120 day periods to support the Kabul Country office of the DEA and the NIU in furthering DEA intelligence and law enforcement operations. The NIU also works with the Afghan Special Narcotics Force (ASNF), a trained paramilitary interdiction unit used to attack large, hard targets to create a highly-specialized narcotics interdiction and investigative entity capable of disrupting and dismantling major trafficking organizations. NIU operations began in October 2004. From October 2004—October 2005 NIU seized 42.9 metric tons of opium, 5.5 metric tons of heroin, and 220 kilograms of morphine base from 247 clandestine conversion labs and made 32 arrests. NIU's activities were severely limited by the lack of dedicated air support, which would permit access to hard targets.

Efforts to interdict precursor substances and processing equipment also suffer from limited police and judicial capacity. There are currently no registries or legal requirements for tracking, storing or owning precursor substances, although the new drug law requires the Ministry of Counter-Narcotics to develop a modern regulatory system. Progress in this regard depends on passing new laws, establishing a system for distinguishing between licit/potentially illicit uses of dual-use chemicals, and then establishing a specialized police force to enforce the new system.

**Corruption.** Drug-related corruption is a problem at all levels of government and remains pervasive at the provincial and district levels. Corruption ranges from facilitating drug activities to benefiting from revenue streams generated by the drug trade. The national government officially condemns the drug trade, but lacks the capability to control it at the local level. In 2005, President Karzai removed from office a few police and provincial officials whom he deemed corrupt. His ability to move vigorously against corruption in provincial governments and in the central government is severely constrained by the practical political considerations of a nascent central government. The GOA realizes it must take more meaningful action against corruption in 2006 to facilitate good governance and assist in implementing its National Drug Control Strategy (NDCS).

**Agreements and Treaties.** Afghanistan is a party to the 1961 UN Single Convention, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. The GOA has no formal extradition or legal assistance arrangements with the U.S., although drug offenders may now be extradited under the 1988 UN Drug Convention based on recent Afghan counternarcotics legislation. In close cooperation with U.S. Department of Justice Senior Federal Prosecutors, a major drug trafficker was extradited to the U.S. in October 2005 under the 1988 UN Drug Convention to stand trial on narcotics charges. This marked the first time Afghanistan permitted the extradition of one of its citizens for drug trafficking to a foreign country. Afghanistan is not a party to any bilateral treaties that provide mutual legal assistance with any nation, including the U.S. Afghanistan is a party to the UN Convention against Transnational Organized Crime. Afghanistan has signed, but has not yet ratified, the UN Convention Against Corruption.

**Illicit Cultivation/Production.** The number of hectares under poppy cultivation dropped 48 percent, from 2004's record crop of 206,700 to 107,000 in 2005. Afghanistan still remains the largest cultivator of illicit opium poppy in the world, accounting for approximately 87 percent of illicit opium

worldwide, according to the UNODC. Despite the sharp decrease in hectares planted, opium production fell by only 10 percent (4,475 metric tons in 2005 from 4,950 metric tons in 2004) because favorable weather increased yield per hectare. Poppy is grown at varying levels of intensity in all of Afghanistan's 34 provinces, comprising 2.3 percent of all arable land and, up to 10 percent in poppy growing villages. Poppy cultivation provides regular employment for some 8.7 percent of the population and a much larger proportion benefits from linkages to the drug trade. As noted previously, poppy production amounts to one-third of GDP in Afghanistan. It is the principal source of livelihood in several areas, as the decision to plant poppy determines access to land and credit. There are strong linkages to all aspects of Afghanistan's still profoundly underdeveloped economy. Because of the limited reach of law enforcement, corruption, some lack of government will, and weak judicial institutions, the GOA has not been able to enforce its decree banning opium production. The GOA will not likely have the capacity to enforce the decree for some years.

The 48 percent decrease in hectares planted in 2005 is encouraging, though it was not consistent across the country. Some 55 percent of the total reduction took place in only two provinces, Nangarhar and Helmand, where provincial governments were willing to crack down on growers. In some provinces reductions were more modest and in others planting increased from 2004. Factors influencing farmers' decisions not to plant poppy likely included market forces following 2004's record crop, appeals from President Karzai and other public information efforts, the threat of eradication and arrest, and promised alternative livelihood assistance. In 2005, the ANP and provincial government forces conducted limited eradication. The CPEF was able to eradicate only a little over 200 hectares because of local resistance, obstruction by local officials and lack of needed GOA support. 200 hectares represents less than two-tenths (.002 percent) of one percent of the area planted to opium.

Understanding from 2005 experience that cooperation from provincial governments is critical to poppy elimination, President Karzai called for increased engagement by local leaders in 2006. PEP was created to focus elimination/eradication efforts at the provincial level. CPEF has been reshaped into the Afghan Eradication Force (AEF), a more nimble ready-response eradication force with air support comprised of four eradication teams that will be deployed to conduct eradication in the various provinces of Afghanistan. The Afghan Ministry of Interior has committed 1,300 policemen to support governor-led eradication.

In addition to improved law enforcement, rebuilding the rural economy to provide viable alternatives to poppy growing is critical to reducing opium poppy cultivation. USAID developed a comprehensive alternative livelihoods (AL) program that allocated and obligated some \$175 million dollars to AL projects in the major opium cultivation areas of Afghanistan. These projects are focused on accelerating economic growth in rural areas to create long-term sustainable jobs. However, the full effects of these projects are realized over years and are not likely to result in a massive shift away from poppy cultivation in the near term.

**Drug Flow/Transit.** Drug cultivation in Afghanistan is facilitated by traffickers who lend money to Afghan farmers, and subsequently buy their crop at previously set prices, or accept repayment of loans with deliveries of raw opium. In many provinces opium markets exist. Under the control of regional gangsters (frequently warlords who also control the illicit arms trade and trafficking in persons) opium is traded freely to the highest bidder and is subject to taxation by the gangster. An increasingly large portion of Afghanistan's raw opium crop is processed into heroin and morphine base by drug labs inside Afghanistan, reducing its bulk by a factor of 10 to 1, and thereby facilitating its movement to markets in Europe, Asia and the Middle East through Iran, Pakistan, and Central Asia. In the South, Southeast and Northeast border regions, Pakistani nationals play a prominent role in all aspects of the drug trade. Distribution networks frequently are organized along regional and ethnic lines and other organized criminal groups are believed to be involved in transportation onwards to Turkey, Russia and the rest of Europe.

**Demand Reduction/Domestic Programs.** The GOA recognizes that it has a growing domestic drug use problem, particularly with opium and increasingly with heroin. In 2005, the GOA conducted its first nationwide survey on drug use. The survey conducted by the Afghan ministries of health and counternarcotics revealed there were 920,000 drug users in Afghanistan, including an estimated 150,000 users of opium and 50,000 heroin addicts.

The Afghan National Drug Control Strategy includes demand reduction and rehabilitation programs for existing and potential drug abusers. However, Afghanistan has a shortage of general medical services and only limited GOA resources are being directed to these programs. The UK, Germany and—to a lesser degree—the U.S. have funded specific demand reduction and rehabilitation programs.

#### IV. U.S. Policy Initiatives and Programs

**Bilateral Cooperation.** The United Kingdom was designated as the international lead nation on counternarcotics activities in Afghanistan in 2002. As the drug problem grew out of control and evidence mounted that drug proceeds were supporting Taliban remnants and terrorist groups, the U.S. expanded its counternarcotics programs. Counternarcotics activities remains among the U.S.'s top priorities for Afghanistan, as solving the narcotics problem is critical to reconstruction, effective governance and rule of law in Afghanistan. The U.S., in coordination with the GOA and the UK, has crafted a comprehensive and integrated strategy and is providing substantial resources to achieve the following aims:

- Win popular support for the government's CN program through a broad public affairs campaign.
- Develop alternative sources of income to poppy in rural areas.
- Enhance the GOA's capacity to arrest, prosecute and incarcerate drug offenders.
- Destroy drug labs and stockpiles.
- Dismantle the drug trafficking/refining networks.
- Enforce the poppy ban through a strong eradication campaign.

**The Road Ahead.** Afghanistan's difficult security and economic environment and political fragility limit the GOA's ability to counternarcotics production and trade. The 48 percent reduction in the poppy crop in 2005 and the GOA's commitment to reducing cultivation by an additional 20 percent in 2006 are encouraging developments. However, sustained progress against the drug trade will require continued commitment to the comprehensive counternarcotics implementation plan by the GOA and its international partners over years. Until Afghanistan has a stable security environment with a rebounding rural sector, and its law enforcement capacity is strengthened, drug production and trafficking will continue. Sustained assistance and political support by the international community, over many years, will be necessary to ensure that the Afghan Government can achieve its objectives.

# Bangladesh

## I. Summary

Because of its geographic location in the midst of major drug-producing and exporting countries, Bangladesh is used by trafficking organizations as a transit point. Seizures of heroin, phensidyl (a codeine-based, highly-addictive cough syrup produced in India), and pathedine (an injectable opiate with medical application as an anesthesia) point to growing narcotics abuse in Bangladesh. Phensidyl is popular because of its low price and widespread availability. While unconfirmed reports circulate of opium and cannabis cultivation along the border with Burma and cannabis cultivation in the southern delta region, there is no evidence that Bangladesh is a significant producer or exporter of narcotics. The Bangladesh government (BDG) officials charged with controlling and preventing illegal substance trafficking lack training, equipment, continuity of leadership and other resources to successfully detect and interdict the flow of drugs. Moreover, there is minimal coordination among these agencies. Corruption at all levels of government, and in particular law enforcement, also hampers the country's drug interdiction efforts. Bangladesh is a party to the 1988 UN Drug Convention.

