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NOTE

from :	UK Regional Chair for South West Asia
to :	Dublin Group (12 July 2006)
Subject :	Regional report on South West Asia 2006

Regional Overview

1. This 2006 regional report on South West Asia (Afghanistan, Bangladesh, India, Iran, Nepal, Pakistan, Sri Lanka) paints a similar overall picture to the 2005 report. South West Asia continues to be probably the most important region in the world for the production and trafficking of opiates.
2. Afghanistan remains the world's leading producer of opium, producing 87% of the global supply. Poppy cultivation fell by 21% in 2005 to 104,000 hectares, but opium production decreased by only 2%. Despite this, the Government of Afghanistan's commitment to tackling the drugs problem, as demonstrated by developments over the last 12 months, is commendable. The problem cannot be solved quickly, and Afghanistan cannot solve it alone. Significant assistance is still needed from the wider international community.

3. Afghan opiates continue to be trafficked through Pakistan, Iran, Bangladesh and onwards to Europe. Iran remains the world's major opiate seizing country - it seized approximately 220 tonnes of opiates in 2005. The situation in Pakistan is slightly improved, due to a long awaited increase in troop strength in the Anti-Narcotics Force. The capacity of countries in the region to combat the drugs problem still varies from one country to another, and although there have been some improvements in combating drug supply, capacity to combat drug demand in the region is still limited. Iran and Pakistan in particular suffer from problems of drug demand.
4. Large quantities of precursor chemicals are imported into Afghanistan and used to process raw opium into heroin and other opiates. Other countries in South West Asia are a major transit point for these chemicals, and some are also producers. For example 0.01% of Indian precursor chemical production would satisfy the world's production of heroin.
5. In addition to ensuring that enough is being done at national level to address the drugs problem, particularly in terms of operational capacity building, regional co-operation also needs to be used effectively. Although more needs to be done, it is clear that there is already a lot of activity at regional level in South West Asia. There is good bilateral co-operation between various governments in the region (e.g. between Pakistan and Iran). On a regional level, the GNRD, QUAD and Paris Pact mechanisms have increased activity and need continued support.
6. As reflected in the recommendations in this report, the countries in the region need to step up their own national efforts and to build on the regional mechanisms which are now in place to ensure they are used effectively. They also need to ensure that actions recommended in those fora are taken forward. This should continue to be backed up by assistance from international donors. The Mini Dublin Group has an important role to play in co-ordinating this assistance and in applying political pressure.

Summary of Recommendations

7. Detailed recommendations for each of the South West Asian Countries (Afghanistan, Bangladesh, India, Iran, Nepal, Pakistan, Sri Lanka) are set out in the main body of this report, but can be broadly summarised as follows:

- The Governments of the region should:
 - continue their efforts to tackle drugs issues and take forward relevant reforms (including introduction and implementation of money laundering legislation, and work to address drug demand);
 - increase inter-agency co-operation and sharing of information between departments and organisations;
 - increase their involvement in regional mechanisms (GNRD, Paris Pact etc) and ensure recommended actions are followed up.
- International donors should seek to further increase their assistance to counter-narcotics activity in the region. In particular, they should:
 - work through national organisations / initiatives in the region, e.g. support delivery of Afghanistan's National Drug Control Strategy and build capacity in the CN police and Criminal Justice Task Force;
 - support efforts to enhance communication between Afghanistan and its neighbours through the Good Neighbourly Relations Declaration on Counter Narcotics;
 - continue to support other regional mechanisms, in particular the Paris Pact;
 - support regional capacity building projects, including those focussed on border and precursor control;
 - international development programmes should take account of the drugs situation in the region to ensure they contribute to its alleviation.

AFGHANISTAN

General situation

1. Afghanistan remains the world's leading producer of opium, producing some 87% of the global supply. Poppy cultivation, as measured by UNODC, fell by 21% in 2005 to 104,000 hectares. Opium production decreased by only 2%, to 4,100 tonnes, due to much higher yields in 2005. UNODC estimate that 8.7% of the Afghan population (2.0m) were involved in the opium industry in 2005, compared with 10% in 2004 (2.3m). The export value of opium in 2005 is estimated to be \$2.7 billion, equivalent to 52% of Afghanistan's GDP.
2. President Karzai has recognised drugs and terrorism as the gravest threats facing Afghanistan's long term security, governance and development. Securing a sustainable reduction in opium cultivation, production and trafficking – the Afghan Government's goal - will take time and depend upon progress across the broader reconstruction agenda. The inclusion of counter narcotics as a cross-cutting theme in the Afghanistan Compact and the interim Afghan National Development Strategy is a positive step forward in this respect. Since the last Dublin Group report, the Government of Afghanistan has also updated its National Drug Control Strategy (NDCS). This was approved by President Karzai and launched at the London Conference on Afghanistan at the end of January 2006.

National Drug Control Strategy

3. The NDCS outlines four national priorities in pursuit of which efforts will be prioritised. These are i) targeting the trafficker and the trade; ii) strengthening and diversifying legal rural livelihoods; iii) reducing demand and treating drug users; and iv) building effective counter narcotics institutions. The strategy is based around eight pillars: alternative livelihoods, building institutions, criminal justice, demand reduction, eradication, law enforcement, public awareness and regional cooperation. The NDCS represents a comprehensive platform from which to co-ordinate counter narcotics activity, for instance ensuring that ground based eradication is targeted where there is access to legal rural livelihoods.

4. At the end of May 2006, the Afghan Ministry for Counter Narcotics launched a cross-government working group process to draw up detailed implementation plans under the strategy. This work is now being taken forward. However Afghanistan will continue to require the support of the international community to finance and resource the delivery of these plans. The Government of Afghanistan is encouraging donors to contribute to the UNDP administered Counter Narcotics Trust Fund (CNTF) to ensure that funding can be targeted in line with Afghan priorities. A number of donors have now made contributions, but the levels of support, both financial and in kind continues to fall short of the scale of the challenge.

Poppy Cultivation in 2006

5. Following a 21% reduction in cultivation in 2005, it now seems likely that cultivation may rise in 2006 as sustained reductions in areas close to provincial centres where security, governance and development have improved are outpaced by increased planting in the more lawless South. Verification of this year's eradication campaign is still ongoing. We will have a better idea of the size of the crop following the release of UNODC's annual poppy survey in the autumn.

