

SOUTHWEST ASIA

Afghanistan

I. Summary

Despite a remarkably successful ban on opium production in Taliban-controlled areas during the 2000-2001 growing season, Afghanistan remained one of the world's leading opium producers by virtue of continued cultivation in its northern provinces. Drug trafficking from Afghanistan continued throughout 2001 as traffickers relied on opium stockpiles as their source. By year's end, reliable reports indicated that farmers throughout Afghanistan had taken advantage of the Taliban's collapse to resume opium poppy cultivation.

The United States estimates Afghanistan's total opium cultivation for 2000-2001 at 1,685 hectares with a potential opium production of 74 metric tons. Traffickers of Afghan opiates continue to market most of their product in Europe but also target the United States. While the July 2000 poppy ban in Taliban-controlled areas was widely respected, overall efforts by the UNDCP and NGOs to reduce supply had little success due to the lack of cooperation and support from the Afghan factions. Neither the Taliban nor the Northern Alliance took any significant action to seize stored opium or precursor chemicals, or to arrest and prosecute narcotics traffickers. Afghanistan is a party to the 1988 UN Drug Convention.

The December 4 Bonn Agreement by Afghan factions establishing an Interim Authority, which would cooperate with the international community in the fight against terrorism, drugs, and organized crime, represents a good first step. On January 17, 2002, the Afghanistan Interim Authority issued its own ban on opium poppy cultivation, and promised to work with donors to assure it could be implemented.

II. Status of Country

The Taliban's July 2000 ban on opium production was widely respected, with only an estimated 85 hectares of poppy cultivated in areas under Taliban control. The primary factor in having the ban so widely respected was the draconian nature of the authorities' enforcement efforts. However, based solely on the 1,600 hectares cultivated in Northern Alliance-controlled areas, Afghanistan remained one of the world's leading opium producers. By the end of 2001, Taliban rule had ceased as a result of coalition military activity. Efforts to form an interim government and begin reconstruction activities were underway at year's end. On December 4, 2001, the non-Taliban Afghan factions agreed to form an Interim Authority, which pledged to cooperate with the international community in the fight against drugs, and issued its own ban against poppy cultivation.

Despite the success of the poppy ban, stockpiles from previous years' bumper harvests have continued to fuel regional drug trafficking. The regional drug trade corrupts local authorities, is the major factor behind rising heroin addiction in refugee and indigenous populations, and is responsible for increased levels of terrorism and drug-related violence in neighboring countries. The Afghan drug trade also undermines the rule of law by generating large amounts of cash, contributing to regional money laundering and official corruption in countries with weak economies and institutions.

III. Country Actions against Drugs in 2001

Policy Initiatives. In July 2000, Taliban "supreme leader" Mullah Omar issued a decree banning poppy cultivation in Taliban-controlled areas of Afghanistan in the 2000-2001 growing season. The ban was widely respected, and opium poppy cultivation was virtually eliminated in areas under the Taliban's control. Taliban authorities reportedly incarcerated farmers who violated the ban and forcibly eradicated their crops. International observers who visited Afghanistan in early 2001 recognized the success of the poppy ban. International efforts to provide assistance to farmers and agricultural workers affected by the

poppy ban were put on hold following the September 11 terrorist attacks in the United States and subsequent coalition military action.

The December 4, 2001 agreement on the formation of an Interim Authority “strongly urges that the United Nations, the international community and regional organizations cooperate with the Interim Authority to combat international terrorism, cultivation and trafficking of illicit drugs and provide Afghan farmers with financial, material and technical resources for alternative crop production.” It remains uncertain whether the urgings and even the financial support of the international community will be sufficient to eliminate poppy cultivation in Afghanistan quickly. In the wake of hostilities, which faction is actually in control in which region varies. Whether factions will follow a ban on poppy cultivation, issued by the Interim Authority is uncertain. The Northern Alliance, for example, has, so far as the U.S. is aware, taken no action against cultivation and trafficking in the area it controls. There have also been recent reports of farmers cultivating a second opium crop in Northern Alliance-controlled areas. However, with the establishment of an Afghan Interim Authority, the issuance of its poppy ban, and the Authority’s declaration that it is ready to work with the donor community to assure the ban can be implemented, there is hope for a truly effective poppy ban in Afghanistan.

Accomplishments. The success of the Taliban poppy ban was a significant accomplishment during 2000, but success was achieved through draconian enforcement actions with no concern for poor farmers’ welfare, a series of policy actions unlikely to be replicated by a civilized administration. The ban was not accompanied by attempts to reduce drug trafficking. On the contrary, stocks from prior years were simply sold off at prices higher than could have been realized without the ban. With the resumption of widespread cultivation following the Taliban’s collapse and the continued presence of traffickers within Afghanistan and the region, the drug trade will continue to flourish absent concerted enforcement efforts by an interim government and the international community. The Interim Authority and important elements of the donor community are contemplating such action, but with so many development priorities contending for attention, and a very difficult situation on the ground, it is unreasonable to expect an effective ban immediately. In 2001 the United States continued to believe the UNDCP’s annual opium poppy survey in Afghanistan as well as the UNDCP’s crop monitoring programs are of great importance, and significantly add to the information needed to make effective policy and assess its effectiveness.

Law Enforcement Efforts. In the absence of an effective central government, a trained counternarcotics force, or an operational drug policy, there is virtually no counternarcotics law enforcement in Afghanistan at present. While the Taliban controlled most of Afghanistan, neither major faction—Taliban nor Northern Alliance—demonstrated the will to address continuing narcotics trafficking. Afghanistan does not yet have any effective arrangements to plan and coordinate drug control efforts. There is hope that the Interim Authority will address these shortcomings, with the assistance of the international community, as it strives to implement its ban on poppy cultivation in a more humane fashion than the Taliban.

Agreements and Treaties. Prior Afghan governments became party to a number of international conventions, and made specific commitments concerning the cultivation, trafficking, and abuse of illicit drugs in Afghanistan. Afghanistan is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention on Narcotic Drugs. There was no evidence of substantial compliance with any of these agreements in Afghanistan in the period before the establishment of the Interim Authority in December 2001. Afghanistan also signed the UN Convention against Transnational Organized Crime in December 2000. The Interim Authority has pledged to abide by international legal obligations to which Afghanistan is a party, and has already begun to work with the international community to bring Afghanistan into compliance with its international obligations.

Cultivation/Production. During 2001, Afghanistan was the world’s second largest producer of opium and a major producer of cannabis. In prior years, (1998-2000) it was the number one producer. An estimated 74 metric tons of opium was produced in 2001. Poppy cultivation was reduced dramatically as a result of the ban on production in Taliban-controlled areas. By the end of 2001, however, there were widespread reports of a resumption of cultivation in Nangarhar, Helmand, Kandahar, and Oruzgan

provinces, with those reports estimating a significant spring crop. While this cultivation violates the Interim Authority's ban, the Authority lacks means to enforce its ban, and it must work with local power centers and the donor community if the ban is actually to be respected on the ground. In 2000, Helmand province alone accounted for more than half of the total opium poppy cultivation in Afghanistan and was responsible for 39 percent of the world illicit opium supply. Helmand's key role in poppy production results from its endowment with good soil and favorable rainfall, so control of poppy cultivation in Helmand is key to any effective poppy ban.

An infrastructure for the production of morphine base and heroin has been developed in Afghanistan in recent years. This is in contrast to the situation in the early 1990s when nearly all heroin refining took place outside the country. Most laboratories refining opium into heroin operate in Nangarhar and Helmand provinces. Some laboratories also may be located near the Afghan borders of Central Asian countries.

Drug Flow/Transit. Opium trading in Afghanistan and Southwest Asia is well-organized. Traders offer growers advances to finance inputs and to tide growers over while the crop is in the ground. They visit households to buy opium. This credit, or advance payment on future opium production, is an integral part of livelihood strategies in poppy-producing areas of Afghanistan. The relatively stable value of opium and its nonperishability mean that it also serves as an important source of savings and store of value among traders and cultivators. Taliban and Northern Alliance authorities have reportedly facilitated, and profited from, the internal transit and export of drugs.

As much as half the illicit drugs produced in Afghanistan could be consumed/seized in Afghanistan and neighboring Iran, Pakistan, Tajikistan, Uzbekistan, Turkmenistan, and other states in Central Asia and the Persian Gulf, according to the UNDCP. U.S. seizure data suggest that at least five percent (approximately one metric ton) of the heroin imported into the United States originates in Afghanistan. Smuggling routes are varied. Historically heroin has been trafficked to Europe and North America through Pakistan, Iran, and Turkey, but smuggling routes through the Central Asian Republics are proliferating. Afghanistan provides raw opium primarily for local consumption in Pakistan, Iran, and the Persian Gulf, where trafficking organizations have strong links.

On a regional basis, the UNDCP operates a number of programs to reduce Afghan drug trafficking in Southwest Asia, including specific law enforcement programs with Turkmenistan, Uzbekistan, Tajikistan, Pakistan, and Iran. Tajik, Iranian, and Pakistani law enforcement forces are engaging more frequently in armed confrontations with well-equipped narcotics traffickers moving large quantities of drugs across the Afghanistan border, and drug seizures in all these countries are quite high.

Corruption. Under Taliban administration in Afghanistan, there was good reason to believe that the Taliban as a matter of policy and practice encouraged or facilitated the illicit production and distribution of opium and opium-derived drugs. The Taliban benefited from the opium traffic by taxing it, and even apparently benefited from its own ban on production by dumping opium stocks at prices higher than could otherwise have been achieved. The newly established Interim Authority has issued a ban on poppy cultivation and offered to work closely with the international community to see that the ban is enforced. The Authority's Chairman, Hamid Karzai, has promised the international community good governance and efficient use of development assistance.

Domestic Programs (Demand Reduction). Drug abuse is rising in Afghanistan. The increase in opium and heroin production in recent years inevitably has made more drugs available on the local market. According to the UNDCP, heroin, opium, and hashish are the most commonly abused drugs, along with a wide variety of easily available pharmaceutical drugs such as analgesics, hypno-sedatives, and tranquilizers. Heroin, opium, and other narcotics are almost exclusively ingested orally or inhaled, and are very rarely injected. Of particular concern is opium abuse among women and passive opium exposure of very young children.

