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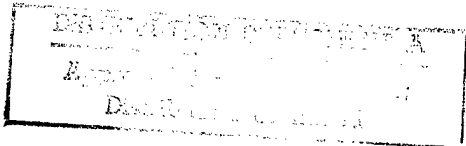
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## **SOUTHWEST ASIA**

### **AFGHANISTAN**

#### **I. Summary**

Afghanistan continued as the world's second largest producer of opium poppy, according to USG estimates. Opium gum production was approximately 1,265 metric tons (MT) in 1997, slightly above the 1,230 MT produced in 1996. Continued warfare, destruction of the economic infrastructure and absence of a recognized central government with administrative control over the entire country remain obstacles to effective drug control.

Other major impediments to meaningful counternarcotics progress include inaction and lack of political will of the Taliban faction, which controls 96 per cent of Afghanistan's opium-growing areas, as well as substantial drug trade involvement on the part of some local Taliban authorities. An estimated 95 percent of Afghanistan's opium poppy cultivation and most of Southwest Asia's morphine base and heroin processing laboratories are located in territory controlled by the Taliban.

The Taliban, formed by religious students, began its military campaign in Afghanistan in 1994 and assumed effective control over two thirds of the country in fall 1996. The Taliban condemned illicit drug cultivation, production, trafficking and use in 1997, but took no action to decrease poppy cultivation or to eliminate opiate processing laboratories. The Taliban called for international alternative development assistance as a precondition to eradicating opium poppy cultivation.

Narcotics remain Afghanistan's largest source of income, and Taliban authorities reportedly benefit financially from the trade and provide protection to heroin laboratories. However, in November 1997, the Taliban responded to a UNDCP initiative by agreeing to eliminate poppy cultivation in districts where alternative development was provided, to control poppy cultivation in areas where poppy was not previously grown and to eliminate morphine and heroin laboratories when these sites were brought to their attention. To date, these commitments have not been tested. If this agreement is implemented, by November 1998, no poppy would be sown in districts that have benefited from alternative development/poppy reduction projects.

There was no indication that major narcotics traffickers were arrested and prosecuted or that any effort was made to interdict large shipments of illicit drugs or precursor chemicals anywhere in Afghanistan in 1997. Afghanistan is a party to the 1988 UN Drug Convention.

#### **II. Status of Country**

Afghanistan is the world's second largest opium producer. Afghanistan's porous borders with Pakistan, Iran and Central Asian countries, combined with its rugged topography and an absence of narcotics law enforcement, make it one of the world's least controlled narcotics trafficking areas. Numerous morphine base and heroin laboratories operate in Afghanistan, primarily in Kandahar and Nangarhar Provinces along the Pakistani border. Large quantities of precursor chemicals reportedly enter Afghanistan from Central Asia, Europe and India. Afghanistan's war-torn economy cannot accommodate sophisticated money laundering schemes. Except for Badakshan Province in northern Afghanistan, there is no indication of major abuse of hard drugs.

#### **III. Country Actions Against Drugs in 1997**

**Policy Initiatives.** No national government exists in Afghanistan, so there were no countrywide initiatives in 1997. The Taliban authorities control two-thirds of Afghanistan, and the Northern Alliance of anti-Taliban factions controls the remaining third. Until November 1997, the Taliban reaffirmed the previous year's stated policy of opposition to drug cultivation, production, trafficking and use, although it did not directly and explicitly ban opium poppy cultivation. At the same time, it adhered to the position that it was unable to reduce opium poppy cultivation, close down processing laboratories or interdict drug traffickers without assistance from the international community. Taliban authorities took no steps on their own, even in instances when they were capable of doing so, to close down drug processing laboratories or arrest drug traffickers. There are numerous reports, moreover, of drug traffickers operating in Taliban territory with the consent or involvement of some Taliban officials.

**Accomplishments.** There is no indication that any significant drug control was accomplished in Afghanistan in 1997. The estimated three percent increase in opium poppy cultivation in 1997 demonstrated that Taliban statements last year condemning illicit narcotics growth had no effect. Despite the Taliban's announced cannabis cultivation ban in territories, which they control, cannabis production reportedly continued at high levels in 1997. The Taliban authorities claimed they would destroy drug-processing laboratories, but there is no evidence of Taliban efforts to eradicate these laboratories.

**Law Enforcement Efforts.** Although Afghanistan lacks a central government, the Taliban established de facto control over almost all opium-growing territories. Taliban authorities, however, have taken no significant law enforcement action against narcotics. The US Embassy in Pakistan reports that while there were well-publicized drug processing lab closures during a UNDCP visit to Taliban territory, these closures were a sham put on for visitors. The labs were reported to have begun functioning again shortly after the UNDCP visit. In 1997, the Taliban faction re-activated the State High Commission for Drug Control, with headquarters in Kabul and drug control and coordination units in Kandahar and Jalalabad, which were originally initiated and supported by UNDCP. Originally established in 1990, the State High Commission is to coordinate and monitor all narcotics control matters. It reports directly to the Taliban Supreme Council in Kandahar. The Commission is responsible for ensuring that drug control measures sanctioned by the Taliban Supreme Council are implemented.

During 1997, an unverified report indicated that Taliban police (acting on a tip) intercepted a vehicle transporting 904 kilograms of refined heroin enroute between Kabul and Kandahar. The USG has been unable to confirm this report, and is unaware of any other seizures. The heroin was supposedly burned outside Kandahar, and the individuals transporting the drug were alleged to have been arrested and jailed.

UNDCP shelved a project proposal to develop Afghanistan's narcotics law enforcement capability in 1997, in part because the country lacked sufficient infrastructure to make the project feasible. In addition, the project was not consonant with the guideline of the UN's Executive Commission for Humanitarian Activities, which stated that UN agencies will not be involved in "institution-building" efforts of the Afghan authorities as long as these authorities continue discriminatory practices. The UNDCP also aims to create drug control and coordination units in Herat and Mazar-i-Sharif (located in territory controlled by the Northern Alliance).

**Corruption.** During 1997, there were reports that all warring factions in Afghanistan derived revenue from illicit drug activity. There is evidence that the Taliban, which control much of Afghanistan, have made a policy decision to take advantage of narcotics trafficking and production in order to put pressure on the west and other consuming nations. As the Taliban expanded their control over Afghanistan's opium-growing territory, they appear to have expanded their drug involvement as well, including facilitating major traffickers to move large quantities of morphine base and heroin to the West. The Taliban admitted that, as a result of the Islamic tithing practice, called "usher," local mullahs receive 10 percent of the income earned by farmers, including opium farmers. Opium is the leading cash crop, and a large percentage of the Taliban's taxes is from the profits of poppy production. There were reliable reports, denied by the Taliban, that morphine base and heroin laboratory operators paid a tax to some local Taliban officials and that a road tax was levied against the value of goods being transported, including illicit drugs. There is no reliable information regarding drug-related corruption among Northern Alliance authorities.

**Treaties and Agreements.** Afghanistan is a party to the 1988 UN Drug Convention, but lacks a national government to implement the country's obligations.

**Cultivation and Production.** USG figures indicated an estimated 3 percent increase in opium poppy cultivation from 37,950 hectares in 1996 to 39,150 hectares in 1997. Opium production increased by an estimated 2 percent, from 1,230 metric tons in 1996 to 1,265 metric tons in 1997. According to USG data, poppy cultivation increased most dramatically in Oruzgan and Kandahar Provinces, while it decreased in Nangarhar Province. Helmand and Nangarhar Provinces continued to dominate poppy production in Afghanistan. Helmand produced 55 percent of the total poppy crop for Afghanistan in 1997, and Nangahar 19 percent.

**Drug Flow/Transit.** Heroin and morphine base flow out of Afghanistan into Iran, the Central Asian Republics, Pakistan and India. Some morphine base transits Iran enroute to Turkey where it is refined into heroin, while other Afghan opiates enter Pakistan in North West Frontier and Baluchistan Provinces for sea shipment to Turkey via the Makran Coast. During 1997, there were indications of increased flow into the Central Asian republics.

**Demand Reduction.** Drug abuse reportedly is rampant in Badakshan province, controlled by the Northern Alliance faction, although local authorities claim that addiction is decreasing. Only one of Badakshan's two drug treatment facilities remains operational. Some drug use occurs in Afghanistan's larger cities, especially Kabul. The Taliban prohibit the use of illicit drugs and maintain that use of any intoxicant is contrary to Islamic law. Although drug treatment programs do not now exist in Taliban-controlled areas, toward the year's end, Taliban authorities said that first-time offenders would be regarded as suffering from an illness and treated accordingly, but punished if they "relapsed." Up to this point the practice has been to administer corporal punishment to drug users publicly. UNDCP plans to begin implementing a demand reduction program in Afghanistan in 1998.

#### **IV. US Policy Initiatives and Programs**

In meetings with Afghan faction leaders, USG representatives continued to stress the need for Afghans to address narcotics control in keeping with international norms of behavior and their obligations under the 1988 UN Drug Convention. Building on an earlier crop substitution program, the USG provided an initial \$269,202 of a \$772,905 poppy reduction/alternative development project being implemented by an American non-governmental organization (NGO), Mercy Corps International (MCI) in Helmand Province. The two-year project's objective is to eliminate poppy cultivation in the areas benefiting from assistance.

Also in 1997, the USG transferred \$1.6 million in FY-95 and FY-96 funds earmarked for UNDCP to help finance UNDCP's capacity building project and poppy reduction projects in Afghanistan. The capacity building project is to establish a UNDCP counterpart entity, Drug Control and Coordination Units (DCCU) in Afghanistan which UNDCP and donors could use as a liaison with Afghan authorities. The DCCUs are to be formed in Jalalbad, Kandahar, Kabul, Herat and Mazar-i-Sharif. The units are designed to plan, monitor and later implement drug control activities, such as conducting poppy surveys. Units have now been established in Kandahar and Jalalabad. UNDCP will sponsor workshops in December and February to design DCCU work plans. Project donors have had concerns about this project because of the question of "institution building."