Targeting the trafficker and the trade

6. Over the last year we have seen the passage of counter narcotics legislation, the conviction of over 150 traffickers and a significant increase in drug related seizures. Afghanistan is slowly developing its counter-narcotics law enforcement and judicial capability. The Counter Narcotics Police of Afghanistan (CNPA), the lead organisation for interdicting and investigating drug trafficking, now has 500 officers trained, mentored and deployed across the country in key locations. 5 CNPA mobile drug detection teams have been trained, with three deployed in Kabul and two to be deployed to the provinces shortly. A further 5 mobile teams will be trained by December 2006 and work will continue to expand the CNPA to its full complement of 2,300 officers. The Afghan Special Narcotics Force continues to operate against high-end traffickers in order to disrupt the trade.

7. A CN Criminal Justice Task Force of judges, prosecutors and investigators has been established in Kabul and is now over 80 strong. A UNODC project to establish a high security prison to house serious drug offenders will also be completed in August 2006. In addition to the construction of the building itself, this includes work to develop an effective prison regime. Training for groups of Afghan prison officers, including future trainers, is currently underway in Kabul.
8. We are also building structures to improve the operational co-ordination of the law enforcement effort. It is vital that troop contributing nations continue to feed counter narcotics related intelligence back to the International Security Assistance Force's HQ in Kabul so that it can contribute to the overall effort. Efforts are also underway to improve regional co-ordination between Afghanistan and its neighbours. This included a high level meeting on CN under the auspices of the Good Neighbourly Relations Declaration focused on law enforcement, including border control, alternative livelihoods and demand reduction.

Strengthening and diversifying legal rural livelihoods

9. Activity to strengthen and diversify legal rural livelihoods is a crucial element of the counter narcotics campaign. Until farmers have alternatives to poppy production, any decrease in cultivation is likely to prove unsustainable. The Government of Afghanistan has developed a series of National Priority Programmes to ensure a multifaceted approach to the problem. These focus on extending credit, rehabilitating roads, developing infrastructure, providing employment and social safety nets and creating community level participation structures to ensure development projects are targeted to the communities who will benefit from them.
10. Since April 2003 over 12 million labour days have been provided and over 8,000 km of roads rehabilitated. Almost US\$70 million micro-finance loans have been disbursed over the last two years and US\$180 million in grants approved to some 10,000 Community Development Councils. In addition, since September 2005, over 500,000 farmers have been provided with seeds and fertiliser. In 2006 work is taking place which will enable the Government of Afghanistan to assess better the impact that livelihoods assistance is having in persuading farmers to make the shift away from poppy cultivation. However non-cultivation provinces and districts also need to be considered for rural development assistance in order to prevent further displacement of the narcotics crop.

Demand Reduction and Treatment of Drug Users

11. The UNODC / Ministry of Counter Narcotics Drug Use Survey 2005 indicates increasing drug use nation-wide, in rural and urban areas, among men, women, even children. Prevention and awareness campaigns have started in Kabul and the provinces, community treatment is starting in various provinces in co-operation with the Ministry of Public Health and its Demand Reduction Action Teams. Given the scarce resources and infrastructure of the medical system, community-based treatment is the most cost-effective and immediately available, even in rural areas.

Building Effective Institutions

12. Capacity has improved within the Ministry of Counter Narcotics which was established at the end of 2004. Two Deputy Ministers have been appointed to work alongside the Minister for Counter Narcotics and staff have been recruited to fill key directorate posts. The significant progress achieved over the last year is reflected in the publication of the updated National Drug Control Strategy and the formal launch of the CNTF. The Management Board of the CNTF, which is chaired by the Minister for Counter Narcotics approved its first round of projects in Spring 2006. Capacity building activity is also underway within the CN division of the Ministry of the Interior. Much more work will be necessary, however, to develop effective institutions dealing with CN in the provinces and to ensure that CN institutions are properly integrated into the Afghan system.

Eradication

13. In 2005, Afghanistan eradicated an estimated 5,100 hectares of opium poppy. In 2006 it seems likely that two or three times this amount will be delivered - the majority through Governor led eradication forces with the remainder done by a central force reporting to the Ministry of Interior. The picture will be clarified with the release of UNODC's annual poppy survey in the autumn. Work is ongoing to build capacity at all stages of the eradication process including surveying, monitoring, targeting and verification to ensure that cultivation reductions achieved through eradication are sustainable. In particular it is vital to ensure that eradication is targeted where there is access to legal rural livelihoods to ensure that it is sustainable and is targeted to the greedy not the needy.

Mini Dublin Group Activity

14. There have been no discrete meetings of the Mini Dublin Group over the past twelve months. However, Dublin Group Members play an active role in Afghan led structures to ensure effective co-ordination of the counter-narcotics campaign. From June 2006, the UK as partner nation for counter-narcotics has also chaired a monthly meeting of EU and G8 ambassadors plus the European Commission.

Recommendations

- The Government of Afghanistan's commitment to tackling the drugs problem as demonstrated through developments over the last twelve months is commendable. But bringing about a sustainable reduction in opium cultivation and trafficking will take time and require continued assistance from the international community.
- The Dublin Group should increase its support to ensure the delivery of the National Drug Control Strategy, including by channelling assistance through the CNTF and supporting Afghan led working group processes to take forward detailed delivery planning for the NDCS.
- International development programmes should take account of the drugs situation to ensure that they contribute to its alleviation.
- The international community to step up activity to help the Afghans target the trafficker and the top end of the trade, including by working to build capacity within the CN Police and Criminal Justice Task Force. Efforts should also be taken to build capacity of Afghan Border and National Police.
- The international community should support the Government of Afghanistan in its efforts to enhance communication and co-operation with their neighbours in support of the Good Neighbourly Relations Declaration on Counter Narcotics. Steps should also be taken to support regional capacity building projects, including those focused on border and precursor control.

BANGLADESH

General situation

1. Bangladesh is situated between the ‘Golden Triangle’ to the east and the ‘Golden Crescent’ to the west. Its border with India is around 4000 km long and its border with Myanmar is around 150 km long. There is no evidence that Bangladesh is a significant producer of narcotics. The addict population is estimated at 1.5 to 2 million, (from a total population of almost 150 million) though 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 use is also a growing concern. Cannabis is readily available and its use is fairly common. Increasing information on and investigation into heroin trafficking is a cause for concern among the law enforcement agencies. But action to counter this is hampered by corruption and an incapacity/inability to infiltrate the lucrative heroin trade. Drug issues are rising up Bangladesh’s agenda. Recent large UK seizures of heroin imported from Bangladesh have received significant media coverage.

