

established in order to ensure the strict application of regulations.

## **B. Americas**

215. The Board appreciates the numerous activities in several drug-related fields that took place in the Americas in 1999 as part of what has come to be known as the Summit of the Americas process, initiated in 1994. The most salient among those activities were the following:

(a) A comprehensive mechanism for coordination evolved as a direct result of the Summit of the Americas process, to a large extent carried out within the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States. The mechanism is currently in an evaluation and consolidation phase;

(b) Governments of countries in the Americas initiated the development of a multilateral evaluation mechanism for which a distinct set of indicators and a timetable have been agreed upon. The Board expects that the mechanism will be used not only to evaluate the efforts of individual countries in facing drug abuse and illicit drug trafficking, but also to improve the exchange of information and experiences, providing a clearer view of the actual situation in the Americas and fostering cooperation;

(c) CICAD studies on the feasibility of adopting a convention against money-laundering in the Americas contributed greatly to the development of standardized legislation on an issue that, by its very nature, often involves cross-border criminal activities and needs to be handled on a multilateral basis;

(d) Preparatory work was carried out for the establishment of a centre for justice studies. Several ministerial and working group meetings were held in 1999. The Board hopes that the centre will soon become a reality, harmonizing legislation in the Americas and strengthening judicial cooperation.

216. Laudable efforts have recently been made in the cooperation and coordination of precursor control. The Board is of the opinion that Governments should increase regional and international activities related to health and regulatory aspects of drug control.

## **Central America and the Caribbean**

### **Major developments**

217. The region of Central America and the Caribbean is increasingly being used to trans-ship substantial quantities of cocaine and cannabis from countries in South America to the United States and to countries in Europe. The transit traffic has increased the availability of cocaine in Central America and the Caribbean and cocaine abuse is spreading in a number of countries in the region.

218. The Board is concerned about the increasingly liberal approach of some Governments in Central America and the Caribbean to the offshore banking and gambling industries in view of their potential for abuse by persons who engage in money-laundering. Since those industries are seen as new potential sources of income, Governments in the region have taken steps to facilitate the establishment of offshore financial centres and casinos. The proposed establishment of a stock exchange for the eastern Caribbean may also present opportunities for money-laundering that Governments must take measures to deal with. The establishment of offshore financial services should not result in safe havens being provided for assets derived from drug trafficking and organized crime. Governments in the region should therefore exercise vigilance and step up their efforts to adjust their legal and institutional frameworks to meet the growing challenges posed by those seeking to conceal the origin of proceeds derived from drug trafficking. Most countries in the region have laws aimed at preventing money-laundering. The Board encourages the Governments of those countries to effectively implement those laws. The Board strongly urges Governments that have not already done so to introduce such legislation. For example, in some countries in the region, there is no law requiring suspicious financial transactions to be disclosed to the authorities. Governments should thwart any attempts to tamper with legislation against money-laundering and to weaken its effectiveness. Recent cases involving the liquidation of offshore banks and the arrest of account holders on charges of money-laundering and corruption are evidence that the problem has continued to grow but can be forcefully dealt with by Governments in the region.

### **Treaty adherence**

219. All States in Central America and the Caribbean are now parties to the 1988 Convention. However, Belize and Saint Vincent and the Grenadines are not yet parties to the 1961 and 1971 Conventions and Haiti, Honduras and Saint Lucia are not yet parties to the 1971 Convention. Those States

are urged to accede to those conventions as a matter of urgency. While the Board appreciates that those States have all acceded to the 1988 Convention, effective implementation of that Convention is dependent on the implementation of all the other international drug control conventions.

### **Regional cooperation**

220. The Board notes with interest the efforts of Governments in the Caribbean to work together to reduce money-laundering and tax evasion in offshore banking centres. The Board trusts that those efforts will be made in both the well-established centres (Bahamas, Cayman Islands) and the emerging ones. In view of the increasing importance of offshore banking and the growing threat posed by money-laundering, the Board recommends that Governments of countries in the Caribbean should, as a matter of urgency, ensure control of financial services and improve transparency of financial transactions, particularly through the identification of the beneficial ownership of international business corporations.

221. States in Central America have been reactivating and enhancing their subregional cooperation in drug control matters.

222. Subregional cooperation has also continued within the framework of the Plan of Action on Drug Control Coordination and Cooperation in the Caribbean (also known as the Barbados Plan of Action), as demonstrated by the recent creation of a secretariat for the Association of Caribbean Commissioners of Police, the support given to the maritime project management office, and the willingness to begin working on a treaty on mutual legal assistance at the subregional level. A coordination mechanism of the Caribbean Community Secretariat (CARICOM) was established in October 1998 and is working closely with the Caribbean drug control coordination mechanism. The Board notes with satisfaction the subregional collaboration aimed at monitoring and reviewing the progress made in implementing the Barbados Plan of Action.

223. Bilateral agreements have been signed to enhance border controls and allow access to territorial waters in cases involving pursuit of suspected drug traffickers. Such agreements exist, for example, between Guatemala and Mexico and between Costa Rica and the United States.