The poppy reduction/alternative development projects are located in Kandahar and Nangarhar provinces. UNDCP is revising plans for the Kandahar project to include rehabilitation of a textile factory in Kandahar City that will employ up to 800 people. In recognition of the need to promote human rights (especially with regard to gender issues), UNDCP obtained an initial agreement by the Taliban Governor of Kandahar province to employ women in the factory, although press reports quote the Governor as saying that the agreement was "in principle" and that the decision depended on the condition of the factory. UNDCP also is trying to fill more of its own project implementation positions in Afghanistan with women. The MCI and UNDCP poppy reduction projects will test the Taliban's commitment to eliminate opium poppy cultivation.

In October 1997, UNDCP's Executive Director proposed a comprehensive alternative development/poppy reduction program, to be funded by UNDCP's major donor nations, which would target all poppy growing areas of Afghanistan. At an estimated cost of \$25 million a year for ten years, the program's goal is to eliminate poppy cultivation entirely within that period of time. The project would begin with a small investment to test the authorities' political will to eradicate if alternative development is successful. USG counternarcotics objectives for Afghanistan include reduction and ultimate elimination of poppy and cannabis cultivation, denial of safe-haven to narcotics processing laboratories, and arrest and conviction of couriers and traffickers in drugs and precursor chemicals.

**The Road Ahead.** In 1998, the USG will focus on the Taliban authorities' commitment to control poppy cultivation and to destroy morphine base and heroin laboratories. The USG will continue to coordinate its counternarcotics efforts with UNDCP, other members of the international donor community and with NGOs. The Drug Enforcement Administration (DEA) will expand contacts with Afghanistan's meager drug enforcement elements and continue to offer cooperation. The US will also engage leaders of the "Northern Alliance" to elicit counternarcotics commitments.

## BANGLADESH

### I. Summary

Bangladesh is not a significant producer of narcotics and does not appear to be a major route for transshipment. In fact, the limited transshipment of narcotics through Bangladesh is surprising, considering the proximity of Burma, and shipping links to South Asia. Bangladesh may not be attractive for transshipment due to its poor transportation infrastructure. Alternatively, we may lack good data because of poor narcotics enforcement. Enforcement efforts in Bangladesh have been characterized by inefficiency, limited resources, and insufficient coordination between agencies. The Department of Narcotics Control (DNC), under the Home Ministry, is the lead government agency attempting to address problems of enforcement. There is no evidence to suggest that narcotics transiting Bangladesh reach the US in any significant amount.

Bangladesh is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotics and its 1972 Protocol, and the 1971 Convention on Psychotropic Substances, and is a member of the South Asian Association for Regional Cooperation (SAARC) Convention on Narcotics. Bangladesh has strict laws against producing and trafficking of narcotics, and UNDCP has been assisting the Bangladeshi government (BDG) to improve intragovernmental cooperation and to draft more effective legislation. The US has not entered into any bilateral narcotics-related agreements with the Bangladeshi government. In 1997, United States provided support through visits of DEA officials and a grant of communications equipment.

### II. Status of Country

Geographically and culturally, Bangladesh marks the transition between Southeast Asia and South Asia. Bordering Burma and India, with air and shipping links to Pakistan, Bangladesh would appear to be an ideal transit route for narcotics coming from the major producers of Southeast Asia going on to other areas of South Asia. The lack of border controls and effective law enforcement increases the likelihood of such transshipment. The fact is we simply aren't sure whether Bangladesh is being used as a transit country, given the present level of counternarcotics enforcement. Weak transportation infrastructure may have inhibited use of Bangladesh as a route in the past. However, there were improvements in 1997 of the infrastructure, which may facilitate future movement of narcotics. Greater political stability during 1997 allowed Bangladesh's two major shipping ports to avoid the debilitating political strikes and blockages of previous years. The Jamuna Bridge project is nearing its completion date of June 1998. Once complete, East-West vehicle traffic will no longer be delayed at the few ferry points on the Jamuna and Padma rivers. We will be watching closely for any indication of drugs entering the US from Bangladesh.

There are no reliable figures for drug abuse in Bangladesh. The UNDCP recently conducted a national survey of drug abuse patterns, but was unable to obtain an accurate picture because addicts' fears of

admitting to drug usage. UNDCP estimates range from 100,000 to 1,000,000 drug abusers. Regardless of the exact number, UNDCP and BDG officials believe the trend is towards increased drug abuse. In 1997, the DNC reported seizure rates for most narcotics were above those of 1996. The quantity of heroin seized was approximately four times greater than last year, but still relatively modest at some 7 Kgs. The number of arrests for possession of phensidyl, an inexpensive codeine based cough syrup, was approximately twice that of 1996. It is unclear though, whether such increases are simply the result of better coordination and enforcement, instituted in the last few years with the assistance of the UNDCP, or increased drug abuse.

### **III Country Actions Against Drugs in 1997**

**Policy Initiatives.** Bangladesh is a party to the 1988 UN Drug Convention. In order to bring its laws into compliance with that Convention, it passed the Narcotics Control Act of 1990. Since then, it has been working with UNDCP to carry out a five-year master plan for drug abuse control in Bangladesh. The first year of the five year plan was 1994. The plan is supported by a \$2.2 million grant from UNDCP. UNDCP will initiate another round of meetings with the BDG in spring 1998 to chart future efforts. Consistent with the five-year plan, legislation was drafted in 1997 to provide greater enforcement authority, especially against money laundering. Among the items covered in the new legislation were authority to freeze accounts, seize assets, allow extradition, and permit greater international cooperation. Although at present money laundering is not a significant problem, special legislation was also drafted to address that issue. The legislation is to be presented in a future parliamentary session.

**Law Enforcement.** Law enforcement efforts have been hampered by poor inter-agency cooperation and limited resources. While resource limitations remain, the BDG has been taking steps to promote greater cooperation within agencies and services. A ministerial level Narcotics Control Board (NCB) with the Home Minister as Chairman has been created to enhance information exchange and to coordinate law enforcement work. Similar committees exist at the divisional and district level. DNC officials claim greater cooperation has been a factor in increasing seizures of narcotics in 1997. According to DNC figures, by October 1997 seizures of heroin totaled 7.2 kg as opposed to 1.76 kg for all of 1996. Opium seizures up to October 1997 were 1.24 kg, compared with 0.6 kg in 1996. Judicial inefficiency has also discouraged prosecutions and created a backlog of pending cases. Relative stability of the political situation in the last year has permitted courts to reduce some of the backlog.

**Corruption.** Corruption's impact on narcotics trafficking appears to be limited to border areas. There are numerous anecdotal accounts of local officials and police assisting narcotics smuggling. However, this corruption is related more to trade of low-grade narcotics such as "brown sugar" heroin and phensidyl cough syrup.

In addition to its adherence to all of the important multilateral agreements relating to narcotic drugs, Bangladesh also has a bilateral agreement for exchange of information regarding narcotics with Burma, and a memorandum of understanding on cooperation with Iran. Each of these agreements provides a sounder basis for better enforcement of Bangladesh's narcotics laws.

**Demand Reduction.** In the area of demand reduction, the DNC has sponsored programs for raising public awareness. Efforts have included pamphlet campaigns, workshops, television and radio advertisement. Most funding for such programs comes from UNDCP. Facing the end of the present five-year plan, UNDCP is pushing for a greater focus on demand reduction and will be meeting with the Home Ministry in spring 1998 to discuss future plans. Limited resources are currently available for rehabilitation of addicts. Addicts generally have multiple addictions, and when prices for relatively more expensive drugs such as heroin rise, they switch to cheaper and readily available narcotics such as phensidyl and buprenorphin, an injectable opiate.

### **IV US Policy Initiatives and Programs**

The United States Government seeks to assist the BDG to interdict narcotics and raise the awareness of its people to the dangers from drug abuse. In May 1997, a DEA (Drug Enforcement Administration) officer visited Bangladesh to investigate trafficking routes and to consult with BDG officials on enforcement

approaches. The US also arranged for a grant of communication equipment to the BDG through the State Department administered International Narcotics Assistance Program. The DNC Central Office is using this equipment to maintain contact with its regional offices. The USG also encourages the BDG to develop greater regional cooperation to interdict the transit of narcotics. The BDG has been working more closely with SAARC member nations and provides details on narcotics trafficking to the SAARC Drug Offenses Monitoring Desk in Colombo, Sri Lanka.

## INDIA

### I. Summary

India is a major producer of licit narcotics and some illicit narcotics, and is a nexus of international narcotics trafficking for non-US destinations. It is the world's only producer of licit pharmaceutical opium gum. Although the Government of India (GOI) continues to tighten controls to curtail diversion of licit opium to illicit markets, some opium is still diverted. The GOI and the USG worked closely to design a survey of Indian licit opium cultivation to estimate better the amount of opium gum produced.

Located between the two main sources of illicit opium, Southeast Asia and Southwest Asia, India is also a growing transit point for European-bound heroin. Most illicit Indian opium is for local consumption or for export to Nepal and Bangladesh. There is little evidence that significant quantities of heroin produced in or transiting India reach the United States.

In cooperation with the Drug Enforcement Agency (DEA), India moved to improve its controls of the production and export of narcotics chemical precursors produced by India's large chemical industry, primarily by restricting access to acetic anhydride (AA), a chemical used to process opium into heroin. However, some unauthorized exports of essential chemicals, such as ephedrine, and of methaqualone (mandrax), a popular drug in Africa, continue.

Lack of funding and weaknesses in the intelligence and judicial infrastructure limit successful narcotics-related prosecutions. India had formal counternarcotics talks with Pakistan and Burma in 1997. India is committed to continue the talks and to develop practical results, which have been limited to date. India is a party to the 1988 United Nations Convention on Narcotics but has not yet enacted implementing legislation on money laundering or asset seizures. This implementing legislation is now being considered by the parliament.

