



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 20 June 2005**

**10251/05**

**CORDROGUE 40**

**NOTE**

---

from : UK chair of regional formation on South West Asia

---

to : Dublin Group (meeting on 21 June 2005)

---

Subject : Regional report for South West Asia

---

**Central Dublin Group Meeting, Brussels, 21 June 2005**  
**Dublin Group Report for South West Asia**

## Regional Overview

1. South West Asia remains probably the most important region in the world for the production and trafficking of opiates. Poppy cultivation in Afghanistan rose 64% in 2004 to a record level of 131,000 hectares. (Opium production rose 17% to 4,200 mt). It is estimated that around 70% of the opiates exported out of Afghanistan enter Pakistan and/or Iran, many of them destined for onward transit to Europe and elsewhere.
2. It is estimated that roughly 80% of the raw opium produced in Afghanistan is processed into heroin and other opiates inside Afghanistan. Large quantities of precursor chemicals need to be imported into Afghanistan to support this processing, and other countries in SW Asia are a major transit point for these chemicals.
3. As well as (and because of) its major role in the production and trafficking of opiates, the region faces major and growing drug demand problems: Pakistan has around 4 million drug users; and Iran around 3. million.
4. The capacity of the region to combat the drugs problem varies markedly from one country to another. Afghanistan still has a long way to go to develop its drug control infrastructure. Pakistan and in particular Iran have much more developed law enforcement capability: drug seizure figures in both countries are impressive, especially in Iran; but the capacity of the two countries to combat drug demand is very limited.
5. In order to achieve sustainable capacity to combat drug supply and drug demand, all countries in the region need significantly greater support from international donors than they are currently receiving. Afghanistan has a good strategy in place (its 2005 Counter Narcotics Implementation Plan) but it will fail to deliver that strategy and combat its drugs problem if the international community does not substantially increase its assistance. Pakistan and Iran both need additional support from the international community as well.

6. At the same time, all countries in the region, need to re-double their *own* efforts to improve their counter-drug capacity, notably through the investment of their resources in counter-narcotics work and the creation of the legal framework necessary for effective action against drugs.
7. Countries in the region also need to collaborate more closely together to combat their drugs problem. Afghanistan and her neighbours have made a start in this area. They signed a Good Neighbourly Relations Declaration (GNRD) on Drugs in Berlin on 1 April 2004. They then met again in Kabul on 30 June 2004 and agreed an action plan of measures to deliver the political commitments set out in the Declaration. Some of these actions, e.g. the sharing of intelligence on high-level drug traffickers, are starting to be implemented.
8. The Paris Pact mechanism of countries on the heroin trafficking routes is serving as a very useful form for the co-ordination of donor assistance to countries in the region. The ADAM data-base which is now ready for use by donor and recipient countries will provide a powerful tool to facilitate this co-ordination and to match the requirements of trafficking countries with the assistance on offer from the donor community.

## **Recommendations**

- the Governments of Pakistan, Afghanistan and Iran should strengthen existing co-ordination mechanisms, and establish new co-ordination mechanisms and measures, in order to step up counter narcotics operations in border areas. These mechanisms and measures should include:
  - regular information and intelligence exchange among liaison officers in their respective capitals through the strengthening of existing mechanisms;
  - the creation of regional meetings for their respective law enforcement heads, as well as the designation of cross-border liaison officers for particular border sectors;

- regular reporting mechanism and operational meetings should be held in sensitive border areas, with a view of exchanging information and intelligence on trafficking patterns, locations of labs, stockpiles, major traffickers or trafficking organisations; and
  - the strengthening of arrangements for cross-border judicial co-operation, to allow for the exchange of arrested traffickers.
- international donors should seek to increase their assistance to counter-narcotics activity in the region. In particular, they should:
    - provide countries in this region with more evidence-based intelligence information, including e.g. airlines used for narcotics trafficking, identity of major traffickers with assets which are not deposited in the legal banking system;
    - support the structures needed to facilitate better cross-border collaboration between countries in the region, including via the financing of the measures set out above;
    - devote more attention to combating the smuggling of precursor chemicals into Afghanistan for the purpose of heroin production; and
    - consider mainstreaming drugs in their development assistance programmes, especially in Afghanistan and Pakistan.

## Afghanistan

### Overall situation

1. Afghanistan remains the world's leading producer of opium. Poppy cultivation in 2004 rose 64% to 131,000 hectares. Opium production increased by a smaller 17% to 4,200 tonnes, due to reduced yields. 10% of the Afghan population (2.3m) were involved in the opium industry in 2004, compared with 7% in 2003 (1.7m). The export value of opium is estimated to be \$2.8 billion, equivalent to 60% of Afghanistan's GDP.
2. Drugs remain the single most challenging factor to securing long-term security and development in Afghanistan. Sustainable drug elimination strategies take time. There are no instant solutions.
3. In February 2005 the Government of Afghanistan adopted a Counter Narcotics Implementation Plan, made up of 8 pillars: building institutions; information campaigns; alternative livelihoods; interdiction and law enforcement; criminal justice; eradication; demand reduction and the treatment of addicts and regional co-operation. This is a comprehensive platform from which to co-ordinate counter narcotics activity.
4. The Government of Afghanistan's ability to deliver the 2005 CN Implementation Plan depends crucially on the level of assistance provided by the international community. As of now, the level of support provided by the international community is insufficient. President Karzai has voiced his concerns and asked, in particular, that international partners improve the provision of alternative livelihoods and the verification of eradication.