Institutional Framework

2. As in many areas of Bangladesh’s bureaucracy, which is plagued by weak governance, the agencies responsible for combating the drugs trade are unsure of their powers and the legislation that governs them. Corruption is widespread. Work on tackling drugs is co-ordinated by the Department of Narcotics Control (DNC), under the Ministry of Home Affairs. It is under-resourced and has limited impact. Within the Home Ministry bureaucracy, the DNC is not considered as a place for career enhancement. The DNC has responsibility for the Narcotics Control Act 1990 (the main piece of legislation covering the control of narcotics) which has undergone some amendments to cover asset forfeiture, precursor control and international controlled delivery operations. A series of Customs Acts prohibit the import and export of drugs but Bangladesh Customs (heavily based on the pre-1971 UK HM Customs & Excise) do not consider themselves to be a drug law enforcing agency. The Police operate under the Bangladesh Penal Code, which prohibits the possession and supply of drugs and other intoxicants. The Police and Customs play only a minor role in disrupting the drugs trade, though small amounts of drugs (particularly hashish) are routinely seized.

3. The interception of communications is not mentioned in the Narcotics Control Act 1990. However, the Wireless Telegraphy Act (enacted when Bangladesh was part of British India) allows for the interception of communications.

Drug Production

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

Drug Demand

5. A lack of accurate data means it is not possible to make an accurate assessment of drug use in Bangladesh. However, media reporting, NGOs and academics indicate a widespread belief that drug use is increasing. The poor law and order situation (compounded by corruption) and unemployment may 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. 'Yaba', (a tablet of amphetamines and caffeine), which is widely available in South East Asia, is reported in the local press to be gaining popularity among this section of society and among those in the Hill Tract regions close to the border with Myanmar. In addition to typical medicinal abuses (e.g. Phensidyl), Bangladeshi police say they have seen a rise in the use of heroin on Bangladesh's streets.

Drug Trafficking

6. There is evidence that Bangladesh is increasingly being used as a transit country for heroin to Europe, including to the UK. The Police suggest that signs of increased heroin use in Dhaka indicate that more heroin is entering the city 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. But the suspects in investigations into recent large UK seizures of heroin from Bangladesh are reported to have confessed that the heroin originated in Pakistan. The most likely 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. Bangladeshi Customs have seized drugs concealed in toothpaste tubes etc, from Pakistani nationals entering the country.
 - India to Bangladesh: across the border in commercial vehicles, trains etc. Even where the border is fenced off, crossings can be facilitated by bribery.
 - Myanmar to Bangladesh: 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. Or drugs may move across the porous land boundary by lorry or public transport. There are difficulties in patrolling the border and some also believe that the Rohingya refugees from Myanmar are also involved in the drug trade.
7. The Police believe that smuggling from Bangladesh occurs via the provincial airports of Sylhet, Chittagong and the container port of Chittagong. The recent large UK seizures of heroin from Bangladesh were from containers from Chittagong port. In the past a number of people have also been detained attempting to carry heroin through Dhaka's international airport, transiting from Pakistan to Europe.

Money Laundering

8. Bangladesh is potentially an attractive country for money laundering given the weak judicial system and widespread corruption. In February 2002 Bangladesh adopted 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 and scepticism remains on the effectiveness of the legislation. Efforts to encourage overseas workers to send remittances back to Bangladesh through official channels have seen some success, but the illegal "hundi" network is still widely used. It is estimated that remittances total US\$10 billion a year and rising.

9. There are regulations on taking currency out of the country. Bangladeshis may take US\$5000 to all countries except South Asian Association for Regional Co-operation (SAARC) countries. For India, they can carry US\$1000 if travelling by air and US\$500 by road. For other SAARC countries, US\$1500. However, the Bangladeshi Police Commissioner admits that no real attempt would be made to link any money seized to drugs trafficking.

Precursors

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

Requirements for External Assistance

11. The DNC has not produced details of assistance needed from the donor community as a whole but it is likely they would welcome training and/or equipment and may seek this bilaterally. They lack laboratory facilities. They would welcome equipment and training for drug detection at airports and supplies of field drug testing kits. They also see a need for assistance in developing the currently limited provision of drug detoxification centres.

Donor community

12. The UK's regional SOCA Liaison Officer, based in Mumbai, covers Bangladesh. He has a good working relationship with the DNC and other relevant agencies. The US provides significant assistance to Bangladesh in this area. The US has provided some equipment for a drug analysis laboratory, which is functioning adequately, and has signed a Letter of Agreement with the government to provide around \$500,000 of anti-narcotics equipment and training.
13. 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 drug use is not a major programme theme for donors.

Mini Dublin Group Activity

14. The Mini Dublin Group has not met in the last 12 months. However, all the representative Overseas Liaison Officers (OLO's) who cover Bangladesh are permanently based in India. They meet there roughly once a quarter (they last met in June 2006) and do actively discuss the region as a whole (India, Bangladesh, Nepal and Sri Lanka) each time they meet.

Recommendations

15. The Government of Bangladesh should be encouraged to continue efforts to tackle drug issues and to take forward relevant reforms, especially in areas of existing donor activity, such as reform of the police.

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, the volume of heroin entering India from Pakistan has increased with the normalisation of relations. Law enforcement agencies in Northwest India are seizing ever increasing quantities of good quality Afghan and Pakistani heroin. Routes vary from rail to Indo/Pak border fence smugglers to couriers arriving direct from Kabul. 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 (now superseded by SOCA and its SLO) 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.
3. Recent cocaine seizures constitute a growing worry for the Indian law enforcement agencies. A recent 200 (two hundred)-kilo cocaine seizure in Mumbai has caused great consternation amid fears of a previously unrecognised drug market controlled by Indians, South American or West Africans or an amalgamation of all three groups.

Institutional Framework

4. 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.
5. 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.
6. 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 and NCB in Northern India.
7. 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.

8. 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 co-operation for interdictions and planned to establish nodal agencies overseas to help build greater co-operation.

Money Laundering

9. In order to be considered for membership of the FATF, a country must have substantially implemented six key Recommendations relating to the criminalisation of money laundering and terrorist financing, and the customer due diligence, record-keeping and STR obligations imposed on financial institutions. The 2005 mutual evaluation indicated that India passed the threshold on record-keeping alone. The evaluation may have prompted the authorities finally to implement the Proceeds of Money Laundering Act (PMLA) in July 2005, almost three years after it had been enacted, but the PMLA still falls short of the standard in several key areas. Additional action has since been taken to issue guidelines on customer due diligence to several of the key components of the financial sector, and the filing of STRs is now underway, following the creation of the Financial Intelligence Unit (FIU-IND) in early 2006. But worryingly, there remain doubts as to whether the criminalisation of money laundering (under the PMLA) and terrorist financing (under the Unlawful Activities (Prevention) Act) meet the FATF standard. There appear to be three key deficiencies in the PMLA: the absence of several finance-related crimes from the list of predicate offences, the existence of a Rupee 3 million proceeds threshold (approximately US\$70,000) for most offences to be considered a predicate, and an apparent requirement that a conviction for the predicate must be obtained before a money laundering prosecution could be successful. Finally an agency has been assigned the role of enacting and enforcing the PMLA. This is the Enforcement Directorate who, amongst other duties, co-ordinate other criminal asset related investigations. However they are not routinely contacted by other Federal and State agencies but rather rely on newspaper articles of criminal prosecutions to commence their involvement. To this end they (ED) would benefit tremendously from a more joined up system of criminal asset recovery remit within the GoI.