### **National legislation, policy and action**

224. The Governments of several countries in Central America and the Caribbean, such as El Salvador and Guatemala, have made considerable progress in formulating national drug control plans. The Board notes with satisfaction

the continued efforts made by Governments to improve their legal frameworks and criminal justice systems, in order to deal with problems associated with drug abuse and illicit drug trafficking, in particular activities aimed at concealing the origin of proceeds derived from drug trafficking and other forms of crime.

225. In the Bahamas, a financial intelligence unit has been established and the judicial system has been improved to speed up the investigation and prosecution of persons involved in money-laundering. The Board notes with satisfaction that attempts to weaken legislation against money-laundering in Antigua and Barbuda by amending rules to further increase banking secrecy have been defeated.

226. The Board also notes with satisfaction that the Governments of Barbados, El Salvador and Jamaica have introduced or strengthened legislation against money-laundering. It trusts that the Government of El Salvador will soon introduce legislation on the seizure of assets that is currently being elaborated, in order to ensure that the proceeds of criminal activities, including drug trafficking, may be confiscated, thus preventing such proceeds from being used to further finance criminal activities.

227. The Board notes the adoption in Saint Lucia of the Financial Services Act, 1999, and hopes that the mechanisms to prevent money-laundering will be effectively applied. The Government of Saint Lucia, which is currently discussing with certain professional groups and financial institutions the possibility of establishing an offshore banking centre, must make every effort to sensitize all concerned to the opportunities that offshore banking could present for drug trafficking.

228. The Board commends the Government of Barbados for its legislative initiatives such as amending the Evidence Act to facilitate the prosecution of drug traffickers. A penal reform bill has been adopted to expand the range of sentences that judges might impose for criminal offences, including drug-related offences. Special measures to deal with drug-addicted offenders have been introduced by the Attorney-General. A partnership between the Barbadian law enforcement authorities and the schools has reduced drug abuse among pupils in a number of areas in the country.

229. The Board notes the contribution of the Governments of the Dominican Republic and Guatemala to efforts in their countries to reform the criminal justice system in order to increase its efficiency. The Board notes with appreciation the strong stand taken by the Government of the Dominican Republic against various forms of crime, including drug trafficking. Persons who are not nationals of the Dominican

Republic and who have been convicted in that country of any of those forms of crime are now required to serve their sentences in that country.

230. The Board commends Trinidad and Tobago for its continued drug control efforts and for taking a leading role in several initiatives. A number of police officers in that country have recently been charged with drug trafficking. The Board urges the Government of Trinidad and Tobago to take the necessary action to ensure that recommendations made by the commission of inquiry into the escape of convicted drug traffickers are carried out expeditiously so that the police force does not become involved in the facilitation of drug trafficking offences.

231. The Board notes with interest the action taken by the Government of Belize to encourage a drug-free lifestyle and the public awareness programme aimed at school-aged children. The Board welcomes the establishment by the Government of Belize of a national drug abuse control council and encourages the Government to put into effect as soon as possible the comprehensive drug control strategy currently being developed. An agreement for sharing seized assets is currently being negotiated by Belize with the United States; the Board hopes that it will soon be possible to use such assets for drug control activities.

#### **Cultivation, production, manufacture and abuse**

232. Cannabis is illicitly cultivated in many parts of Central America and the Caribbean mainly for local consumption. Cannabis cultivated in Jamaica, however, is destined mainly for illicit markets in countries in North America. In almost all countries in Central America and the Caribbean, cannabis continues to be the most widely abused drug. Some countries in the region, such as the Bahamas, have reported a substantial increase in the abuse of cannabis, attributed to the increasing availability of cannabis and the false perception among young people that the drug is harmless. While most countries have reported either increasing or stable levels of cannabis trafficking, the Dominican Republic has reported a substantial decrease in such trafficking.

233. Limited illicit cultivation of opium poppy continues only in very isolated places in Guatemala, after successful eradication programmes were carried out several years ago. Heroin originating in Colombia has been seized mainly in Costa Rica and Panama, though small quantities of the substance have

also been seized in several countries in the Caribbean. Reports of heroin abuse in Central America and the Caribbean continue to be very limited.

234. Trafficking in and storage of cocaine hydrochloride and "crack", mainly from Colombia, continue unabated throughout Central America and the Caribbean.

235. The abuse of cocaine and "crack" has increased substantially in a number of countries in Central America and the Caribbean and has remained stable in a few others. In the Bahamas, however, the abuse of cocaine has decreased; that development is attributed to the decreased availability of the substance and an effective public education programme. In a number of countries, drug-related violence, particularly violence related to cocaine abuse, continues to be a matter of growing concern and several Governments have taken action to deal with the problem.

236. Cocaine seizures have remained at the same level for the region as a whole, but the level has varied from country to country. Haiti has emerged as the main transit point for smuggling cocaine from Colombia through the Caribbean corridor and into the United States. Drug traffickers are taking advantage of the economic and political crisis in Haiti, which has paralysed most efforts to intercept illicit drug consignments. The Board urges Governments to provide urgently needed assistance to the Government of Haiti in order to prevent the country from being overwhelmed by the cocaine traffic.

237. Employees of airline companies and other associated companies have been found to be frequently involved in drug trafficking. In September 1999, a number of employees of companies servicing aircraft in Miami, Florida, in the United States, were charged with smuggling drugs aboard aircraft. They had used their security privileges to smuggle drugs out of Aruba, the Bahamas, Costa Rica and Ecuador. Governments in Central America and the Caribbean are urged to exercise vigilance in the control of sensitive areas, such as airports, through which illicit drug consignments often pass.