## **Poppy Cultivation**

5. There are early encouraging signs in 2005 of reduced cultivation with reports of lower levels of planting in many of the traditional poppy growing provinces, e.g. Nangahar. However, there are also signs that cultivation is increasing in some other provinces, e.g. Badakhshan. It is too early to predict the overall level of the 2005 crop.
6. The following factors seem to be making a positive impact on cultivation: strong messages from President Karzai that there should be zero cultivation combined with the promise of alternative livelihoods; increased central government presence and influence in the provinces; and increased awareness of the growing law enforcement capacity and the threat of eradication. These messages have been underpinned by a strengthened information campaign, supported by the UK and US.
7. However there is no guarantee that this year's successes will be replicated in future years. In particular there are risks associated with expectations on alternative livelihoods failing to materialise; a lack of commitment to implementing the eradication campaign in the provinces; continued under-capacity across all eight pillars of counter narcotics activity; and institutional weaknesses which allow for the existence of corruption.

## **Law enforcement**

8. Afghanistan is slowly developing its counter-narcotics law enforcement capability. The Counter Narcotics Police of Afghanistan (CNPA), the lead organisation for interdicting and investigating drug trafficking, now has now than 450 officers trained, mentored and deployed across the country in key locations. It is in the process of developing a further 9 mobile drug detection teams in the next 18 months comprising over 100 CNPA officers.
9. Since January 2004, the CNPA and Afghan Special Narcotics Force (ASNF) have seized over 110 tonnes of opiates, over 30 tons of precursor chemicals, destroyed over 100 drugs labs and made a significant number of arrests.

## **Institution Building**

10. The Government of Afghanistan is making progress in establishing the institutions necessary to deliver its 2005 CN Implementation Plan. The Ministry of Counter Narcotics (MCN) was established in December 2004. A new post of Deputy Minister responsible for Counter-Narcotics has been set up in the Ministry of the Interior. A counter-narcotics Cabinet Sub-Committee and a counter-narcotics consultative group have also been established.

## **Alternative Livelihoods**

11. It is crucial to the combating of cultivation that farmers have access to alternative livelihoods. This cannot be achieved without substantial investment from the international community. Various programmes are coming into place to support this, notably the Micro-Finance Initiative, the National Rural Access Programme, and the National Solidarity Programme. In addition to these national programmes, it is important to try to develop an infrastructure of quick impact activities, such as cash for work and community-led rural infrastructure activities.

## **Criminal justice**

12. Afghanistan still has very limited criminal justice capacity. The 2005 CN Implementation Plan included plans to update and strengthen drugs laws and to develop secure narcotics courts and prison facilities, so that those arrested are dealt with.
13. The international community is helping to recruit and train a counter narcotics Criminal Justice Task Force of Afghan investigators, prosecutors and judges, to work with the Counter Narcotics Police, to be able to push through successful drugs investigations and prosecutions. UNODC are implementing a project to establish a secure court and prison facility for counter narcotics by the end of 2005.

## **Eradication**

14. In 2004, Afghanistan eradicated an estimated 3,000 hectares of opium poppy, despite claims of higher levels of eradication by provincial governors. In 2005 new models for eradication have been tested including the deployment of a US supported Central Eradication Poppy Force; increased levels of independently verified governor led eradication; and the deployment of the Afghan National Police. A Central Eradication Planning and Monitoring Cell has also been put in place to plan, target and oversee the eradication of poppy cultivation. This year's eradication campaign has had varying degrees of success, depending on support from provincial governors. However, overall, it has not delivered to expectations and early indications suggest that reduced levels of cultivation this year are as much down to farmers' restraint as they are to successful eradication.

## **Information Campaign**

15. The Afghan Government is engaged in a full public information campaign to let the Afghan people know the government's policies and actions. The campaign's focus is on persuading the Afghan people to turn away from the drug economy to legitimate enterprises.
16. President Karzai held a CN National Conference in December 2004 to explain his government's policies. He has issued several decrees stressing illegality of opium cultivation and drug trafficking. This has been supported by the religious council of Afghanistan (Ulema).

## **Drug Demand**

17. The new Counter-Narcotics Ministry is working with UNODC to increase understanding of drug dependency, addiction and drug abuse prevention methods. Work is underway to provide 36 specialists who will train 1,800 social multipliers (e.g. community leaders, tribal elders, mullahs, school teachers and community health workers) in 6 provinces over the next year.