10. 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.
11. No attempt is made to gauge the levels of cash movements into or out of India. Statistics are gathered but no use is made of the information. Customs at all International airports note cash declarations (no restraint or restriction on quantity of cash is made providing a declaration is made on arrival) and then provide the Enforcement Directorate with the information. However only African nationals are routinely included in the statistics and only cash declarations into India over \$30,000 are recorded in the bulletin. Access to this bulletin reveals millions of dollars and Eurasia enters India each year from African nationals alone. With individual declarations of cash as high as £300,000 on a very regular monthly basis. No attempt is made to check the veracity of the reasons for the need to carry so much cash or the details provide by the traveller. No outbound checks are made to ensure that the money is exported again.

Drug Production

12. 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 India 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.

13. 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.
14. 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

15. According to UNODC, India seizes around 1 metric tonne. This is a fairly modest total when compared with the 50 tonnes seized annually on a global basis. Recent seizure figures have remained relatively stable with figures of 881kgs in 2002, 991kgs in 2003 and around 900kgs in 2004. However, there may be cause to suspect that these figures are on the conservative side and the increase in HIV infection associated with injecting drug abuse as a result of a shift from opium abuse to heroin abuse would appear to confirm this.
16. 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.
17. HIV infection associated with injecting drug abuse is increasing in India 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.

18. 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

19. 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.
20. Seizures with an Afghan origin made up 5% of total NCB reported seizures in 2002-03. They now make up 35-40% of total NCB reported seizures. So far seizures of heroin in 2006 are 399 kilos as at 01/05/06. Total seizures for 2005 were 972 kilos of heroin.

21. 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.
22. 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

23. The last meeting of the New Delhi Mini-Dublin Group was on 15 December 2004. The report of the meeting, included comprehensive details of current MDG members' assistance (including UNODC); details of projects requiring assistance and MDG recommendations. The New Delhi MDG has not met in 2005 or in the first half of 2006, but all the representative OLO's meet roughly once a quarter (they last met in June 2006).

Recommendations

- Donors should continue to give due consideration to 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.

IRAN

General Situation

1. Twelve months ago Iran elected a new Government with Mr. Ahmadinejad as President. During his campaign he promised a forceful fight against corruption, social malaise, and related problems to include combating narcotics. This has resulted in new government appointees in many sections including Drug Control Headquarters, the Anti Narcotics Police and Customs. Inevitably this resulted in re-organisation, which in turn has led to a delay in progressing counter narcotics co-operation and approved CN projects implementation. Recently however there are indications that some of the key counter narcotic officials are becoming available for meetings. It should also be noted that in certain sectors there is increasing politicisation of the CN issue.
2. Iran has continued to spend large sums of money protecting its Eastern borders from traffickers and has maintained its role as the major opiate seizing country in the world. In 2005 Iran seized approximately 220 tonnes of opiates which had originated in Afghanistan which overwhelmingly consisted of opium. There was a notable increase in heroin and a small increase in morphine. Law Enforcement activity led to the loss of life of 56 members of the Iranian Police last year.
3. There is a considerable drug addiction problem in Iran. UNODC reports that drug abuse in Iran exceeds 1.2 million, but in reality it is probably much higher. The Iranian authorities react more positively to foreign interest in this sector if it can contribute to their domestic drug consumption agenda.
4. As recently stated by the newly appointed DCHQ Secretary General, Dr. Fadah Hossein Maleki, the focal counter narcotic strategy of Iran will continue to be an amalgamation of drug supply, drug demand and international co-operation.
5. Iran recently has made calls for additional support on CN work in the form of \$500million in equipment and training. This request while showing good intent is overly ambitious given the state of Iranian infrastructure's capacity to deal with foreign support.

Drug Supply

6. There is little change from the situation reported last year. As previously reported Iran continues to be the major point of entry for opiates from Afghanistan and although it continues to provide a major market for opium, available evidence indicates the remainder is in transit for either further processing and/or Western markets. UNODC estimate that 61% of drugs flowing through the Afghan/Iran route end up in Europe. An emerging trend recently reported is the routing through Iraq. A breakdown of last year's drug seizure activity by the Iranian authorities is as follows:
 - 33% of all seizures were at vehicle checkpoints (including use of drug sniffer dogs)
 - 26% were armed clashes in the border regions
 - Remainder comprises surveillance, infiltration, premises searches, body and luggage checks.
7. Drug related convictions account for approximately 60% of the current total number of inmates in Iranian prisons.
8. No manufacture of illicit drugs has been reported in Iran in 2005, but recent reports suggest an increase in the abuse of synthetic drugs and the existence of illegal synthetic drug manufacturing facilities should not be ruled out.
9. Seizures of precursors and specifically Acetic Anhydride have not been reported in the annual seizures of Iranian Law Enforcement since 2002. However as AA is manufactured within Iran, diversion to other countries most notably Afghanistan cannot be ruled out.
10. No legal or illegal cultivation of opium poppy as reported by officials takes place in Iran. However, occasionally there is media reporting about the eradication of a few hectares of opium poppy by Law Enforcement in some remote areas.
11. Within the last few weeks the media has reported that the Majlis Parliament draft money-laundering legislation has, after several attempts, been approved by the Guardian Council and returned for implementation.

Mini Dublin Group Activity

12. Within Iran the Mini Dublin Group chaired by UK relies to a significant extent on the UNODC Office in Tehran, which acts as a Secretariat. The UNODC Iran, with support from Mini Dublin Group members, has developed a strategic programme framework based on Paris Pact objectives. The Mini Dublin Group in Iran is planning a meeting in September 2006 and will develop a unified front to put pressure on the Iranian Government to authorise UNODC projects which have been developed in concert with the Iranian authorities.