238. The authorities of some countries in Central America and the Caribbean have expressed concern at the increasing number of small-scale drug traffickers entering their territory as tourists. The Board urges Governments of countries in the region, in particular, those heavily dependent on tourism, to remain vigilant. The reduction of drug trafficking should always remain a priority of all Governments concerned and should not be compromised by efforts to maintain the flow of tourists.

239. Because of its proximity to the major cocaine producers in South America, Central America is particularly vulnerable to the diversion of precursors. Governments of countries in Central America are requested to be particularly vigilant in ensuring that quantities of precursors to be imported are within the limits of their legitimate requirements for industry.

### Missions

240. A mission of the Board visited the Bahamas in June 1999. The Board appreciates the fact that the Government has recently strengthened drug control measures within the framework of new legislation covering the functions of health professions, the licensing of health-care facilities and the establishment of a public hospital authority.

241. The Board urges the Government to improve the coordination between the national authorities responsible for controlling the licit movement of narcotic drugs and psychotropic substances so that the Bahamas may fulfil its obligations under the international drug control treaties. The authorities should also strengthen the system of control over medical prescriptions of narcotic drugs as required by the 1961 Convention.

242. Significant resources have been invested in law enforcement in the Bahamas; for example, new equipment has been obtained for the coast guard. The Board encourages the Government to continue its cooperation with the Governments of neighbouring countries aimed at fighting illicit drug trafficking by sea in Central America and the Caribbean.

243. Bearing in mind the potential for misuse of the offshore banking system to launder money derived from drug trafficking and other illicit activities, the Board calls on the Government of the Bahamas to strengthen control mechanisms to prevent such misuse.

244. A mission of the Board visited Cuba in June 1999. The Board appreciates the efficient health-care system in that country, which provides health services to the entire population while, at the same time, exercising adequate control over the supply of narcotic drugs and psychotropic substances for medical use.

245. The Board notes the strong will of the Government of Cuba to fight drug abuse and illicit drug trafficking; however, severe financial and material constraints are impeding more comprehensive action.

246. The Board encourages the Government of Cuba to finalize and adopt, as soon as possible, comprehensive drug control legislation that will integrate all existing regulations aimed at countering drug abuse, illicit drug trafficking and

money-laundering and at controlling the licit movement of narcotic drugs, psychotropic substances and precursors. An amendment to the penal code passed in February 1999 has increased penalties for illicit drug trafficking. The Board encourages law enforcement authorities in Cuba to continue to participate in joint operations with their counterparts in neighbouring countries.

247. The Board welcomes recent efforts by the Government of Cuba to fight money-laundering by amending the penal code, thereby making money-laundering a criminal offence. Other amendments to the penal code were aimed at reducing drug trafficking and other forms of crime.

248. The actual extent of drug abuse in Cuba is not known. The authorities are concerned that the expanding tourism will make the population more vulnerable to drug abuse. Therefore, the Board encourages the Government to focus its drug control strategy on preventive measures, as foreseen in a project designed by the Ministry of Health to be carried out with the support of UNDCP.

249. Drug traffickers have taken advantage of the strategic location of Cuba in the Caribbean to smuggle drugs through its territorial waters. The Board recommends donor countries and relevant international organizations to provide technical assistance to the Government aimed at enhancing the efforts by the coast guard to intercept illicit drug consignments.

250. In April 1999, the Board sent a mission to Guatemala. The Board appreciates the commitment of the Government to complying with the three main international drug control treaties. The Government has achieved very positive results in recent years in, for example, restructuring the law enforcement sector (the police and customs authorities), making a first assessment of the drug abuse situation, initiating activities related to the prevention of drug abuse and the treatment and rehabilitation of drug abusers and introducing administrative controls for precursors.

251. Guatemala is faced with considerable problems involving the transit traffic in narcotic drugs and psychotropic substances. The diversion of psychotropic substances is taking place within the country, as is the illicit cultivation of cannabis and, to a smaller extent, opium poppy. As a result, drug abuse has spread, especially in the areas most affected by illicit drug trafficking. There have been several cases involving the diversion or attempted diversion of precursors using Guatemala as a transit point.

252. The Board notes with interest the plans by the Government of Guatemala to improve drug control. New, more comprehensive legislation against drug trafficking, providing for,

*inter alia*, the control of precursors, the use of controlled deliveries and the revision of penal sanctions, is being prepared. Integrated programmes for the prevention of drug abuse and the treatment and rehabilitation of drug abusers are being established. The Board encourages the Government to adopt, as soon as possible, the new legislation.

253. As a result of alleged corruption in the previous drug control administration, which weakened the administrative structure, and the lack of adequate resources, existing controls over the licit manufacture and distribution of narcotic drugs, psychotropic substances and precursors continue to be inadequate in Guatemala. The Board, therefore, calls on Guatemala to continue to improve the situation in order to comply fully with the provisions of the 1961 and 1971 Conventions.