## Recommendations

- The Government of Afghanistan's commitment to tackling the drugs problem as demonstrated through developments over the last twelve months is commendable. However further progress needs to be made, including in terms of tackling corruption, if the cultivation, production and trafficking of drugs in and out of Afghanistan is to be eliminated. The international community should maintain pressure on and assist the Afghan government to put in place the necessary structures and reforms across the country.
- As one of the world's poorest countries Afghanistan cannot be expected to tackle the drugs problem alone. Current levels of assistance remain insufficient. The international community is therefore urged to increase its support, both in the form of financial and technical assistance across all pillars of counter narcotics activity. Only through a sustained increase in donor support will we be able to bring about a sustainable reduction in the cultivation, production and trafficking in drugs.
- In particular, donors are encouraged to contribute to national programmes focused on the development of alternative livelihoods. They are also urged to provide trainers and mentors to work alongside Afghanistan's newly established law enforcement and criminal justice agencies.
- The international community should also encourage and support Afghanistan's neighbours to work with Afghanistan on counter narcotics issues in support of the Good Neighbourly Relations Declaration on Counter Narcotics.
- In addition, donor countries are urged to contribute to the newly established Counter Narcotics Trust fund. Contributions to the trust fund will be able to finance activity under any of the eight pillars of counter narcotics activity. Not only will contributions to a single fund help to ensure greater co-ordination and prioritisation of donor assistance. It will also help to ensure increased Afghan ownership and management of the narcotics problem. The existence of a central pool of resources will also assist in the planning cycle for the counter narcotics campaign.

## Pakistan

### Drug Supply

1. Pakistan is a major transit point for opiates exported out of Afghanistan. Pakistan has also seen a slight re-emergence in recent years of poppy cultivation. Cultivation in 2004 totalled 6,695 hectares. However, Pakistani authorities say they are succeeding in eradicating most of this cultivation: 5,214 hectares of the crop in 2004; and nearly all of the poppy cultivated in the first three months of 2005.
2. The bigger challenge for Pakistan's authorities is combating the huge quantities of opiates imported from Afghanistan. Pakistani law enforcement is enjoying some success but lacks the resources and capacity and make a real impact on drugs flows. In 2004 Pakistan interdicted 24,744 kg opiates and 135,638 kg hashish. These are significant amounts but only a very small proportion of the total volume of drugs flows through Pakistan.
3. There seems to be little or no heroin processing inside Pakistan. The Government of Pakistan says there are no heroin laboratories on Pakistani soil. Pakistani law enforcement also appears to enjoy some success in convicting those drug-traffickers it arrests: 87 per cent of the traffickers arrested last year were convicted.
4. The key elements of the anti-trafficking strategy of Pakistani law enforcement include:
  - a. stepping up efforts to regain poppy free status in Pakistan;
  - b. strengthening electronic intelligence gathering and surveillance capacity;
  - c. intensifying efforts to dismantle drug trafficking organisations;
  - d. co-ordinating operations along Pakistan-Afghanistan and Pakistan-Iran borders;

- e. enhancing capacity to effect seizures at entry and exit points;
  - f. strengthening mechanisms to detect precursor movement to source of production;
  - g. building border control infrastructure between Pakistan/Afghanistan/Iran;
  - h. strengthening sea borne capacity of Coast Guards and MSA Maritime Security Agency (MSA);
  - i. strengthening inter-agency co-operation in joint investigations, sharing of information, intelligence and evidence; and
  - j. tightening control of informal banking system (Hundi/Hawala) through state institutions.
5. The main challenges faced by the anti-narcotics forces in Pakistan are:
- a. lack of incentives for the anti-narcotics forces (i.e. low salaries);
  - b. limited intelligence gathering capacity;
  - c. insufficient aerial and ground mobility;
  - d. lack of surveillance and early warning capability;
  - e. lack of funding for opium poppy eradication and insufficient alternative development programmes;
  - f. inadequate border control infrastructure between Pakistan/Iran and Pakistan/Afghanistan;
  - g. inadequate sea borne capability; and
  - h. the need for a revision of the National Drug Abuse Control Master Plan for Pakistan.

## Drug Demand

6. Pakistan faces a serious and rapidly growing drug demand problem. The total number of drug users has risen from 300,000 in 1984 to 4 million. Of these, 500,00 are chronic heroin addicts. 68% of injecting users share their needles, so the incidence of HIV/AIDS is growing. Pakistan seriously lacks the capacity to deal with its rapidly emerging drugs demand problem. Despite serious efforts over the last year by the Government of Pakistan to develop a national network of treatment and rehabilitation centres, there are still only 76 such centres across the country. Only 5% of drug abusing population have access to treatment.

## Recommendations

The Government of Pakistan should:

- consider the revision of the Drug Abuse Control Master Plan (DACMP) for Pakistan (original time span: 1998-2003, subsequently extended to 2007) with a view of drawing up a comprehensive, updated, strategic framework of supply and demand reduction, that should also include measures to return to a poppy-free status for Pakistan;
- consider the ratification of the UN Convention on Transnational Organized Crime (2000) including its supplementary protocols and the UN Convention against Corruption (2003);
- aim to secure the high profile prosecutions of key individuals involved in the drugs trade;
- consider a series of measures to prevent/combat corrupt practices, through, inter alia, the provision of monetary incentives for staff involved in successful counter narcotics operations; and
- commit the resources necessary to carry out the envisaged expansion of the Anti-Narcotics Force (ANF) from 1,600 to 3,000 officers.