### II. Status of Country

India, the world's largest producer of legal pharmaceutical opiates, is the only country that still produces gum opium rather than concentrate of poppy straw. Open container storage of liquid opium resulting in evaporation and consequently, inaccurate inventory and declining production sharply limited availability of pharmaceutical opium from 1994 to 1996. In 1997, sufficient rains, improved police enforcement to avoid illicit diversion and better crop management techniques produced a record harvest of 1341 mts, compared to the 1996 harvest of 849 mts. With a new vigorous licit cultivation enforcement policy and careful adjustment of acreage, the GOI believes it can further enhance administrative control of licit cultivation while maintaining a good harvest.

Criminal elements produce semi-refined heroin from both diverted legal opium and illicit opium, but there is no reliable data on the extent of this production. Illicit poppies are grown in the Himalayan foothills of Kashmir and Uttar Pradesh and in Northeast India near the Bangladesh and Burmese borders. Illicit production appears relatively minor, primarily destined for in-country use or export to neighboring countries. There is little indication that such opiates enter the US. Heroin base ("brown sugar" heroin) is the domestic drug of choice, except in the Northeast state of Manipur, where Burmese white heroin is the most common and is injected. Needle sharing from the intravenous use of Southeast Asian heroin has spread the AIDS virus at an alarming rate in Manipur.

India produces acetic anhydride (AA), largely for the tanning industry. In 1993, the GOI imposed controls on the production, sale, transportation, import, and export of AA, especially near the Pakistani and Burma

borders, which reduced the chemical's availability. However, a significant quantity appears to be diverted to heroin laboratories throughout southern Asia.

India is also a transit route for illicit heroin, hashish, and morphine base from Afghanistan, Pakistan, Burma, and Nepal. Nepali cannabis is mainly consumed within India, but the other drugs mostly transit India for European destinations. Trafficking in Indian-produced methaqualone to Southern and Eastern Africa declined in 1997 as more methaqualone was produced directly in Africa.

### **III. Country Actions Against Drugs in 1997**

**Policy Initiatives.** Money laundering legislation was introduced in Parliament in spring 1997 but has not yet been passed. The bill's provisions, focusing on white collar crime, bank fraud, corruption, and tax evasion are hotly debated among regulatory agencies and within the Indian business community, and no consensus in Parliament has yet formed. Because of this controversy and the succession of weak government coalitions, it is uncertain when the money laundering legislation will emerge from Parliament, and how strong its provisions will be when it does.

In August 1997 the government introduced amendments to modify the Narcotic Drugs and Psychotropic Substances Act (NDPS) of 1985 to: (1) streamline search and seizure provisions; (2) codify provisions for civil forfeiture of drug-related assets; (3) simplify procedures for controlled delivery enforcement operations; (4) reform sentencing guidelines to differentiate better between minor and serious crimes to facilitate increased convictions; (5) clarify bail regulations for serious offenders more likely to disappear before trial, and (6) close technical loopholes hindering the prosecution and conviction of drug traffickers. The GOI hopes that this legislation will pass Parliament by spring 1998.

The GOI lengthened the list of substances covered by drug law and strengthened controls on precursor chemicals in recent years. To align Indian law more closely with recommendations of the UN's Economic/Social Council (ECOSOC) and the UN Commission on Narcotic Drugs, the GOI brought all substances included in Schedules III and IV of the 1971 UN Convention on Psychotropic Substances under Indian import/export controls. In addition, the following new substances have been brought under controls: etryptamine, methcathinone, zipeprol, aminorex, brotizolam, and mesocarb. Regulations covering the precursor chemicals n-acetyl-anthranillic acid and AA were amended to require sellers to establish the identity of buyers before sales can be completed.

**Accomplishments.** The Central Bureau of Narcotics (CBN) and the Narcotics Control Bureau (NCB) are responsible, respectively, for coordinating licit and illicit drug control policies. To decrease diversion of licit opium, the GOI, for the sixth consecutive year, raised the 1997/98 minimum qualifying yield (MQY) per hectare of opium that licit farmers must deliver to the government in order to retain their licenses. Most farmers will be required to provide at least 52 kg/ha in this crop year, compared with 48 kg/ha in 1996. However, yields of 60 kg/hectare have been reported in the licit growing areas in past years.

The GOI credits much of the sharp rise in the licit opium harvest to increased vigilance over licit cultivators by the CBN, to ensure that all harvested opium was turned in to government warehouses. Enforcement personnel now regularly visit farmers' homes instead of relying on harvested opium to be turned in voluntarily. In 1997, these efforts led to the direct seizure of 11 MT of raw opium harvested by licit cultivators, but not declared to the government.

In November 1997, 30,000 cultivators went "on strike," voluntarily relinquishing their licenses to demand that the MQY be reduced for the 1997-98 season and the area under cultivation be raised. In response, the GOI replaced the cultivators by issuing 26,000 new licenses in three days. Because of the government's quick response, this change is unlikely to affect the 1998 harvest.

Offenses relating to cultivation and embezzlement of opium by licensed cultivators were put on par with the other trafficking offenses. Convictions can result in ten to twenty years imprisonment and fines of up to \$6,000.

Strong industry cooperation helped control precursor chemical availability, as does a voluntary industry



code of conduct that aids enforcement efforts. NCB says that seizures of illegal precursor chemicals shipments declined in 1997. NCB concludes this is due to the reduced availability of illegal supplies.

The three NCB zonal offices opened in 1996 along the Pakistani border are now fully staffed and operational.

India seized more than 400 kg of heroin on the Indo-Pakistan border, often alongside seizures of arms, ammunition, and explosives. Police also targeted heroin transshipment operations run through Afghan refugee groups in New Delhi.

Using a series of controlled delivery operations, police intercepted more than 100 parcels containing more than one ton of hashish from Nepal being shipped to foreign destinations through the Indian post office and the New Delhi international airport cargo terminal. The operations led to arrests of more than a score of suspects in cooperating countries outside India.

The protocol rank of the NCB Director General was raised to the Special Secretary level, increasing the stature of the agency within the government.

Despite these accomplishments, much remains to be done to increase the professionalism of the NCB. Although they have made strong efforts, CBN and NCB officials lack the necessary budgetary support for a fully successful counternarcotics program. Under the auspices of the UN and with USG encouragement, Indian and Pakistani counternarcotics officials met in September 1997, and agreed to speed up the exchange of information and contacts and to consider joint counternarcotics operations. Periodic meetings also take place with Burmese officials. The greatest significance of these meetings is to pave the way for more substantive future joint efforts. India maintains close ties with other South Asian countries through the South Asian Association for Regional Cooperation (SAARC) drug offenses monitoring desk in Colombo.

**Law Enforcement Efforts.** Through November 1997, GOI authorities seized 963 kg of heroin in 2,367 cases compared with 1090 kg in 2485 cases in all of 1996. There was a significant rise in bulk seizures of heroin from Southwest Asia on the Indo-Pakistani border. Southwest Asian heroin was available in adjoining states and even large cities like Delhi and Bombay. Traffickers now carry more heroin than hashish, quantities have increased and often police seized large amounts of arms, ammunition, and explosives along with drugs.

Indian law enforcement agencies made 11,055 narcotics arrests through November 1997, compared with 10,739 narcotics arrests during all of 1996. Through November 1997, 56 foreigners were arrested, compared with 136 foreigners for all of 1996. Through November 1997, 8,002 persons were prosecuted, and 81 persons (usually notorious narcotics criminals) were detained without trial under special provisions of Indian law, compared with 67 persons so detained during 1996. Through November 1997, 2,216 kg of hashish were seized in 1574 cases, compared with 5,818 kg in 1,951 cases for all of 1996. Many foreign nationals were arrested at the Delhi international airport attempting to smuggle hashish to European destinations.

Precursor chemical seizures continued their decline, apparently because of unavailability of illicit supplies. Through November 1997, 1,881 liters of AA were seized in nine separate cases. Under the 1993 law, AA is considered a "controlled substance," and its production, sale, transportation, import, and export are regulated. Close Indian cooperation with DEA resulted in significant detections and seizures. The DEA trained Indian enforcement officials in both enforcement techniques and chemical analysis.

Methaqualone is frequently smuggled from India, usually through Bombay, to Africa, especially to South Africa. Methaqualone seizures dropped sharply in 1996 but rose again in 1997. Indian authorities believe that there are still significant illegal methaqualone exports to Africa, but the trend may be declining as more methaqualone is manufactured directly in Africa.

The GOI accords enforcement authority coordination a high priority. A senior interagency group meets quarterly, chaired by the Director General of the NCB. During 1997, the GOI made considerable efforts to

educate state and local law enforcement personnel about narcotics. While NCB's staff is small in view of the country's size and level of trafficking, several other enforcement agencies contribute to the counternarcotics effort in India. These include the Central Bureau of Investigation (the federal police force), the Directorate of Revenue Intelligence (tax and customs revenue investigators), the Border Security Force (BSF), the Customs and Central Excise Service, state excise tax authorities, and state police agencies. State agencies make about 90 percent of all drug seizures in India.

**Corruption.** The Indian government does not, as a matter of government policy or practice, encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions. However, the media allege police, government and political corruption in a wide range of governmental activities, but successful prosecutions are rare. Criminal courts release some drug defendants without explanation or on weak legal grounds. The USG receives reports of narcotics-related corruption, but cannot independently verify its extent. The CBN took a number of steps to curb corruption, including transferring officers regularly, not allowing officers to verify the areas under cultivation in their home districts, making the most productive farmers in the village responsible for checking the production of all farmers in the village (with violations resulting in the loss of license for both the offending farmer and the supervisor), and cross checking assays and weights of opium delivered to government processing facilities.

**Agreements and Treaties.** India is a party to the 1961 UN Single Convention on Narcotic Drugs, its 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Convention. Most of the provisions in these conventions were implemented in India through the Narcotic Drug and Psychotropic Substances Act (NDPS) of 1985, as amended in 1989. India is a party to the World Customs Organization's International Convention on mutual administrative assistance for the prevention, investigation and repression of Customs offenses "Nairobi Convention" Annex X on assistance in narcotics cases. India is a member of the regional convention of the member countries of SAARC on narcotic drugs and psychotropic substances, signed in 1990 to promote the sharing of information among member countries. India also has bilateral agreements on drug trafficking with Pakistan, Mauritius, Afghanistan, and Burma.