Progress on 2005 Recommendations

13. Last year's Dublin Group recommendations emphasised that the government of Iran should continue to enhance cross-border co-operation with Afghanistan and Pakistan. Iran and Afghanistan signed a counter narcotics co-operation MOU at the Good Neighbourly Relations Declaration meeting in Kabul on 13 June 2006. UNODC, supported by Drug Control Headquarters (DCHQ), organised an international expert assessment mission to focus on border control and procedures covering Afghanistan, Pakistan, Turkey, and the Gulf. As a result of the assessment report UNODC proposed a number of related projects under the terms of the Paris Pact. These included:
 - An integrated border control project aimed at improving control at both entry and exit of drug trafficking routes;
 - The promotion and strengthening of intelligence led investigation capacities;
 - Other suggested projects included judicial reform and were aimed at demand reduction.
14. Under the Paris Pact initiative an expert Round Table meeting was convened in September 2005. It was well attended by representatives from Mini Dublin Group members in Tehran and subsequently sufficient donor support was conveyed to UNODC HQ, Vienna. Unfortunately, subsequently there has been no further progress for implementation. Appointment of Project Managers await written agreement from DCHQ.

Recommendations for 2006

- Continue to encourage Iran to engage internationally on counter-narcotics.
- Encourage the Government of Iran to step up regional co-operation especially with Afghanistan, Pakistan, Turkey and the Gulf.
- MDG and HDG (via EU/Iran Troika mechanism) in parallel to encourage implementation of actions identified at Paris Pact meeting in Tehran in September 2005.
- After Iranian post election restructuring of CN agencies, to encourage Iran to renew its links with DLO's and bordering countries CN agencies.
- To manage Iranian ambitions contained in its request for \$500million funding for CN initiatives and provide a more focussed and realistic approach.

NEPAL

Mini Dublin Group Activity

1. The Mini Dublin Group in Nepal, does currently meet, therefore no report has been provided. Overseas Liaison Officers do meet in other fora, but counter-narcotics is assessed as a low priority (Nepal produces cannabis and there is limited evidence of heroin being trafficked through Nepal to Europe).

General situation

2. In order to assess the general situation, and inform discussion, a copy of the most recent UNODC report on Nepal is attached at Annex 1. In brief, the UNODC report states that:
 - opium and its derivatives are brought into Nepal for local consumption;
 - much of the heroin in the country comes from India;
 - the improved capacity of the Narcotics Drug Control Law Enforcement Unit (NDCLEU) has resulted in a recent increase in seizures;
 - there is some production in-country, largely of Cannabis (which has been used traditionally);
 - there is no heroin manufactured in Nepal;
 - there is some evidence that Tribhuvan International Airport in Kathmandu is being used for the transshipment of drugs, mainly heroin and cannabis. It has direct flight connections with Thailand, Bangladesh, India, the Middle East, Singapore, Hong Kong, China, Bhutan, the Netherlands, Germany, Austria, Russia and the UK.

Recommendations

- Recommend continued visits of the regional UN ODC official to keep the drugs situation in Nepal under review.

PAKISTAN

General situation

1. CN outlook slightly improved, ANF receive long-awaited increase in troop strength, Government of Pakistan (GoP) commitment to re-draft the Masterplan, decrease in identified poppy cultivation but CN remains down the agenda both within the GoP and also in the international community. There is an enormous drug addiction problem within the country. The long promised anti money laundering legislation is yet to be enacted and there are no indications of when this might be expected.
2. The GoP needs to commit more resources, both human and financial, to curb the increasing cultivation of poppy and to tackle the narco-trafficking within its borders.
3. The international community needs to engage the GoP on CN issues, especially at senior levels and have this subject raised by visiting ministers
4. Regionally Pakistan needs to work more efficiently with their neighbours, especially Afghanistan and Iran, sharing information and expertise and to fulfil their GNRD commitments towards Afghanistan.

Institutional Framework

5. The policy framework remains the Drug Abuse Control Master Plan (1998-2003) prepared in collaboration with UNODC even though it expired in July 2003. The Ministry of Narcotics Control, with the assistance of UNODC, is in the process of drafting a replacement.
6. The Ministry of Narcotics Control leads on implementing the policy. The Anti Narcotics Force (ANF) is the principal law enforcement agency involved, while Customs and Excise, the Police, Coast Guard and the Frontier Corps (Baluchistan and NWFP) also play a substantial role. Whilst the MNC is responsible for drug control, all law enforcement agencies, other than the ANF, report to the Ministry of Interior. This division of responsibilities complicates institutional co-operation and effective drugs control.

7. There are many laws in place to combat the production, consumption and trafficking of drugs in Pakistan, the keys ones being;
- The Anti-Narcotics Force Act, 1997
 - The Control of Narcotic Substances Act, 1997
 - Dangerous Drug Act, 1930
 - Drugs Act, 1976
 - Opium Act, 1878, and consequent Opium Rules Act of 1956
 - The Hudood Ordinance, 1979
 - The Customs Act, 1969
8. Anti money laundering legislation has been redrafted and is with the Ministry of Finance, but it remains unclear when it will be submitted to the National Assembly as a bill. When the law is enacted its effectiveness will turn on the GoP's commitment to fund and staff adequately a fully autonomous Financial Intelligence Unit (FIU), with training and other assistance from donors.
9. The international community's CN focus on Pakistan has shifted in the last couple of years with focus directed at Afghanistan due to the larger production problem there. Domestically CN has been consistently overlooked in problem areas, with CT operations taking priority.
10. Relationships with others in the region do look encouraging. GoP and the Government of Iran (GoI) have a good operational relationship, with officers taking part in Senior Law Enforcement Officer (SLEO) meetings and Inter Governmental Technical Committee (IGTC) meetings, both sponsored by UNODC. Law Enforcement officers meet every 3-4 months in the QUAD (Pakistan, Afghanistan, Iran and UK with Germany as observers) to exchange intelligence and operational information. Co-operation with Afghanistan is growing, through mechanisms such as the Counter Narcotics Working Group of the Tri-partite Commission. There have also been meetings through the Good Neighbourly Relations Declaration (GNRD) on narcotics, and through the Paris Pact process, sponsored by UNODC.
11. This is increasingly seen as a regional problem, but more could be done to ensure that it is addressed accordingly, particularly at the operational level.