Heroin addiction is growing, especially in Jalalabad, Kabul, Kandahar, Herat, and Afghan refugee camps. A Taliban court in October 1997 issued a decision that “addicts of illicit drugs should be referred to a hospital/treatment center to receive proper treatment.” Nonetheless, throughout 2001, the Taliban incarcerated rather than treated drug addicts. Some non-specialist hospitals and clinics in Afghanistan provide treatment to drug users. In Badakhshan province, where ten to 25 percent of the local population is believed to use opium, at least one NGO has set up drug treatment facilities, but security concerns have forced the UNDCP to close a demand reduction program in Badakhshan. Needless to say, among development priorities for the new Afghanistan will be quick re-establishment of some facilities for treating addiction.

The UNDCP’s drug awareness program in Afghanistan is limited by a lack of resources. Its drug demand reduction program focuses on the need to provide community-based drug treatment and prevention programs. In 2000, the UNDCP organized campaigns in Kandahar using the district Shura, community representatives, and local representatives. The UNDCP also trained over 100 female community mobilizers in drug awareness, basic health, and sanitation. Every effort will be made to reestablish drug education programs now that Afghanistan is no longer under Taliban rule.

IV. U.S. Policy Initiatives and Programs

Regionally, the United States is cooperating with the UNDCP and Afghanistan’s neighbors to build national and regional capacities to counter the Afghan drug trade. The United States has been active in the UN-sponsored Six Plus Two Group (Iran, Pakistan, China, Tajikistan, Uzbekistan, and Turkmenistan, plus the United States and Russia) in efforts to launch a regional counternarcotics initiative. In September, the Six Plus Two Group held a technical meeting in Islamabad to further the Regional Action Plan to counter the Afghan drug trade.

The Road Ahead. As the focus in Afghanistan shifts toward development in the wake of formation of an interim governing authority and a Donor Group Pledge Session, the United States will work to ensure that international counternarcotics goals are taken into account. Toward this end, the United States will work with other donors on a strategy to eliminate opium poppy cultivation. There is also a need to develop indigenous law enforcement capacity and a functioning judicial system within Afghanistan.

In the meantime, narcotics trafficking in the region will continue, despite the best efforts of the Interim Authority and the international community. The United States seeks to contain the flow of opium and heroin from Afghanistan through a stronger focus on regional counternarcotics cooperation. As coordinator of the Six Plus Two counternarcotics initiative, the United States will continue to support and advance the Regional Action Plan and the efforts of the Interim Authority to enforce its ban on poppy cultivation.

Afghanistan Statistics

(1993–2001)

	2001	2000	1999	1998	1997	1996	1995	1994	1993
Opium									
Potential Harvest (ha)	1,685	64,510	51,500	41,720	39,150	37,950	38,740	29,180	21,080
Eradication (ha)	—	—	—	—	—	—	—	—	—
Cultivation (ha)	1,685	64,510	51,500	41,720	39,150	37,950	38,740	29,180	21,080
Potential Yield ¹ (mt)	74	3,656	2,861	2,340	2,184	2,099	1,250	950	685

¹ Note: Potential production estimates for 1996-1999 have been revised upward from previous INC SRs, reflecting improved methodologies for estimating opium yields. The estimates of land area under poppy cultivation in Afghanistan for those are unchanged and have not been revised.

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 in the past year also point to an increased level of narcotic use in Bangladesh itself. While there are unconfirmed reports of opium cultivation along the border with Burma, there is no evidence to indicate that Bangladesh is a significant producer or exporter of narcotics. While the government took enforcement and other measures to deter narcotics consumption and transit, the government's Department of Narcotics Control (DNC) lacks training, equipment, and other resources to detect and interdict the flow of drugs. Moreover, there is minimal coordination between the DNC, the police, the border defense forces known as the Bangladesh Rifles (BDR), and the judiciary's local magistrates in charge of orchestrating counternarcotics operations. Corruption at all levels of law enforcement also hampers the country's drug interdiction efforts. Bangladesh is a party to the 1988 UN Drug Convention.

II. Status of Country

Insufficient information exists to determine whether Bangladesh produces illegal narcotics or precursor chemicals. Reports of opium production in the Bandarban district along the Burmese border have not been substantiated. The country's largely porous borders makes it an attractive transfer point for drugs transiting through the region.

III. Country Actions Against Drugs in 2001

Policy Initiatives. The Bangladesh government (BDG) continued in 2001 to be supportive of counternarcotics efforts. The BDG has worked to implement and enforce the Narcotics Control Act which the parliament passed in November 2000. The BDG is also working, with USG assistance, to provide the DNC and other law enforcement officials with additional training on counternarcotics activities.

Accomplishments. The BDG has maintained consistency and continuity in its counternarcotics efforts. The DNC's central chemical laboratory for identifying and evaluating seized drugs became operational this year and its capabilities are being expanded with proposals for additional equipment and expertise.

Law Enforcement Efforts. Law enforcement units engaged in counternarcotics operations include the police, the DNC, the BDR, and local magistrates. According to the BDG's Directorate of Customs Intelligence and Investigation, Bangladesh authorities seized 23.340 kilograms of heroin and 8,384.7 kilograms of marijuana from January through October 2001. The BDG remains interested in further training of its narcotics detection and interdiction forces. Law enforcement personnel across the spectrum of forces involved in counternarcotics work have little to no specialized training on how to execute their missions.

Corruption. There are numerous credible reports of corruption in Bangladesh. There is no doubt that corruption is a big problem in a country as poor as Bangladesh. Some officials facilitate the smuggling of narcotics. Corrupt officials can be found throughout the chain of command. Even when caught, prosecuted, and convicted most corrupt officials receive a reprimand at best, and termination from government service at worst. They receive no jail time. Given the ubiquitous poverty, and therefore the widespread prevalence of corruption, these cases are not taken seriously by the adjudicating authorities.

Agreements and Treaties. Bangladesh is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 Single Convention on Narcotic Drugs, as amended

by the 1972 Protocol. Bangladesh has a memorandum of understanding on narcotics cooperation with Iran, and it participates in information sharing with the government of Burma.

Cultivation/Production. Unsubstantiated rumors persist that opium production takes place in the Bandarban district along the border with Burma. No other evidence or intelligence is available to indicate that Bangladesh is a cultivator/producer of narcotics.

Drug Flow/Transit. Bangladesh is an ideal target for organized traffickers looking for a transfer point for smuggling drugs. The country's air, sea, and land ports are guarded by sometimes corrupt officials who have little training, if any, on counternarcotics operations. There remains no DNC presence at the country's second largest airport in Chittagong. Customs officers continue to be untrained in detecting and interdicting drugs. To date, no random searches of crews, ships, boats, vehicles, or containers have been performed at Bangladesh's largest seaport in Chittagong. Elements of the BDR, responsible for land border security within a 12-mile swath inside the country, have abetted the smuggling of goods, including narcotics, into the country.

Domestic Programs (Demand Reduction). The drug addicts rehabilitation organization APON and its affiliates, founded by a Catholic Brother, are the only long-term residential rehabilitation centers in the country. There are four centers that operate under APON's auspices. The BDG's outpatient and detoxification centers are not very successful in dealing with the addiction problem in Bangladesh. The population of addicts is uncertain—estimates range from 100,000 to over a million.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The USG continues to support Bangladesh's counternarcotics efforts through various commodities and training assistance programs. USG strategy includes the development of the BDG's capabilities in detection and interdiction of narcotics, especially the abilities of the border security forces to effectively do their jobs. Equipment and law enforcement courses will be provided to the police, DNC officers, and possibly members of the BDR in 2002. Other initiatives under consideration include the modernization of law enforcement training facilities in Bangladesh, and further development of anticorruption programs within the government.

Bilateral Cooperation. The USG sponsored an anticorruption seminar at the start of 2001, provided additional law enforcement training for BDG officials, and continued to work with the BDG in constructing a comprehensive strategic plan to develop, professionalize, and institutionalize Bangladesh's counternarcotics institutions and officials.

India

I. Summary

India is one of the world's largest producers of licit opium and the only country authorized to produce licit opium gum. It is a key heroin transshipment area due to its location between Southeast Asia and Southwest Asia, the two main sources of illicitly grown opium. India is a modest, but apparently growing, producer of heroin for the international market. The Government of India (GOI) continues to tighten controls to curtail diversion of licit opium, but an unknown quantity of licit opium finds its way to illicit markets. A small amount of illegal poppy is cultivated in the foothills of the Himalayas in northwest India, and also in northeastern India.

In 2001, the GOI conducted a Joint Licit Opium Poppy Survey (JLOPS) in cooperation with the United States for the purpose of developing a methodology to estimate opium gum yield. While the results of the first survey conducted during the 2001 opium harvest have not been finalized, plans are underway to conduct the survey for a second year during the 2002 harvest. The ability to estimate yields will provide a firmer scientific basis for establishing Minimum Qualifying Yields (MQY) for farmers—a significant tool in fighting diversion.

India has a large and fairly advanced chemical industry that manufactures a wide range of chemicals, including several precursor chemicals. These precursor chemicals are vulnerable to diversion for the manufacture of illicit narcotics. GOI controls restrict access to acetic anhydride, a chemical used to process opium into heroin. The chemicals n-acetylanthranilic acid, ephedrine, and pseudoephedrine and their salts are also fully controlled. 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

Licit Opium Production. Opium poppy is grown legally in the states of Madhya Pradesh, Rajasthan, and Uttar Pradesh under a stringent licensing policy controlled by the Central Bureau of Narcotics (CBN). India is the only country that still produces raw opium gum rather than concentrate of poppy straw (CPS). Certain processing facilities in the U.S. are optimized for opium gum and thus prefer it as a raw product, but it is difficult for customers to use, as a residue remains after alkaloids have been extracted, and this residue must be dealt with in an environmentally sensitive way. Nonetheless, the gum opium, labor-intensive way to produce opium suits India's circumstances better than the more capital-intensive straw process. Under the terms of internationally agreed covenants, India is required to maintain licit production of opium and carry-over stocks at levels no higher than those consistent with world demand, i.e., 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. After a period of low stocks because of failed crops, opium stocks now exceed minimum requirements.

India's opium buffer stocks were depleted in 1998. To meet India's share of anticipated world demand for licit opium and rebuild depleted domestic stockpiles toward an International Narcotics Control Board-recommended level of approximately 750 metric tons (90 percent solid), the GOI licensed a larger number of farmers and an increased area for poppy cultivation during 1999 and 2000. In 1999, the GOI licensed 156,071 farmers and 33,459 hectares, of which 29,163 hectares were harvested. The 1999 crop produced a yield of 971 metric tons at 90 percent solid, against a target of 1,300 metric tons, representing an average yield of 47.4 kilograms of gum per hectare.