**Other Bilateral Programs.** Narcotics assistance in India by Dublin Group members in 1996/1997 was about \$500,000. Almost all funding was targeted for demand reduction projects and law enforcement equipment. In 1997, the UNDCP continued implementation of a demand reduction and addict rehabilitation project funded by a \$4 million contribution from the European Union and \$3.2 million from the GOI in rupees. Japan funds a second \$100,000 demand reduction project, while another \$500,000 UNDCP project aims to control the availability of precursor chemicals in South Asia.

**Cultivation and Production.** India is the world's largest source of opium for licit pharmaceutical use, producing 833 MT in 1995, 849 MT in 1996, and 1341 MT in 1997 (at ten percent moisture). The GOI did not keep accurate physical inventories for at least 20 years, resulting in large discrepancies discovered in 1994. To increase future accuracy, the traditional method of storing liquid opium in large open vats, resulting in undetermined losses due to evaporation, was changed to a system of sealed cans, and the GOI pledged new vigilance.

Indian opium is cultivated and harvested under strict licensing and control. The government tries to extract every gram from the farmers. Licit poppy cultivation decreased substantially, from 66,000 hectares in 1978 to 29,777 hectares for the 1996-97 crop year. Because of this reduction and a severe drought, India was unable to meet its domestic and export requirements for several years. Last year's increased production finally gives India a licit stockpile consistent with market demands.

Indian authorities estimate diversion at 10 to 30 per cent of the licit crop, but there are no statistics available to substantiate this estimate. Potentially large profits (illicit prices per kilo are perhaps 20-25 times the official price) mean that such opium would find a ready market. In 1997, nearly 12 MT of illegal opium from the licit crop were seized, suggesting the amount of opium entering the illegal Indian drug trade is substantial.

USG offers to help the GOI with a survey of its licit opium fields have not yet been acted upon. A

well-designed crop study could provide accurate data on crop yields and would be an important step in establishing reasonable levels for the MQY, and thus in obtaining reliable measures of diversion. The USG hopes to work with the GOI on a future joint opium crop yield survey. USDA and GOI scientists have collaborated on the design of a poppy survey.

India also produces illicit opium, which is usually converted into morphine or heroin base. Illicit opium poppy cultivation fell to 2,050 hectares in 1997, almost 35 per cent lower than last year's cultivation, according to US satellite imagery. Potential opium production - based on a yield factor of 15 kg of opium per hectare that is common in neighboring Pakistan and Burma - accordingly fell to 30 MT from 47 mts. The most extensive cultivation this year was in the remote mountainous region of Dhera Dun, centered in the northwestern part of the state of Uttar Pradesh. Other major areas of illicit cultivation occurred in the states of Jammu and Kashmir and Himachal Pradesh.

The GOI locates and destroys illicit cultivation with vigor but in some areas, such as Jammu and Kashmir, GOI control is challenged by insurgencies. The USG supplies satellite data along with coordinates of suspected areas of illicit poppy cultivation, and the GOI has carried out extensive field surveys and some random aerial surveys, some with the assistance of DEA.

**Drug Flow and Transit.** India is a transshipment point for heroin from Southwest Asia (Afghanistan and Pakistan), and from Southeast Asia (Burma, Laos, and Thailand). In 1997, there were continued high seizures by the border security forces of Pakistani-origin heroin. Most seizures of heroin at the New Delhi international airport are from flights bound for Europe. The GOI notifies the DEA of any significant export shipment of ephedrine or pseudoephedrine and has agreed not to allow any shipment unless the DEA issues a non-objection letter.

**Demand Reduction.** There are no accurate data on the extent of opium and heroin addiction. The GOI estimates there are from one to five million opium users, and about one million heroin addicts throughout India, but some non-governmental organizations (NGOS) estimate the number of addicts is much higher. The Ministries of Health and Welfare, UNDCP, NGOs and police groups support treatment and rehabilitation centers and conduct demand reduction and public awareness programs under grants from the GOI. They lack both funding and staff, despite a GOI budget increase for drug abuse prevention and rehabilitation programs. The budget increased from about US\$ 1.5 million in 1991 to US\$ 4.9 million in 1997.

The GOI's comprehensive program for the Northeastern states includes addiction treatment centers, training courses, and an awareness program. In 1997, the National Institute on Drug Abuse (part of the US National Institutes of Health) sponsored several drug abuse seminars, training, and travel to US demand reduction conferences. The Institute also supported two large workshops in India.

#### **IV US Policy Initiatives and Programs**

**Policy Initiatives.** In 1997, the USG worked with the GOI to focus more high-level attention on and allocate more resources to narcotics control programs, and urged the GOI to update its domestic laws to comply with the obligations of the 1988 UN Convention, particularly those related to asset forfeiture and money laundering of drug trafficking assets.

**Bilateral Cooperation.** The USG funds training for enforcement personnel, including the Indian Coast Guard. Relations between the DEA and NCB are good, emphasizing exchange of narcotics enforcement and intelligence information.

**The Road Ahead.** In the coming years, the United States will work with the GOI to encourage further intensification of its efforts to detect diversion from the licit opium crop; combat illicit cultivation and trafficking; improve its extradition practices; identify, prosecute and convict corrupt officials; and pass enabling legislation in support of the 1988 UN Convention.

#### **IRAN**

## **I. Summary**

The Islamic Republic of Iran is a major transit route for opiates smuggled from Afghanistan and Pakistan to the West. Iran's role as a narcotics producer appears to have dwindled, but Iran has a widespread drug addiction problem that now attracts significant Government of Iran (GOI) attention and resources.

Iran's drug interdiction programs are energetic, even if only partially successful at stemming the flow of illicit drugs. Regional cooperation efforts by Iran are limited in scope and number, but have been mentioned favorably by the Dublin Group and the UNDCP, and may signal a new willingness to cooperate on counternarcotics matters.

Iran has ratified the 1988 UN Convention, but observers remain unaware of enacted laws or regulations bringing Iran into conformity with the Convention.

## **II. Status of Country**

Land routes across Iran constitute the single largest conduit for Southwest Asian opiates en route to the West. Entering from Afghanistan and Pakistan into Sistan/Baluchistan and Khorasan, opium and morphine are smuggled overland, usually to Turkey but also increasingly to Turkmenistan, Armenia and Azerbaijan and occasionally by sea across the Persian Gulf.

There are no recent reports indicating that opium poppies are cultivated in Iran to a significant extent. Although the United States Government estimated in 1993 that 3,500 hectares of poppies remained under cultivation, more recent reports by the Dublin Group nations present in Iran lend credence to Iranian claims that poppy cultivation has been largely stamped out. It appears that Iran has reduced opium production to a level that requires imported opiates to satisfy domestic drug consumption, but a new survey would be required to confirm a significant reduction in Iranian opium cultivation.

Drug addiction in Iran is a growing problem. In 1996, Iran stated that the number of addicts was 500,000. Non-official estimates run as high as 2,000,000, but these statistics often fail to distinguish between "users" and "addicts." Observers ascribe the GOI's more aggressive anti-drug policies, at least in part, to concern over the burgeoning drug addiction and related crime problems in major Iranian urban centers.

## **III. Country Actions Against Drugs in 1997**

**Policy Initiatives.** President Khatemi's September, 1997 statement to the Interpol Counter-Drug Conference in Isfahan indicated that Iran was prepared to take a more active role in regional counter-narcotics cooperation. Iran seems to better recognize the magnitude of its domestic drug abuse problem and appears to be giving counter-narcotics efforts more resources and higher-level attention.

**Law Enforcement Efforts.** The Anti-Narcotics Headquarters coordinates the drug-related activities of the Law Enforcement Forces (police), the Islamic Revolutionary Guard Corps, and the Ministries of Intelligence and Security, Health, Islamic Guidance and Education.

Iran pursues an aggressive border drug interdiction effort. Iran has reportedly invested over \$250,000,000 in physical barriers on the roads and mountain passes of its Eastern frontier, particularly on the border with Pakistan. Interdiction efforts by the Law Enforcement Forces and the Revolutionary Guard resulted in numerous drug seizures, stated by Iran to be over 190 tons. This aggressive counter-narcotics stance has led to clashes with heavily-armed smugglers, with over 1,000 casualties reported by Iran as of 1997. Pakistani inability, and Afghan Taliban unwillingness, to fully cooperate on border control measures, however, have rendered Iran's interdiction efforts only partially effective, and large shipments of opiates continue to transit Iran.

Punishment for narcotics offenses is severe, with death mandated for possession of more than 30 grams of heroin or 5 kilograms of opium. Iran has executed over 10,000 narcotics traffickers in the last decade. Dublin Group reports indicate that about 80,000 are imprisoned for narcotics offenses, accounting for 57.8 percent of Iran's prison population.

**Corruption.** While there are no dispositive reports concerning high-level complicity with narcotics traffickers, there are periodic reports of corruption among lower-level law enforcers, which is consistent with the transit of multiple-ton opiates shipments across Iran. Recent efforts by Iran to eliminate corruption include the arrest and conviction of a former anti-narcotics judge of the Revolutionary Court and the deputy commander of a Law Enforcement Forces post.

**Agreements and Treaties.** Iran is a party to the 1988 UN Drug Convention but does not appear to have enacted legislation bringing it into conformance with the Convention. Reports indicate that the drug laws recently approved by the Iranian Expediency Council may help to bridge the gap between current law and the Convention. Iran is also a party to the 1961 UN Single Convention. Iran has signed counter-narcotics agreements with many nations. Iran has shown an increasing desire to cooperate with the international community on counter-narcotics matters, hosting a September, 1997 INTERPOL conference and joining with UNDCP and Pakistan on a project to bolster drug interdiction efforts on the Iran-Pakistan border.

**Cultivation and Production.** The last United States Government official survey of Iranian poppy cultivation, in 1993, estimated that 3,500 hectares were under cultivation, producing between 35 and 70 metric tons of opium. This year, reports from observers on the scene, including Dublin Group members with an official presence in Iran, give credence to Iranian claims that the opium crop has been largely eradicated. We are unable to confirm these reports currently but will be making efforts to conduct a new survey during the coming year.