The Government of Pakistan and the donor community should:

- consider the provision of additional resources to assist with the needs of the Anti-Narcotics Force, Pakistan Customs, Frontier Corps of Baluchistan, Frontier Corps of Northwest Frontier Province, Pakistan Coast Guards, and other concerned agencies, for more equipment, resources and training to expand the surveillance and response capacities of the law enforcement agencies involved in counter narcotics work;
- consider the provision of additional resources to assist with the needs of the Anti-Narcotics Force (ANF), and other concerned agencies for more equipment, resources and training to improve and expand drug demand reduction activities in Pakistan;
- undertake research on drug-related financial flows and assets recovery in Pakistan, in order to clearly understand the volume of such flows and their importance for the national economy, as well as to explore possible linkages between countries and their respective trafficking groups profiting from the illegal trade.
- the GoP should continue to co-operate and co-ordinate with its neighbours (Iran and Afghanistan). This includes fulfilling GNRD pledges;

International donors should:

- engage the Government of Pakistan politically on the drugs issue, e.g. donors could lobby with the Pakistani Ministry of Finance for the provision of additional funds to national drug control agencies. The submission this year (by the US, Canada, Germany, the Netherlands, the UK and Australia) of “non-paper” on this issue to the President’s office was a good example of this sort of collective political engagement.

## Iran

### General Situation

1. Iran remains committed to combating the flow of narcotics from Afghanistan and increasingly recognises the dangers posed by domestic consumption. The Iranian authorities have shown a deep commitment to combating drug trafficking and efforts to stop drugs transiting the border with Afghanistan continues unabated. Iran's primary concern is to stop drugs from reaching its domestic market. Their efforts are therefore focused on the eastern border with Afghanistan, but some seizures do occur elsewhere in Iran, even in western provinces close to exit routes. Iran estimates that it interdicts between 10-15% of the opiates transiting its territory, but in the process sustains heavy casualties. Government figures suggest that that over 3,500 Iranians involved in CN work have been killed since 1979. There are some suggestions of individual officials being complicit in the drug trade, but the Iranian government is rightly proud of its efforts.
2. Iran recognises the need for international assistance and is in principle willing to work with other countries. The UK and Italy now have Drug Liaison Officer stationed in Tehran, and the Iranian authorities are open to receiving DLOs from other countries. The arrival of the British and Italian DLOs offers the chance to step up international co-operation.
3. Iran is also engaging seriously with both UNODC and the EU on the development of closer co-operation with both. An E3 mission (France, Germany and the UK) visited Iran in May 2005 to identify the scope for increased drugs assistance from the EU. The EU now plans to work up a set of "commitments to action" on drug assistance to Iran. Meanwhile, UNODC have developed in collaboration with Iranian authorities a comprehensive programme of drug projects for the years 2005-7.

## Drug Supply

- Iran continues to be a major point of entry for opiates exported out of Afghanistan. According to rough estimates by Iranian drug control authorities, some 50% of the total opiate production of Afghanistan transit through Iranian territory. A large portion of it (700-800 mt) is supposedly absorbed by the Iranian internal market. The remainder is smuggled out of the country for further processing and forwarding to the European and Middle East consumer markets.
- The capacity of Iranian law enforcement to interdict drug shipments is probably higher than in most countries in the region. The Anti-Narcotics Police is relatively well funded and equipped. Interdiction figures are impressive and remain on an upward trend.

**Comparative Table of Seizures 2002/2003/2004 (KG)**

<b>Kind of Narcotics</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Heroin	3366	3294	4614
Morphine	6110	12943	11847
Opium	55716	96542	159250
Hashish	52297	75415	74292
Other	1095	1584	
<b>Total</b>	<b>118584</b>	<b>189778</b>	<b>250003</b>

- It is widely acknowledged that Iran has a key role to play in stemming the flow of opiates from Afghanistan. Iran maintains a regular dialogue with the both the Afghan Counter Narcotics Directorate (CND) and is engaged with the UNODC on Afghan related projects. Iran and Afghanistan have also concluded a bilateral border security agreement. It is hoped that this will lay the foundation for improved co-operation with regional partners and a series of cross boarder projects are already in the offing. In partnership with the EU and the UNODC, Iran has contributed \$960,000 to set up 25 new border posts and construction work is at an advanced stage.

7. According to UNODC there is no significant illicit cultivation of narcotic plants, nor manufacture of illicit drugs in Iran.

### **Drug Demand**

8. Iran has a huge domestic drugs problem and acknowledges the need for outside help in dealing with it. The total number of problematic drug users in the country is estimated at around 3 million people. An almost unique characteristic of drug use in Iran is the high prevalence of opium use although the abuse of heroin is a growing concern. More than 70% of opiate users in the country either smoke or ingest opium and an additional 10-15% use an opium juice called *Shireh*. Heroin abuse is estimated to be a problem for about 250,000 – 300,000 individuals.

### **Mini Dublin Group Activity**

9. The Iran Mini-Dublin Group has had an extremely active year:
  - a. on 27 - 28 October 2004 it held a participatory workshop with Iranian NGOs to identify joint strategies on drug demand reduction;
  - b. on 21 November 2004 it held a round table on drug trafficking focusing on the importance of international co-operation and partnership;
  - c. on 7 December 2004 it held a round table judicial reform in the Islamic Republic of Iran and prospects for future co-operation in this area;
  - d. on 5-7 February 2005 it helped to co-ordinate an international conference of drug liaison officers in the region in Mashhad: the meeting included a visit to the Iranian border with Afghanistan;
  - e. on 2 April 2005 it hosted a formal presentation of the UNODC Programme for the Islamic Republic of Iran (2005-2007).