## II. Status of Country

There are unsubstantiated allegations of opium and cannabis production in the Bandarban District along the Burmese border and cannabis production in the southern silt-island ("char") region. The country's porous borders make Bangladesh an attractive transfer point for drugs transiting the region. There are no reports of production, trading or transit of precursor chemicals in Bangladesh.

## III. Country Actions Against Drugs in 2005

**Policy Initiatives.** The Department of Narcotics Control's (DNC) counternarcotics policy initiatives and program activities are seriously hampered by the ineffectiveness of the National Narcotics Control Board (NNCB), the highest governmental counternarcotics policy agency, to fulfill the objectives of the Narcotics Control Act (NCA). Article 5 of the NCA directs the Board to formulate policies and monitor the production, supply, and use of illegal drugs in Bangladesh. The 19-member NNCB, made up of 11 ministers, seven appointed members, and the DNC Director General, is charged to meet quarterly, but only a single meeting was held in 2005, the first since 2003. There is still no master plan for combating drug trafficking and abuse in Bangladesh. The BDG and USG signed a Letter of Agreement (LOA) in September 2002 to provide equipment and forensic technical assistance to the DNC and its central chemical laboratory. This training and technical assistance was largely completed in 2005. The LOA also provided for training, conducted by the U.S. Department of Justice, for law enforcement personnel involved in counternarcotics activities. An amendment to the LOA providing for an increase in funds for training and equipment was signed in 2004. Other initiatives under consideration include the modernization of law enforcement training facilities in Bangladesh and further development of anticorruption programs within the government.

**Accomplishments.** The Department of Narcotics Control is the BDG agency most responsible for counternarcotics efforts in Bangladesh. It is housed within the Ministry of Home Affairs and is currently under the leadership of an acting Director General who has been in office for less than a year. The organization is chronically under-funded, understaffed, under-trained, and suffers from frequent personnel turnover. In 2005, the BDG completed construction of the first drug treatment and rehabilitation facility—a 250-bed hospital funded entirely by the BDG. A 2005 law introduced

quality of care requirements governing staffing and facilities for addiction treatment centers. The BDG also targeted demand reduction, increasing counternarcotics public service messages.

**Law Enforcement Efforts.** Law enforcement units engaged in counternarcotics operations include the police, the DNC, the border defense forces known as the Bangladesh Rifles (BDR), customs, the navy, the coast guard, and local magistrates. Bangladesh's borders are generally considered porous. Elements of the BDR, responsible for land border security within twelve-miles of the boarder, are widely believed to abet the smuggling of goods, including narcotics, into Bangladesh. Customs, the navy, the coast guard and the DNC are under-funded, poorly equipped and staffed, and lack training. Customs officials also lack arrest authority. At ports of entry where customs officials are not stationed with police units, the Customs officers themselves have no capacity to detain suspected traffickers. Instead, they can only seize the contraband items found. There is no DNC presence at the country's second largest airport, in Chittagong, which has direct flights to Burma and Thailand. To date, no random searches of crews, ships, boats, vehicles, or containers are being performed at the country's largest seaport in Chittagong. These oversights significantly undermine overall BDG counternarcotics efforts.

The Rapid Action Battalion (RAB), established in 2004, targets organized criminal activity, including narcotics offenses. Increased narcotics seizures, principally attributed to the RAB, have resulted in higher street prices for popular diverted legal opiates like phensidyl and pathedine. Seizures in 2005 included 3,000 bottles of phensidyl. There is no centralized record of narcotics seizures by law enforcement agencies. The most current figures available are compiled by the Criminal Investigation Division (CID). These records vary significantly from the DNC data included in the 2005 report. These data indicate that drug quantities seized by Bangladesh authorities from January through July 2005 are as follows: 36.8 kilograms of heroin; 3.3 metric tons of marijuana; 7387.5 liters of phensidyl; and 1,902 ampoules of pathedine injection. It is important to note that these statistics do not reflect all seizures made by all agencies in Bangladesh, but they are reflective of general trends in Bangladesh. In developing countries, data is simply unreliable in detail, but even when incomplete, frequently reflective of reliable trends.

**Corruption.** Corruption is endemic at all levels of society and government in Bangladesh. An Anti-Corruption Commission ("ACC") was officially formed in November 2004 with a mandate to investigate corruption and file cases against government officials. The ACC has been hampered by disputes over staffing and organization and has yet to operate effectively or demonstrate the ability to act independently. The BDG does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances or launder proceeds from their transactions. No senior official has been identified as engaging in, encouraging, or facilitating the production or distribution of drugs or controlled substances. Nevertheless, many long-term observers believe that authorities involved in jobs that have an affect on the drug trade facilitate the smuggling of narcotics, and corrupt officials can be found throughout the chain of command. While there is no "proof" as such for this belief, it is based on the pervasiveness of the culture of corruption and the evidence that narcotics are indeed moving in Bangladesh and surrounding area. If caught, prosecuted, and convicted, most officials receive a reprimand at best and termination from government service at worst. Adjudicating authorities do not take these cases seriously.

**Agreements and Treaties.** Bangladesh is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention, and the 1972 Protocol amending the Single Convention. Bangladesh has a memorandum of understanding on narcotics cooperation with Iran, an extradition treaty with Thailand, and is negotiating a bilateral narcotics agreement with India. Bangladesh participates in information sharing with the government of Burma, and is a signatory to the 1990 SAARC Convention on Narcotic Drugs and Psychotropic Substances.

**Cultivation/Production.** The DNC strongly denies unsubstantiated reports from several NGO and local government officials that opium production takes place in the Bandarban district along the border with Burma. The DNC reports, however, that it has destroyed a few “small” poppy crops in the hill tracts near Chittagong and in the northwest it says were cultivated for seeds cooking spices for local consumption. The DNC also reports limited amounts of cannabis are cultivated for local consumption in the hill tracts in the North, in the southern silt islands, and in the northeastern region. The DNC, working with law enforcement agencies, reportedly destroys any cannabis crops it discovers

**Drug Flow/Transit.** Bangladesh is situated between the Golden Crescent to the west and the Golden Triangle to the east. Porous borders, weak law enforcement institutions, and widespread corruption at all levels of government leave Bangladesh vulnerable to smuggling of opium based pharmaceuticals and other medicinal drugs from India and white (injectable) heroin from Burma.

**Domestic Programs (Demand Reduction).** There is no consensus estimate of the number of drug addicts in Bangladesh. A recent DNC study estimated the addict population at two million and growing, while BDG estimates put the figure as low as 250,000. Media and anecdotal reports suggest that drug abuse, while previously a problem among the ultra-poor, is becoming a major problem among the wealthy and well-educated young, and increasingly among educated, well-off young women, some of whom are turning to prostitution to support their habits. The BDG sponsors rudimentary educational programs aimed at youth in schools and mosques, and has modestly increased funding for these programs in 2005, although there is no clear indication of their impact. NGOs have expressed concerns about the quality of these messages. The BDG currently runs outpatient and detoxification centers in Dhaka, Chittagong, Khulna, and Rajshahi. These are not treatment centers and thus have limited success addressing the underlying addiction. The BDG opened the first 250 bed drug treatment and rehabilitation facility in 2005. There are other, nongovernmental centers with a variety of treatment therapies available. Unfortunately, most of these are quite expensive by Bangladeshi standards and therefore beyond the reach of most drug addicts. There is, however, a drug addicts’ rehabilitation organization, APON, that operates five long-term residential rehabilitation centers, including the first center in Bangladesh for the rehabilitation of female drug-users, which opened in 2005. These are the only such facilities in Bangladesh.

#### IV. U.S. Policy Initiatives and Programs

**Policy Initiatives.** The USG continues to support Bangladesh’s counternarcotics efforts through various commodities and training assistance programs. Equipment and law enforcement courses were provided in 2005, primarily to the police, but also to DNC laboratory technicians and officers, and members of the BDR, under the authority of a 2002 LOA implemented through INL by USDOJ officers. U.S. technical assistance in 2005 identified significant management issues at a DNC lab, which the DNC has addressed. Long years of neglect had left the office filing system in disorder, and chemical supplies needed to be replaced, since many chemicals had expired. Once U.S. advisor pointed out these difficulties, and worked with BDG staff, the issues were gradually resolved. Other initiatives under consideration include the modernization of law enforcement training facilities in Bangladesh and further development of anticorruption programs within the government, and training to assist counternarcotics enforcement efforts and develop their newly formed coast guard.

**The Road Ahead.** The USG will continue to provide law enforcement training for BDG officials and work with the BDG to construct a comprehensive strategic plan to develop, professionalize, and institutionalize Bangladesh counternarcotics efforts. This will include working with the BDG to stem drug trafficking before it reaches Bangladesh, primarily by improving maritime security but also by improving land border patrolling.