**Drug Flow and Transit.** Multi-ton shipments of opiates enter Iran overland from Pakistan and Afghanistan in truck caravans, often organized and protected by heavily-armed ethnic Baluch from either side of the frontier. Once inside Iran, such large shipments are either concealed within ordinary commercial truck cargoes or broken down into smaller sub-shipments. The Dublin Group reports that Iranian interdiction efforts have disrupted smuggling convoys sufficiently to cause a change in smuggler tactics emphasizing concealment.

Most of the opiates smuggled into Iran continue to neighboring countries for further processing and transportation to the West. Turkey is the main processing and transport intermediate destination for these opiates, mostly bound for Europe. Established trade and smuggling routes from Iran through Turkmenistan, Azerbaijan and Armenia provide another route to Russia and Europe that bypasses Turkish interdiction efforts. A third route, over the Persian Gulf to the nations of the Arabian Peninsula, persists despite the risk of severe punishment, in order to use the modern transportation and communication facilities. A significant, but unknown, quantity of the opiates smuggled into Iran remain there for domestic consumption by the up to 2,000,000 users.

**Demand Reduction.** In the past, the Islamic Republic had attacked illegal alcohol use with more fervor than drug abuse, and had been reluctant to discuss drug problems openly. Recently, public awareness campaigns and attention by two successive Iranian Presidents as well as cabinet ministers have given demand reduction a significant boost. The Dublin Group reports that Iran and UNDCP have begun discussions concerning training designed to better assess and analyze the domestic drug abuse problem.

#### **IV. US Policy Initiatives And Programs**

In the absence of diplomatic relations with Iran, the United States of America plans no narcotics initiatives in Iran. The United States Government continues to encourage regional cooperation against narcotics trafficking.

### **THE MALDIVES**

The Republic of Maldives is an archipelago of 1100 islands in the Indian Ocean with a comparatively small drug problem. Amidst fears that the Maldives might increasingly become a transshipment point for drug smugglers, the government of the Maldives, assisted by \$25000 in US government funding, began to computerize its immigration record-keeping system in 1993. With \$20,000 in additional US funding in 1996 and 1997, the Maldives further expanded this computer system through the purchase of additional

computers and microwave networking technology.

The US government has also sponsored the participation of Maldivian police officials in counternarcotics training. Two such officials attended US-funded training in Bangkok in July of 1997.

In November 1997, the Maldivian government established a Narcotics Control Board under the Executive Office of the President. The board's first commissioner is a Lieutenant Colonel with concurrent duties as Deputy Commissioner of the Maldivian National Security Service. The Narcotics Control Board has responsibility for coordinating drug interdiction activities, overseeing the rehabilitation of addicts, and coordinating with nongovernmental organizations and individuals engaged in counternarcotics activities. In 1997, the Maldivian government also established the country's first drug rehabilitation center. The Republic of Maldives has no extradition treaty with the United States. In 1994, however, the Maldives cooperated with the US in rendering a Nigerian national to the United States to face narcotics trafficking charges. The Government of the Maldives is a signatory to the 1988 UN Convention. The Convention, however, has not yet been ratified by the country's legislature. The Maldives is a party to the South Asian Association for Regional Cooperation (SAARC) Convention on Narcotic Drugs, which came into force in the Maldives in 1993. There have been no publicized cases of narcotics-related corruption in the Maldives.

## NEPAL

### I. Summary

Nepal is not a significant producer or consumer of narcotic drugs, but the number of heroin and over-the-counter drug abusers is rising. There is no evidence that it has become an important transit route, despite its proximity to major heroin source or transit countries. During 1997, the Ministry of Home Affairs and the Narcotics Drug Control Law Enforcement Unit (NDCLEU) continued to implement a master plan for drug abuse control, which was developed with the assistance of the United Nations Drug Control Program (UNDCP). Nepal is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention and its 1972 Protocol. It is also a party to the 1993 South Asian Association for Regional Cooperation (SAARC) Convention on Narcotic Drugs and Psychotropic Substances. Nepal does not have adequate money laundering, criminal conspiracy or asset seizure legislation as called for in the 1988 UN Drug Convention. Corruption, especially Customs corruption, is problematic in Nepal, but there is no evidence that high-level Nepalese officials are involved in narcotics-related corruption. Cooperation between the US Drug Enforcement Agency (DEA) and NDCLEU is excellent and has resulted in indictments in both countries.

### II. Status of Country

Heroin from Southwest Asia (Afghanistan, Pakistan, India) and Southeast Asia (Burma, Laos and Thailand) is smuggled into Nepal across the open border with India and through Kathmandu's international airport. While use of semi-refined "brown" (no. 3) heroin is rising in Nepal, abuse of locally grown cannabis and hashish, marketed in freelance operations, is more widespread. According to NDCLEU, there has also been a recent increase in precursor chemicals trafficking and in the abuse of licit, codeine-based cough medicines.

### III. Country Actions Against Drugs in 1997

**Policy Initiatives.** The Government of Nepal (GON) developed a package of legislation on money laundering, mutual legal assistance and witness protection, in conjunction with assistance from UNDCP and the Financial Crimes Enforcement Center (FinCEN) that will be submitted to Parliament in 1998. The GON will also submit amendments to its Customs Act to criminalize trafficking in several precursor chemicals. In cooperation with UNDCP, the GON is also developing a program to expand NDCLEU into a narcotics drug control bureau.

**Law Enforcement.** Figures for the first six months of 1997 indicate that seizures of cannabis, hashish and opium all declined significantly from the previous year, though seizures of heroin were slightly higher

(see tables below.) Arrests were also lower. Authorities seize most heroin and hashish in Kathmandu at Tribhuvan International Airport. The GON's law enforcement effort is weakened by a lack of coordination and cooperation between NDCLEU and Nepal's customs and immigration services. NDCLEU has now developed an intelligence wing, but is hampered by a lack of transport, communications and surveillance equipment, and by poor coordination with the National Forensic Laboratory, which tests narcotic substances.

**Cultivation and Production.** Authorities believe that all heroin seized in Nepal originates elsewhere. There appears to be some cultivation of opiates, but detection is complicated by small plantings among licit crops. Cannabis cultivation is substantial, particularly in the lowland. However, there is no evidence to suggest that Nepalese cannabis has an impact on the United States.

**Drug Flow and Transit.** Kathmandu's International Airport lacks Customs security. Eventually, the GON hopes to address this situation by opening an NDCLEU office at the airport. Currently, narcotics transiting Nepal move both east and west, in equal proportion. There have been increasing arrests of Nepalese couriers in third countries with anti-drug messages. The USG also funded the development of a middle school teacher training program to discourage narcotics use.

#### **IV. US Policy Initiatives and Programs**

**Policy Initiatives.** The USG works closely with GON agencies to further progress under the master plan for drug abuse control. The USG also cooperates with other donor nations through the Kathmandu mini-Dublin group. In 1997, the USG signed its second narcotics control agreement with the GON, sponsored a Colombo Plan seminar on the rehabilitation of incarcerated drug abusers, contributed \$11,200 in transport and communications equipment to NDCLEU, sponsored the production and distribution of two demand reduction audio tapes, developed plans with NDCLEU to fund and create a new mini-forensic lab, helped develop a new teacher training program to discourage drug use, and sponsored an expert visit to advise on Nepal's proposed money-laundering legislation.

**The Road Ahead.** The USG will support the continued development of NDCLEU, cooperate with UNDCP to expand NDCLEU into a new narcotics drug control bureau, support the Colombo Plan's rehabilitation programs in Nepal, provide assistance in implementing money laundering legislation as requested and continue to work with the Ministry of Home Affairs to assist them with demand reduction programs.

## **PAKISTAN**

### **I. Summary**

Pakistan is a major producer and an important transit country for opiates and cannabis destined for international markets. In 1997, Pakistan produced approximately 85 metric tons (MT) of opium from about 4,100 hectares of poppy, an estimated increase of 13.3 percent from last year. The record of law enforcement action against major traffickers and the interdiction of significant shipments of heroin and morphine base improved, but, overall, continued to be poor. Seizures of precursor chemicals, however, improved substantially. In contrast to the previous elected Bhutto government, the Nawaz Sharif government (which took office in February 1997) voiced greater high-level concern about Pakistan's narcotics problems, although this has not yet manifested itself in essential actions in the law enforcement and demand reduction areas.

The Government of Pakistan (GOP) passed comprehensive drug control legislation this year, including provisions criminalizing drug-related money laundering and sanctioning mutual legal assistance. Morphine base and heroin laboratories were driven out of Pakistan, relocating across the border in Afghanistan. In 1997, the GOP arrested one person subsequent to a USG request for extradition. A total of 23 narcotics-related extradition cases, some more than six years old, are pending. No extraditions occurred during the year. The prospects for bilateral cooperation on narcotics law enforcement were clouded by the arrest in April and subsequent conviction of a long-time Pakistani employee of the Drug Enforcement Agency (DEA). The GOP charged the employee with entrapment of a Pakistan Air Force Officer who was

involved in a heroin smuggling operation. The employee's conviction is currently under appeal. Pakistan is a party to the 1988 UN Drug Convention.

## **II. Status of Country**

Pakistan remains a significant source and transit country for opiates and cannabis to many parts of the world. According to USG data, between 1996 and 1997, opium production increased from 75 MT to 85 MT, an increase of 13.34 percent. Opium poppy cultivation increased by 20.59 percent in 1997. Sharply increased opium prices and unusually favorable climatic conditions for poppy cultivation this fall could mean a dramatic increase in poppy cultivation in 1998, unless the GOP mounts an extremely effective enforcement effort. The volume of opium and heroin produced in Afghanistan and trafficked to Western Europe and North America via Pakistan continued to be high. Although morphine base and heroin laboratories were pushed just across the Afghanistan border this year, preventing their return will require GOP vigilance.