10. This activity has helped inform the development of a comprehensive programme of UNODC projects for the years 2005-7. Donors are beginning to commit the contributions necessary to enable implementation of these projects to start, although a substantial amount of funding is still required.

## **Recommendations**

- The Government of Iran should continue to develop its bilateral engagement on drugs with Afghanistan as well as its emerging trilateral exchanges with Afghanistan and Pakistan. These should cover the exchange of cross-border intelligence and the provision of drug expertise and assistance to Afghanistan. The international community should support this process where appropriate.
- International donors should increase their drug assistance to Iran, both on the supply and demand side. In particular, they should make every effort to support the UNODC comprehensive framework of project activity for Iran for 2005-7.
- We should encourage the exchange of expertise between legislators in Iran and our own countries so that Iran can draft effective anti-money laundering laws. The relevant authorities: MFA, Judiciary, Finance etc. should be encouraged to send representatives to Dublin Group member nations to observe the anti-money laundering measures they have put in place.
- In increasing its engagement with the international community on drugs, the Government of Iran should ensure that the necessary mechanisms are in place to enable it to assimilate assistance offered.
- Iranian authorities should develop its exchanges of criminal intelligence with the donor community (notably through an expanded DLO network in Tehran) and their neighbouring countries; and provide regular feedback on intelligence given offered to them by other countries.

## **India**

### **General Situation**

1. India is one of the world's largest manufacturers of licit opium production but its controls over licit manufacture of, trade in and distribution of opium - and other narcotic drugs and psychotropic substances are inadequate. 0.01 % of Indian precursor chemical production would satisfy the world's production of heroin. India is a transit country for heroin trafficking from Pakistan, with the volume of heroin entering India from Pakistan expected to increase with the normalisation of relations. India's international airports continue to be used by trafficking groups to ship heroin to countries in Eastern and Western Africa, West Asia and Europe as well as Sri Lanka. And the 'Open Skies' policy will bring an increase in air services to Europe and the UK. Cannabis resin in India is smuggled into Europe, and pharmacies in India have been identified as supply sources for trafficking in psychotropic substances.
2. The UK's DLO network has noted increased West African activity in drugs, people trafficking and visa fraud in the South East Asian region. West Africans were establishing a stronghold in India (although there was no link between West Africans and Indian home-grown crime). The introduction of new nationalities into the drug trafficking business was a sign that different ethnic groups were diversifying (economies of scale) and a sign of increasing levels of organised crime. Even neighbouring states such as Nepal - traditionally a cannabis exporter and Sri Lanka are intercepting in large numbers [or Pakistani Customs are intercepting] heroin couriers with internal concealments.

### **Institutional Framework**

3. The Narcotics Control Bureau (NCB) shares a large part of the responsibility for co-ordinating drug control policy in India. But responsibility crosses a broad range of Ministries and administrative bodies e.g. Ministry of Social Justice and Empowerment; Ministry of Women and Child Development; Ministry of Finance and Revenue; Ministry of Health and Family Welfare and the Ministry of Home Affairs.

4. The Narcotics Control Bureau NCB, the Police Narcotics Cells of the IPS (PNC), The Directorate of Revenue Intelligence, DRI, the Central Bureau of Investigation (CBI) and the Central Bureau of Narcotics CBN, are the principal enforcement agencies. But high turnover of staff means that retention of expertise is a problem. The PNC has only around 800 officers to cover the whole of India. Police ratios are approximately 25,000 members of the public to 1 officer in Mumbai (where the DLO is based). The ratio is even larger outside of Mumbai. Equipment levels depend on the effectiveness of the officer commanding in getting training and equipment. Equipment is usually old and in need of updating.
5. Border controls are limited by poor operational and intelligence direction. Engagement with law enforcement agencies in neighbouring countries is generally good (Sri Lanka, Nepal and Maldives) and meetings between the Director General NCB and Pakistan's ANF Commander in Chief are encouraging considering the rise in heroin seizures now being made by DRI Directorate of Revenue Intelligence and NCB in Northern India.
6. The Narcotic Drugs and Psychotropic Substances (NDPS) Act, 1985, and the narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 1993, provide for stringent controls over notified precursors and essential chemicals. Acetic anhydride (used mainly in the illicit manufacture of low-grade heroin) as well as methyl ethyl ketone and potassium permanganate, are subject to import-export controls. India also follows a policy of sending pre-export notifications with regard to the export of all the 23 chemicals scheduled in the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. Storage and transportation of acetic anhydride within 100km of the Indo-Myanmar border and 50km of the Indo-Pakistan border are subject to special controls.
7. But the INCB advises that India's controls over licit manufacture of, trade in and distribution of narcotic drugs and psychotropic substances are inadequate. The NCB pledged in March its "deepest commitment" to tackle diversion from licit to illicit markets. It was seeking international as well as regional cooperation for interdictions and planned to establish nodal agencies overseas to help build greater co-operation.