## North America

### Major developments

254. Cannabis continues to be the most popular drug of abuse in Canada, Mexico and the United States. The increasing popularity of hydroponically grown cannabis with a high tetrahydrocannabinol (THC) content in the western part of Canada and in some parts of the United States is a major concern to law enforcement authorities in both of those countries.

255. The Board notes that the Government of the United States has issued new guidelines to ease the availability of cannabis for medical research and that both the National Academy of Sciences and the National Institutes of Health have recommended a more extensive programme of scientific research on cannabis. Moreover, the Government of Canada has put forward a research plan on the use of cannabis for medical purposes, which would allow clinical trials to be used to explore in a scientific manner the possibility of using cannabis for such purposes. The Board welcomes these initiatives and calls for prompt, thorough research. The Board is of the opinion that this issue, like other medical issues, must be approached in a scientific way rather than by holding referendums as in some states in the United States. The Board reiterates its position that objective scientific research into the possible medical use of cannabis should be carried out by the Governments concerned.

256. According to the last national survey carried out in the United States, in the period 1997-1998, "last-month drug abuse"<sup>26</sup> declined among persons aged 12-17 and remained stable among the general population. Drug abuse appears to be at a lower level in Canada than in the United States. Cocaine abuse is increasing in some cities in Canada. Reports from Mexico indicate increased cocaine and heroin abuse, although such abuse is at a much lower level than in Canada and the United States.

257. The Board notes that the Governments of the countries in North America are making significant efforts to achieve the goals for reducing illicit drug demand that were established by the General Assembly at its twentieth special session, held in June 1998, as well as the goals set in their respective national strategies. At the same time, the Board notes with disappointment the slow progress made in Canada in controlling psychotropic substances in line with the requirements of the 1971 Convention and in participating effectively in the efforts of the international community to monitor precursors. While Canada fully supported the adoption of the action plans by the General Assembly at its twentieth special session, it has not yet implemented some of the basic provisions of the international drug control conventions related to them.

### Treaty adherence

258. All States in North America are parties to the 1961 Convention as amended by the 1972 Protocol, the 1971 Convention and the 1988 Convention.

### Regional cooperation

259. Continued willingness to cooperate is one of the factors motivating the three countries in North America to forge new drug control initiatives. Drug control matters are routinely raised during high-level political meetings in the region. Cooperation at the regional and international levels remains an important element of drug control strategies in the region.

260. In 1999, the Governments of Mexico and the United States adopted "performance measures of effectiveness" to guide the implementation of the 1998 Bi-National Drug Strategy and make it possible to evaluate the progress achieved. A joint declaration for the reduction of drug abuse was signed by both Governments during the Bi-National Demand Reduction Conference held in Tijuana in June 1999.

261. The close economic ties between Canada and the United States offer many possibilities for drug traffickers. The

Board welcomes the continued joint cross-border investigations and operations by the Governments of those countries, including a new project to improve the coordination of the campaign against drug smuggling in the area of Lake Ontario.

262. In December 1998, Mexico signed a bilateral drug control agreement with Colombia aimed at improving the exchange of information and technology to combat drug trafficking.

#### **National legislation, policy and action**

263. The Board welcomes the new drug control strategy announced by the Government of Mexico in February 1999. The strategy is an inter-institutional initiative through which substantial resources will be devoted over the next three years to increasing the effectiveness of drug control.

264. The Board appreciates the efforts made by the Government of Mexico to approve new legislative reforms aimed at enhancing efforts against drug trafficking and organized crime, including regulations on the handling and disposal of seized assets derived from drug trafficking. The Board notes that Mexico has become the first Latin American country to be accorded observer status with the Financial Action Task Force on Money Laundering.

265. The Board notes that, in Canada, legislation was introduced in Parliament in May 1999, to allow for the setting up of a financial intelligence unit and to enforce mandatory reporting of suspicious transactions. The changes are aimed at bringing Canada into compliance with regulations of the Financial Action Task Force on Money Laundering.

266. The Board welcomes the release in the United States of the 1999 National Drug Control Strategy, which is based on a 10-year strategy adopted in 1998. The 1999 Strategy is accompanied by comprehensive "performance measures of effectiveness", linking outcome, programmes and resources. The Board notes the ongoing debate in the United States on the development of "know-your-customer" provisions and financial record-keeping to counter money-laundering.

267. The Board appreciates the ongoing National Youth Anti-Drug Media Campaign that is being implemented in the United States in collaboration with a wide array of non-profit organizations in both the public sector and the private sector. Now in its third phase, the campaign is reaching a multicultural audience by offering messages on drug abuse prevention in 12 different languages. A government evaluation of the second phase showed that the campaign had exceeded its goal of reaching 90 per cent of its target audience 4-7 times a week.

There had been a noticeable increase in the proportion of youth who avoided drug abuse because the advertisements had increased.

268. The Board appreciates the ongoing initiatives by non-governmental organizations and the public sector in Canada, Mexico and the United States in the areas of drug abuse prevention, research, education and the treatment and rehabilitation of drug abusers.

269. The Board congratulates the Governments of Canada, Mexico and the United States on the extensive use of Web sites for the dissemination of objective information relating to drug abuse. The Board welcomes the creation by the Government of the United States of a task force to examine unlawful uses of the Internet, including the illegal sale of controlled substances and prescription drugs on-line. The task force will prepare a report on whether existing laws are sufficient to investigate and prosecute crimes involving the use of the Internet.