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# India

## I. Summary

India is the only country authorized by the International Narcotics Control Board (INCB) to produce opium gum for pharmaceutical use, rather than from concentrate of poppy straw (CPS), the processing method used by the other producers of licit opiate raw materials. This matters, as gum opium is intrinsically easier to divert to illicit uses, but India does a commendable job to avoid diversion. India's strategic location, between Southeast and Southwest Asia, the two main sources of illicit opium, make it a heroin transshipment area. Over the last several years, the northwestern state of Himachal Pradesh has seen an increase in illegal drug trafficking activities, including international hashish trafficking and illicit opium cultivation. Much of the hashish and cannabis intended for international markets is smuggled into India from Nepal. India produces heroin from diverted licit opium for its own illicit domestic addict market; India is also a modest but growing producer of entirely illicit heroin destined for the international market. In the past two years, Indian law enforcement authorities have dismantled two major laboratories—one set to produce methamphetamine in Calcutta and the other, ecstasy, in Mumbai. The Government of India (GOI) formally released the results of the 2001 National Drug Study (NDS) conducted in partnership with UNODC in 2004. Injecting drug use (IDU) of heroin, morphine base ("brown sugar" heroin) and opiate pharmaceuticals continues to be a concern, while major metropolitan areas increasingly report the use of cocaine, ecstasy and other chemical drugs among the wealthy elite.

The Government of India (GOI) continually tightens licit opium diversion controls, but an unknown quantity of licit opium is diverted into illicit markets. In 2001 and 2003, the GOI and the United States conducted a Joint Licit Opium Poppy Survey (JLOPS) to develop a methodology to estimate opium gum yield. The survey results confirmed the validity of the survey's yield prediction methodology, but lacked key data to apply the study's conclusions directly to India's 2002/03 licit opium crop. The data revealed that several widely used Indian poppy varieties have a low alkaloid yield. This year (2005-06), the GOI and the U.S. Embassy will conduct another opium study. In an effort to get better results, this survey will focus on limiting the area and number of plots where the data will be collected. The JLOPS study is crucial to India's plans to control diversion of licitly grown opium into the illicit market.

India's large and fairly advanced chemical industry manufactures a wide range of chemicals, including the precursor chemicals acetic anhydride (AA), ephedrine and pseudoephedrine and other chemicals, which can be diverted for the manufacture of illicit narcotics. The GOI tries to monitor potential dual use chemicals, including the precursor chemicals AA and pseudoephedrine. Some chemicals are controlled both for import and export, while others are controlled only for import or for export. Violation of any order regulating controlled substance precursors is an offense under the Narcotics Drugs and Psychotropic Substances Act (NDPSA)—the GOI's key counternarcotics law—and punishable with imprisonment of up to 10 years. Intentional diversion of any substance (whether it is listed or not as a controlled substance in Indian law) for illicit manufacture of narcotic drugs and psychotropic substances (e.g., an unlisted replacement chemical for listed precursors) is also punishable under the NDPSA.

The GOI, in partnership with the Indian Chemical Manufacturing Association, imposes strict access controls on AA (acetic anhydride), which is used to process opium into heroin. These controls include the requirement that AA be transported in specially fabricated sealing systems (which make it very difficult to tamper with the transportation and storage tankers' inlet and outlet valves), end-use certificates from the buyers, and special identity cards for drivers driving tankers containing AA. The

GOI reviews its chemical controls annually and updates its list of “controlled substances” as necessary. India is a party to the 1988 UN Drug Convention.

## II. Status of Country

Under the terms of international agreements, supervised by the International Narcotics Control Board, India must maintain licit opium production and carry-over stocks at levels no higher than those consistent with world demand. The objective of this requirement is to avoid excessive production and stockpiling, which could be diverted into illicit markets. India has complied with this requirement and succeeded in rebuilding stocks over the past three years from below-recommended levels. Opium stocks now exceed minimum requirements, almost tripling between 1999 and 2003, from a stock of 509 metric tons in 1999/2000 to 1,776 metric tons in 2004/05. Licensed farmers are allowed to cultivate a maximum of 10 “ares” (one tenth of a hectare). This is a reduction from last year’s 20 ares approved for the last opium growing season. “Opium years” straddle two calendar years. All licensed farmers must deliver all the opium they produce to the government alone, meeting a minimum qualifying yield (MQY) that specifies the number of kilograms of opium to be produced per hectare (HA) per state. The MQY is established yearly by the CBN prior to licensing. At the time Central Bureau of Narcotics (CBN) establishes the MQY, it also publishes the price per kilogram the farmer will receive for opium produced that meets the MQY, as well as significantly higher prices for all opium turned into the CBN that exceeds the MQY.

The MQYs are based on historical yield levels from licensed farmers during previous crop years. Increasing the annual MQY has proven effective in increasing average yields, while deterring diversion, since, if the MQY is too low, farmers could clandestinely divert excess opium they produce into illicit channels, where traffickers often pay up to ten times what the GOI can offer. Thus, an accurate estimate of the MQY is crucial to the success of the Indian licit production control regime. During the 2002/03-crop year, CBN began to estimate the actual acreage under licit opium poppy cultivation by using satellite imagery and then comparing it with exact field measurements. Since licit poppy cultivation is not confined to an enclosed area, many of the farmers integrate fields with other agricultural crops like soybean, wheat, garlic and sugarcane. This technology has also been used in conjunction with satellite imagery of weather conditions to compare cultivation in similar geo-climatic zones to estimate potential crop yields, assess storm damage and determine whether opium was being diverted. The satellite results were then confirmed by on-ground CBN visits that measured each farmer’s plot size. CBN ensures that each cultivated area doesn’t exceed the prescribed size by measuring each one individually. Any cultivation in excess of five percent of the allotted cultivation area was uprooted, with the cultivator to prosecution. During the lancing period, the CBN appointed a village headman for each village to record the daily yield of opium from the cultivators under his charge. CBN regularly checked the register and physically verified the yield tendered at harvest. The CBN has also reduced the total procurement period of opium in order to minimize opportunities for diversion and deployed additional teams of officers from the Central Excise Department to monitor harvesting and check for diversion.

In 2005, the CBN continued issuing microprocessor chip-based cards (Smart Identity Cards) for its licensed opium poppy cultivators. The card carries the personal details of the cultivator, the licensed area, the measured/test measured field area and the opium tendered by him to the CBN. The card also stores the previous years’ data. The information stored on the card is read with handheld terminal/read-write machines that are provided to field divisions. CBN personnel will enter cultivation data into the cultivators’ cards and the data will be uploaded to computers at CBN HQs and regional offices. The cards are delivered to cultivators at the time of licensing. The use of smart cards for the 2004/2005-crop year was successfully tested in two opium divisions. For crop year 2005/2006, the project will be expanded to include all of the 17 Opium Divisions, the three State Unit Headquarters and the Central Headquarters in Gwalior. The GOI periodically raises the official price per kilogram of

opium, but illicit market prices are anywhere from four to five to ten times higher than the base government price. Farmers who submit opium at levels above the MQY receive a premium, but premium prices can only act as a modest positive incentive. For the 2005/2006 opium harvest year, CBN has decreased the number of hectares licensed (from 8,771 in 2004/2005 to 7,833 in 2005/2006) and the number of farmers licensed (from 87,682 in 2004/2005 to 79,016 in 2005/2006). The estimated yield for the 2005/06-crop year is 403 metric tons of opium.

Although there is no reliable estimate of diversion from India's licit opium industry, clearly, some diversion does take place. It is estimated that between 20-30 percent of the opium crop is diverted. However, it is not possible to pinpoint the amount accurately and there is no evidence that opium or its derivatives diverted from India's fields reaches the U.S. at all. In 2005, the GOI closed down one morphine base laboratory and one heroin processing facility.

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

Once the gum reaches consumers, processing it is difficult because a residue remains after the narcotic alkaloids have been extracted. This residue must be disposed of with appropriate environmental safeguards. Because of this, pharmaceutical opiate processing companies prefer using CPS for ease of extracting the opiate alkaloids, but some in the U.S. have adapted their systems to use gum opium, since India has proven to be a reliable supplier. For its part, the GOI has explored the possibility of converting some of its opium crop to the CPS method. The GOI is also examining ways to expand India's opiate pharmaceutical processing industry and the availability of opiate pharmaceutical drugs to Indian consumers ( and to benefit from vertical integration of an industry in which India produces the key input, namely opium) through ventures with the private sector. Nevertheless, the financial and social costs of the transfer to CPS and the difficulty of purchasing appropriate technology to implement the change are daunting. Poppy straw technology is complicated. There are only a few countries that need it and have the most experience with it. But those countries-the natural source, should India be in the market for poppy straw technology-are India's direct competitors in the market for its products!

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

Newspapers frequently refer to ecstasy and cocaine use on the Mumbai and New Delhi "party circuit," but there is no information on the extent of their use. There has been considerable amount of reporting in the local newspapers indicating that use of cocaine and ecstasy are on the rise. While smoking "brown sugar" heroin (morphine base) and cannabis remain India's principal means of ingesting

recreational drugs, intravenous drug use of licit opiate/psychotropic pharmaceuticals (LOPPS) diverted for abuse is rising in India, replacing, almost completely, “white” heroin. In parts of India where intravenous drug users (IDUs) have been denied access to LOPPS, IDUs have turned to injecting “brown sugar” heroin. Drug users in Mumbai have discovered that injecting “brown sugar” heroin is much cheaper than “chasing,” leading to an explosion of “brown sugar” heroin IDUs in Mumbai. Various licitly produced psychotropic drugs and opiate painkillers, cough medicines, and codeine are just some of the substances that have emerged as new drugs of choice.