## **Money Laundering**

8. Some key Indian legislation has yet to be enacted and current regulation is poor. Political pressure on GOI re: FATF is an existing Economic Section objective. Hawala transactions are illegal but continue to be regarded as a largely innocent transaction, i.e. tax-evasion and a practical means of transferring money in a country where huge numbers do not have bank accounts. An improvement in banking regulations and steps towards improved compliance (e.g. statutory reporting) are undoubtedly required but there is recognition that the Indian system is not yet ready for this level of engagement. The US has an intervention plan on hold, pending enactment of necessary Indian legislation. Although the Money Laundering Act has received ratification there are still disagreements over who will enforce the legislation. Enforcement Directorate and the Income Tax Department believe they should have an input - this would make good sense.

## **Drug Production**

9. Illicit diversion of licit opium production remains a problem. According to the latest International Narcotics Control Board (INCB) Annual Report (released 2 March 2005) certain quantities of licitly produced opium continue to be diverted into illicit channels despite intensified law enforcement activities. Most seizures of opium are made within the opium poppy cultivation and opium production areas. The diverted opium is abused locally or processed into heroin in clandestine laboratories, to be sold on illicit markets outside the production areas. A survey of licit opium poppy cultivation was undertaken jointly by the Governments of Indian and the United States; the results of the survey are to be used to determine the minimum-qualifying yield, a measure to support the efforts required from the government to eliminate diversion of licitly produced opium.
10. Indian officials have continued to detect and destroy illicitly produced opium, as well as to prosecute those engaged in illicit opium production in northern and north-eastern states.

11. India's large chemical industry manufactures a wide variety of precursors and essential chemicals, including acetic anhydride and potassium permanganate. There are 11 manufacturers of Acetic Anhydride (AA) in India with an annual output of 30,000 to 40,000 tons. India is the world's largest illicit manufacturer of methaqualone (Mandrax) – with South Africa as the principle destination. INCB reports that the methaqualone problem has re-emerged and is funded by criminal groups based outside of India. Laboratories illicitly manufacturing methaqualone (Mandrax) are also used for the illicit manufacture of other psychotropic substances such as MDMA (ecstasy) and amphetamines. India is an important source country for cannabis herb.

### **Drug Demand**

12. According to INCB the total amount of heroin seized in India has been decreasing since 2001, averaging less than 1 tonne per year.
13. Controlled drugs are easily available in India. Cannabis resin from Nepal is smuggled in to India and sold locally on the illicit market or smuggled into Europe. The largest seizures of cannabis resin from Nepal have been reported in India. The abuse of analgesics, anxiolytics and sedative hypnotics has increased in the region. Because of the lower price and easy availability of pharmaceutical preparations and needles and syringes, the abuse of buprenorphine in injectable form has increased significantly in India. INCB reports indications of the abuse of and trafficking in MDMA in New Delhi. The abuse of Ketamine, an anaesthetic, has been noted in Goa.
14. HIV infection associated with injecting drug abuse is increasing in India and as a result of a shift from opium abuse to heroin abuse. The abuse of propoxyphene by injection in India is as prevalent as heroin abuse by injection.

15. Injection of drugs meant for oral use is undermining nutrition and increasing vulnerability to disease / HIV / Aids, as well as placing an increasing burden on state health budgets. The Ministry of Health and Family Welfare has launched a "substance abuse programme" using NGOs across India to counsel addicts on the risks of drug abuse (awareness building; treatment, follow up and social re-integration of addicts; capacity building of trainers). So far 440 NGOs receive GOI support - financed by ministry of social justice and empowerment. GOI was encouraging NGOs to set up in areas where no de-addiction centres currently exist. 8 NGOs would be selected as "regional resource centres" and would focus on demand reduction measures. Drug awareness is to be included in school curriculum and youth organisations and e-media would be used to disseminate information.

### **Drug Trafficking**

16. India's international airports at Mumbai, New Delhi, Trivandrum, Cochin and Chennai continue to be used by trafficking groups to ship heroin to countries in Eastern and Western Africa, West Asia and Europe as well as to Sri Lanka. Decrease in recent years along air route from India to Sri Lanka; majority of heroin seizures now made along sea route leading from Southern India to Sri Lanka. Heroin from Pakistan smuggled into Bangladesh, India and Sri Lanka. Last year it was estimated by the NCB that approximately 3.5 tonnes of heroin was exported from India to Sri Lanka to supply approximately 45,000 drug users. It is not known of which type this heroin is, white brown or Brown Sugar (– poppy straw and its lowest form). Chemical analysis is rarely undertaken and as a result the true-picture of the trade and more importantly the routing of the different types of heroin is difficult to accurately ascertain. The agencies are seizure driven and successful seizure invariably results in the end of the investigation and the loss of further intelligence that could assist international intelligence/law enforcement agencies to better fight global heroin trafficking. As Sri Lanka is a free port the original destination of containerised consignments can be legally and illegally changed.