270. In the United States, intensified drug law enforcement activities targeting offenders have resulted in a significant increase in the prison population. Mandatory sentencing remains controversial in that country. The Board appreciates that the number of programmes for the reduction of illicit drug demand is increasing. The Board notes that, in the criminal justice system, through the establishment of courts for drug offences, non-violent drug offenders and individuals on probation or on parole may be channelled into programmes for the treatment of drug abuse.

#### **Cultivation, production, manufacture, trafficking and abuse**

##### *Narcotic drugs*

271. Canada and the United States continue to be faced with major problems involving indoor cannabis cultivation. Seizure data continue to indicate the movement of illicit cannabis with a high THC content from western Canada and Quebec to the United States, as well as from west to east in the United States. In addition, cannabis is being smuggled into Canada and the United States in large quantities. The Board notes with concern that the indoor cultivation of very potent cannabis varieties is being promoted through the sale of both cannabis seeds and paraphernalia for growing cannabis over the Internet through Web sites located primarily on servers in Canada. There is an urgent need for action required to counter the spread of such cultivation.

272. In Mexico, in 1998, there was a decline in the amount of opium poppy that was destroyed and the number of clandestine laboratories for illicit drug manufacture that were dismantled. Seizures of ephedrine and opium gum also declined. Seizures of cocaine, marijuana and heroin also decreased, as did the number of drug-related arrests and the number of drug investigations either under way or completed. Preliminary seizure data for 1999, however, indicate an upward trend. Noting that Mexico has strengthened its drug control efforts, the Board is of the opinion that drug trafficking groups may be avoiding the territory of that country and shifting their operations to other Latin American countries and to the Caribbean. Nevertheless, Mexico remains an important transit country for cocaine shipments bound for the United States, as well as a significant source of cannabis.

273. In Mexico, drug abuse is at a much lower level than in Canada and the United States. According to the national survey on addictions, in 1998, only 5 out of 100 Mexicans had tried drugs once in a lifetime, and less than 1 per cent had abused drugs in the last month. Cocaine had been abused once in a lifetime by 1.45 per cent of the persons in the survey. Between 1993 and 1998, cocaine abuse tripled and drug abuse in general increased by 30 per cent. The abuse of inhalants among street children, who have lost their family ties, and among other vulnerable groups is of particular concern in large cities in Mexico.

274. The Board notes with appreciation that, in the United States, household surveys, emergency room surveys (the Drug Abuse Warning Network (DAWN)) and school surveys have been carried out on a regular basis for the last few decades. Future initiatives to measure illicit drug demand should, however, carefully review methodologies used in order to ensure that all segments of the population are included. According to the 1998 National Household Survey on Drug Abuse, in the United States, "last-month cannabis abuse" among persons aged 12-17 had fluctuated at 8 per cent in recent years, after reaching a peak of 14.2 per cent in 1979 and decreasing to 3.4 per cent in 1992. Cannabis abuse "in the past month" among the adult population in 1998 remained at 5 per cent, the same level as in 1997. Despite evidence that it has stabilized, cocaine abuse remains a major problem in many communities in the United States. The number of emergency-room "episodes" involving cocaine abuse has increased significantly in the United States since 1992, suggesting that cocaine abusers are suffering more and more health-related consequences. The number of persons who abused heroin "in the past month" in the United States fell to 130,000 in 1998 from 325,000 in 1997. It should be kept in mind, however, that estimates of heroin abuse from the National Household

Survey are conservative because the population of heroin abusers is probably not adequately covered. The number of emergency-room "episodes" involving heroin or morphine abuse stabilized between 1995 and 1997 after more than doubling between 1990 and 1995. Among persons in the age group 12-17, however, the number of emergency-room "episodes" involving heroin or morphine abuse increased 241 per cent between 1995 and 1997. In many cities in the United States, multiple drug abuse, such as the abuse by injection of a combination of heroin and cocaine powder, has been reported with greater frequency.

275. The Board appreciates the fact that data are available on drug abuse trends in specific cities in Canada; however, it notes that the last national survey in that country was conducted in 1994.

#### *Psychotropic substances*

276. Methamphetamine is the most prevalent controlled synthetic substance that is clandestinely manufactured in the United States. The number of methamphetamine laboratory seizures in that country almost doubled between 1996 and 1998. The abuse of and trafficking in methamphetamine continue to increase in the United States. The number of emergency-room "episodes" involving methamphetamine abuse increased from 4,900 in 1991 to 17,400 in 1997.

277. In the United States, the consumption of methylphenidate for the treatment of ADD has remained at a very high level and the number of prescriptions for amphetamines has increased by 500 per cent since 1993 (see paragraphs 159-163 above). The Board reiterates its concern that the utmost vigilance should be exercised to prevent the possible misdiagnosing and the inappropriate prescribing of methylphenidate and other stimulants. The extent of abuse of methylphenidate is not known; however, there are reports of methylphenidate tablets being crushed and snorted and, to a lesser extent, injected. In Canada, there have been reports of the abuse by injection of a combination of pentazocine and methylphenidate, commonly known as "poor-man's heroin", which seems to be reminiscent of the abuse of "Ts and blues" in the United States 20-30 years ago.