Production Related Issues

12. Measures remain in place to eradicate opium production. In 2001 Pakistan was poppy free, but production has increased since then. According to ANF figures, 2003 saw 6,700 hectares being cultivated, but only 38% (2,521 hectares) actually harvested. In 2004 6,694 were cultivated but only 22 % (1,481 hectares) was harvested. However 2005 saw a drop of 47% in the area of poppy cultivated but 75% of that was harvested (2,359 hectares). This change can be in part explained by a change in how figures are recorded, with the ANF no longer accepting eradication of poppy that has already been lanced once. Most of the cultivation was in the Khyber Agency of NWFP. Opium poppy cultivation in Baluchistan declined from 3,067 hectares in 2004 to only 275 hectares in 2005, with the entire crop being destroyed. There continues to be a risk of displacement of cultivation from Afghanistan as efforts to tackle opium production there become more successful.
13. Many of the areas where poppy has been cultivated are difficult to access and are amongst the poorest in Pakistan. The provincial governments have been coming under pressure from some local leaders to allow farmers to grow poppy. There are reports that politicians/clerics are making public statements that poppy growing is a legitimate source of income. With counter terrorism operations taking place, provincial and federal government policy has been not to stir up the local farmers further by destroying their only income stream, thus hampering eradication programmes. This is particularly true for FATA. It is also thought that cultivation is being used as a political tool, as generally, where there is cultivation there are development programmes.
14. The need for political commitment in countering poppy cultivation cannot be underestimated.

Demand Related Issues

15. Drug abuse, in particular heroin and hashish is widespread in Pakistan. In 2000 there were an estimated 500,000 chronic heroin abusers, which is on a par with the US (UNODC source). Trends suggest a shift from inhaling and smoking heroin to intravenous injection of drugs, bearing the risk of an HIV/AIDS epidemic and the spread of other blood borne diseases. According to the UNAIDS/WHO IADS epidemic update of December 2005 there are signs that Pakistan could be on the verge of a serious epidemic. The UNODC led national assessment of 2000 estimated that there are 60,000 intravenous users, with the majority located in Karachi and Lahore. The most commonly used drug in Pakistan is cannabis and it can be consumed in a number of forms, e.g. charas, marijuana. A new national assessment of drug use is underway by GoP and UNODC.
16. There is no coordination within central government on how to cope with drug addicts. Drug addiction centres are being built, with a model centre established recently in Islamabad. But still only a small number of addicts receive any treatment. Most treatment centres are run through NGO's supported by donor funding. UNODC is supporting a network of 17 drug treatment centres within the NGO and Government sector to provide quality treatment and rehabilitation for drug addicts.
17. A further problem for the GoP is addiction to pharmaceutical drugs. Pharmacies in Pakistan do not have to be registered and are unregulated. Any prescribed drug can be sold over the counter. The Group agrees that it is important the Government of Pakistan enforces proper regulations of pharmacies.
18. Demand reduction is at least partly a development issue, which Development Ministries of foreign Governments and NGOs need to address.

Trafficking Issues

19. The ANF figures record seizures by all law enforcement agencies in Pakistan (to the nearest kilogram). The official figures for the last four years are as follows:

	2005	2004	2003	2002
OPIUM	6,426	2,495	5,612	2,678
HEROIN	24,325	24,744	32,855	12,691
HASHISH	89,576	135,639	85,246	85,486

No acetic anhydride was seized in Pakistan. (ANF source)

Mini Dublin Group Activity

20. The Mini Dublin Group in Pakistan has not met in the last 12 months. Many of its members are small missions with a limited interest in counter-narcotics work. Those who do have a bigger interest meet regularly through other mechanisms e.g. the Foreign Anti-Narcotics Community.

Recommendations

- The External Assistance Priorities and Islamabad Group recommends that lobbying on drug related matters should be taken up by Ambassadors and also included in ministerial briefs;
- The Group recommends that there is more inter-agency co-operation and sharing of information between departments and organisations, i.e. ANF, Frontier Corps, Ministry of Interior and Federal Investigation Authority (FIA). Group countries should co-ordinate to encourage this;
- Group members should press the GoP for speedy approval of anti-money laundering legislation. Once implemented donors should support the GoP by giving assistance through legal and police assistance programmes. This should include training on the different Dublin Group countries legal systems;

- The Group recommends that the GoP should continue to co-operate and co-ordinate with its neighbours (Iran and Afghanistan especially). This includes fulfilling GNRD pledges;
- The Group should support the action priorities agreed at the Paris Pact policy level meeting in Venna in December 2005;
- The Group should continue to support the GoP in its programme to curb the misuse of drugs through the Group countries Development Ministry's and also encourage continued support from other NGOs, e.g. ADB programmes.

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. The annual seizures of “brown sugar” (unrefined Heroin) run at about 70 kgs a year. 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 full assessment of heroin trafficking via Colombo has yet to be completed but the size and importance of Colombo harbour as a transhipment port for the rest of south Asia leads us to believe it is likely that some heroin transits Colombo.
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.

Sri Lanka's 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. However generally police resources are not focussed on drugs. The Sri Lankan National Policy for the prevention and control of drug abuse is attached for information at Annex 2.

Mini Dublin Group Activity

7. Liaison officers meet quarterly in India, and discuss regional issues at those meetings. The UK has appointed a Serious Crime Liaison Officer at the High Commission who works with the Drugs Liaison Office in Mumbai to increase the level of co-operation between the UK and Sri Lanka enforcement agencies.

Recommendations

- The Sri Lankan Government should be encouraged to give more priority to counter-narcotics.
- The Sri Lankan Government should also be encouraged to continue to co-operate and co-ordinate with its neighbours, particularly India and with the focus on maritime and air interdiction.
- Encourage greater inter-agency co-ordination within Sri Lankan law enforcement agencies.

NEPAL (UNODC REPORT 2006)

Nepal is one of the poorest countries in the world. It shares porous borders with India and the resulting free flow of goods and people is used to conceal trafficking in drugs and human beings.

There are multiple reports of high drug-related HIV sero-prevalence especially among IDUs in the Kathmandu valley (70%).

Considering the extent of the drug-abuse-driven nature of the HIV epidemic in Nepal, there is a paucity of responses to drug demand reduction. The impact of current harm-reduction initiatives has not been assessed.

Nepal is a significant source country for women and girls who are trafficked into India for work in brothels and as domestic labour. Some of these women are trafficked onwards to Gulf countries or SE Asia.

HIV prevalence is high among Nepali sex workers who return to the country from India.

All the above should be considered in the context of the ongoing political instability. The country is currently trapped in a complex triangular political crisis and protracted civil war involving the monarchy, the political parties and the Maoist rebels with the potential for the Royal Nepalese Army to emerge as a political force.

The armed Maoist insurgency began in 1996 as a low intensity and mainly rural campaign to replace the present polity with a “people’s republic.” The conflict has accelerated to a degree where it now affects all parts of the country. This has rendered difficult (and at times, impossible) the work of international aid agencies. This includes operations aiming at limiting the spread of drug-related HIV. The insurgency also has had the effect of limiting the countermeasures required against drug trafficking and the cultivation of illicit crops.