17. Seizures of heroin originating from Pakistan (possibly Afghanistan) have already exceeded seizures figures for many of the years prior to 2004 as relations normalise. 2005 should also see a dramatic increase by year-end.
18. Traffickers have tried to export AA in misdeclared sea cargo consignments using Dubai as a trans-shipment point. The AA seized by local law enforcement authorities had been intended for use mainly in the illicit manufacture of low-grade heroin in India.
19. Pharmacies in India are identified as supply sources for trafficking psychotropic substances (diverted from licit distribution channels, transported through South Asia and smuggled into countries such as Russian Federation and Scandinavian countries) and local abuse. Unlicensed Internet pharmacies operating out of India were targeted in a recent US led operation. Information has been made available to the UK regarding these Internet supplies to the UK, as it was the UK that initially provided the intelligence for the US operation. However as the majority of the drugs involved are controlled by the MHRA and Medicines Act, and not the Misuse of Drugs Act 1977 as controlled drugs, no realistic action can be taken by the UK.

### **Mini Dublin Group Activity**

- 20 The last meeting of the New Delhi Mini-Dublin Group was on 15 December 2004. The report of the meeting, including comprehensive details of current MDG members' assistance (including UNODC); details of projects requiring assistance and MDG recommendations, has been sent to London.
21. The New Delhi MDG will raise its profile in 2005 among the relevant GOI bodies and invite candidates from these bodies to attend future MDG meetings. The MDG will attempt to engage the Indian authorities in dialogue on drug and drug related matters and to identify more clearly GOI's aims and objectives in this area. This should help to generate a more co-ordinated approach between GOI and MDG members.

## **Recommendations**

- Donors should look seriously at providing India with assistance, on capacity building re: the new ML legislation (e.g. enabling greater understanding of the legislation and realising its potential as an effective tool in Indian LE legislation). This will benefit donors as it increasingly realises the impact of Indian ML activities.
- Projects to increase the effectiveness of the NCB's intelligence gathering should continue to be supported. This 'upgrade' will allow donors to be able to effectively liaise with Indian LE to ensure that timely and quality intelligence is available.

## **Bangladesh**

### **General situation**

1. Bangladesh has a population of approximately 140 million people and a frontier of approximately 3000 kilometres with the countries of India and Myanmar (Burma). The country is situated between the 'Golden Triangle' to the east and the 'Golden Crescent' to the west. There is no evidence though that it is a significant producer. The addict population is estimated at 1.5 to 2 million however detailed figures are hard to obtain. The greatest cause of concern for the Bangladeshi Government and its agencies is the abuse of codeine based cough mixtures (Phensidyl) and other toxic substances. Heroin and cannabis are also available and used. Investigation of heroin trafficking, although a concern for the law enforcement agencies, is difficult as they do not have the capacity to tackle the more difficult or to infiltrate the lucrative heroin trade. Drug issues are not high on the agenda of the country, but occasional large seizures and significant police raids receive media coverage.



## **Institutional Framework**

2. Counter drugs work is co-ordinated by the Department of Narcotics Control (but this is under resourced and has limited impact). The Narcotics Control Act 1990 (NCA) is the main piece of legislation covering narcotics and has undergone some amendments to cover asset forfeiture, precursor control and international controlled delivery operations. The NCA is under the control of the Department of Narcotics, which drew the majority of its staff from the defunct Department of Narcotics and Liquor, which issued permits for the possession of alcohol and cannabis to registered users. There are a series of Customs Acts which prohibit the import and export of drugs but Bangladesh Customs (heavily based on the pre 1971 UK HM Customs & Excise) do not consider themselves a drug law enforcing agency. The Police operate under the Bangladesh Penal Code, which prohibits the possession and supply of drugs and other intoxicants. That said, the police and customs play only a minor role in disrupting the drugs trade. Corruption is widespread. However small amounts of drugs are seized every month.
3. The interception of communications is not mentioned in the Narcotics Control Act 1990. However the Wireless Telegraphy Act (which was enacted when Bangladesh was part of British India) allows the interception of communications.
4. All the narcotics agencies are unsure of their actual powers and the legislation that governs them.

## **Drug Production**

5. Small amounts of cannabis (for local use) and opium are grown in the country.

## **Drug Demand**

6. Drug use is widely believed by NGOs/ academics and on the basis of open media reporting to be increasing. The poor law and order situation and unemployment may all be contributory factors. It is thought that there is an increasing use of illicit drugs among young people from the middle and the upper middle class. However a lack of data means it is not possible to make an accurate assessment. There is little information available on the use of synthetic amphetamine-type stimulants (ATS). There is some NGO work in relation to drug use by low-income groups (rickshaw or van pullers/day labourers, unemployed youths, floating prostitutes etc). But drugs is not a main programme theme for donors.

## **Drug Trafficking**

7. There is some evidence that Bangladesh is increasingly being used as a transit country for heroin to Europe. The most probable routes for heroin trafficking into Bangladesh are:
  - Pakistan to Bangladesh: By couriers (male and female and some suggest may be of Bihari origin) either internally or in baggage.
  - Myanmar to Bangladesh: Over the porous land boundary by lorry or public transport. India to Bangladesh: Again over the land boundary in commercial vehicles etc.

Seizures have been made by Bangladeshi Customs, in concealments such as toothpaste tubes etc., from Pakistani nationals.