### III. Country Actions Against Drugs in 2005

**Policy Initiatives.** India’s stringent Narcotic Drugs and Psychotropic Substances Act (NDPSA) of 1985 was amended in October, 2001, bringing significant flexibility to the Indian sentencing structure for narcotics offenses. The amendments removed obstacles faced by investigation officers related to search, seizure, and forfeiture of illegally acquired property and provided for controlled deliveries to facilitate investigation both within and outside the country. The amended NDPSA also made it more likely that drug traffickers would be refused bail, particularly those serious offenders who are more likely to flee before trial. Amendment of India’s sentencing laws for drugs is expected to increase the conviction rate significantly for future violators, since unrealistic minimum sentences in the prior law discouraged magistrates from returning convictions. From January 2005 through October 31, 2005, 8,544 people were prosecuted, resulting in 3,817 convictions. The total number of prosecutions/convictions may be larger when the complete 2005 statistics become available. In certain cases involving repeat offenders, who are dealing in commercial quantities of illegal drugs, the law allows for the death penalty. However, to date, no person has been given the death penalty for drug trafficking in India.

**Accomplishments.** Indian authorities have established a continuous aerial/satellite-based system for monitoring licit and illicit opium cultivation nationwide, which became operational in early 2002 and was enhanced in 2003.

**Law Enforcement Efforts.** The GOI’s decision to fence the India/Pakistan border, while not specifically designed to control drug trafficking, has effectively done so, leading to a drop in the amount of Afghan heroin trafficked through that border. Through October 2005, Indian law enforcement authorities seized 620 kilograms of heroin in 2,833 cases. Indian law enforcement agencies also seized 778 kilograms of opium in 511 cases, 2,863 kilograms of hashish in 1,136 cases and 33 kilograms of morphine base in 79 cases. This is a significant quantity of seizures, placing India high on the list of countries with the largest seizures of opiates. Cocaine seizures, while small, have been increasing each year since 2003 (no figures available). Cocaine is available in India on the wealthy “party circuit,” particularly in Mumbai and New Delhi.

In a joint investigation by the DEA and NCB, a major international illicit pharmaceutical drug internet marketing organization, which operated in the United States, India, Costa Rica and Australia, was disrupted and dismantled in April 2005. A total of 23 individuals were arrested—18 in the United States and five in India. This organization distributed controlled pharmaceutical drugs via the Internet, including bulk ephedrine, a controlled precursor chemical, and ketamine (a veterinary pain killer, frequently abused in Asia). Internet websites used to distribute these pharmaceuticals were operated by multiple individuals located in the U.S. and throughout the world. The takedown of this drug organization resulted in the seizure of a large quantity of pharmaceutical drugs, including 108 kilograms of Indian ketamine seized in the U.S. The U.S. street value of the ketamine was estimated to be approximately \$1.62 million. The total amount of controlled and noncontrolled pharmaceutical drugs seized in the U.S. alone was 4 million dosage units. The amount of controlled pharmaceutical drugs seized in India was approximately 3.6 million dosage units. This drug organization had an estimated 100,000 Internet retail customers, of which approximately 80 percent were located in the

U.S. The total amount of money and property seized from this investigation was approximately \$3.5 million dollars in India and \$4 million in the United States.

In another Internet-related investigation in 2004/2005, DEA and India's NCB arrested three Indian nationals and one U.S. citizen for the illegal distribution of controlled pharmaceuticals. In addition to the arrests, a large quantity of controlled pharmaceuticals was seized, including Schedule II, III and IV controlled substance pharmaceuticals (U.S. designations). The investigation revealed that the pharmaceuticals were being ordered through a U.S. company that was operating an Internet online pharmacy. The arrest and break up of this illegal international pharmaceutical drug organization resulted in the seizure of 23,379 tablets of various controlled pharmaceuticals in India. The total amount of money seized from this investigation was approximately \$350,000 in India and \$400,000 in the United States.

From September to November 2005, Indian Customs seized five international mail packages that were found to contain a kilogram or more of Southwest Asian heroin destined for individuals in the United States. DEA New Delhi worked closely with Indian Customs and the NCB and conducted 3 international controlled deliveries of the seized heroin to the recipients in the United States. All three controlled deliveries were successful, leading to the arrest of five individuals in the United States. The related investigations continue, with efforts being made to identify co-conspirators in India and the United States.

These investigations are significant for a number of reasons. DEA New Delhi has seen an increase in the amount of heroin being smuggled into India from Afghanistan and Pakistan over the third and fourth quarters of 2005. In recent months, Indian Customs has arrested a number of West Africans flying from Kabul to New Delhi with heroin. In addition, the Indian Directorate of Revenue Intelligence (DRI) recently arrested three Nigerians and seized approximately 36 kilograms of heroin. Post-arrest statements indicated the 36 kilograms of heroin was of Afghan origin. This trend may continue, as the border between Pakistan and India is opening up to commerce and travel as cooperation between the two countries has increased. A contributing factor in the increase in seizures may be the result of Indian Customs' recent strategy to aggressively monitor and profile suspicious mail packages. The increased enforcement activities may also be a sign of Indian Customs' goal to be more proactive in drug law enforcement and its desire to widen the scope of its investigations to include international drug trafficking.

Recent intelligence provided by DHS Immigration and Customs Enforcement (ICE) indicates that during FY 2005, U.S. Customs seized 433 packages containing heroin that had been shipped to the United States from India. It should be noted that most of the individual packages contained 50 grams or less of heroin. Interestingly, there were no recorded DHS/ICE seizures of heroin packages from India during FY 2004.

In 2005, Indian Customs made 51 drug seizures in India including 3.5 kilograms of cocaine, 8.5 kilograms of heroin, 3,000 tablets of codeine sulphate, and 18 kilograms of hashish, destined for various international locations. Approximately 5.4 kilograms of heroin that was seized was intended for the United States.

**Corruption.** The Indian media regularly reports allegations of corruption against law enforcement personnel, elected politicians, and cabinet-level ministers of the GOI. The United States receives reports of narcotics-related corruption, but lacks the corroborating information to confirm those reports and the means to assess the overall scope of drug corruption in India. It is a reasonable assumption in a developing country like India that corruption does play some role in narcotics trafficking, despite the government's best efforts. Both the CBN and the NCB periodically take steps to arrest, convict, and punish corrupt officials within their ranks. The CBN frequently transfers officials in key drug producing areas. The CBN has increased the transparency of its methods for paying licensed opium farmers to prevent corruption and appointing village coordinators to monitor

opium cultivation and harvest. These coordinators receive 10 percent of the total paid to the village for its crops, in addition to what they receive for their own crops, so it is advantageous for them to ensure that each farmer under their jurisdiction turns in the largest possible crop. India has signed, but has not yet ratified, the UN Convention Against Corruption.

**Agreements and Treaties.** India is a party to the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Both an MLAT and extradition treaty are in force between the U.S. and India. India has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime. The USG and the GOI signed the long-awaited Customs Mutual Assistance Agreement on December 15, 2004.

**Illicit Cultivation/Production.** The bulk of India's illicit cultivation is now confined to Arunachal Pradesh, the most remote of northeastern states, which has no airfields and few roads. The terrain is a mountainous, isolated jungle that would require significant material and human resources to conduct crop eradication campaigns. The need to combat the many insurgencies in the Northeast states has limited the number of personnel available for such time-consuming, labor-intensive campaigns. For those reasons, the GOI has not conducted any major poppy eradication campaigns in the Northeast in the past three years. There are no accurate estimates of opium gum yields, but CBN officials claim that the yields from illicit production in Arunachal Pradesh are very low, between two to six kilograms per hectare.

**Drug Flow/Transit.** Although trafficking patterns appear to be changing, India historically has been an important transit area for heroin from Southwest Asia (Afghanistan and Pakistan) and, to a lesser degree, from Southeast Asia (Burma, Thailand, and Laos). India's heroin seizures from these two regions continue to provide evidence of India's transshipment role. Most heroin transiting India appears bound for Europe. Seizures of Southwest Asian heroin made at New Delhi and Mumbai airports tend to reinforce this assessment. However, the bulk of heroin seized in the past two years has been of domestic origin (NCB estimates 80 percent of the heroin, seized in South India and apparently destined for Sri Lanka, is of domestic origin). Trafficking groups operating in India fall into four categories: Most seizures at the Mumbai and New Delhi international airports are from West African traffickers. Traffickers who maintain familial and/or tribal ties to Pakistan and Afghanistan are responsible for most of the smuggling of Pakistani or Afghan heroin into India. Ethnic Tamil traffickers, centered primarily in Southern India, are alleged to be involved in trafficking between India and Sri Lanka. Indigenous tribal groups in the northeastern states adjacent to Burma maintain ties to Burmese trafficking organizations and facilitate the entry into Burma of precursor chemicals and into India of refined "white sugar" heroin through the porous Indo/Burmese border.