Acetic anhydride (AA), which is used to refine heroin, continues to transit Pakistan enroute to Afghanistan. There is one AA factory in Pakistan. It produces only one quarter of the total legitimate requirement. Controls are adequate. Pakistan is not a party to any additional agreements that relate to chemicals apart from the 1988 UN Drug Convention. The GOP provides monthly seizure statistics for chemicals and other illegal substances to the Embassy. The Control of Narcotic Substances Act provides language equates illegal chemicals with illegal narcotics for the purposes of arrest, seizure and prosecution.

Pakistan's large and growing addict population now consumes an estimated 92 MT of heroin a year, making Pakistan a net opium importer. Although Pakistan was cited as a country of primary concern with regard to money laundering, it is not an international financial center. While it is believed that money laundering occurs as a result of illicit narcotics activity in Pakistan, little information is available with which to assess the nature and magnitude of this problem.

## **III. Country Actions Against Drugs in 1997**

**Policy Initiatives.** Prime Minister Nawaz Sharif's government announced a number of important policy and legislative initiatives after assuming office in February 1997; although these initiatives were welcome and necessary, they generally have not yet been translated into action in the law enforcement and demand reduction areas. One of the PM's first acts was to order law enforcement agencies to stop the flow of illicit drugs via Pakistan's international airports. The GOP increased vigilance and plans to purchase modern drug detection equipment. The PM also requested that two important drug-related ordinances be converted into law. As a result, the Anti-Narcotics Force (ANF) Act and the Control of Narcotic Substances (CNS) Act were passed.

The first will help institutionalize the ANF as the lead agency for drug control. The second is a comprehensive law criminalizing narcotics-related activities in keeping with requirements of the 1988 UN Drug Convention. Despite major economic problems which required public sector budget and personnel cuts, the GOP approved a 68 percent increase in the ANF's budget, and the ANF was granted a waiver of the government hiring freeze to permit it to fill vacancies. The GOP required that the ANF be given a day-to-day, operational role in Pakistan's international airports. It also called for extension of ANF operations and application of the CNS Act to Pakistan's Federally Administered Tribal Areas (FATA) and Provincially Administered Tribal Areas.

The Pakistani cabinet requested that special narcotics courts be established expeditiously in keeping with authority contained in the newly-passed CNS Act, which we hope will improve Pakistan's ability to prosecute offenses in this area, consistent with fundamental fairness. The Act provides for two classes of special courts to try offenses carrying varying levels of imprisonment. The ANF proposed the establishment of ten special courts which would be empowered to try all offenses as well as 32 special courts at the divisional level to try offenses punishable with imprisonment for two years or less. ANF then requested the Law and Justice Division and the provincial governments to approve the courts and open discussions with the Finance Division for the funding to establish them.



The Narcotics Control Division (NCD) produced the 1995 Drug Abuse Control Master Plan for Pakistan, a strategy to eradicate completely opium cultivation and production and to make Pakistan drug-free by the year 2000. The GOP's Planning Division gave the plan conceptual clearance, with some modifications. The United Nations Drug Control Program (UNDCP) and ANF are working on the modifications, which may reduce the plan's cost from \$75.5 million to \$64.1 million. When these changes are incorporated, the plan will be submitted for cabinet approval. In the interim, the GOP already subscribes to the goal of eliminating commercial opium poppy cultivation in the year 2000.

**Accomplishments.** In 1997, Pakistan's opium production rose by 10 MT despite broadened crop eradication bans and assistance from the USG and other donors. GOP enforcement and tribal pressure directed against morphine base and heroin processing laboratories operating in North West Frontier Province (NWFP) drove these laboratories out of Pakistan and across the border into Afghanistan. GOP opiate seizures improved slightly in 1997 while seizures of AA increased substantially. The 1997 CNS Act contains provisions making drug-related money laundering illegal and providing for mutual legal assistance and forfeiture of assets acquired through illicit drug activity. These provisions have not yet been effectively implemented, however.

Based on available information, Pakistan failed to arrest or convict a single major drug trafficker during 1997. Of the 23 persons whose narcotics-related extradition the USG requested, one was arrested and none were extradited in 1997. Narcotics enforcement cooperation between Pakistan and the USG was severely strained by the case of a Pakistani DEA employee arrested in April and charged with and convicted of entrapping a Pakistani Air Force officer involved in an operation to smuggle heroin to the US. The DEA employee had played a key role in assisting DEA to identify the drug smuggler. As of December, the case was being appealed. Pakistan appeared to make no headway in 1997 in demand reduction programs designed to fight its growing drug addiction problem.

**Law Enforcement Efforts.** Despite a high-level policy commitment to improve narcotics law enforcement and despite the GOP's recognition that rising Pakistani drug addiction is a serious problem, the overall record of narcotics law enforcement fell substantially below last year's relatively poor performance, except for some increases in opiate seizures and sharply increased AA seizures. In the first 11 months of 1997, Pakistani law enforcement agencies seized 8.1 MT of opium, 4.2 MT of heroin, and 100 MT of cannabis. Opium seizures increased by 27 percent and heroin by 18 percent, but cannabis seizures decreased by 49 percent. For the first 11 months of 1997, there were 41,285 drug arrests, compared with 48,945 during the same period in 1996. By November 30, 1,938 liters of AA had been seized, compared with 147 liters during that period in 1996. The largest seizures of heroin and opium were made by the Baluchistan Frontier Corps and the police, followed by ANF. Of the 910 kg of heroin seized by ANF, two very large seizures, accounting for 75 percent of ANF's total heroin seizures, were the direct result of DEA-initiated investigations. ANF's assistance leading to the largest seizure was minimal and ANF has refused to share with DEA any of the information developed as a result of the seizure and their subsequent investigation, despite repeated DEA requests. It is believed that the GOP froze some assets related to drug trafficking in 1997, but the amount has not been confirmed. The GOP has frozen millions of dollars worth of drug-related assets since 1993, but none has yet been forfeited.

The GOP did not launch any major interdiction operations against large shipments of opiates entering Pakistan from Afghanistan. The performance by the Frontier Corps in Baluchistan was highly commendable, as their seizure statistics are up significantly over last year's, in some instances, by as much as three times. The political authorities, NWFP, also recorded large increases in heroin and opium seizures.

UNDCP hired a retired British police officer to conduct an independent evaluation in September 1997 of its Pakistan/Iran border project that supports joint efforts by Iran and Pakistan to reduce cross-border drug trafficking. The overall evaluation was positive, but some goals have not yet been met. The project was extended six months to allow for additional time to accomplish them.

There were several raids against heroin laboratories located in NWFP. Seven operational laboratories, six in Khyber and one in Karachi, were destroyed. Nine laboratory employees were arrested, but none of them

was an owner of the labs. The Provincial Government of the NWFP states that no laboratories currently operate there. The removal of labs from NWFP is the direct result of the Governor's commitment and efforts he undertook with the Frontier Corps and tribal leaders in Khyber Agency. Because lab operations have relocated just across the border in Afghanistan (Nangarhar Province), the danger exists that, unless the GOP remains alert, labs will resume operation in NWFP.

There were no known arrests of major drug traffickers in 1997, nor was any major drug violator convicted. The cases of two important drug traffickers are illustrative of major problems confronting Pakistan's judiciary. Sakhi Dost Jan Notezai's case has been in process since 1993. When Notezai's case was completed in the lower court and the judge was ready to announce his verdict, Notezai's attorney obtained a stay order on the verdict from the Supreme Court on a plea of re-trial (de novo). The re-trial issue has been pending in the Supreme Court for the last two years. In the meantime, the High Court granted bail to Notezai, but later canceled it. Notezai appealed to the Supreme Court, which granted the bail, but which also directed that a decision be made on the re-trial issue quickly. No date for hearing the de novo issue has been scheduled.

Another high-profile case is still pending against ex-member of the National Assembly Munawar Hussain Manj, arrested on drug charges on April 14, 1995. Manj was granted bail on medical grounds in April 1996. After his release, he was appointed a member of the Narcotics Subcommittee of the National Assembly. He campaigned for a seat on the National Assembly in 1997, but lost. ANF applied to cancel Manj's bail and on May 22, 1997, the High Court of Punjab complied. This court directed the trial court to finalize the case in six weeks. Since then, delays have been constant. The trial was first postponed due to the transfer of the trial court judge. When a new judge was assigned, he was not able to hear the case because the government had not issued notification as required declaring him a narcotics judge. The trial is now back on track in the Special Sessions Court and should be completed soon.

The ANF's performance was undermined by inadequately trained and motivated personnel, the breadth of its mandate and possibly by insufficient funding. The ANF failed to focus its resources on the destruction of major morphine base or heroin trafficking organizations. It lacks the capacity to acquire and analyze information on such organizations and to develop thorough investigations against major drug figures. Unless the ANF can develop strong cases against influential drug traffickers, successful prosecutions will not be forthcoming.

To implement their expansion plans, the ANF took in 345 personnel from the Army. During 1996, the ANF staff numbered less than 1,000 although it rose to 1,363 in 1997. Implementation of a major recruitment drive should be completed by 1998, bringing ANF total staffing to 1,940. Typically, Army personnel, who come to ANF without counternarcotics training, are detailed to highly responsible positions within the ANF on three-year assignments. The ANF Director General's efforts to remove civilian employees whose performance was deemed sub-standard failed. Instead, ANF was instructed by the GOP's Establishment Division to take disciplinary action against non-performers and those known for corruption. The final outcome of this effort is not yet clear.

The Pakistani Army also supports the ANF on an "as needed" basis by meeting extraordinary transportation and communication requests. Although GOP funding for the ANF increased by 68 percent in 1997, this amounted to only 41 percent of the ANF budget request. The funding shortfall may have had an impact on ANF's ability to sustain operational expenses and to carry out major operations. However, considerable financial resources are believed to be consumed by administrative support expenditures that seem to contribute little to the organization's operational effectiveness. INL assistance to the ANF and other Pakistani enforcement agencies was temporarily halted on July 1, 1997, pending an assessment of the level of future bilateral narcotics enforcement cooperation following final resolution of the case of the DEA employee arrested in April.