278. No significant change in the overall prevalence of benzodiazepine abuse has been reported in the United States. MDMA abuse in that country, which increased significantly from 1993 to 1997, is not as widespread as the abuse of many other drugs.

279. There continue to be reports in the United States of increased abuse of so-called “club drugs”: substances such as ketamine and flunitrazepam, as well as sodium oxybate (*gamma*-hydroxybutyrate (GHB)) and its precursor *gamma*-butyrolactone (GBL). Therefore, the Board welcomes the decision in the United States to place ketamine in Schedule III of the Controlled Substances Act.

### **Missions**

280. In April 1999, the Board sent a technical visit to Mexico to discuss with the authorities the monitoring of scheduled chemicals and the measures taken by the Government against the diversion of such chemicals into illicit channels.

281. The Board notes with appreciation that the control of substances in Table I of the 1988 Convention appears to be functioning reasonably well in Mexico. However, the Board continues to urge the Government to establish a comprehensive regulatory framework to ensure the effective implementation of the 1998 precursor control legislation, which covers all substances in Tables I and II of the 1988 Convention, as well as additional substances.

## **South America**

### **Major developments**

282. The Board notes with concern that, in South America, in spite of the exceptional coca bush eradication efforts made by Bolivia in 1998 and 1999 and the significant reduction of the area under illicit coca bush cultivation in Peru, the availability of coca leaf for the illicit manufacture of cocaine hydrochloride in the region as a whole and the supply of cocaine hydrochloride to illicit markets in Europe and North America do not seem to have been significantly reduced. The impressive achievements in reducing illicit coca bush cultivation in Bolivia and Peru in the past two years seem to have been offset by increased production of coca leaf in Colombia.

283. In Colombia, the deterioration of public safety in general and the fact that substantial illicit coca leaf production and cocaine manufacture are taking place in areas beyond government control are hampering efforts by the Government to fight illicit coca bush cultivation, coca leaf production, and cocaine manufacture and trafficking. In Peru, the use of land and riverine routes to smuggle coca leaf, cocaine base and cocaine hydrochloride into neighbouring countries is increasing. Traffickers have been trying to circumvent the comprehensive measures taken by the Government of Peru against illicit drug trafficking by air, despite increases in the resources provided

by the Government and by foreign donors to deal with that problem.

284. All countries in South America have increased their efforts to intercept shipments of potassium permanganate destined for the illicit manufacture of cocaine, and the results have been promising. (More detailed information is included in paragraphs 99-105 above.)

### **Treaty adherence**

285. Almost all States in South America are parties to the three international drug control treaties, the sole exception being Guyana, which has still not become a party to the 1961 Convention.

286. As the Board has repeatedly stated in the past, the effective implementation of both the 1971 Convention and the 1988 Convention is not feasible without acceding to and fully implementing the provisions of the 1961 Convention. The Board therefore urges Guyana to accede to the 1961 Convention without further delay.

### **Regional cooperation**

287. Practical cooperation on matters relating to drug abuse and illicit drug trafficking is being developed by the members of the Andean Pact<sup>27</sup> and the Common Market of the Southern Cone (MERCOSUR).<sup>28</sup> The Board calls on all Governments concerned to continue to make use of existing subregional mechanisms to further develop and strengthen regional interaction, coordination and information-sharing.

288. The Board welcomes negotiations taking place within MERCOSUR to simplify current judicial cooperation procedures and to standardize penal and procedural legislation, as well as regulations on the treatment and rehabilitation of drug addicts. The Board hopes that associate States of MERCOSUR and other interested countries in the region may be included in those endeavours, where feasible.

289. Through Operation Millennium, which involved close cooperation and the exchange of information, particularly between drug law enforcement authorities of Colombia, Ecuador and the United States, significant success in the fight against drug trafficking organizations was achieved, including the arrest of major organizers of illicit drug trafficking and money-laundering operations.

### National legislation, policy and action

290. The Board notes with satisfaction the exceptional results achieved so far by Bolivia in its programme to eradicate illicit coca bush cultivation, which was launched in 1998 as part of its Anti-Drug Strategy 1998-2002, also known as the Dignity Plan. The Government of Bolivia deserves the recognition of the international community for the political will that it has shown and the financial, technical and human resources that it has invested in its coca bush eradication efforts. The Board calls on donor countries to support Bolivia in its efforts to achieve the goals set in its Dignity Plan.

291. The Government of Bolivia is aware that the closer that the country gets to achieving the goals of its Dignity Plan, the greater the risk that coca leaf (which is considered licit under current Bolivian legislation) may be diverted into illicit channels for use in the illicit manufacture of cocaine.

292. About 1,000 tons of coca leaf of Bolivian origin are estimated to be smuggled yearly into the northern Argentine provinces of Jujuy and Salta, where the possession and consumption (chewing) of coca leaf in its natural form and the preparation of *mate de coca* (coca tea) are not considered by law as possession and consumption of a narcotic drug. The Board trusts that the Government of Argentina, by strengthening its Northern Border Task Force, established late in 1998 to enhance efforts to combat illicit drug trafficking, will deal with the problem of coca leaf smuggling in cooperation with the authorities of Bolivia.