The armed conflict has caused a deterioration in the trafficking situation. In many cases, women and children who are internally displaced as a direct result of the conflict, leave the conflict-afflicted zones to find jobs as well as protection. Maoist insurgents reportedly abduct and forcibly conscript children to serve in their ranks. A continuation of the conflict runs the risk causing mass migration and the attending threat of trafficking in such internally-displaced populations.

Nepal features among the poorest countries in the world in terms of human development (UNDP 2003). Nepal’s human development indicators remain well below the average for the South Asia region: more than 40% of the Nepali population live below the national poverty line, nearly half of all children below 5 years are underweight and nearly 60% of all adults are illiterate. Additionally, women traditionally have a lower status than men and gender inequality is deeply rooted. Nepal is one of the few countries worldwide in which men live longer than women. More boys than girls receive any form of education. Women generally work longer hours than men. Men have better access to services, including health. In Nepal, the topography, environmental degradation, poverty and economic migration are all linked, and they combine with other factors to increase vulnerability to drug-abuse-driven HIV infection.

3. DRUG SITUATION

3(a) Production and cultivation

Cannabis has been used traditionally in Nepal for centuries. It can be found growing wild in the high hills of the central, mid-west and far western parts of Nepal where crop eradication is very difficult and expensive due to the difficult terrain.

In the southern part of the country law enforcement agencies have, in recent years, carried out eradication campaigns. The Narcotics Drug Control Law Enforcement Unit (NDCLEU) has reported the following destruction figures

Destroyed areas of illicit drugs cultivation (in hectares) (1991- 2004)

Year	Cannabis	Opium	Remarks
1991	1,409	-	-
1992	369	42.67	Young plants of cannabis (ready for cultivation) sufficient for cultivating an area of 47.96 were destroyed.
1993	249	1.42	45,110 cultivated plants of cannabis were.
1994	82	0.13	23,752 cultivated plants of cannabis and 562 cultivated plants of opium were destroyed.
1995	505	-	-
1996	58	1.80	-
1997	367	0.65	Bhang 0.103 hectare.
1998	54	1.67	-
1999	451	1.68	-
2000	780	0.10	57,584 plants of cannabis were destroyed
2001	56	1.72	
2002	330	11.34	25,639 cannabis plants destroyed
2003	198	19.42	-
2004	126	-	-

Source: NDCLEU

3(b) Manufacture

Nepal does not manufacture heroin, but produces high-quality cannabis resin. Its legal drug requirements are met through imports. Nepal does not produce any of the precursors scheduled in the 1988 UN Convention.

3(c) Trafficking

Cannabis produced in Nepal is processed into hashish (cannabis resin), which is routinely smuggled into the Indian states of Uttar Pradesh and Bihar. From there it finds its way to Delhi and Mumbai (NCB 2001; NCB 2002). Current indications are that both trafficking through Nepal and drug abuse within Nepal are on the rise. This appears to be the case especially near the border with India, along the main roads, and in the cities. Shipments of hashish are being intercepted en route primarily to China, India, Canada, the United States and Germany. Opium and its derivatives (both “brown sugar” and white heroin) and banned pharmaceutical products are brought in to Nepal for local consumption. Much of the heroin available in the country is sourced from India. In recent years there has been evidence that the Tribhuvan International Airport (TIA) in Kathmandu is being used for the transshipment of drugs, mainly heroin and cannabis. TIA has direct flight connections with Thailand, Bangladesh, India (five destinations), the Middle East (three destinations), Singapore, Hong Kong, China, Bhutan, the Netherlands, Germany, Austria, Russia and the U.K. The improved capacity of the NDCLEU has resulted in a recent increase in drug seizures at TIA, including heroin from Afghanistan and Pakistan, moving through TIA to destinations in Africa and Europe.

Nepal – Seizures (in kg)

Drugs	1997	1998	1999	2000	2001	2002	2003	2004	2005
Heroin	11.0	9.0	1.5	1.7	9.4	3.7	22.7	7.7	4.2
Cannabis /ganja	2,040	6,409	4,064	8,025	4,127	3,320	5,091	1,790	5,143
Hashish	981	2,585	1,671	2,539	694	850	921	1,598	1,387

Source: NDCLEU (note 2005 figures represent to 15 July)

The armed Maoist insurgency has however led to the withdrawal of the police from most rural areas. This compromises the ability of the latter to effect counter-narcotics interdiction. There is evidence that the Maoist insurgents both charge a levy on hashish passing through territory they control and operate a system whereby growers are authorized to cultivate a certain hectareage per year for the payment of a fee.

3(d) Diversion of drugs and precursors

Nepal does not manufacture or export precursors. It imports precursors to meet its requirements. There are no reports of the diversion precursors from licit trade in Nepal. However, there have been seizures of precursors (acetic anhydride) destined for Pakistan via Nepal by air. The geographical location of Nepal between India and China – the two largest producers of ephedrine and pseudoephedrine – as well as its proximity to Myanmar, which has a large illicit demand for these two precursors, makes Nepal crucial in any scheme of precursor control in the region. There is, as yet, no law to regulate precursors. The Nepalese government constituted a committee in 2003 to frame precursor control laws. With assistance from the UNODC Regional Precursor Control Project for SAARC Countries, the team drafted precursor control legislation, which is under consideration. Nepal has been actively participating in all meetings and seminars on precursor control. It has also drafted a national precursor control training strategy with help from UNODC. While there is no evidence of a large-scale diversion of drugs (including pharmaceuticals), codeine-based cough syrups are widely diverted and abused (INCSR 2003).

3(e) Drug prices

The drug prices are more or less in tune with the drug prices in other countries in the region except for cannabis, which is much cheaper than in the neighbouring countries. This can be explained by the extensive wild growth as well as cultivation of cannabis in the country.

3(f) Demand

Drugs such as cannabis and alcohol have been used traditionally in Nepal. The use of cannabis (ganja), when regulated by traditional social norms, appears not to have created major public health problems within the social structure of Nepal. The history of modern drug abuse in Nepal appears to date from the 1960s, when contact with the outside world began to expand. Reported sporadic abuse in the 1960s increased in subsequent decades. The types of drugs or substances abused have expanded from cannabis to synthetic opiates and sedatives-hypnotics, and their modes of administration also changed from smoking or ingesting to injecting (Chatterjee et al 1996). In the mid-1990s a rapid situation assessment was conducted at different sites, including eight municipalities in the five development regions of the country (Chatterjee et al 1996) using methods such as semi-structured interviews, in-depth interviews and focus group discussions. The sample was recruited from the community, from treatment centres and from prisons. Additionally, secondary data from treatment centres and prisons was also analysed. The study revealed that most of the drug users were young adult males. More than one-third of the subjects in the sample were unemployed and one-fifth were students. Only about 29% were married. A large majority (90 per cent) of the drug users resided with their families. Apart from tobacco and alcohol, the major drugs of abuse were cannabis, codeine-containing cough syrup, nitrazepam tablets, buprenorphine injections and heroin (usually smoked, rarely injected). The commonest sources of drugs were other drug-using friends, cross-border supplies from India or medicine shops. A clear trend towards the IDU was noted among users who smoked heroin or took codeine cough syrup. The reasons cited for switching to injections were the unavailability and rising cost of non-injectable drugs and the easy availability and relative cheapness of injectables. The authors recommended cost-effective drug treatment and HIV prevention programmes for IDUs urgently.