Indian-produced methaqualone (Mandrax) trafficking to Southern and Eastern Africa continues. Although South Africa has increased methaqualone production, and there is also significant production and trafficking from China, India is still believed to be among the world's largest clandestine methaqualone producers. Seizures of methaqualone, which is trafficked in both pill and bulk form, have varied significantly, from 1,614 kilograms in 2004 to 468 kilograms through October 2005. Cannabis smuggled from Nepal is mainly consumed within India, but some makes its way to western destinations. India is also increasingly emerging as a supplier of licit opiate/psychotropic pharmaceuticals (LOPPS), both organic and synthetic, to the Middle East, Pakistan, Bangladesh and Afghanistan. Some of the LOPPS are licitly manufactured and then diverted, often in bulk. Some of the LOPPS are illicitly manufactured as well. Indian-origin LOPPS and other controlled pharmaceutical substances are increasingly being shipped to the U.S. Thousands of illegal "personal use" shipments are being intercepted in the mail system in the United States each year by Customs and Border Protection. These "personal use" quantity shipments are usually too small to garner much interest by themselves, and most appear to be the result of illegal Internet sales. Codeine-based cough remedies are a prominent example.

**Domestic Programs (Demand Reduction).** In 2004, the Ministry of Social Justice and Empowerment (MSJE) formally released what is likely the world's largest drug abuse study, conducted in partnership with UNODC in 2001. The study found that licit opiate abuse accounted for 43 percent of Indian drug abuse. According to the study, drug users are largely young and predominantly male. Although drug abuse cuts across a wide spectrum of India's society, more than a quarter of drug abusers are homeless, nearly half are unmarried, and 40 percent had less than a primary school education. Itinerant populations (e.g., truck drivers) are extremely susceptible to drug use. The number of women drug abusers is increasing rapidly. Most women IDUs exchange sex for drugs, and many are commercial sex workers. Frequently, their children become drug users. A new residential treatment program for women IDUs opened in New Delhi in 2004, so that India now has two residential treatment programs for women IDU's. Widespread needle sharing has led to high rates of HIV/AIDS and overdoses. The popularity of injecting controlled licit pharmaceuticals can be attributed to four factors. First, they are far less expensive than their illegal counterparts. (Refined heroin on the illicit market is more expensive than what LOPPS usually cost.) Second, they provide quick, intense "highs" that many users prefer to the slower, longer-lasting highs resulting from heroin. Third, many IDUs believe that they experience fewer and milder withdrawal symptoms with pharmaceutical drug use. Finally, licit opiate/psychotropic pharmaceuticals are widely available and easy to obtain, since virtually any drug retail outlet will sell them without a prescription. Because LOPPS produce shorter periods of intoxication, users must inject them more often, leading to more opportunities to spread diseases associated with IDU, such as HIV/AIDS and hepatitis. It is not uncommon for IDUs to share needles and other drug paraphernalia with as many as eight to 15 people a day. The MSJE/UNODC study found that intravenous drug users often engaged in unprotected sexual intercourse, often with sex workers.

The GOI's Ministry of Social Justice and Empowerment (MSJE) has a three-pronged strategy for demand reduction, consisting of building awareness and educating people about drug abuse, dealing with addicts through programs of motivational counseling, treatment, follow-up and social reintegration and training volunteers to work in the field of demand reduction. The MSJE's goal is to promote greater community participation and reach out to high-risk population groups with an ongoing community-based program for prevention, treatment and rehabilitation through some 400 NGOs throughout the country. The MSJE spent about \$5 million on NGO support last year. In the Indian context, the best efforts of an energetic government and NGO community are always in danger of being swamped by the simple scale of the problem.

#### IV. U.S. Policy Initiatives and Programs

**Bilateral Cooperation.** The United States has a close and cooperative relationship with the GOI on counternarcotics issues. In September 2003, the United States and India signed Letter of Agreement (LOA) amendments providing for the State Department to make available drug assistance funding worth \$2.184 million for counternarcotics law enforcement. In 2004, another \$40,000 was added to the LOA. While some funds have already been spent, a share remains to be spent, and efforts continue to identify new activities. A separate grant of \$50,000 directly to NGO Navjyoti of the Delhi Police Foundation funded a drug rehabilitation project to train medical personnel to treat drug abusers and to provide community-based prevention services to slum areas, which have the highest rates of drug abuse in New Delhi. This project was concluded in July 2005. Each year since 2003, and planned through 2007, the U.S. Coast Guard provides the Indian Coast Guard boarding officer training.

**The Road Ahead.** The GOI continues to tighten controls over licit opium cultivation. The NCB's move to the Ministry of Home Affairs in 2004 has enhanced the U.S. relationship with the Ministry and NCB. DEA gave more courses to more law enforcement officials from a wider variety of state and central government law enforcement agencies in 2004 and 2005 than ever before. The Intelligence Infrastructure Enhancement Project training on link analysis software will yield results in better

targeting of drug traffickers and closer cooperation with DEA. The GOI has recognized the need for stronger drug control efforts nationally, particularly in the Northeast. The United States will continue to explore opportunities to work with the GOI in addressing drug trafficking and production and other transnational crimes of common concern.

# Nepal

## I. Summary

Although Nepal is neither a significant producer of, nor a major transit route for, narcotic drugs, domestically-produced cannabis, hashish and heroin are trafficked to and through Nepal every year. An increase in the use of Nepalese couriers, apprehended by the police, suggests that the country's citizens are becoming more involved in trafficking. Moreover, Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that more Nepalese citizens are investing in and taking a larger role in running trafficking operations. Customs and border controls remain weak, but international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. The ongoing Maoist insurgency has an impact on rule-of-law and interdiction efforts in many parts of the country. NDCLEU has enhanced both the country's enforcement capacity and its expertise. Nepal is a party to the 1988 UN Drug Convention.

## II. Status of Country

Heroin from Southwest and Southeast Asia is smuggled into Nepal across the open border with India and through Kathmandu's international airport. The ongoing Maoist insurgency has an impact on rule-of-law and interdiction efforts in many parts of the country. Police have reconfirmed that production of cannabis is on the rise in the southern areas of the country, and that most is destined for the Indian market. Police have also intercepted locally produced hashish en route to India in quantities of up to 500 kilograms at a time. Nepal's Maoist guerrillas are most likely involved in drug smuggling to finance their insurgency. NDCLEU reports that Maoists are known to have called upon farmers in certain areas to increase cannabis production and levy a 40 percent tax on cannabis production. Abuse of locally grown and wild cannabis and locally produced hashish, marketed in freelance operations, remains widespread. Licit, codeine-based medicines continue to be abused. Nepal is not a producer of chemical precursors.

## III. Country Actions Against Drugs in 2005

**Policy Initiatives.** Nepal's basic drug law is the Narcotic Drugs (Control) Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs are illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export. Nepal is actively implementing a National Drug Abuse Control Plan (NDACP).

Legislative action on mutual legal assistance and witness protection, developed as part of the NDACP, remained stalled for a fourth year due to the lack of a parliament. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. Legislation on asset seizures was drafted in 1997 with United Nations Office on Drugs and Crime assistance and is under the review of the Ministry of Law and Justice. Legislation on criminal conspiracy has not yet been drafted.

**Law Enforcement Efforts.** The NDCLEU has developed an intelligence wing, but its effectiveness remains constrained by a lack of transport, communications, and surveillance equipment. Coordination and cooperation among NDCLEU and Nepal's customs and immigration services, while still problematic, are improving. Crop destruction efforts have been hampered by the reallocation of resources to fight the Maoist insurgency and the lack of security in the countryside. Final statistical

data for 2004 and data through November 2005 indicate that destruction of cannabis plants continues to decline. In 2004, the Nepal Police arrested 45 foreigners on the basis of drug trafficking charges. From January-October 2005, police arrested 23 foreigner. In this same time period the NDCLEU reportedly seized 5,864 kilograms of cannabis—triple the amount of cannabis seized in all of 2004 (1,790 kilograms), and further reported the seizure of 64.8 kilograms of hashish and 1.6 kilograms of heroin at Kathmandu's Tribhuvan International Airport (TIA). No opium was seized in 2005. Seizures of heroin remained constant, and the absolute quantity (a total of approximately 7 kilograms) remained small. Most seizures of heroin and hashish in 2005 occurred along the Nepal-Indian border, within Kathmandu, or at Nepal's international airport as passengers departed Nepal. Seizures of illicit and licit, but illegally abused, pharmaceuticals were similar to 2004 levels.

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

**Agreements and Treaties.** Nepal is party to the 1998 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1993 South Asian Association for Regional Cooperation (SAARC) Convention on Narcotics Drugs and Psychotropic Substances. Nepal has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

**Cultivation/Production.** Cannabis is an indigenous plant in Nepal, and cultivation of developed varieties is rising, particularly in lowland areas. There is some small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. Nepali drug enforcement officials believe that all heroin seized in Nepal originates elsewhere. Nepal produces no precursor chemicals. Importers of dual-use precursor chemicals must obtain a license and submit bimonthly reports on usage to the Home Ministry. There have been no reports of the illicit use of licensed imported dual-use precursor chemicals.

**Drug Flow/Transit.** Narcotics seizures suggest that narcotics transit Nepal from India, Pakistan, and Afghanistan to other countries in the region and to Europe, the U.S. and Japan. Media reports claim that most narcotics are bound for India, and law enforcement sources indicate that most seizures occur at the India/Nepal border. Customs and border controls are weak along Nepal's land borders with India and China. The Indian border is essentially open. Security measures to interdict narcotics and contraband at Kathmandu's international airport and at Nepal's regional airports with direct flights to India are inadequate. The Government of Nepal (GON), along with other governments, is working to increase the level of security at the international airport, and the Royal Nepal Army is detailed to assist with airport security.