293. In Brazil, the reorganization of government structures and the updating of national legislation to combat drug abuse and illicit drug trafficking, initiated in 1998 with the creation of, *inter alia*, the national anti-drug council (CONAD), the national drug control commission, its National Anti-Drug Secretariat (SENAD) and the financial activities control board (COAF), as well as the enactment of a new regulation for substances and medication subject to special control (regulation 344), continued in 1999.

294. In June and July 1999, Brazil enacted laws regulating the disposal of seized and confiscated assets prior to sentencing in criminal trials and the protection of victims of, and witnesses in, criminal cases. Furthermore, several presidential decrees have streamlined the administration and functioning of the national drug control bodies. Strict regulations have been introduced on a variety of financial activities.

295. The Board notes with concern that in Colombia the law on the confiscation of assets has not brought the expected results. Of the many thousands of pieces of property seized so far, none has been subsequently confiscated pursuant to the provisions of the law. The Board hopes that the current discussion between the congress and the Government will result in the law being either amended or more effectively implemented.

296. Ecuador launched its National Strategy to Face Drugs, 1999-2003, which includes detailed objectives and financial requirements for the implementation of a phased plan to combat drug abuse and illicit drug trafficking in a comprehensive manner in the period 1999-2003. The Board welcomes the adoption of the strategy, which gives to the national drug control commission a leading role in the planning and execution of national drug control efforts. It is hoped that the current economic difficulties and the related social unrest in Ecuador will not hinder the implementation of the strategy, considering that drug traffickers are increasingly using the country as a base for their illicit operations.

297. In Peru, the national drug control commission was placed in April 1999 under the direct responsibility of the Council of Ministers, consolidating the legal status of the commission within the governmental structure. The Board expects that the required budgetary provisions will be adopted. The Government has formulated a comprehensive alternative development and demand reduction programme, most of which will be self-financed. The Board calls on donor countries to support the programme.

298. In the past few years, Peru has engaged in a more active coca bush eradication programme. In 1999, however, coca bush cultivation is expected to reach a level similar to that of 1998 instead of being reduced considerably as in previous years. To complement its new alternative development programme, the Government should formulate a clear policy on coca bush eradication and make the cultivation of coca bush illegal, in line with the requirements of the 1961 Convention.

### Cultivation, production, manufacture, trafficking and abuse

#### *Narcotic drugs*

299. Data on the extent of illicit cannabis cultivation in countries in South America remain scarce. Throughout the region, cannabis continues to be produced mostly for local consumption, although consignments of cannabis produced in

Brazil, Colombia, Guyana, Paraguay and Suriname continue to be seized while being transported in neighbouring countries and in countries in the Caribbean, as well as at their destinations in Europe and North America. With few exceptions, authorities in countries in South America continue to seize increasing amounts of cannabis. Efforts are being made in the region to carry out on a regular basis abuse surveys that will yield comparable data. Data from hospital emergency rooms remain the most common indicator of drug abuse in the region; according to such data, cannabis continues to be the most common drug of abuse among persons aged 15-19 and is also the most often reported drug of initiation.

300. Governments of countries in South America should remain vigilant to prevent the spread of the illicit cultivation of opium poppy and the illicit traffic in heroin. The increasing availability of heroin in the subregion could have a spillover effect on its abuse, similar to the spillover effect that the illicit traffic in cocaine has already had in some parts of the region. Seizures of opium poppy seeds and opium in Peru increased significantly in 1999, perhaps indicating that the country will be increasingly faced with the problem of illicit opium poppy cultivation. The Government of Colombia has stepped up its opium poppy eradication efforts, causing sites for illicit opium poppy cultivation to be abandoned in some areas; however, new sites have been quickly replacing the abandoned ones, particularly in the Huila-Tolima area. Throughout South America, heroin abuse continues to be marginal, but it is increasing slightly, confirming that the availability of heroin is increasing, as reported in previous years.

301. In the region as a whole, the potential production, productivity and availability of coca leaf for illicit purposes seem to have remained stable. Despite increased eradication efforts in 1998 and in the first half of 1999, coca bush cultivation in Colombia seems to have increased; that is because cultivation sites were moved to areas beyond the reach of the eradication programme of the Government.

302. Bolivia seems to be well on its way to achieving its goal of eradicating from its territory the cultivation of coca bush, which is considered illicit under current legislation. In Peru, the total area under illicit coca bush cultivation decreased by more than 50 per cent between 1995 and 1998. Increases in coca leaf prices in both countries might jeopardize eradication efforts and make alternative development programmes more urgently needed.

303. Current data seem to confirm that the country with the largest area under coca bush cultivation is Colombia; the area under coca bush cultivation in that country may even surpass the area under illicit cultivation in Bolivia and Peru combined.

Although comprehensive comparative studies of soil and weather conditions in countries producing coca leaf have never been conducted, Peru is generally believed to have the greatest potential for illicit coca leaf production. Coca leaf produced in Peru is also considered to have a higher alkaloid content than coca leaf produced in Colombia; therefore, it is unlikely that illicit cocaine manufacturers in Colombia will be able to rely entirely on domestic illicit coca leaf production.