For the 2000 crop year, the Indian government set a licit opium production target of 1,200 metric tons (90 percent solid), and licensed 159,884 farmers to cultivate opium on 35,271 hectares, of which 32,085 hectares were harvested. The 2000 harvest yielded 1,302 metric tons at 90 percent solid gum, exceeding the GOI's target and representing the highest yield ever in Indian opium cultivation history. Though the 1999 and 2000 harvests had similar weather conditions, enhanced enforcement during the harvest and official weighing periods prompted farmers to turn in appreciably higher yields to government purchasing agents in 2000. The average yield increased by 12 percent from 47.4 kilograms/hectare in 1999 to 53.14 kilograms/hectare in 2000, leading to speculation about the possible extent of diversion in the prior year. Initial estimates on the amount of suspected diversion of opium from the 1999 harvest ranged as high as 300 metric tons, which would have represented almost 25 percent of the whole crop. The GOI disputed these estimates, citing other factors, such as crop diseases and insufficient water, which adversely affect the average yield. More conservative estimates, based on a comparison of the actual harvested land and the average yield in each year, place the amount of diversion in 1999 around 170 metric tons (15 percent of the crop). The apparent success in curtailing diversion in 2000 appears due in large part to the more aggressive GOI drug control efforts during the harvest and collection period of the crop. Strong enforcement efforts were also evident during the 2001 harvest.

For the 2001 crop year—reflecting the GOI's success in 2000 in almost doubling the minimum required licit opium stockpile to 1,420 metric tons at 90 percent solid—the GOI target yield was reduced to 900 metric tons at 90 percent solid (1,157 metric tons at 70 percent solid). The total licensed area was reduced from 35,271 hectares to 26,684 hectares, and the number of licensed farmers was reduced from 159,884 to 133,409. Due to severe drought conditions in Madhya Pradesh, however, only 96,435 of these farmers were able to cultivate 18,086 hectares, representing only 68 percent of the total licensed area. The GOI reported a total yield of 727 metric tons of opium at 90 percent solid (935 metric tons at 70 percent solid), falling short of the GOI target by 19 percent. The average yield for the 2001 harvest was 51.64 kilograms/hectare, down from the average yield of 53.14 kilograms/hectare in 2000.

In drought-affected Madhya Pradesh, farmers were able to cultivate only 45 percent of the licensed land, all of which required irrigation. Despite the reduced cultivation in Madhya Pradesh, farmers there achieved an average yield of 56.37 kilograms/hectare, representing an increase in their average yield of 55.79 kilograms/hectare from 2000. Farmers in Rajasthan and Uttar Pradesh realized average yields of 57.384 kilograms/hectare and 36.085 kilograms/hectare, respectively, compared to average yields in 2000 of 53.82 kilograms/hectare and 44.77 kilograms/hectare. The significant drop in the average yield from 44.77 kilograms/hectare to 36.085 kilograms/hectare in Uttar Pradesh is attributed to record levels of farmers tendering adulterated opium. Over 5,500 farmers in Uttar Pradesh are currently being investigated for adulterating 66 metric tons of opium with a substance known as dextrine. An additional 500 farmers in Rajasthan submitted adulterated opium. The total amount of suspected or adulterated opium reported by the GOI was approximately 72 metric tons, roughly eight percent of total yield. All 6,000 farmers involved have been de-licensed and may face charges under the amended Narcotic Drugs and Psychotropic Substances Act of 1985 pending further investigation.

For the 2002 crop year, 118,596 cultivators have been licensed for opium cultivation over an area of about 23,719 hectares. The target yield of opium for the 2002 harvest is 952 metric tons at 90 percent solid (1,224 metric tons at 70 percent solid). Only those cultivators who tendered the minimum qualifying yield (MQY) for the 2001 harvest have been given licenses for 2002, i.e., at least 52 kilograms/hectare for Madhya Pradesh and Rajasthan, and 44 kilograms/hectare for Uttar Pradesh. No first-time cultivators will be licensed for the 2001-2002 growing season, as was the case for the 2000-2001 season. The MQY has again been increased by the GOI for the crop year 2002. Cultivators must tender 53 kilograms/hectare in Madhya Pradesh and Rajasthan, and 45 kilograms/hectare in Uttar Pradesh during the 2002 harvest in order to be eligible for an opium license for the crop year 2003.

Licensed farmers are allowed to cultivate a maximum of 20 "ares" (1 are is 100 M², so 20 ares = one-fifth of a hectare) and are expected to remit their entire yield to the CBN. The GOI's Ministry of Finance announces the MQY in the annual Opium Policy at the beginning of each opium cultivation season in

September or October. The MQYs are based on historical yield levels from licensed farmers during previous crops. Increasing the annual MQY has proven effective in increasing productivity, as measured in average yields, and providing a deterrent to diversion.

Other licit opium diversion controls introduced in 1999 were continued in 2000 and 2001 and include re-surveys of plots after the planted crop reaches a particular stage of growth to ensure that the area under cultivation matches that licensed. Cultivation more than five percent above the licensed amount is destroyed, and the cultivator is liable to prosecution. Controls during the poppy lancing period at harvest have also been strengthened. Daily yields are recorded in a so-called Procurement/Weighment(sic) Register by a designated official. The register is checked regularly and the yield tendered by the cultivators is physically verified to check the correlation between the two. During the lancing period, preventive checks and raids are conducted to search for opium that might have been concealed by the cultivators. During the course of these raids, CBN officers discovered 11 tons of concealed opium during the 2000 harvest and seven tons during 2001. To increase control over licit opium production, the amended NDPS Act places offenses relating to cultivation and embezzlement of opium by licensed cultivators on par with other drug trafficking offenses.

The GOI also periodically raises the official price paid to farmers to encourage greater productivity and prevent diversion to the black market. Opium farmers can receive prices four to five times higher than the base government price of Indian Rupees (Rs.) 630 per kilogram from opium middlemen and money lenders who in turn sell the opium for still higher black market prices. GOI price increases are related to the export price that the United States and other countries are willing to offer in the international market for Indian opium. Citing stable commercial export prices and an apparent decrease in export demand, the GOI announced prices would not be increased for the second year in a row. The last increase was effective for the 2000 opium harvest. For the crop years 2000, 2001, and 2002, the established price schedule (opium yield per hectare and price per kilogram at 70 percent solid) ranges from Rs. 630 for yields from up to 44 kilograms/hectare to Rs. 1,200 for more than 100 kilograms/hectare.

India produces opium by traditional methods, extracting the opium gum by hand by lancing the capsules. India's licit opium gum is high in morphine content and has other alkaloids such as thebaine now favored by international narcotics raw materials importers. Other legal producers of opium alkaloids, such as Turkey, France, and Australia, produce concentrate of poppy straw (CPS), harvesting unlanced poppy capsules and using a chemical extraction process. India is currently conducting some limited experiments to explore the possibility of conversion of some of its opium crop to the CPS method and to determine the feasibility of extracting additional alkaloids from already-lanced poppy straw.

India's traditional style of harvesting opium gum has an inherent weakness in controlling diversion. Each year over one million farmers and farm workers come into contact with the poppy plants and their lucrative gum. Closely policing these farmers operating on privately held land scattered throughout three of India's largest states is a considerable challenge for the CBN, which has a permanent staff of 1,500 officers. During the harvest season, CBN's forces are bolstered by 18 teams of Central Excise officers with vehicles to help patrol the fields and oversee the harvest. Six teams of six officers each are assigned to each of the three states.

Though no reliable estimate of diversion from India's licit opium industry exists, official Indian observers and drug enforcement officials have estimated diversion at ten to 30 percent of the crop. A large portion of the diverted opium is consumed domestically. CBN estimates a minimum of 80 to 100 tons of opium alone is required to supply India's opium addicts. There was international concern that diversion in 1999 was at record levels but most observers believe that diversion was greatly curtailed in 2000 and 2001. A ten percent rate of diversion would put some 90 tons of opium gum from the 2001 harvest and 170 tons of opium gum from the 2000 harvest (both figures at 70 percent solid) into the illicit narcotics market and make India among the world's largest producers of illegal opiates.

Heroin Production. While criminal elements produce heroin from both diverted legal opium and illegally grown opium, no reliable data is available on the extent of production. Poppies are grown illicitly in the

Himalayan foothills of Kashmir and Uttar Pradesh, and in northeast India near the Burmese border in the states of Manipur, Mizoram, and Arunachal Pradesh. The quantities of illicit production appear relatively small, and there is little current indication that such opiates find their way into the export market for the United States.

Heroin base (“brown sugar” heroin) is the domestic drug of choice. “Brown sugar” heroin, originating in India, is available in Nepal, Bangladesh, Sri Lanka, and the Maldives. During 2001, the CBN detected and destroyed seven small-scale refining laboratories in India’s licit opium poppy growing regions. Since January 1999, Indian authorities have begun to seize small quantities of refined or white heroin, at least part of which was produced in India, destined for Sri Lanka and Europe. Such trends indicate nascent attempts to cater to western heroin markets that demand refined heroin as opposed to brown sugar heroin. GOI officials estimate that approximately 30 percent of heroin seizures are of Indian origin and acknowledge India’s emerging status as a heroin-producing country.

Domestic Demand. In the northeastern state of Manipur, injectable Southeast Asian heroin was common a few years ago and needle sharing spread the HIV virus. But since the mid-1990s the drug of choice in northeast India has been proxyvon, a painkiller in capsule form that is opened, the contents dissolved in water, and then injected. Proxyvon is now the drug of choice as it costs about 34 cents per dose, compared to a price of \$2 and higher for a dose of heroin.