**Corruption.** To our knowledge, neither the GOP as a matter of policy nor any senior official of the government encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Sufficient legislation exists to control and punish public corruption, but these laws are seldom enforced. Given the extremely low salaries paid to law enforcement and judicial personnel, corruption is a constant threat to

the integrity of these institutions.

**Treaties and Agreements.** Pakistan is a party to the 1961 UN Single Convention, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Pakistan is also a party to the South Asian Association for Regional Cooperation (SAARC) Convention on Narcotics. Extradition between the United States and Pakistan is conducted under a treaty signed between the USG and the UK in 1931, made applicable to India in 1942. Pakistan and the US have continued the applicability of the UK treaty. The USG and Pakistan are exploring the possibility of updating the extradition treaty. Pakistan has bilateral agreements on drug cooperation and control of drug trafficking and abuse with the United States, the United Arab Emirates, Kyrgyzstan, Uzbekistan, China and India. A memorandum of understanding on counternarcotics cooperation with Nigeria has been pending since last year. Pakistani and Indian narcotics officials continued to discuss drug trafficking and chemical control, but there have been no concrete enforcement operations requiring joint cooperation to date.

**Cultivation and Production.** According to USG estimates, during the 1997 poppy growing season (September - May), 4,100 hectares of poppy were cultivated in the NWFP, producing 85 MT of opium. Between 1992 and 1997, there was a decline of 51.4 percent in estimated opium poppy cultivation. However, this downward trend in opium poppy cultivation appears to have been reversed; USG data shows that poppy cultivation increased by 13 percent in 1997, with opium production rising from 75 MT in 1996 to 85 mts. Currently, Pakistan's addict population consumes an estimated 92 MT of heroin, making Pakistan a net importer of heroin.

Opium poppy is grown only in Pakistan's North West Frontier Province, which borders Afghanistan. The greatest concentrations of poppy cultivation occur in Dir District and in the agencies of Bajaur and Mohmand. All three areas enjoy considerable tribal autonomy from central government authority. The governor of NWFP and other provincial officials support the GOP's goal of eliminating poppy production in the year 2000. To achieve that goal, however, there must be great effort and commitment in the two remaining years.

Unfortunately, local officials responsible for implementing GOP policy in Dir and Mohmand failed to negotiate voluntary poppy reduction effectively with tribal leaders and/or subsequently failed to enforce a poppy ban in all areas designated as poppy free. As a result, USG figures show that cultivation in Mohmand climbed from 900 hectares in 1996 to 1,050 in 1997 and in Dir, cultivation increased from 1,600 hectares to 2,200 hectares. No increase in cultivation was reported in Bajaur, where the local political authority demonstrated a strong commitment to poppy reduction. In late 1997, the GOP and the USG worked out the final details of an agreement to be signed in 1998 which would permit accurate monitoring of poppy growing in the areas where it has been banned, permit timely eradication of that poppy and hold local officials accountable for ensuring eradication in areas under the poppy ban.

INL funds alternative development/poppy reduction projects in Mohmand and Bajaur agencies. The assistance finances crop substitution, road construction, electrification and water schemes in poppy growing areas where GOP access is limited due to lack of physical infrastructure and geographic isolation. A similar program is implemented in Dir through a UNDCP project to which the USG has contributed.

The 1997-98 Poppy Enforcement Plan further expanded the area in NWFP where growing opium poppy is prohibited. The ban on poppy cultivation now applies to 87 percent of Mohmand agency, 88 percent of Bajaur agency and 100 percent of Dir district. The GOP and the USG provide resources to local enforcement officials to initiate involuntary poppy eradication where cultivation is discovered in areas covered by the ban. From December through March, poppy enforcement measures were taken in Mohmand and Bajaur Agencies. The Embassy verified destruction of 155.30 acres of poppy in Bajaur and Mohmand during the 1996/97 crop year.

The 1998 poppy crop has already been sown. The high price paid for opium gum this year and abnormally abundant rainfall during autumn served as major incentives to plant increased quantities of poppy. Although some enforcement measures were taken in NWFP, such as the arrest of farmers who violated the poppy ban, only resolute determination on the part of provincial authorities will prevent further backsliding from the 51 percent decrease in poppy cultivation recorded between 1992 and 1996.

**Drug Flow and Transit:** Opiates and cannabis that transit Pakistan are principally destined for Western European and, to a lesser extent, North American markets. DEA estimates that 80 percent of the heroin originating in Afghanistan and Pakistan is consumed in Western Europe and 18 percent in North America. There are three basic smuggling routes. Morphine base and heroin processed in northern Afghanistan are smuggled into NWFP from where they are normally trafficked through Punjab and Sindh provinces and exit Pakistan at the Arabian Sea or at the Indian border. Drugs are also smuggled from southern Afghanistan to Baluchistan's Makran coast and onward to the Arabian Sea or to Iran. In addition, drugs travel west from south/central Afghanistan through the Quetta area of Baluchistan and south to the Karachi area of Sindh and on to A) Iran, Turkey, Western Europe and, B) in smaller amounts, to North America. Recent reports indicate that some drugs are smuggled from southern Afghanistan through the NWFP, re-enter Afghanistan's Badakshan province (controlled by Northern Alliance authorities) and then enter bordering Tajikistan.

All of Pakistan's international airports serve as conduits for heroin smuggling. Numerous couriers for Nigerian trafficking networks continued to be apprehended at airports in 1997. The Karachi seaport also is an important conduit. This year, there were increased reports of attempts to export heroin by international mail. The press regularly reports the arrests of Pakistanis in Saudi Arabia or the Gulf States for narcotics trafficking.

**Demand Reduction.** Pakistan has a major drug abuse problem. A 1993 UN study indicated that Pakistan at that time had about 3 million addicts of all kinds, 1.5 million of whom were heroin addicts, compared to an estimated 600,000 heroin addicts in the United States. With an estimated seven percent increase in addicts per year, the number of Pakistani drug addicts is thought to be over 3.5 million today. Most heroin addicts smoke the drug, but follow up studies have identified growing numbers of needle users in large cities. The GOP plans to conduct a new drug abuse study in 1998, which will cover a larger segment of the population and include a wider geographic range than the last study. The GOP plans to conduct such a study every five years. Public efforts against drug addiction are limited to detoxification, without any follow up treatment. Private clinics use a variety of treatment methods for addiction, but relapse rates are high for all treatment methods.

The ANF's Drug Abuse Prevention and Resource Center (DAPRC) continues to be active in demand reduction activities, particularly in the public awareness area. It made agreements with all four Pakistani provinces to permit provincial demand reduction programs, coordinated by the DAPRC. Pakistan's religious leaders continue to be educated about drug abuse and are included in demand reduction efforts. The ANF is planning a series of workshops for general practitioners and family physicians in major cities such as Karachi, Lahore, Rawalpindi, Islamabad, Peshawar and Quetta. Workshop objectives are: 1) to create an awareness of the Control of Narcotics Substances Act; 2) to educate participants with regard to which drugs are available to users; and 3) to educate participants to the hazards of irresponsible prescription of psychotropic drugs. Demand reduction is an integral part of Pakistan's five-year master plan for drug control.

UNDCP's demand reduction project activities tapered off significantly when its five-year-old project ended in March 1997. Although UNDCP believes that the current GOP demand reduction institutional set-up is weak and that the GOP needs to award demand reduction a higher priority, it anticipates that these problems will be addressed and is planning a future program of assistance in demand reduction.

#### **IV. US Policy Initiatives and Programs**

USG narcotics control policy for Pakistan focuses on five objectives. The first is to reduce significantly the flow of illegal drugs into Pakistani and international markets. The USG supports the GOP political determination to combat illegal drug production, trafficking and abuse and urges Pakistan to dedicate sufficient resources to fight these problems effectively. The USG works with the GOP to strengthen the ability of the criminal justice sectors to break up major trafficking organizations by enhancing their ability to investigate, prosecute and convict major narcotics offenders, and we encourage international organizations involved in counternarcotics to strengthen international cooperation to help combat Pakistan's illegal drug problems.

Secondly, we encourage extraditions of fugitives wanted for narcotics crimes in the US. The third goal is to urge the GOP to give priority to operations to arrest, seize assets and prosecute major traffickers, ensure that heroin/morphine base laboratories are not re-established in Pakistan and interdict large shipments of opiates, particularly along the border with Afghanistan and Iran. Fourth, we encourage the GOP to extend money laundering legislation to apply to non-banking institutions and to draft and pass comprehensive money laundering legislation. Finally, we encourage a more aggressive implementation of the GOP's poppy cultivation reduction campaign.

**Bilateral Cooperation.** The USG provided \$1.87 million in narcotics control assistance to Pakistan in 1997 under the annual Letter of Agreement (LOA) that amended the original bilateral agreement on narcotics. Funding under the LOA was sustained at approximately this level for the last two years. It helps support three fundamental counternarcotics activities in Pakistan—reduction of opium poppy cultivation, narcotics law enforcement and demand reduction. USG assistance was used to extend the area encompassed by the ban on poppy cultivation in NWFP by implementing crop substitution and developmental schemes in Mohmand and Bajaur agencies. Although opium production increased by 13 percent (10 metric tons) in the NWFP this past year, there was a decrease in production in Bajaur and only a two MT increase in production in Mohmand. The bulk of the increase was in Dir District, which accounted for 50 percent of the increase. In consultations with the GOP, USG and UNDCP officials have stressed that failure to decrease poppy cultivation in 1998 in Dir will make it difficult to justify the continued provision of alternative development assistance.

In 1997, the USG provided a limited amount of equipment, supplies and training to Pakistani law enforcement agencies engaged in counterdrug operations. The ANF received most support, but law enforcement funding also assisted Customs, the Coast Guard and the Frontier Corps. Bilateral cooperation on narcotics law enforcement and Pakistan's record of enforcement activity during 1997 were a serious disappointment. Although seizures of opiates increased, they remained only a small part of the large amount of narcotics known to be transiting Pakistan. No major traffickers were arrested or convicted. Dismantling major trafficking organizations and interdiction of large shipments of opiates are important objectives set forth in the bilateral agreement with Pakistan. The GOP has repeatedly failed to make progress in achieving these objectives.