304. Colombia continues to be the world's leading cocaine producer. Efforts by Colombian law enforcement authorities have led to the discovery and destruction of several laboratories for illicit cocaine manufacture, one of which was capable of manufacturing up to 8 tons of cocaine per month. That is an indication of the technical and economic resources, as well as the manufacturing capacity, at the disposal of Colombian drug traffickers. Coca leaf is increasingly being processed into cocaine paste in Peru and sent directly overseas. Cocaine is more widely available at low prices on illicit markets in Peru, where its abuse seems to be increasing rapidly.

305. Illicit trafficking in cocaine destined for Europe and North America continues unabated. New routes and methods are being used to smuggle cocaine out of South America, as detection techniques are becoming more sophisticated. Most international airports in the region are used for smuggling relatively small amounts of cocaine by courier, while seaports of all countries, on both the Atlantic and the Pacific, are used for smuggling bulk consignments of cocaine among all sorts of goods, ranging from fresh flowers to furniture and decorative candles.

306. The routes used for illicit trafficking in cocaine have diversified considerably. Cocaine headed for western Europe usually follows well-established paths via the Caribbean or Africa; however, countries in central Asia, West Asia and eastern Europe are increasingly being used for the transshipment of cocaine to western Europe.

307. Seizures of controlled chemicals continue to be substantial and are increasing in South America. Countries in the region have understandably focused their efforts on chemicals used in the illicit manufacture of cocaine. The Board, aware of the resource limitations of Governments in the region, encourages the Governments of Colombia and its neighbouring countries to step up their control of chemicals used in the illicit manufacture of heroin, in particular acetic anhydride.

308. In view of the good results achieved through verification of the legitimacy of individual transactions, the Board once again calls on States in South America to invoke article 12,

paragraph 10 (a), of the 1988 Convention. Only Argentina, Brazil, Colombia, Ecuador and Peru have done so. The Board also calls on exporting countries, in particular member States of the European Union, to verify the legitimacy of individual transactions to all countries in South America, instead of only some countries in the region, since drug traffickers may circumvent targeted entry points.

#### *Psychotropic substances*

309. One of the main concerns in South America continues to be the abuse of amphetamine-type stimulants in the form of anorectics manufactured by the pharmaceutical industry. In Brazil, one of the countries most affected by the misuse of the prescription system for stimulants, new regulations and control mechanisms are expected to help reduce the high consumption levels of those substances. In Argentina and Chile, significant progress has been achieved already (see paragraph 166 above).

310. The 1998 national household surveys conducted in Bolivia and Peru showed that tranquillizers were the most often abused psychotropic substances, with prevalence close to that of cannabis. Stimulants and hallucinogens are abused to a considerably lesser extent.

#### **Missions**

311. A mission of the Board visited Brazil in July 1999. The Government has launched an extensive programme for introducing legal and institutional reform in the government structures for fighting drug abuse and illicit drug trafficking by establishing a new national body for making drug policy, an independent national sanitary surveillance agency responsible for the national drug control administration, and a new financial control organ.

312. The Board is of the view that Brazil has been taking the necessary steps to improve its ability to combat drug abuse and illicit drug trafficking. It is hoped that the required financial and technical resources will be provided to ensure that the new institutions and mechanisms produce the desired results.

313. The Board encourages the Government of Brazil to continue its reform efforts by strengthening the capacity of the national sanitary surveillance agency to enforce registration requirements and prescription regulations, as well as to carry out its inspection responsibilities, for importers, manufacturers, wholesale distributors and retailers of narcotic drugs and, in particular, psychotropic substances. The Board trusts that the reforms will eventually succeed in addressing the serious

shortcomings of recent years in the control of licit narcotic drugs and psychotropic substances.

314. Regarding the control over precursors, although the Government of Brazil seems to have the required structure, the financial and technical resources at its disposal continue to be insufficient to effectively control the large chemical industry in the country.

315. In Brazil, the execution and planning of activities to reduce illicit drug demand seem to be improving under the direction of SENAD. The Board is of the view that a comprehensive national system for conducting periodic drug abuse surveys would greatly enhance the planning, implementation and results of those activities.

316. Bearing in mind the geographical, demographic and economic factors of the situation, the Board calls on the Government of Brazil to assume an even more active role in fostering cooperation among Governments of countries in South America in drug-related matters and areas of common interest, such as combating drug and chemical trafficking in the Amazon river basin. Fighting transnational crime in general, especially money-laundering and illicit trafficking in drugs and precursors, would vastly benefit from increased cooperation among Governments in the region.

#### **Technical visits**

317. At the invitation of the Government of Bolivia, in July 1999, the Board sent a technical visit to the country to review the existing mechanisms for control over the cultivation of coca bush and the production and distribution of coca leaf for traditional use, to assess the progress made by the present programme to eradicate illicit coca bush cultivation and to discuss technical issues with the competent national authorities.

318. The Board, while it welcomes the present coca bush eradication campaign in Bolivia, which has achieved excellent results, calls on the Government to take the necessary measures to avoid a situation in which coca leaf production that is considered licit under its present legislation may result in coca leaf being diverted to supplement the diminishing illicit supply.

319. While it is cognizant of the historic, cultural, social and economic values in Bolivia, the Board is still of the view that the very purpose of such cultivation, production and distribution, namely to make available coca leaf for uses such as the chewing of coca leaf and the drinking of coca tea, is contrary to the provisions of the 1961 Convention.