Precursor Diversion. India produces approximately 45,000 metric tons of acetic anhydride (AA) for the legal domestic and international chemical markets. Locally, much of the licit AA is used by the tanning and dyeing industries. Raids on some dye manufacturers in December 2000 revealed that 50 tons of AA were unaccounted for, supporting suspicions that significant quantities of AA continue to be diverted to heroin or methaqualone (mandrax) laboratories throughout South Asia. Because AA is a controlled substance, AA manufacturers are required to seal all trucks leaving their factories, yet the chemical apparently gets diverted in transit. In early 2001, investigations by the Narcotics Control Bureau (NCB) in Mumbai led to the unraveling of a major racket involving diversion of AA for the manufacture of methaqualone. The case involved transporters, warehouse keepers, and middlemen who were fencing AA to illicit methaqualone manufacturers and resulted in the seizure of 8.5 tons of AA. Total AA seizures in 2001 were 8,501 liters involving six cases compared to 1,337 liters seized in 2000 in 14 cases. In 1993 the GOI imposed controls on the production, sale, transportation, import, and export of AA. These controls have reduced the availability of the chemical to the illicit market. Nevertheless, illicit diversion of precursor chemicals from India continues to occur.

India produces over 500 metric tons of ephedrine and pseudoephedrine annually. Both of these precursors, which are illicitly used to produce methamphetamine and amphetamine tablets, were declared controlled substances in December 1999. While seizures fell from 2,134 kilograms in 1999 to 532 kilograms in 2000, 840 kilograms of ephedrine were seized in January 2001 alone. Total seizures for 2001 were 1,017 kilograms. The majority of the seizures were destined for Myanmar, where a significant industry of illicit manufacturers of amphetamine-type stimulants (ATS) exists. A total of 5,600 ATS tablets were seized in 2001, compared to 8,804 tablets in 2000, most of which were made along the Burmese border with the state of Manipur, near Moreh.

Transit Routes. India is a transit route for illicit heroin, hashish, and morphine base from Afghanistan, Pakistan, Burma, and to a lesser extent, Nepal. Over the past few years, Sri Lanka has emerged as an important destination for heroin transiting through and from India, and heroin seizures in the southern areas of India have increased sharply. The NCB reports that in 2001 approximately 200 kilograms of heroin were seized bound for Sri Lanka. The amount of Indian-origin heroin or other drugs that enters the United States is not believed to be significant. Trafficking in Indian-produced methaqualone to Southern and Eastern Africa continues. In March 2001, the NCB seized 400 kilograms of mandrax/methaqualone tablets in Mumbai after searching an export container destined for South Africa. Seizures of methaqualone totaled 1,984 kilograms in 2001. Cannabis smuggled from Nepal is mainly consumed within India, but some makes its way to western destinations.

III. Country Action Against Drugs in 2001

Policy Initiatives. India's stringent Narcotic Drugs and Psychotropic Substances (NDPS) Act of 1985 was amended on October 2, 2001, bringing significant flexibility to the sentencing structure; removing obstacles faced by investigation officers related to search, seizure, and forfeiture of illegally acquired property; and providing for controlled deliveries to facilitate investigation both within and outside the country. The amended NDPS Act also clarifies the application of bail for serious offenders more likely to flee before trial, and closes various technical loopholes that previously hindered the prosecution and conviction of drug traffickers. Financial investigations have been made easier with amendments that criminalize the laundering of drug proceeds and allow the freezing of assets of the drug offender prior to a conviction. Provisions of entry, search, and seizure have now been expanded to include cases relating to financial investigations and controlled substances, giving investigating officers the same powers of investigation in cases related to precursor diversion as they have in other drug investigations. Offences under the Act punishable for a term of more than three years may be tried only by the Special Courts; offences punishable for less than three years may be tried at first instance.

The amended Act now provides punishment in three categories, depending on the quantity of drugs seized (small, greater than small but lesser than commercial quantity, and commercial quantity). Punishments range from six months imprisonment and/or a fine of Rs. 10,000 (\$213) for small quantities; to up to ten years imprisonment and/or a fine of Rs. 100,000 (\$2,128) for the second category; and from ten to twenty years imprisonment and/or a fine of Rs. 100,000-200,000 (\$2,128-\$4,256) for commercial quantities. Prior to the amendment, an individual found in possession of small quantities of a controlled substance was subjected to the same penalties as someone found trafficking in large quantities of narcotics. Judges were believed to be reluctant to find small-time traffickers and addicts guilty, as the mandatory sentence was ten years imprisonment. Defendants were frequently released on minor technicalities. The amended Act is expected to significantly increase the conviction rate for future violators of the NDPS.

- In 2001, the GOI announced that the NCB would shift from under the control of the Ministry of Finance to the Ministry of Home Affairs effective April 1, 2002. The move is expected to enhance the NCB's law enforcement capabilities and align the bureau with other GOI police agencies under the control of the Home Ministry. A number of proposals are also under consideration to bolster the professionalism of the NCB, including extending the length of deputation of officers to the NCB from three to five years, and adding an extension clause for an additional two years.
- The United States and India signed a bilateral mutual legal assistance treaty on October 17, 2001. The treaty will allow more efficient law enforcement cooperation between the two countries.
- The GOI also approved the opening of a U.S. Customs Service office at the U.S. Embassy. The office is expected to open in the summer of 2002.
- The GOI is currently conducting some limited experiments to explore the possibility of conversion of some of its opium crop to the CPS method and to determine the feasibility of extracting additional alkaloids from already-lanced poppy straw.

Accomplishments. In addition to the significant policy and bilateral cooperation initiatives above, India's various agencies involved in drug control work, particularly the CBN and the NCB, continued to take steps to curb drug trafficking and abuse in India during 2001. While the CBN oversees the licit opium program and India's chemical industry, the NCB is responsible for counternarcotics efforts and law enforcement coordination. Despite new initiatives, both the CBN and the NCB continue to face personnel and financial constraints in conducting a strong counternarcotics program.

- According to information provided by the GOI, 21 drug trafficking syndicates engaged primarily in trafficking heroin from Pakistan to India and from India to West Africa, Sri Lanka, and Bangladesh have been dismantled, as have eight inter-state gangs of drug traffickers.
- Indian authorities have established a continuous aerial/satellite-based system for monitoring licit and illicit opium cultivation nationwide. The system is expected to become operational in early 2002.
- The CBN has initiated a special project to explore income substitution and alternative development programs with the aim of total eradication of poppy cultivation in the illicit poppy growing areas of Arunachal Pradesh. During the past two poppy seasons, the CBN conducted two ground surveys covering four districts of Arunachal Pradesh, where opium has become an important cash crop. The surveys were undertaken to collect demographic, economic, and cultural data; to assess the extent of illicit opium poppy cultivation and opium drug addiction; and to explore options for viable alternative development. To elicit the cooperation of the villagers in the survey, the CBN did not conduct illicit poppy eradication campaigns in these areas during the 2000-2001 growing season.
- Indian authorities continued to work closely with the drug enforcement agencies of other countries. On the basis of intelligence provided by the GOI, U.S. Customs, in coordination with DEA authorities, seized five kilograms of heroin in New York in August 2001. British Customs also seized 3.5 kilograms in May 2001 on the basis of intelligence provided by India. In another example of excellent cooperation between the United States and India, two Indians involved in a heroin trafficking conspiracy were convicted and sentenced in Mumbai in 2001, on the basis of testimony provided by DEA officials in 2000.
- The GOI continued to work with the UNDCP on studies of drug demand reduction and precursor chemical control in South Asia. To learn more about India's own drug problem, the Ministry of Social Justice and Empowerment and the UNDCP embarked on a comprehensive survey of narcotics addiction nationwide. The first results of the survey are expected in early 2002. Under the "Scheme for Prohibition and Drug Abuse Prevention" begun in 1985, the GOI funds 90 percent of the costs of 340 NGOs in maintaining 425 drug treatment centers nationwide. The GOI is also working with the ILO and the UNDCP to implement community-based rehabilitation and workplace prevention programs.
- India also participates in bilateral efforts to counter narcotics trafficking. Under the auspices of the UN and with U.S. encouragement, meetings between counternarcotics officials of India and Pakistan, which began in 1994, have continued. An Indo-Pak Quarterly Coordination meeting was held in August 2001 at the Nagah border. Periodic meetings also take place with Burmese officials along the border, most recently in September 2001, to exchange narcotics information and coordinate enforcement operations on either side of the Indo-Burma border. India and Sri Lanka have held "operational level talks" since 1997 and continue to do so to coordinate counternarcotics efforts. India also maintains close liaisons with other South Asian countries through the South Asian Association for Regional Cooperation (SAARC) drug offenses monitoring desk in Colombo that facilitates collection of data on drug seizures in SAARC countries.
- The CBN launched a website to educate and assist importers and exporters on precursor chemical requirements. The informative site includes a brief history of opium poppy

cultivation in India, background on the CBN, details of India's licit opium production and precursor chemical controls, and the CBN's efforts to pursue alternative development in India's illicit poppy growing regions.

- In early March 2001, the CBN sponsored a two-week training course on precursor chemicals for drug law enforcement officers of the Central Asian states. The course, which was hosted by CBN headquarters in Gwalior, also included tours of Delhi and Mumbai airports as well as the seaport in Mumbai.
- The NCB has requested assistance in upgrading its information management and intelligence gathering technology and expertise to enable it to conduct more sophisticated investigations of large-scale drug trafficking organizations. The Department of State's Bureau for International Narcotics and Law Enforcement Affairs is providing this assistance under the counternarcotics letters of agreement (LOAs) for FY 2000 and FY 2001.
- The NCB also launched a quarterly newsletter in June 2001 in order to share information on the latest trends in drug trafficking, seizure data, High Court judgments and interpretations of the NDPS Act, and items of interest to drug law enforcement agencies.

Precursor Chemical Control. India participates in the multilateral potassium permanganate tracking program, "Operation Purple," and India's CBN Narcotics Commissioner is co-chairing the AA tracking program, "Operation Topaz." CBN will host an Operation Topaz Steering Group meeting in New Delhi in February 2002 in conjunction with an INCB-sponsored conference on ATS precursors. A series of meetings held by the CBN and the NCB with the industry in 1996 produced a voluntary code of conduct among firms that is aiding the enforcement effort. The GOI reports that cooperation from industry in controlling the availability of precursor chemicals continues to be strong. (For details, see the Chemical Controls chapter.)