Arrests of Nepalese couriers in other countries suggest that Nepalese are becoming more involved in trafficking both as couriers and as traffickers, and that Nepal may be increasingly used as a transit point for destinations in South and East Asia, as well as Europe (Spain, the Netherlands and Switzerland). The NDCLEU has also identified the United States as a final destination for some drugs transiting Nepal, typically routed through Bangkok.

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

#### IV. U.S. Policy Initiatives and Programs

**Policy Initiatives.** U.S. policy is to strengthen Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, to maintain positive bilateral cooperation, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug Convention. The United States, NDCLEU, and other donors work together through regional drug liaison offices and through the Kathmandu Mini-Dublin Group of Countries Offering Narcotics Related Assistance.

**Bilateral Cooperation.** The United States works with GON agencies to help implement Nepal's master plan for drug abuse control and to provide expertise and training in enforcement. Nepal exchanges drug trafficking information with regional states and occasionally with destination states in Europe in connection with international narcotics investigations and proceedings.

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

# Pakistan

## I. Summary

Pakistan is on the frontline of the war against drugs as a major transit country for opiates and hashish from neighboring Afghanistan. Increased law enforcement pressure in Afghanistan threatens to shift drug trafficking operations across the border. Aiming to return to poppy-free status, Pakistan saw a 58 percent decrease in opium poppy cultivation in 2005 to approximately 3,147 hectares, of which 2440 hectares were harvested. The Government of Pakistan (GOP) does not have any evidence of heroin labs in Pakistan, although DEA continues to receive unconfirmed reporting about the existence of a few small heroin-producing facilities in Pakistan. Estimates of the number of drug addicts in Pakistan range from three to five million. The GOP has announced it intends to develop a new Master Drug Control Plan for attacking recently emerged narcotics threats from both the supply and demand sides. GOP counternarcotics efforts are led by the Anti-Narcotics Force (ANF) under the Ministry of Narcotics Control, but also include several other law enforcement agencies and the Home Departments of Northwest Frontier Province (NWFP) and Balochistan Province. Counternarcotics cooperation between the GOP and the United States remains strong. U.S. assistance programs in counternarcotics and border security have strengthened the capacity of law enforcement agencies and have improved their access to remote areas where some of the drug trafficking takes place, evidenced by a nearly 61 percent increase in opium seizures in 2005. Pakistan is a party to the 1988 UN Drug Convention.

## II. Status of Country

After seeing a steady increase in poppy cultivation from zero in 2001 to 7,571 hectares in 2004, Pakistan reversed the trend in 2005 by cutting cultivation in half. The GOP continues to strive to implement its commitment to return Pakistan to poppy-free status. Since the post-Taliban spike in poppy cultivation in Afghanistan, Pakistan's importance as a transit country of heroin, morphine, opium and hashish has increased, particularly as a conduit to Turkey, by land, and Iran, by land and sea. According to DEA, Pakistani traffickers are also an important source of financing to the poor farmers of Afghanistan who otherwise would not be able to produce opium. To a very significant extent, when it comes to opiates, Pakistan is part of the massive Afghan opium production/refining "system". Relatively modest drug cultivation/production in Pakistan frequently means that financiers in Pakistan have judged circumstances in Afghanistan more favorable to investments there, as opposed to Pakistan. Financers and organized trafficking groups generally operate where it is easiest to operate, and ignore national boundaries when making these decisions. A U.S.-funded Border Security Project, begun in 2002, has significantly improved GOP interdiction capacity on the porous 1500-mile western border, as evidenced by increased drug seizures in 2005. However, fragmented, decentralized drug trafficking organizations, equipped with high-tech communications capabilities, make successful drug investigations difficult.

The steady flow of drugs into Pakistan has fueled domestic addiction, especially in areas of poor economic opportunity and physical isolation. Although no accurate figure exists for the current number of drug addicts in Pakistan, estimates range from three to five million out of an approximate 162 million total population. A 2000 UNODC National Assessment on Drug Abuse estimated 500,000 chronic heroin abusers and identified a new trend of injecting narcotics, which has raised concerns about HIV/AIDS.

Pakistan has established a chemical controls program that monitors the importation of controlled chemicals. While some diversion of precursors probably occurs in Pakistan, it is not believed to be a major precursor source country. DEA has unconfirmed intelligence that there are small heroin labs in

Pakistan, producing 2-10 kilograms on a weekly basis; the GOP does not have any information that there are heroin labs in Pakistan.

### III. Country Actions Against Drugs in 2005

**Policy Initiatives.** Taking into account the emergence of new narcotics threats, the GOP currently is revising its Master Drug Control Plan to identify prioritized strategies, agency responsibilities and funding requirements for attacking both drug supply and demand. The ANF is the lead counternarcotics agency in Pakistan. Other law enforcement agencies with counternarcotics mandates include the Frontier Corps (FC), the Coast Guards, the Maritime Security Agency, the Frontier Constabulary, the Rangers, Customs, the police, and the Airport Security Force. The GOP recently approved significant personnel expansions in both the ANF and FC Balochistan. The Coast Guards has created a counternarcotics cell within its headquarters to better coordinate and execute counternarcotics operations. Having been deemed “poppy-free” by the United Nations in 2001, the GOP aims to regain Pakistan’s poppy-free status through enforcement of a strict “no tolerance” policy for cultivation. Federal and provincial authorities continue to conduct antipoppy campaigns in both Balochistan and NWFP, delivering messages to local and tribal leaders that forced eradication, fines and arrests will take place if the ban on poppy is not observed.

The GOP has been actively engaged at the ministerial level in regional and international fora on counternarcotics, such as the Paris Pact, the Intergovernmental Technical Committee, the Quad, International Drug Enforcement Conferences (IDEC), Colombo Pact, Gulf Cooperation, Pak-India bilateral talks, CENTCOM’s Central and South Asia Counternarcotics Security Working Group, and U.S.-Afghanistan-Pakistan Counter Narcotics Working Group (CNWG). In such meetings, the GOP has expressed willingness to conduct “hammer-and-anvil” (military sweep/blocking force) border operations with Afghanistan and to establish mechanisms for exchanging real-time operational and long-term intelligence. The GOP claims such exchanges and joint operations have not been possible previously because the capacity to either block or sweep, as required, simply did not yet exist within the nascent Afghan Army.

**Accomplishments.** In 2005, Pakistan’s poppy cultivation levels decreased by 58 percent to about 3,147 hectares. This is largely attributed to a significant drop in cultivation in Balochistan from 3,067 hectares in 2004 to 278 hectares in 2005; GOP forces reported complete destruction of the Balochistan crop. Potential opium production decreased from 70 metric tons in 2004 to approximately 61 metric tons in 2005.

From January to December 2005, GOP security forces reported seizing 24.3 metric tons of heroin (including morphine-base), and 6.4 metric tons of opium, a 61 percent increase from 2.5 metric tons in 2004. In particular, ANF’s opium seizures increased from .677 metric tons to 3.7 metric tons, and FC’s opium seizures increased from .064 metric tons to 1.2 metric tons. Of the 90 metric tons of hashish seized by all GOP law enforcement agencies, the Coast Guard interdicted over 7.3 metric tons, more than the total number of CG hashish seizures for the last four years combined. Other drugs seized by ANF in 2005 include over 2438 kilograms of opium poppy straw, 38 kilograms of opium liquid, .683 kilogram of Pseudo-Ephedrine, 210,000 of Buprenorphine Injections, ecstasy tablets and other synthetic drugs.

From January to November 30, 2005, GOP authorities reported arresting 33,932 individuals on drug-related charges. As of November 30, 2005, the ANF had registered 437 narcotics cases in the GOP’s court system over the course of 2005, 387 of which were decided with an 89 percent conviction rate. The great majority of narcotics cases that go to trial are uncomplicated drug possession cases involving low-level couriers and straightforward evidence. The problematic cases tend to involve more influential, wealthier defendants. ANF continues to work appeals for seven long-running cases in the Pakistani legal system against major drug traffickers, including Munawar Hussain Manj, Sakhi Dost

Jan Notazai, Rehmat Shah Afridi, Tasnim Jalal Goraya, Haji Muhammad Iqbal Baig, Ashraf Rana and Muhammad Ayub Khan Afridi. The ANF has made commendable efforts to address reversals of convictions by hiring its own special prosecutors, who have had admirable results despite limited resources, and by adding attorneys as part of its expansion. Following a DEA judicial seminar on conspiracy laws in October 2005, a Pakistani judge used the conspiracy principles to issue the first conviction of a drug trafficker, Malik Amir. Amir himself was not in direct possession of the narcotics drug.

Through November 30, 2005, the amount of drug traffickers' assets frozen stood at Rs. 238.5 million (about \$4 million) and Rs. 11.475 million (about \$193,000) in assets were forfeited.