8. In addition to the normal medicinal abuses, Bangladeshi police say they have seen a rise in the use of heroin on Bangladesh's streets. This, they say, indicates to them that more heroin is entering the city/country and coming to Dhaka for packing, adulteration and transporting. The police believe that the majority of the heroin originates from Pakistan. As they have no laboratory facilities this cannot be reliably ascertained.

9. The Police also feel that Myanmar is a risk to Bangladeshi borders, due to the 3000km-border area that the Bangladeshi Rifles has enormous difficulty in patrolling. Some also believe that the Rohingya refugees are also involved in the drug trade. The border with India is porous and smuggling of all manners of items takes place by road/train/courier etc.
10. The Police also believe the areas that pose the greatest risk to countries outside of Bangladeshi i.e. smuggling from Bangladesh, are via the provincial airports of Sylhet, Chittagong and the container port of Chittagong. However there are no seizures to justify this claim.
11. The refugee situation in Southern Bangladesh means that any form of control of people crossing the borders with Myanmar is difficult.
12. Bangladeshi Police believe that all heroin whether in transit or for re-packing for onward smuggle must first come to Dhaka. But it is possible that commercial quantities of heroin from Burma are being sent by sea, via the Bay of Bengal, and distributed into fishing vessels for transit through Bangladesh. In the past a number of people have been detained attempting to carry heroin through Dhaka's international airport, transiting from Pakistan to Europe.

### **Money Laundering**

13. It is possible that Bangladesh is an attractive country for money laundering given the weak judicial system and widespread corruption. Bangladesh adopted in February 2002 the "Money Laundering Prevention Bill". At the time, the economic press in Bangladesh saw this as insufficient to tackle the main problems linked to money laundering in the country. Efforts in regard to money laundering are apparently having some success in encouraging overseas workers to send remittances back to Bangladesh through official channels, rather than through the illegal "hundi" network (but this is still widely used).

14. There are regulations on taking currency out of the country. Bangladeshis are entitled to take US\$5000 to all countries except SAARC countries. For India, can carry US\$1000 if travelling by air and US\$500 if by road. For other SAARC countries, US\$1500. That said, the Bangladeshi Police Commissioner admits that no real attempt would be made to link any money seized to narcotics trafficking.

### **Precursors**

15. There is very little if any activity by any of the agencies to halt or investigate the movement and smuggling of precursor chemicals.

### **Requirements for External Assistance**

16. The Department of Narcotics Control has not produced details of assistance needed to the donor community as a whole, however it is likely they would welcome training and or equipment and may be seeking this on a bilateral basis. They have said they would welcome equipment / training for drug detection at airports, and would also welcome supplies of field drug testing kits. They also see a need for assistance in developing the current limited provision of drug detoxification centres.

### **Donor community**

17. The UK have a regional Drugs liaison officer, based in Mumbai, who also covers Bangladesh. He has a good working relationship with the Department of Narcotics and other relevant agencies. The US are providing significant assistance to Bangladesh in this area. They have provided some equipment for a drug analysis laboratory, which is functioning adequately, and have signed a Letter of Agreement with the government to provide about \$500,000 worth of anti-narcotics equipment and training.

## **Recommendations**

- The Government of Bangladesh should be encouraged to continue efforts to tackle drug issues, and to take forward relevant reforms, especially in areas where donors are offering to help, such as reform of the police.

## **Sri Lanka**

### **General situation**

1. The official government estimate for intravenous drug users is 46,000. The Indian authorities intercepted 350 kgs of Heroin in 2004 en-route to Sri Lanka, which suggests a far higher level of import into the country than is necessary for domestic use. We believe that Sri Lanka remains a transit route for drugs from the rest of the subcontinent for onward distribution.
2. There have been persistent reports that the Liberation Tigers of Tamil Elam (LTTE) uses the drugs trade, and other organised crime, to fund its operations, although firm evidence of this is limited. Government officials are not able to operate effectively in LTTE areas.
3. Married to the apparently high level of importation is concern over the provision of security at the air and particularly maritime ports. A 2002 report made a number of recommendations on how to improve port security and intelligence gathering and analysis. There is little evidence of improvement since.
4. Cannabis is grown locally, although this appears to be for use in country and there is no evidence of export. There is also some use of amphetamines and other drugs, but this is not considered widespread.
5. The Government of Sri Lanka claims that countering drugs is a priority. In the main NGOs tend to assume a leading role in the domestic debate on drugs and in education and outreach to the wider population.

## **Anti-Narcotics Strategy**

6. Overall Drug Strategy in Sri Lanka is under the National Dangerous Drugs Control Board (NDDCB), which formulates national policy and co-ordinates the efforts of the various drug control agencies, but does not have a day to day enforcement role. The day to day operations are carried out by the Police Narcotics Board (PNB) and the Customs.

## **MDG member initiatives**

7. The UK has recently appointed an Assistant Drugs Liaison Officer at the High Commission who works to the Drugs Liaison Office in Mumbai to increase the level of co-operation between the UK and Sri Lanka enforcement agencies. The Assistant DLO role includes providing training for the Police Narcotics Board and Customs, operational advice and makes requests for operational information and intelligence.

## **Recommendation**

The MDG should continue to press for improvements in Maritime and Airport security as well as looking at opportunities to strengthen the intelligence capability of the Sri Lankan authorities and their information sharing with other nations.

---