Law Enforcement Efforts. The GOI continues to actively pursue investigations against drug traffickers operating within India and to interdict the flow of narcotics being smuggled across its borders. GOI officials state that smuggling of drugs into India has become more difficult and arrests and seizures of heroin are down due in part to fencing along large portions of the Indo-Pak border, and the disruption of Afghan trafficking routes and increased patrolling along the border since September 11. Other officials argue that enforcement has become more complacent because of a perception of false security provided by the fenced border. In October 2001, Directorate of Revenue Intelligence (DRI) officers seized 16 kilograms of heroin that had entered India through a fenced portion of the border. Provisional year-end reports provided by the GOI for 2001 indicated that an estimated 813 kilograms of heroin were seized, down 34 percent from 2000 (1,240 kilograms), but approximately equal to seizures in 1999 (861 kilograms). Opium seizures, all of which are determined to be of Indian origin and most of which occur in India's poppy growing regions, have remained relatively constant over the last four years. In 2001, opium seizures totaled 2,321 kilograms, down slightly from 2,684 kilograms in 2000 and up from 1,635 kilograms in 1999. Hashish seizures totaled 5,164 kilograms (versus 5,041 in 2000) and morphine seizures totaled 23 kilograms (versus 39 kilograms in 2000). During 2001, customs officers at New Delhi airport experienced first-time seizures of Buprenorphine, Diazepam, and Phenobarbitol. Officers detected and seized 7,913 vials of Buprenorphine injections, 650 tablets of Diazepam, and 49 kilograms of Phenobarbitone.

Through December 2001, 13,333 persons were arrested for drug-related offences, a figure that is down from 15,065 persons who were arrested in 2000. Through the year, 2,929 persons were convicted for drug trafficking, compared to 4,447 convictions in 2000.

Corruption. Allegations of corruption among law enforcement personnel, elected politicians, and cabinet-level ministers of the GOI continue to be aired in the Indian media. The United States receives reports of narcotics-related corruption, but lacks the means to assess the overall scope of drug corruption in India.

Both the CBN and the NCB have periodically taken steps to punish corrupt officials within their ranks. The CBN frequently transfers officials in key drug producing areas and has increased the transparency of paying licensed opium farmers to prevent corruption. The CBN reported one case of corruption in 2001 involving a CBN District Opium Officer and an Inspector who falsely reported the uprooting of an opium field. One of the suspects has been arrested and the other is a fugitive. The CBN seized 20 kilograms of opium in the course of the investigation.

Agreements and Treaties. India is a party to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. India meets most of the requirements of the three UN drug conventions, to which it is a party through the NDPS Act of 1988, though India has yet to meet the money laundering requirement of the 1988 UN Drug Convention.

The United States and India signed a mutual legal assistance treaty on October 17, 2001. The treaty will allow more efficient law enforcement and counter-terrorism cooperation between the two countries. An extradition treaty between the United States and India, which entered into force July 21, 1999, replaced the 1931 U.S.-UK Extradition Treaty, on which the United States and India previously had relied. There are several U.S. extradition requests, submitted under both extradition treaties, that are currently pending in India courts.

In addition to being a signatory to the South Asia Association for Regional Cooperation (SAARC) Convention on Narcotic Drugs and Psychotropic Substances, India has entered into bilateral agreements with 13 countries for the sharing of strategic and operational intelligence. India holds regular meetings at various levels with drug enforcement organizations. During 2001, India also signed a memorandum of understanding and a bilateral agreement with Tajikistan.

Cultivation/Production. Small-scale illicit cultivation of opium has existed for years in areas of India's northeast, usually along the region's border with Burma and China. Cultivation in easily accessible areas of Mizoram and Manipur was successfully eliminated in the early and mid-1990s, although poppy cultivation is experiencing a recent revival in Manipur, according to CBN officials. 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 CBN began organized poppy eradication campaigns in Arunachal Pradesh four years ago. In the first campaign, addressed to the 1997 opium crop, the CBN destroyed 35 hectares. This increased to 95 hectares in 1998, and 248 hectares in 1999. In 2000, 153 hectares were destroyed. In order to staff the force of 60 necessary for the annual eradication campaigns, ten CBN officers are assisted by customs officers from Shillong Customs Office. The Ministry of Finance provided the CBN with funds for fuel, camping gear, and stipends for this force. According to veterans of past eradication efforts, most of the illicit opium is grown to meet the needs of local addicts, a sizeable population. The CBN, however, is concerned that production is rising, with an increasing percentage used for commercial purposes, for sale locally or to heroin producers across the Burma border. Current rough estimates by the local drug control officials put opium cultivation in Arunachal Pradesh at 1,500 to 2,000 hectares. Estimates of opium gum yields are nonexistent, but CBN officials believe that the illicit production in Arunachal Pradesh yields at least eight kilograms per hectare.

Drug Flow/Transit. India is a transit area for heroin from Afghanistan and Pakistan and from Southeast Asia (Burma, Thailand, and Laos). Seizures in India of heroin 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 reinforce this assessment. Increasingly significant seizures in the southern area of India, particularly in Tamil Nadu, confirm that smuggling of heroin from India to Sri Lanka continues unabated. There appears to be no significant level of heroin trafficking directly to the United States from India.

Domestic Programs (Demand Reduction). Reliable estimates of drug abuse in India are elusive. GOI and UN sources continue to cite a range of one to five million opium users and one million heroin addicts, though some NGOs working on drug abuse believe the true number of heroin addicts is much higher. Anecdotal reports from key drug abuse “hot spots” in northeast India and urban centers suggest that heroin abuse is increasing. In 1999, the UNDCP and the Ministry of Social Justice announced plans to conduct a joint survey of drug abuse nationwide, but this survey is now expected in early 2002. The UNDCP in 2000 embarked on two demand reduction projects in India. One targets northeastern India, where drug abuse rates and drug-related HIV/AIDS cases are the highest in India. A lack of international donor funding for these projects, however, has postponed their full implementation.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States has a close and cooperative relationship with the GOI on counternarcotics issues. Drug control cooperation expanded in 2001, building on several new initiatives launched in 2000. The Department of State’s Bureau for International Narcotics and Law Enforcement provided increased commodities and training assistance to Indian drug enforcement agencies, with a \$200,000 project signed with the Ministry of Finance in September 2000 followed by a FY 2001 project for \$300,000 to be signed with the Ministry in early 2002. This assistance will boost the drug enforcement capacities of various Indian agencies, providing equipment to the 11 NCB zonal units operating throughout India and to the Mizoram state government to counter drug and chemical trafficking across that state’s border with Burma. Cooperation between the DEA and Indian drug enforcement authorities is expanding, particularly in investigations into precursor chemicals smuggled from India to key drug production areas.

The Road Ahead. The GOI has tightened controls over licit opium cultivation and looks to increased U.S. cooperation for combating drug trafficking and narco-terrorism. The Ministry of Finance, the GOI lead for policy on drug control, is more actively shaping and coordinating drug control strategies among India’s various drug enforcement agencies and will continue to be the United States’ focal point for cooperative counternarcotics efforts. The GOI is increasingly concerned over the nexus between drug trafficking and terrorism. The GOI has recognized the need for stronger drug control efforts nationally, but in the northeast in particular. 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.

The Maldives

Consisting of 1,100 islands set in the Indian Ocean, the Government of the Republic of Maldives (GORM) has a comparatively small drug problem, but one which seems to be growing. The GORM is aware of the problem and is fully cooperative with the United States on counternarcotics issues. Children under 16 constitute over 50 percent of the Maldives' population. This fact makes police and United Nations Development Program officials wary of the high growth potential for drug abuse in the country. Nonetheless, the police feel they can still control the sale of drugs on the streets of the capital and most populated city, Male. Police officials believe the country's approximately 25,000 foreign workers, mainly Indians and Sri Lankans who work in the country's resorts, conduct most of the trafficking, which is nevertheless relatively limited in size.

Although it does not appear to be a transshipment point at this time, GORM officials fear that the Maldives has the potential to become a transshipment point for drug smugglers. Most drugs come into the country by sea, but the Maldivian Customs Service and police find it impossible to search all ships adequately. The GORM has discussed using drug-sniffing dogs to help search vessels, but opposition to the proposal, in part over questions of cost effectiveness, has prevented the project's implementation.

The United States has assisted the Maldives in counternarcotics activities, including via Colombo Plan support. The Colombo Plan is an assistance organization working in Asia, which has an established capacity of long duration to deliver demand reduction assistance to developing country member states. The GORM, assisted by U.S. \$25,000 in U.S. government funding, began to computerize its immigration record-keeping system in 1993 in an attempt, among other purposes, to track the movements of suspected drug traffickers. In addition to U.S. \$20,000 in U.S. funding in 1996 and 1997, the United States donated U.S. \$13,000 in 1998 to assist the GORM to expand this computer system with additional computers and microwave networking technology. The U.S. is also preparing to transfer some surplus U.S. Coast Guard vessels to the Maldives to enhance the Maldives' capacity to patrol territorial waters. The Maldives also participates in Colombo Plan projects.

In November 1997, the GORM established a Narcotics Control Board under the Executive Office of the President. The Board's first Commissioner, a Lieutenant Colonel, has concurrent duties as Deputy Commissioner of the Maldivian National Security Service.

The Narcotics Control Board coordinates drug interdiction activities, oversees rehabilitation of addicts, and coordinates actions of non-governmental organizations and individuals engaged in counternarcotics activities. In 1997, the GORM established the country's first drug rehabilitation center with space for several dozen clients. With the relocation of the national prison, the Narcotics Control Board gained use of that land to create a new drug rehabilitation center. The center now houses up to 300 clients at any one time, with those awaiting transfer to the center remaining under house arrest. The government launched a national counternarcotics program in 1998 and sent teams to 11 of the 19 atolls to increase drug awareness and assist with drug detection.

On September 7, 2000, the GORM became a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol. The South Asian Association for Regional Cooperation (SAARC) Convention on Narcotic Drugs entered into force in the Maldives in 1993. The Drug Action Program of the Colombo Plan has conducted training for Maldivian prison authorities and other interested officials in controlling abuse of narcotics among prison inmates. No evidence exists of narcotics-related corruption in the Maldives. In 1998, the UNDCP donated computers to the NCB to assist its attempts to control precursor chemicals.

Nepal

I. Summary

Nepal is neither a significant producer of, nor a major transit route for, narcotic drugs. Although customs and border controls remain weak, international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) has enhanced both the country's enforcement capacity and its expertise. For information on Nepal's anti-money laundering efforts in 2001, see the Money Laundering section of this report. 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. Local use of refined "brown" no. 3 heroin continued to increase in 2001, and there were continued reports of considerable cannabis production in Nepal for the Indian market. Abuse of locally grown and wild cannabis and hashish, marketed in freelance operations, remained widespread. Licit, codeine-based medicines continued to be abused. Nepal is not a producer of chemical precursors.