The bilateral agreement also encourages cooperation between Pakistani and US narcotics enforcement agencies. Until the final resolution of the case of the DEA employee in Islamabad arrested in April and convicted in October on the charge of entrapping a Pakistani Air Force Officer, the future of bilateral drug enforcement cooperation is uncertain. Because of this lack of GOP cooperation in the case of the DEA employee and because of the ANF's role in his arrest, detention, and court-martial, INL-funded assistance to Pakistan's law enforcement agencies was suspended on July 1, 1997. US funds continued to support demand reduction public awareness programs. Current and reliable figures on numbers of addicts are unavailable, but it is generally believed that the numbers of persons addicted to opiates continues to climb.

**Other Bilateral Programs.** A number of Western countries and multi-lateral organizations, including Canada, the UK, Germany, France, Sweden, Japan, the UNDCP and the EU have substantial counternarcotics programs in Pakistan. The programs are in the law enforcement and demand reduction areas.

**The Road Ahead.** In 1998, the USG will continue to work with Pakistan to eliminate poppy cultivation by the year 2000 and upon the release of the Pakistani DEA employee, will be prepared to consider resuming financial assistance to narcotics law enforcement agencies in order to strengthen their capacity to perform effectively. Remaining areas of large-scale, poppy cultivation in Bajaur and Mohmand agencies of NWFP will be targeted for crop substitution/developmental schemes and the cultivation ban will be enforced in areas which have benefited from assistance. The USG will continue to urge Pakistan to adopt the five-year, drug abuse master plan, as well as promulgate a comprehensive money laundering law. In addition, the USG will encourage Pakistan to focus enforcement efforts on dismantling major trafficking organizations and successfully prosecuting their leaders and on interdicting large consignments of opiates and precursor chemicals. Finally, the USG will continue to encourage timely cooperation on

processing requests for extradition of fugitives to the US to face narcotics charges.

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## SRI LANKA

### I. Summary

Sri Lanka continued its nation-wide demand reduction campaign in 1997, and the country also remained a strong regional player in counternarcotics cooperation during the year. Implementation of the counternarcotics master plan, begun in 1994, continued. Cannabis eradication increased, but seizures decreased, and there was also a decrease in the number of drug-related arrests due to police preoccupation with the conflict against the Liberation Tigers of Tamil Eelam (LTTE), a terrorist organization fighting for a separate state in the northeast of the country. The government of Sri Lanka was a leader in counternarcotics activities in the South Asian Association for Regional Cooperation (SAARC). The government continued to make available to other SAARC countries a US government-funded database on narcotics arrests and related information. Efforts at public education on drug abuse also continued during the year. Sri Lanka is a party to the 1988 UN Drug Convention, although enabling legislation for the Convention had not been presented to Parliament by the end of 1997. In a new development, the government has begun work to introduce legislation on control of precursor chemicals.

### II. Status of Country

Sri Lanka has a comparatively modest drug problem. There has been, however, a slight but steady increase in narcotics consumption-particularly heroin-in recent years. The Ministry of Defense (MOD) has overall responsibility for all counternarcotics and demand reduction activities, but the ongoing conflict with the LTTE drains much of the Ministry's resources, leaving it limited time and funding to address the drug problem. Sri Lanka's 1,100 miles of coastline cannot be adequately patrolled, especially since Sri Lanka's naval forces are heavily engaged in the ongoing conflict. Sri Lanka's popularity as a transshipment point for narcotics from South and Southeast Asia has consequently grown, although we do not have evidence that these drugs are coming to the US in quantities large enough to have a significant effect on the US. Police officials in the southern Indian State of Tamil Nadu continued to report drug smuggling activities among Sri Lankan Tamil refugees living there. It is widely believed, moreover, that the LTTE helps finance its insurgency through drug trafficking, although neither the embassy nor the Police Narcotics Bureau (PNB) have any firm evidence to support this suspicion.

### III. Country Actions Against Drugs in 1997

**Policy Initiatives.** The government of Sri Lanka continued to implement a counternarcotics master plan developed in 1994 in consultation with the UNDCP. A comprehensive counternarcotics legislative package drafted by the National Dangerous Drugs Control Board (NDDCB), the government agency responsible for coordinating national drug policies, was still under review by the government and had not been presented to Parliament by the end of the year. The package focuses on three counternarcotics issues: 1) Prohibiting narcotics-related money laundering and providing for asset forfeiture; 2) enacting new legislation to implement the UN Convention and the 1990 SAARC Convention on Narcotic Drugs and Psychotropic Substances, including provisions for extradition and mutual legal assistance; and 3) Initiating new legislation providing for the treatment and rehabilitation of drug addicts. Sri Lanka is also in the process of drafting legislation on the control of precursor chemicals.

**Illicit Cultivation and Production.** Cannabis is the only illicit narcotic cultivated and produced in Sri Lanka; however, cannabis grown in Sri Lanka has no effect on the United States. Many of the areas where cannabis is grown are located in heavy jungle in the southeastern part of the island. In January, the police detected a large 50-acre cannabis plantation in the south of the country and destroyed the crop. Police continued to rely primarily on informants to find the location of cannabis plants.

**Regional Cooperation.** Sri Lanka plays a leading role in regional anti-narcotics cooperation. A computer program developed by the Police Narcotics Bureau and funded by the US government hosts a regional

database of narcotics arrests and other information. The database is available to law enforcement agencies throughout SAARC. The Drug Advisory Program of the Colombo Plan (an international organization headquartered in Colombo, Sri Lanka) conducted a series of successful counternarcotics-related training programs in the region, some of which were funded by the US government. The US ambassador in Thailand was a guest speaker at one such program.

**Demand Reduction.** The NDDCB continued an aggressive, nationwide public education campaign which included a weekly radio program that reached audiences throughout the island; seminars for judicial officers; hundreds of drug awareness seminars attended by students teachers and parents; training programs on drug abuse prevention; youth camps for youth leaders; counseling programs at the State Detention Home; and treatment programs at residential treatment centers. A family-based prevention/treatment program begun in 1994 continued in 1997 and the number of people utilizing rehabilitation centers continued to increase. The International Society of the Colombo Plan sponsored several seminars aimed at reducing drug abuse among the youth of Sri Lanka; an embassy officer was invited to speak at two of these programs in 1997.

**Law Enforcement Efforts.** The Police Narcotics Bureau, the Customs Service, and the Department of Excise are collectively tasked with eradicating cannabis production. The police enjoyed success in several major drug operations involving heroin and opium smuggling during the course of the year. Seizures, however, were down through October 1997-61.8 metric tons, compared with full-year figures of 96.4 metric tons in 1996 and 59.4 metric tons in 1995. An estimated 10,499 people were arrested on drug-related charges in the first 10 months of 1997. This compares with full-year figures of 14,794 arrested in 1996 and 13,487 arrested in 1995. An increasing number of police personnel concentrate on military and security operations against the LTTE terrorist threat, perhaps explaining the decline in seizures, despite other evidence of a modest increase in narcotics abuse and trafficking. Through October 1997, most of those arrested for narcotics-related offenses had been prosecuted.

**Corruption.** There was no evidence that public officials were involved in narcotics trafficking in 1997. The government set up in 1994 a permanent commission to investigate charges of bribery and corruption against public officials. The commission reported no cases of drug-related corruption.

**Agreements and Treaties.** Sri Lanka is a party to the 1988 UN Drug Convention, as well as to the 1990 SAARC Convention on Narcotic Drugs and Psychotropic Substances. Enabling legislation for both conventions has been drafted, but not yet presented to Parliament. The legislation as drafted will include specific provisions for extradition for narcotics-related offenses. Since Sri Lanka is a member of the British Commonwealth, extradition matters between Sri Lanka and the US are currently covered by the 1931 US-UK Extradition Treaty. Sri Lanka is also a party to the World Customs Organization (WCO) International Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of Customs Offenses - the Nairobi Convention - Annex X on Assistance in Narcotics Cases.

**Drug Flow/Transit.** Heroin and hashish are the only narcotics that have been detected transiting Sri Lanka in significant quantities, although five people were arrested in an opium smuggling case in March 1997. Most seizures take place at Katunayake International Airport near Colombo, but the Police Narcotics Bureau believes that a substantial number of transshipments-mostly heroin from India-take place along the Sri Lankan coast. Sri Lanka has no coast guard and its naval vessels are principally engaged in operations against the LTTE, and thus there is little reliable information on maritime transshipments of drugs. There is no evidence that narcotics transiting Sri Lanka have a significant effect on the US.

As in previous years, the USG helped several Sri Lankan organizations in their counternarcotics efforts. In 1997, the USG provided over \$12,000 to the NDDCB and over \$2,400 to the Federation of Nongovernmental Organizations against Drug Abuse (FONGOADA) for equipment purchases. The Netherlands Police also assisted the Sri Lankan Police Narcotics Bureau in expanding the PNB's counternarcotics computer system. Sri Lankan police and customs officials also benefited from training funded and conducted by the British Government.

#### IV. US Policy Initiatives and Programs



The US government 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 US Embassy in Sri Lanka has actively participated in community awareness seminars. The US 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. In terms of regional efforts, the US has provided over half a million dollars to the Colombo Plan's Drug Advisory program over the past two years-US \$300,000 in 1997 alone.

**Bilateral Cooperation.** The US government-funded regional database on drug arrests, investigations, and other information for SAARC law enforcement agencies, which became fully operational in 1995, continued to be used with success throughout 1997. NDDCB officials were able to conduct their outreach, preventive education and training programs effectively in 1997 with the help of audio visual equipment provided by the US government in previous years. The participation of an Embassy officer at drug prevention seminars helped gain publicity for those events, including newspaper and television coverage.

**The Road Ahead.** US government officials will continue to work with Sri Lankan counternarcotics organizations whenever possible, particularly by speaking or otherwise participating in seminars addressing the drug problem. There is unlikely to be a significant increase in the amount of financial assistance currently provided by the US government to the government of Sri Lanka. The most pressing need, according to the PNB, is for training for new and relatively inexperienced police officials working on counternarcotics matters.

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