The GOP's USG-supported Border Security Project continues to make progress in strengthening security along Pakistan's western border through: training to professionalize border forces; provision of vehicles and surveillance and communications equipment to enhance the effectiveness of patrolling of the remote border areas; and a Ministry of Interior Air Wing to enable border surveillance and interdictions. Since the arrival in May 2005 of two additional Huey II helicopters, the Air Wing's ten Huey IIs have executed 46 operational missions involving 112 aircraft sorties. These included an air assault on a suspected drug compound, poppy surveys, medevacs for personnel injured during FC operations, support for four FC border interdiction missions, and border reconnaissance. The three fixed-wing Cessna Caravans, equipped with FLIR surveillance equipment, executed 55 missions, including border surveillance, medevacs, and command and control support for large operations. Air Wing assets directly contributed to the seizure of 88 kilograms of morphine, 889 kilograms of opium, and 312 kilograms of hashish, as well as weapons and vehicles used by smugglers.

**Law Enforcement Efforts.** Although counternarcotics agencies in Pakistan generally need more resources, Prime Minister Shaukat Aziz made a significant decision in 2005 to approve 1,166 new positions in ANF (500 positions filled in 2005 and 666 which will be filled in 2006), and increase ANF's budget by 15.5 percent to cope with emerging narcotics challenges. The GOP also approved a 10,264 personnel increase in the Frontier Corps Balochistan to enhance the force on Pakistan's border with Afghanistan and Iran.

The U.S. has trained and equipped ANF's Special Investigative Cell (SIC), a vetted, 62-member unit that was established in 2000 to target major trafficking organizations. In 2005, the performance of the SIC continued to improve in intelligence collection and investigations. In particular, the SIC took the critical step of developing a joint High Value Target list with DEA to identify and dismantle the most significant drug trafficking organizations in the region. As of December 10, 2005, the SIC had arrested 101 persons, and conducted a number of joint operations with other national and international law enforcement agencies.

**Corruption.** As a matter of policy, neither the GOP nor any of its senior officials encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However, with government salaries low and societal and government corruption endemic, narcotics-related corruption is likely to be associated with the movement of large quantities of narcotics and pre-cursor chemicals.

**Agreements and Treaties.** Pakistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. The U.S. is providing counternarcotics and law enforcement assistance to Pakistan under a continued Letter of Agreement (LOA) that provides for cooperation in the areas of border security, opium poppy eradication, narcotics law enforcement, and drug demand reduction. The U.S.-Pakistan extradition relationship is conducted under the terms of the 1931 U.S.-U.K. Extradition Treaty, which continued in force for Pakistan following its independence. Pakistan has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime and the UN Convention

Against Corruption. In November 2005, Pakistan and India concluded negotiations on a Memorandum of Understanding for counternarcotics cooperation that will be signed shortly.

**Cultivation/Production.** Through interagency ground monitoring and aerial surveys, the GOP and USG confirmed that Pakistan's cultivation levels decreased by 58 percent to about 3,147 hectares (278 in Balochistan, and 2,869 in NWFP) in 2005. Of the remaining cultivated crop, only 22.5 percent of the hectares were eradicated, leaving about 2,440 hectares to be harvested. Based on the GOP calculation of about 25 kilograms of opium produced per hectare, potential opium production was approximately 61 metric tons. Pakistan's overall decrease in poppy cultivation reflected in large part a 91 percent drop in cultivation in Balochistan. This may have been the result of aggressive GOP eradication campaigns that deterred poppy sowing, but the possibility that extremely heavy rains killed the crop cannot be ruled out. ANF informed the USG that it destroyed 100 percent of the crop this year in Balochistan with the assistance of the new recruits police force and arrested over 100 growers. Cultivation in the "nontraditional" areas in NWFP—Orakzai, Kurram, and North Waziristan—remained almost completely contained this year. (No estimates for South Waziristan are available due to ongoing counterterrorism operations.) The cultivation level in Kohistan reportedly dropped from 1,012 hectares in 2004 to 123 hectares in 2005; one theory for the decline is that people have stopped growing poppy in return for promises of government development programs. However, Pakistan saw increases in cultivation and poor eradication efforts in some easily accessible areas of NWFP, particularly in Charsadda and Peshawar Districts and Mohmand and Bajaur Agencies. The U.S. has constructed roads and provided alternative development assistance in Mohmand and Bajaur since 1989, but in 2005 suspended funding for its programs there until stricter enforcement efforts are seen. In the significant poppy-growing areas of Khyber Agency and Kala Dhaka, 1,488 hectares and 417 hectares of poppy were cultivated respectively. Poor eradication efforts in Kala Dhaka were the result of the inaccessibility of the areas of highest cultivation and the general lack of infrastructure and government presence. In Khyber, poor eradication efforts were attributed to a fear of disrupting community acquiescence to counterterrorism operations in the area and a lack of available security forces due to ongoing counterterrorism operations. Ground monitoring teams observed, particularly in Khyber, a trend of increasing cultivation within walled compounds to discourage eradication.

**Drug Flow/Transit.** Although no exact figure exists for the quantity of narcotics flowing across the Pak-Afghan border, estimates of opiates that came through Pakistan from Afghanistan in 2004 range from 78 metric tons to 280 metric tons. The GOP has expressed concern that as law enforcement efforts increase in Afghanistan, drug trafficking organizations (DTOs) and labs will shift across the border. Many of the groups already have cells throughout Pakistan, particularly in the rugged, remote terrain of Balochistan Province where law enforcement has little to no presence. DTOs in Pakistan remain fragmented and decentralized. Individuals involved in the drug trade are often "specialists" in one particular activity (such as processing, transportation, or money laundering), who can act as independent contractors for several different criminal organizations. Pakistan is a major consumer of Afghan heroin, although the majority of the heroin smuggled out of Southwest Asia through Pakistan continues to go to the European market, including Russia and Eastern Europe. The balance goes to the Western Hemisphere and to Southeast Asia where it appears to supplement shortfalls in opiates in that region. Couriers intercepted in Pakistan were en route to Africa, Nepal, India, Europe, Thailand, China, Bangladesh, Sri Lanka, and the Middle East (especially United Arab Emirates (UAE)). The ANF believes precursor chemicals are smuggled most likely through UAE, Central Asia, China and India, and that mislabeled containers of acetic anhydride form part of the cargo in the Afghan transit trade. Ecstasy, Buphrenophine and other psychotropics are smuggled from India, UAE and Europe for the local Pakistani market. The ANF has also seen Africans bringing cocaine into Pakistan.

Afghan opiates, being trafficked to Europe and North America, enter Pakistan's Balochistan and NWFP provinces and exit either through Iran or Pakistan's Makran coast, or through international airports located in Pakistan's major cities. The ANF reports that drugs are being smuggled in the cargo

holds of dhows to Yemen, Oman, Saudi Arabia and United Arab Emirates via the Arabian Sea. Traffickers also transit land routes from Balochistan to Iran and from the tribal agencies of NWFP to Chitral, where they re-enter Afghanistan at Badakhshan province for transit through Central Asia. Drug convoys in Balochistan have become smaller, generally comprising two to three vehicles with well-armed guards and scouts for early warning, and often travel at night. Available evidence indicates that traffickers throughout the country are transporting smaller quantities of drugs through multiple carriers, both male and female, in an attempt to reduce the size of seizures and protect their investment; the seizures of 100-kilo shipments of several years ago have been replaced by seized shipments of 20-100 kilograms. Other methods of shipment include via hard-side luggage; strapped to the body and concealed from drug sniffing dogs with special sprays; the postal system; or inside legal objects (such as cell phone batteries). The ANF believes traffickers frequently change routes and concealment methods to avoid detection. It has also observed that West African traffickers are using more Central Asian, European and Pakistani nationals as “mules”.

**Demand Reduction.** The GOP and the UNODC are cooperating on a survey of drug abuse in Pakistan. The GOP views addicts as victims, not criminals. Despite the extensive work of a few NGOs and the establishment of two GOP model treatment and rehabilitation centers in Islamabad and Quetta, drug users have limited access to effective detox and rehabilitation services in Pakistan. In 2004 and 2005, ANF conducted a number of drug abuse awareness programs, including a series of UNODC- and USG-funded demand reduction workshops on raising awareness of district officials in the four provinces and the role of women in drug abuse. Religious leaders, who participated in a USG-funded drug prevention program, drafted two resolutions against drug use and cultivation that have been used in weekly sermons. The USG also funded the Malaysian NGO Pengasih to conduct three training courses for drug health care providers in Pakistan. Other programs include financial support of NGOs involved in treatment and rehabilitation of drug addicts; a study on drug addiction in women; creation of youth groups to prevent drug abuse through organized alternative activities; and media messages and information dissemination. The ANF plans to implement other projects to increase community participation in demand reduction and create mass awareness among youth, women, and transportation drivers. While the GOP has the political will to do more, it lacks the resources and an updated, comprehensive demand reduction strategy, which it plans to develop as part of its Master Drug Control Plan.

#### IV. U.S. Policy Initiatives and Programs

**Policy Initiatives.** U.S. counternarcotics policy objectives are to continue to help the GOP strengthen the security of its borders and coast against drug trafficking and terrorism; to expand regional cooperation; to encourage the GOP to eliminate poppy cultivation and inhibit any spread of cultivation; to increase GOP interdiction of opiates from Afghanistan and help dismantle major trafficking organizations; to expand demand reduction efforts; to enhance cooperation regarding the extradition of narcotics fugitives; to encourage enactment of comprehensive money laundering legislation; to press for reform of law enforcement institutions; and to encourage cooperation among GOP agencies with counternarcotics responsibilities.