III. Country Actions Against Drugs In 2001

Policy Initiatives. Nepal's basic drug law is the Narcotic Drugs (Control) Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs is illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export. Nepal has developed, in association with the UNDCP, a master plan for drug abuse control. Nepal did not receive any UNDCP funding for the program in 2001.

Legislative action on mutual legal assistance and witness protection remained stalled in 2001, as the focus of the government has been on the Maoist insurgency. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. Legislation on asset seizures or criminal conspiracy has not yet been drafted.

Accomplishments. The Government of Nepal (GON) is active in regional coordination of counternarcotics efforts and actively cooperated in international efforts to identify and arrest traffickers. Cooperation between the DEA and Nepal's NDCLEU has been excellent and has resulted in indictments both in Nepal and abroad. Nepal actively participates in the efforts of the South Asia Association for Regional Cooperation (SAARC) to combat drug trafficking and abuse.

Customs and border controls are weak along Nepal's land borders with India and China. The Indian border is open. Security measures to interdict narcotics and contraband at Nepal's regional airports with direct flights to India and at Kathmandu's main international airport are inadequate. The GON along with other governments is working to increase the level of security at the international airport, and recently the Royal Nepal Army was detailed to assist with airport security.

Law Enforcement Efforts. Final statistical data for 2000 and data for the first three-quarters of 2001 indicate that both destruction of cannabis in cultivation and seizures of cannabis decreased in 2001. Cannabis production remains significant; media reports claim most is bound for India. Law enforcement sources indicate that all of their seizures have been at the India/Nepal border; they have not seized any cannabis at Kathmandu's main international airport. Although larger quantities of heroin and opium were

seized in 2001 than in previous years, the absolute quantities (a total of approximately 7 kilograms) remained small. Most Nepali seizures of heroin, hashish, and opium in 2001 occurred at Tribhuvan International Airport in Kathmandu as passengers departed Nepal.

A new Department of Drug Control and Disaster Management was established under the Home Ministry in 2001 to coordinate drug control efforts. The NDCLEU falls under this Department. 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, is improving. Crop destruction efforts have been hampered by the reallocation of resources to fight the Maoist insurgency.

Corruption. Nepal continues to lack laws to prevent and punish public corruption relating to narcotics, especially by senior government officials. However, there is no record that senior government officials have facilitated the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances or that they have discouraged or otherwise hampered the investigation or prosecution of such acts.

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 SAARC Convention on Narcotics Drugs and Psychotropic Substances.

Cultivation/Production. Cannabis is an indigenous plant in Nepal and cultivation of developed varieties is rising, particularly in lowland areas. Police have confirmed a recent Nepali newspaper report that Indian criminal elements have contributed to expanding cannabis cultivation by supplying seed and agricultural know-how, financing operations, buying, and exporting the product to India. There may be 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.

Chemical Controls. Nepal produces no precursor chemicals. Importers of possible 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 chemicals.

Drug Flow/Transit. Narcotics seizures suggest that narcotics transit Nepal from the east and west in equal proportions. Arrests of Nepalese couriers in other countries suggest that Nepalese are becoming more involved in trafficking and that Nepal may be increasingly used as a transit point for destinations in South and East Asia. There is no data clearly indicating that the United States is a final destination for drugs transiting Nepal. The GON is attempting to track changes in trafficking patterns.

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, UNDCP, donor agencies, and NGOs.

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 donor nations work together through regional drug liaison offices and through the Kathmandu Mini-Dublin Group.

Bilateral Cooperation. The United States works with GON agencies to implement Nepal's master plan for drug abuse control and to provide expertise and training in enforcement and policy. In 2000 the USG held a narcotics interdiction course and a regional integrity reinforcement course, each taught by the U.S. Customs Service in Kathmandu, and hosted NDCLEU officers at a regional drug enforcement school in Sri Lanka taught by the DEA. Nepal exchanges drug trafficking information with regional states, and on

occasion destination states in Europe in connection with international narcotics investigations and proceedings.

The Road Ahead. The United States will continue ongoing information exchanges, training, and enforcement cooperation, will work with the UNDCP to enhance the NDCLEU, will support the Colombo Plan's rehabilitation programs in Nepal, and will work with the Ministry of Home Affairs on demand reduction. The United States will encourage the GON to advance stalled drug legislation.

Pakistan

I. Summary

Pakistan is an important transit country for Afghan opiates and cannabis. In 2001, Pakistan's opium poppy cultivation dropped to 213 hectares (mainly grown within Khyber Agency), a 59 percent decrease from 2000. The Government of Pakistan's (GOP) cooperation on drug control with the United States is excellent. Intensive and increasingly sophisticated law enforcement efforts are led by the Anti Narcotics Force (ANF), but include a number of law enforcement agencies. Heroin seizures decreased 24 percent, mainly because of interruptions in supply from Afghanistan. Several major traffickers were arrested and convicted, and the newly established counternarcotics courts enjoyed significant success. The GOP has prevented the re-emergence of heroin/morphine processing laboratories in Pakistan. There was some progress in 2001 on the seven extradition cases of narcotics and other fugitives, which have been pending before judicial authorities for a number of years. Efforts to extend the Control of Narcotic Substances Act (CNSA) and the Anti Narcotics Force Act (ANFA) into tribal areas in the North West Frontier Province (NWFP) remain stalled. Efforts currently underway to enhance border security should help improve law and order in the tribal areas. Pakistan is a party to the 1988 UN Drug Convention.

II. Status of Country

Pakistan has essentially achieved its ambitious goal, developed some years back, of eliminating opium production by the year 2000. The opium poppy crop fell to a record low of 213 hectares in 2001, with cultivation concentrated in inaccessible areas of Khyber Agency. Despite declining opium production in Afghanistan, trafficking of stockpiled opiates creates enormous problems for GOP border control efforts and Pakistani society. Successful interdiction operations occur, but traffickers often have superior firepower and faster vehicles, and take advantage of difficult terrain and widely dispersed law enforcement personnel to smuggle drugs through Pakistan. In recent years a steady flow of drugs has transited Pakistan, fueling domestic addiction and contributing to persistent low-level corruption. Pakistan remains an important transit country for the precursor chemical acetic anhydride, which is destined for Afghanistan's heroin laboratories. While chemical controls appear adequate, some diversion from licit imports may take place.

III. Country Actions Against Drugs in 2001

Policy Initiatives. Having virtually achieved its goal of a poppy-free Pakistan during the year 2000, the GOP is working with the international community to consolidate the success of alternative development programs in the traditional growing areas. The U.S.-funded crop control programs in Mohmand and Bajaur Agencies will continue through 2004. The United States and Pakistan have also agreed to a multi-year alternative development program in Khyber Agency. Under the project, roads will be built in inaccessible areas within the Agency to implement alternate development schemes as well as to strengthen law enforcement.

Following the events of September 11, the United States and Pakistan have agreed to work together to further enhance border security through a U.S. \$73 million border control project. The project is aimed at strengthening security along Pakistan's border with Afghanistan by building the capacity of the law enforcement agencies and strengthening their capabilities with a package of much-needed equipment, including aircraft and training. Air mobility and appropriate unit training will permit Pakistan border security to interdict heavily armed traffickers along Pakistan's long and trackless border with Afghanistan.

The GOP issued a revised Police Ordinance 2001 to replace the outdated Police Act of 1861 as part of its effort to modernize and reform the police. Police and judicial reform will be assisted by a U.S. \$350 million loan from the Asian Development Bank.

Accomplishments. The most important accomplishment in 2001 was sustaining the low level of opium poppy cultivation in Pakistan. GOP officials continue to take measures to prevent the re-emergence of heroin or morphine base laboratories. Five special narcotics courts established in 2001 have produced remarkable results despite limited resources. As of October 30, 2000, 1,050 ANF cases pending in various courts of law were transferred to the special narcotics courts. In less than one year, the special narcotics courts decided 400 outstanding cases, with a 92 percent conviction rate. Thirty-two defendants in those cases received the death penalty.

Law Enforcement Efforts. The ANF is Pakistan's leading narcotics law enforcement agency. Despite efforts to address staffing shortfalls, the ANF remains critically short of personnel, operating with 1,538 out of an authorized personnel strength of 2,558, 40 percent short of authorized strength. Army and police personnel are currently assigned to the ANF for three-year tours of duty. Specialized training and the formation of a Special Investigative Cell (SIC) or "Vetted Unit," targeting major trafficking organizations have boosted morale. With the addition of 15 new members in 2001, the SIC now has a total strength of 44 personnel. The SIC's performance continues to steadily improve with increasingly sophisticated operations against international drug trafficking organizations.

Pakistan's illicit drug seizures during 2001 were down from the previous year. During the first ten months of 2001, 6.0 metric tons of heroin, 4.7 metric tons of opium, and 53 metric tons of hashish were seized. These figures compare to 7.8 metric tons of heroin, 7.9 metric tons of opium, and 112.0 metric tons of hashish seized in 2000. ANF-Baluchistan, covering major trafficking routes from Afghanistan, brought in record hauls of narcotics. Apart from the ANF, other law enforcement agencies tallying significant drug seizures were the police, the Coast Guard, and the Frontier Corps, Baluchistan. The United States continues to encourage better interagency coordination between these agencies. Customs offices at Pakistan's international airports have been increasingly effective in interdicting heroin couriers of all nationalities belonging to foreign trafficking organizations, many with a Nigeria connection, mostly traveling to the Middle East, Bangladesh, and Thailand.

For 2001, total frozen drug traffickers' assets stood at U.S. \$78.72 million. A total of U.S. \$6.43 million in property belonging to convicted drug traffickers has been forfeited.

Arif Baloch, an ally of former senator Asif Ali Zardari, the husband of ex-Prime Minister Benazir Bhutto, was sentenced to death in a case involving the smuggling of 2.4 tons of hashish on January 26, 2001. The trial of alleged drug trafficker Munawar Hussain Manj, a former member of Pakistan's National Assembly, was concluded successfully after five years of proceedings. Manj and two of his partners received death sentences on August 10, 2001. They have also each been fined U.S. \$16,000. The case of Rahmat Shah Afridi, owner of an English language daily and an influential politician from NWFP arrested in early 1999, also concluded successfully. Afridi received two death sentences, one for each of two counts of drug trafficking. The court also assessed a fine of U.S. \$16,000 on each count. His co-defendants Abdul Malik and Missal Khan were sentenced to life imprisonment and each was fined U.S. \$4,000. The outcome of these cases testifies to the ANF's ability to prosecute politically powerful traffickers, and is encouraging, as it promises a departure from effective impunity for many politically influential and wealthy violators in the past.