**Bilateral Cooperation.** Through the State Department-funded Counternarcotics Program and Border Security Project, the U.S. provides operational support, commodities, and training to ANF and other law enforcement agencies, as well as funding for demand reduction activities. Under the Border Security Project, the construction of 49 Frontier Corps outposts in Balochistan and NWFP was completed in 2005; work on the remaining six outposts in North Waziristan remains suspended due to the security situation there. Ongoing construction of over 360 kilometers of roads in the border areas of the FATA continues to open up remote areas to law enforcement. In 2005, the U.S. completed delivery of over 1500 vehicles, communications, and surveillance equipment to law enforcement agencies operating on the western border. The State Department has funded construction of over 465

kilometers of counternarcotics program roads (which allow forces to eradicate poppy, and facilitate farm-to-market access for legitimate crops), and supported the implementation of over 700 small schemes and alternative crops in Bajaur, Mohmand and Khyber Agencies. These alternative development programs will expand to Kala Dhaka and Kohistan in 2006. The U.S. funds Narcotics Control Cells in both the Home Department NWFP and the FATA Secretariat to help coordinate counternarcotics efforts in the province and tribal areas. The U.S.-supported MOI Air Wing program provides significant benefits to counternarcotics efforts, while advancing counterterrorism objectives. The DEA provides operational assistance and advice to ANF's SIC, which continues to raise its investigative standards. The Department of Defense in 2005 began providing assistance to the Coast Guard to improve the GOP's counternarcotics capacity on the Makran Coast.

**The Road Ahead.** Even with improvements in air and ground mobility and communications capacity, the GOP continues to face an immense challenge in the coming year to interdict the increasing supply of drugs from Afghanistan. The U.S. will continue to assist the GOP in its efforts to conduct investigations that dismantle drug trafficking organizations, to build capacity to secure the western border and coast, to eliminate poppy, to increase convictions and asset forfeitures, and to reduce demand. Implementation of those strategies will require stronger GOP interagency cooperation, strict enforcement of the poppy ban and eradication, effective use of resources and training, development of drug intelligence, and regional cooperation and information sharing.

# Sri Lanka

## I. Summary

Drug use and trafficking in Sri Lanka remains a relatively minor problem. The Government of Sri Lanka (GSL) remains committed to targeting drug traffickers and implementing nation-wide demand reduction programs. In 2005, the U.S. government strengthened its relationship with Sri Lanka on counternarcotics issues by offering training and seminars for the Sri Lankan Police. After the 2002 ceasefire agreement between the GSL and the Liberation Tigers of Tamil Elam (LTTE), a comparatively relaxed security environment led to the opening of a new overland drug trafficking route. LTTE officials continue to police and monitor the route. Although Sri Lanka has signed the 1988 UN Drug Convention, Parliament had not enacted implementing legislation for the convention as of the end of 2005.

## II. Status of Country

Sri Lanka is not a significant producer of narcotics or precursor chemicals. GSL officials continue to raise internal awareness of, and vigilance against efforts by drug traffickers attempting to use Sri Lanka as a transit point for illicit drug smuggling. Domestically, officials are addressing a modest drug problem, with problem drugs consisting of heroin, cannabis, and increasingly, ecstasy.

## III. Country Actions Against Drugs in 2005

**Policy Initiatives.** In 2005, the Police Narcotics Bureau (PNB) and Excise Department worked closely to target cannabis producers and dealers, resulting in several successful arrests. The PNB warmly welcomed, and was an active partner in, U.S.-sponsored training for criminal investigative techniques and management practices.

Sri Lanka continued to work with the South Asian Association for Regional Cooperation (SAARC) and the United Nations Office on Drugs and Crime (UNODC) on regional narcotics issues. SAARC countries met in Maldives in early 2004 and agreed to establish an interactive website for the SAARC Drug Offense Monitoring Desk, located in Colombo, where countries can input, share, and review regional narcotics statistics. GSL officials maintain continuous contact with counterparts in India and Pakistan, countries of origin for the majority of drugs that enter Sri Lanka.

**Law Enforcement Efforts.** The PNB continued close inter-agency cooperation with the Customs Service, the Excise Department and other, nonnarcotics units of the Sri Lankan Police to curtail the illicit drug supply lines of local drug dealers and users. As a result of these efforts, GSL officials arrested 9,519 heroin dealers and 9,168 cannabis dealers from January to October of 2005. The largest heroin haul was 11.5 kilograms, valued locally at around \$402,500. The Sri Lanka Navy made the interdiction in Mannar, where an LTTE cadre was caught with the package of heroin. This year approximately 40 kilograms of heroin were confiscated in Mannar alone. Law enforcement officials did not make any ecstasy-related drug arrests this year.

Apart from its Colombo headquarters, the PNB has one sub-unit at the Bandaranaike International Airport near Colombo, complete with operational personnel and a team of narcotics-detecting dogs. Greater vigilance by PNB officers assigned to the airport sub-station led to increased arrests and narcotics seizures from suspected drug smugglers. During the year, the PNB began the process of establishing additional sub-stations to combat trafficking. The next two substations, at the international port in Colombo and the northwest coastal town of Mannar, will be operational shortly. Future substations will also be located in cannabis-growing regions.

**Corruption.** A government commission, established to investigate bribery and corruption charges against public officials, temporarily resumed operations in 2004 and continued through 2005. In June 2005, the PNB, along with police officers island-wide, began “Operation Clean-Up” to apprehend drug peddlers and users. All police stations and divisions are taking part in this effort. Police investigations determined that a sub-inspector of police has earned significant profit from his involvement with a gang of drug dealers. This officer has been suspended from the service, and a special police team is conducting an investigation into his conduct. In addition, investigations also continue in the case of two police constables caught smuggling cannabis. The GSL does not, as a matter of policy, encourage or facilitate the illicit production or distribution of any controlled substances or the laundering of proceeds from illegal drug transactions. There were no reports that any senior official engaged in such activity or encouragement thereof.

**Agreements and Treaties.** Sri Lanka is a party to the 1988 UN Drug Convention. The Attorney General’s Office is expected to submit a draft of the implementing legislation for the 1988 UN Convention to the Ministry of Justice and Judicial Reforms by year’s end. The Justice Minister is then slated to seek Cabinet approval and present the legislation as a bill to Parliament by the first quarter of 2006. Sri Lanka is also a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Sri Lanka has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime, and is a party to the UN Convention against Corruption. An extradition treaty is in force between the U.S. and Sri Lanka.

**Cultivation/Production.** Cannabis is cultivated and used locally. There is little indication that this illicit drug is exported in great quantities. The majority of the production occurs in the southeast. PNB and Excise Department officials work together to locate and eradicate cannabis crops. PNB officials also sought to set up substations in order to limit trafficking through vulnerable regions.

**Drug Flow/Transit.** Some of the heroin entering Sri Lanka is solely for transshipment purposes. With the opening of the northwestern coastal waters after the ceasefire between the GSL and the LTTE, narcotics traffickers have taken advantage of the short distance across the Palk Strait to transit drugs from India to Sri Lanka. According to police officials, drugs are mainly transported across the strait and then overland to southern coastal towns, from which they are transported onward by sea. Mannar is considered the primary port of entry for narcotics. The PNB is attempting to control the area better with the upcoming opening of a sub-station there. With no coast guard, however, Sri Lanka’s coast remains highly vulnerable to transshipment of heroin en route from India. Police officials state that the international airport is the second major entry point for the transshipment of illegal narcotics through Sri Lanka. There is no evidence to date that synthetic drugs are manufactured in Sri Lanka. Police note that the ecstasy found in Colombo social venues is likely trafficked from Thailand.

**Domestic Programs (Demand Reduction).** The National Dangerous Drugs Control Board (NDDCB) began establishing task forces in each regional province to focus on the issue of drug awareness and rehabilitation at the community level. Each task force works with the existing municipal structure, bringing together officials from the police, prisons, social services, health, education and NGO sectors. For the first time in 2004, NDDCB officials visited the war-affected northern and eastern provinces to assess the local situation and investigate the possibility of establishing treatment centers in those regions. The GSL continued its support, including financial, of local NGOs conducting demand reduction and drug awareness campaigns. The PNB instituted an annual drug awareness week in June 2005, with programs focused on school children as well as recent secondary school graduates. The PNB is making preparations to organize other drug awareness programs as well, including counseling to tsunami victims in the south and east of Sri Lanka. With the help of Police Divisions throughout the country, the PNB implemented a successful public awareness program at the village level about the adverse repercussions of narcotics use.

### IV. U.S. Policy Initiatives and Programs

**Policy Initiatives.** The USG remained committed to helping GSL officials develop increased capacity and cooperation for counternarcotics issues, although bilateral efforts were hindered by funding cuts on the Sri Lankan side. The USG also continued its support of the regional Colombo Plan Drug Advisory Program, which conducts regional and country-specific training seminars, fostering communication and cooperation throughout Asia.

**Bilateral Cooperation.** In 2004, the USG began to implement a law enforcement development program with PNB. Over 200 police officers have participated in training seminars thus far. USG-trained Sri Lanka police replicated the seminars and scheduled training for colleagues of the original police trainees at training academies and stations throughout the island. In May of this year in Sri Lanka, the Colombo Plan sponsored a U.S.-funded South Asian regional conference for public health practitioners on the subject of drug recovery.

**The Road Ahead.** The U.S. government intends to maintain its commitment to aiding the Sri Lankan police as they attempt to adapt to the changing needs of the Sri Lankan people.