Despite the success of the new narcotics courts, the prosecutions of most criminal cases in Pakistan are still protracted. Corruption and low salaries threaten the integrity of law enforcement and judicial institutions throughout Pakistan. Judges grant long continuances; defendants file delaying interlocutory appeals; witnesses are reluctant to testify; and bribery can influence case outcomes. To expedite cases through the court system, the ANF still needs to strengthen its law directorate.

Corruption. Corruption is a problem throughout Pakistani society, and a particular issue in government administration. To check official corruption more effectively, the President of Pakistan promulgated the National Accountability Bureau (Amendment) Ordinance 1999. On April 24, 2001, the Supreme Court of Pakistan dismissed constitutional challenges to the NAB ordinance. Special accountability courts, established in 1999, performed well in 2001. The courts achieved an 86 percent conviction rate in corruption cases against politicians and civil servants.

The United States has no evidence that the GOP and its senior officials encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. With government salaries low and small and large-scale corruption involving smuggled consumer goods endemic, some narcotics-related corruption almost certainly occurs. In 2001, the GOP continued to pursue cases of corruption involving senior politicians and bureaucrats. Another milestone was reached in the GOP's campaign to curb corruption with the extradition of former Pakistan Navy Chief Admiral Mansoor ul Haq from the United States to Pakistan in a case involving corruption. An accountability court under the NAB Act is trying ul Haq.

Agreements and Treaties. Pakistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and the 1971 Convention on Psychotropic Substances. The United States is providing counternarcotics/anticrime assistance to Pakistan under a letter of agreement that provides for cooperation in the areas of opium poppy eradication, narcotics law enforcement, and drug demand reduction. Extraditions are carried out under the terms of the 1931 U.S.-U.K. Extradition Treaty, which continued in force with Pakistan following its independence. Several pending U.S. extradition requests have been awaiting court action for many years. Lack of action on those requests by the GOP continues to be a serious problem in the U.S.-Pakistan law enforcement relationship.

Pakistan has signed bilateral narcotics agreements with Iran, the United Arab Emirates, Kyrgyzstan, Uzbekistan, China, and India. Pakistan also is a party to the World Customs Organization's International Convention for the Prevention, Investigation and Repression of Customs Offenses (Nairobi Convention), Annex-X on Assistance in Narcotics Cases. Pakistan signed the UN Convention against Transnational Organized Crime in December 2000.

The governments of Pakistan and Iran and the UNDCP signed a memorandum of understanding (MOU) on narcotics cooperation in May 1994. Under the MOU, the UNDCP has implemented a law enforcement project with both governments, designed to encourage cooperation on interdiction and improve narcotics law enforcement. Under an extended 1994 MOU, Pakistani and Iranian counternarcotics officials exchange information on narcotics trafficking and cooperate on cross border narcotics trafficking interdictions. Since 1994, counternarcotics officials of both India and Pakistan have regularly met to discuss operational cooperation and cross border flows of precursor chemicals.

Cultivation/Production. Two hundred thirteen (213) hectares (ha) of opium poppy were cultivated in the NWFP in 2001, compared to 515 ha in 2000. Most of the remaining cultivation took place in the Bara River Valley of Khyber Agency, on the border of Afghanistan's Nangarhar province. The United States estimated potential opium production for 2001 at five metric tons, compared to 11 metric tons in 2000.

Both Afghan-origin cannabis and opiates transit through Pakistan. Afghanistan produced an estimated 1,685 metric tons of opium in 2001. Afghan opiates trafficked to Europe and North America enter Pakistan's Baluchistan and NWFP provinces and exit either through Iran or Pakistan's Makran coast, or through international airports located in Pakistan's major cities. Traffickers also transit land routes from Baluchistan to Iran and from the tribal agencies of NWFP to Chitral, where they re-enter Afghanistan at Badakhshan province for transit through Central Asia. One of the major seizures made this year was a seizure of one ton of opium by the ANF in Zamran Pass near the Pakistan-Iran border in Baluchistan.

Some of the decline in seizures may be attributable to the reduction in drug production in Afghanistan in 2001. Intensive counternarcotics efforts by the Government of Iran have forced traffickers to find

alternative routes, increasing the pressure on routes through Central Asia. The GOP estimates its addict population could consume as much as 126 metric tons of opium a year. Pakistan is a major consumer of Afghan opium, 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 opium production shortfalls in that region. Couriers intercepted in Pakistan this year were en route to Africa, Nepal, Europe, Thailand, and the Middle East.

As a result of coalition military activity in Afghanistan, traders sought to dispose of some stockpiled opium. As a result considerable quantities of opium and poppy gum were smuggled into and out of Pakistan. Correspondingly, the rate of seizures in Baluchistan shot up during October 2001.

Domestic Programs (Demand Reduction). There is little reliable information available regarding the extent of drug addiction within Pakistan. The UNDCP has presented a draft of the results of its recently concluded Rapid Assessment Survey to the Government of Pakistan for its approval. There are indications that the updated survey will show that the number of addicts had previously been overestimated. Although the GOP attached great importance to attacking its drug abuse problem in 2001, the GOP allocated little funding to expand the country's woefully inadequate drug treatment facilities and to raise awareness of the issue. The UNDCP has agreed to fund 16 drug treatment and rehabilitation centers throughout Pakistan to treat hardcore and other addicts.

IV. U.S. Policy Initiatives and Programs

U.S. counternarcotics policy objectives for 2002 are to encourage the GOP to eliminate remaining pockets of opium poppy cultivation; to increase interdiction of opiates from Afghanistan; to dismantle major trafficking organizations; to enhance cooperation regarding the extradition of narcotics fugitives; to encourage GOP efforts against white collar crime such as money laundering and to strengthen the security of its borders along Afghanistan.

Bilateral Cooperation. The United States provided U.S. \$3.47 million in narcotics control assistance to Pakistan in 2001. This amount included U.S. \$1 million for the Khyber Area Project and \$700,000 from DEA funds for the Special Investigative Cell (SIC) within the ANF. In addition to narcotics law enforcement, the United States continues to fund crop control projects in Mohmand and Bajaur and public awareness projects in support of Pakistan's demand reduction efforts.

The ANF continues to cooperate effectively with DEA to raise investigative standards. The creation of the SIC, trained and equipped by the United States, represents an important milestone in improving GOP counternarcotics efforts. The SIC targets major drug trafficking organizations and has already established an outstanding track record. Given its track record of success, GOP and United States officials expanded the SIC during 2001. Strengthening inter-agency cooperation and security of borders remains a priority, particularly in Baluchistan and the NWFP. U.S.-funded crop control projects in NWFP's Mohmand and Bajaur agencies have contributed to the near elimination of poppy cultivation since 2000. Remaining cultivation within Mohmand and Bajaur is negligible.

Pakistan also received counternarcotics assistance from other sources in 2001. Principal among these sources was UNDCP. A three-year, U.S. \$5.2 million UNDCP-funded narcotics law enforcement program started in 1999 is progressing well, with donors' support complementing U.S. bilateral assistance. The United States is the major contributor to UNDCP counternarcotics programs in Pakistan. The UNDCP also supports an enforcement project furthering counternarcotics cooperation between Iran and Pakistan, has upgraded three forensic laboratories to test narcotics, and supports the GOP's efforts to enforce narcotics laws within Pakistan's tribal areas. The UNDCP conducted a survey of Pakistan's addict population to determine baseline information on drug abuse. Results of the survey are being used to make drug demand reduction programs more effective.

The United States plans to assist GOP efforts to strengthen the security of its borders with Afghanistan under the Border Security Project. This U.S. \$73 million project is being funded by the United States and will provide aviation and ground equipment support to various law enforcement agencies deployed along Afghanistan's border with Pakistan.

The Road Ahead. The United States will continue to work closely with the GOP to target major heroin trafficking organizations and increase seizures of large shipments of opiates, particularly those transiting through coastal areas of Baluchistan and precursor chemicals. The SIC will play an important role in this strategy. The United States will continue to encourage GOP efforts to consolidate the gains made in the crop control program and to sustain the enforcement of law within poppy growing areas in the Mohmand and Bajaur agencies. An area development project replicating the models of Mohmand and Bajaur will be implemented within the Khyber Agency. The United States will continue to work with the GOP to expedite extradition requests and to strengthen Pakistan's ability to attack money laundering. The United States will continue efforts to enhance maritime enforcement with the Maritime Security Agency, Coast Guard, Customs, ANF, and countries in the region affected by narcotics trafficking from Afghanistan.

Pakistan Statistics

(1993–2001)

	2001	2000	1999	1998	1997	1996	1995	1994	1993
Opium									
Potential Harvest (ha)	213	515	1,570	3,030	4,100	3,400	6,950	7,270	6,280
Eradication (ha)	1,484	1,704	1,197	2,194	654	867	0	463	856
Cultivation (ha)	1,697	2,219	2,767	5,224	4,754	4,267	6,950	7,733	7,136
Potential Yield (mt)	5	11	37	65	85	75	155	160	140
Seizures									
Opium (mt)	4.7	7.84	16.32	5.02	8.54	8.08	215.52	14.36	4.40
Heroin (mt)	6.0	7.41	4.98	3.33	5.07	4.05	18.04	6.20	3.9
Hashish/Marijuana (mt)	53	108.16	81.46	65.33	108.50	201.55	543.58	178.29	189.00
Labs Destroyed	0	0	2	0	4	10	15	18	13
Acetic Anhydride (ltr)	0	43	422	10,000	5,383				
Arrests	TBD	35,969	45,175	37,745	50,565	51,119	59,081	48,296	39,763
Users (thousands)									
Opium/Heroin	TBD						196	1,080	1,080
Opium (since 1995)	TBD	126	118	110	103	96			
Heroin (since 1995)	TBD	2,280	2,131	1,992	1,862	1,740			
Cannabis	TBD	1,307	1,222	1,142	1,068	998	1,745	1,000	1,000
Other Drugs	TBD	506	473	442	413	386	485	50	50

Sri Lanka

I. Summary

Sri Lanka has a comparatively modest drug problem. The government maintains a solid counternarcotics effort, including a strong nationwide demand reduction program. The U.S. Government has a close relationship with the Sri Lanka Government on counternarcotics issues. Supported by the U.S. Embassy, efforts at public education on drug abuse continued during the year. The country remained a strong, effective regional player in counternarcotics cooperation. The government continued to make available to other countries in the South Asian Association for Regional Co-operation (SAARC) a U.S.-funded database on narcotics arrests and related information. Implementation of the counternarcotics master plan, begun in 1994, remained a focus of governmental attention. Cannabis eradication and seizures increased from 2000, but the number of drug-related arrests decreased. Meanwhile, heroin seizures were roughly equivalent to the 2000 rate. Sri Lanka has signed the 1988 UN Drug Convention, although its Parliament still had not considered the implementing legislation for the Convention as of the end of 2001. The government also had not submitted legislation on the control of precursor chemicals as of the end of the year. The continued conflict with the LTTE (Liberation Tigers of Tamil Eelam) and election-related political disturbances drew police personnel away from counternarcotics duties in 2001.

II. Status of Country

Although Sri Lanka has a comparatively modest drug problem, a slight but steady increase in narcotics consumption—particularly heroin—continued in 2001. The Ministry of Defense (MOD), under whose jurisdiction the police serve, has overall responsibility for all counternarcotics and demand reduction activities, and has generally done a solid job on counternarcotics issues. The ongoing conflict with the LTTE organization, however, drains most of the Ministry's resources, leaving limited personnel, time, and funding to address the drug problem. The conflict absorbs the attention of Sri Lanka's Naval Forces and prevents the adequate patrol of Sri Lanka's long coastline, particularly along the western shore away from the areas of conflict. The island's use as a transshipment point for narcotics from South and Southeast Asia has grown somewhat in recent years, although evidence suggests that few of these drugs reach the United States. Police officials in the southern Indian state of Tamil Nadu continued to report drug smuggling activities among Sri Lankan Tamil refugees living there and expressed concern that much of the drug trafficking in southern India in 2001 was destined for Sri Lanka for transshipment. Many believe, moreover, that the LTTE helps finance its insurgency through drug trafficking. Neither the Embassy nor the Police Narcotics Bureau (PNB) has any evidence to support this suspicion.

III. Country Actions Against Drugs in 2001

Policy Initiatives. During 2001, the government continued to implement a counternarcotics master plan developed in 1994 in consultation with the UNDCP. At the end of the year, the government had not finished reviewing and had not yet submitted to Parliament a comprehensive counternarcotics legislative package drafted by the National Dangerous Drugs Control Board (NDDCB), the government agency responsible for coordinating national drug policies. The package includes a ban on precursor chemicals and narcotics-related money laundering, as well as implementation of the 1988 UN Convention and 1990 SAARC Convention on Narcotics Drugs and Psychotropic Substances. Despite delays in its review process, the government continues to indicate that the comprehensive package will make its way through Parliament in 2002.

Cultivation/Production. The only illicit narcotic that Sri Lanka produces is cannabis, and Sri Lanka's production has little, if any, effect on the United States. Most cannabis cultivation occurs in heavy jungle

in the southeastern part of the island, adjacent to areas of conflict. Police have a difficult time locating and destroying cannabis plots, due to staffing limitations brought on by the conflict and the location of the fields. Through November 30, 2001, the police had destroyed 17,600 kilograms of cannabis as part of its field eradication program.

Domestic Programs (Demand Reduction). The government has an excellent record on demand reduction. The NDDCB continued its aggressive, nationwide public education campaign, which included a weekly radio program called “The Friendship Society” that reached audiences throughout the island; seminars for judicial officers; training courses for police officers; hundreds of drug awareness seminars for students, teachers, and parents; training programs on drug abuse prevention; youth camps for youth leaders; and treatment programs at residential treatment centers. A family-based prevention/treatment program begun in 1994 continued in 2001. The number of people utilizing rehabilitation centers continued to increase. The Colombo Plan supported several local organizations that train volunteer drug counselors. The Colombo Plan also provided programs on demand reduction website development.

Law Enforcement Efforts. In terms of regional counternarcotics cooperation, Sri Lanka plays a major role. A computer program developed by the Police Narcotics Bureau and funded by the U.S. Government hosts a regional database of narcotics arrests in the region. Law enforcement agencies throughout SAARC have access to the database, although the Sri Lankan Government is the only country to use it regularly. The NDDCB takes the lead in drafting legislation and encouraging regional cooperation on precursor control and in 2000 drafted a voluntary code of conduct for legal precursor chemical importers; as of late 2001, the private sector has not yet adopted the code formally. The NDDCB did not propose any additional items of legislation in 2001.

During 2001, the Drug Advisory Program (DAP) of the Colombo Plan (a regional organization headquartered in Sri Lanka) conducted a series of successful counternarcotics-related training programs in the region, some of which the U.S. Government funded. DAP programs included “train-the-trainers” conferences and demand reduction Web site development.

The Police Narcotics Bureau, the Customs Service, and the Department of Excise share responsibility for discouraging cannabis production. Total seizures of cannabis increased in 2001 to 34.76 metric tons (vice 20.8 metric tons in 2000, 80.0 metric tons in 1999, and 24.7 metric tons in 1998). The PNB reported arrests of 8,593 people on drug-related charges through November 2001. This compares with full-year figures of 12,600 arrested in 2000; 15,875 arrested in 1999; and 13,867 arrested in 1998. The PNB attributes the decrease in arrests to staff reductions in 2001 caused by new deployments related to the war and to election-related activities. Through November 2001, most of those arrested for narcotics-related offences had their cases referred to the Attorney General’s Office for prosecution.

Corruption. Although there were unconfirmed rumors of bribery of low-level government officials by narcotics dealers in 2001, there was no evidence that public officials engaged in narcotics trafficking in 2001. The government in 1994 set up a permanent commission to investigate charges of bribery and corruption against public officials. After a period of relative inactivity, the commission was functioning in 2001, but no narcotics-related corruption cases were reported.

Agreements and Treaties. Sri Lanka is a party to the 1988 UN Drug Convention and the 1990 SAARC convention on Narcotic Drugs and Psychotropic Substances. Implementing legislation for both conventions, drafted in 1997, still had not reached Parliament by the end of 2001. The draft legislation includes specific provisions for extradition for narcotics-related offences. Sri Lanka is a party to the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, and the 1971 Protocol amending the Single Convention on Narcotic Drugs. The 1999 signing of a new general extradition treaty between Sri Lanka and the United States will make extradition between the two countries easier. The treaty generally authorizes the extradition of nationals of both countries. Both the United States and Sri Lanka ratified the treaty in 2000, and it entered into force in January 2001. Sri Lanka has also signed the United Nations Convention against Transnational Organized Crime, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, and the Protocol against the Smuggling of Migrants.

Sri Lanka has also signed the World Customs Organization (WCO) and the International Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of Customs Offences (the Nairobi Convention).

Drug Flow/Transit. Heroin transits Sri Lanka in significant quantities, although there is no evidence that heroin that transit Sri Lanka has a significant effect on the United States. In 2001, the PNB detected and seized several heroin shipments from India at Colombo's international airport. The PNB regularly stresses the coast's vulnerability to transshipments of heroin from India. Sri Lanka has no Coast Guard, while operations against the LTTE absorb the attention of the country's naval vessels. This lack of seagoing capability hinders interdiction efforts.

Evidence suggests a growing trend in transshipment of heroin from India through Sri Lanka. In mid-2001, Indian government officials seized 60.4 kilograms of heroin in Tamil Nadu. It is believed that the heroin was going to be transshipped to Sri Lanka. One Sri Lankan national and several Indians were arrested. In June 2000, counternarcotics officials in Tamil Nadu arrested four Indian nationals transporting 20 kilograms of high-purity cocaine bound for Sri Lanka, presumably for transshipment. In October and November 1999, the Indian Narcotics Control Bureau (NCB) arrested Sri Lankans operating heroin trafficking operations in India and seized 100 kilograms of heroin marked for shipment to the island. NCB officials believe much of the heroin seized in southern India each year (amounting to hundreds of kilograms) would have eventually reached Sri Lanka. Doubts about whether the island's relatively small number of heroin users can absorb the quantities of heroin entering the country strongly suggest transshipment elsewhere. By December 2001, however, there had been no reports of any narcotics seizures identified as having been transshipped from Sri Lanka to international points.

In previous years, the U.S. Government assisted several Sri Lankan organizations in their counternarcotics efforts. In 1998, the U.S. Government provided about U.S. \$7,000 to the NDDCB, Federation of Nongovernmental Organizations Against Drug Abuse (FONGOADA), and Sri Lanka Anti-Narcotics Association (SLANA) for equipment purchases. In August 2000, more than 30 participants from narcotics enforcement agencies in four countries attended a counternarcotics investigative techniques course in Colombo funded by the U.S. Government and conducted by the DEA. Sri Lankan police and customs officials have also benefited from equipment and training funded by the Dutch, British, and German governments.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The U.S. Government has a close relationship with the Sri Lankan Government on counternarcotics issues. For example, it works with Sri Lankan counternarcotics organizations in support of their efforts to promote awareness of the dangers of narcotics among the general population. In addition to providing occasional material and financial support, the U.S. Embassy in Sri Lanka has participated actively in community awareness seminars. The U.S. Government hopes to advance self-sufficiency and cooperation among law enforcement and other government officials working on narcotics issues in Sri Lanka and the region. The United States supported regional efforts by providing over U.S. \$500,000 to the Colombo Plan's drug advisory program in 1998 and 1999. During 2000, the United States provided U.S. \$200,000, and in 2001 provided another \$200,000, with additional funding given on a program-by-program basis.

Bilateral Cooperation. Bilateral cooperation between Sri Lanka and the United States is strong. Use of the U.S. Government-funded regional database on drug arrests, investigations, and other information for SAARC law enforcement agencies, which became fully operational in 1995, continued throughout 2001, despite concerns about the system's effectiveness due to lack of information sharing by all countries in the region. NDDCB officials conducted their outreach, preventive education, and training programs effectively in 2001 with the help of audio-visual equipment provided by the U.S. Government in previous years. The participation of a U.S. Embassy officer at drug prevention seminars helped provide publicity for those events, including newspaper coverage.

The Road Ahead. U.S. Government officials will continue to work with Sri Lankan counternarcotics organizations whenever possible, particularly by speaking at or otherwise participating in seminars addressing the drug problem.