Another RSA was conducted in 1999 in most of the urban areas of the southern part of the country, Kathmandu and Lalitpur, as well as the tourist area of the Pokhara valley (FHI 1999). It reported that among the 1,108 current drug users interviewed more than two-thirds had started taking drugs below the age of 20 years. At the time of interview, the majority of drug users were taking buprenorphine, nitrazepam, codeine-containing cough syrup and herbal cannabis. In the sample, about 73% of drug users were IDUs, 65.1% of whom freely shared injection equipment with others. On the basis of key informant interviews with government officials in Nepal this RSA estimated the total number of drug users in Nepal to be between 40,000 - 50,000. Street children have also been noted as a group vulnerable to drug abuse and HIV/AIDS in Nepal. Dhital et al (2002) conducted a study on alcohol and drug abuse among 180 street children selected at six urban sites. The findings revealed that more than two-third of such boys had 'ever' taken alcohol while 40% of such girls had 'ever' taken it. Overall, more than one-third of respondents had taken alcohol within last one month. One-quarter of the respondents had 'ever' taken drugs, while the figure for current users was about 20%. The most commonly used drug was cannabis, followed by inhalants, tranquillizers, opiates and heroin. In Nepal, the total number of prisons is 73. The capacity of these prisons ranges from 15 to 1,500 prisoners, out of which the majority are male. Nepalese prisons come under the purview of the Ministry of Home affairs and the Prison Management Department. The prison population rate in Nepal is low (in 2002, 29 prisoners per 100,000 inhabitants), but there is an overcrowding problem at the level over 40% of official capacity (ICPS 2004). Twelve percent of prisoners in the Nepalese prisons are there for drug-related offences.

The drug related offences committed in Nepal are illegal production, sale and distribution, export and import of drugs, storage and consumption of drugs and chemicals. The major drug problem at present is that drug dependents do not receive regular treatment and rehabilitation and no psychiatrists are available in the prisons.

3(g) Costs and consequences

The literature describes various adverse consequences of drug use in Nepal. Chatterjee et al (1996) reported adverse economic consequences of drug use in the RSA. Various high-risk behaviours have been observed among drug users in Nepal. About one-half of the injecting drug users commonly reported sharing injecting equipment which had been inadequately cleaned with water (Chatterjee et al 1996). Notably, among those IDUs operating in a region which witnessed a functional needle exchange programme, a much smaller proportion reported the sharing of equipment. Although an overwhelming majority (99.4 per cent) of the respondents reported some knowledge of HIV/AIDS, a significant prevalence of high-risk sexual behaviour was found. About one-third of respondents reported last sexual activity with casual sex partners, mostly commercial sex workers. Similarly, in the 1999 RSA (FHI 1999), most of the respondents (72.2%) admitted to premarital sex with multiple partners and most of these sexual encounters (64.7%) had been without a condom. At the time of interview, 51.7% admitted to unsafe sex, with more than one sexual partner. Among the entire group of drug users interviewed, 8.1% of the non-drug injectors were found to be HIV positive, whereas among injecting drug users, the prevalence was 40.4%.

A situation analysis of HIV/AIDS in Nepal (largely qualitative) also noted the increasing number of IDUs in Nepal, their vulnerability to high-risk behaviour and increasing prevalence of HIV among IDUs (Pokharel et al 2000). The report also noted with concern, inadequacy of harm-reduction initiatives in Nepal.

In another study examining the risk behaviours of male IDUs in the Kathmandu valley (CREHPA 2002), 41 out of 63 respondents shared both syringes and drugs with their group members currently while another 22 reported that they used to share earlier. Most respondents shared with two or three members of their groups. The specific sharing partners varied from day to day within the groups. About two-thirds of the unmarried respondents had sexual relations with multiple partners such as sex workers, girlfriends, female IDUs, and foreigners (tourists). Out of 34 unmarried men, 12 reported their last sex partner to be a sex worker and 11 reported it to be their girlfriend. Out of the 63 informants, 18 reported that they had indulged in group-sex, an activity during which condom use was reported to be particularly low. The majority of IDUs reported that they did not use condoms consistently. A high HIV prevalence among IDUs in Nepal is seen as a matter of concern. Nepal has entered the stage of a “**concentrated epidemic**”, with HIV/AIDS prevalence consistently exceeding 5 percent in high-risk groups (World Bank 2003). In Nepal, IDUs are seen as a major high-risk group, among others such as sex workers. Migration and trafficking to neighbouring countries, such as India, is also seen as high-risk factor for HIV/AIDS vulnerability in Nepal. Nepal has witnessed rapid increases in HIV prevalence rates among sex workers and IDUs in recent years (World Bank 2002). An analysis (Hellard and Hocking 2003) of secondary data on the relationship between HIV, sex workers and IDUs in Nepal reported a steadily increasing prevalence of HIV among IDUs throughout the 1990s. Regarding the relationship between IDU and sex work, the authors reported that 12% to 58% of female IDUs had at some time worked as sex workers. In this sub-group the prevalence of HIV was estimated to be 75% to 80%. Factors associated with an increased risk of HIV among sex workers include being street-based, having undertaken previous sex work in India, or a history of injecting drugs. This review also identified that a high proportion of IDUs visit sex workers and often had sex without using a condom. The sudden rise in HIV prevalence among IDUs in Nepal in the recent past has highlighted the need for reaching out to a

critical mass of IDUs in any city/country with adequate safer injecting options, as part of a comprehensive package of drug demand reduction options, once an effective mechanism for outreach to IDUs is developed.

3(h) Money laundering

There is no law criminalizing money laundering in Nepal. While Nepal is not a major financial centre for money laundering, an informal alternative system of remittance (called hundi-hawala) does exist (INCSR 2003). The casinos in Kathmandu are also known to be used by individuals trying to launder black money.

4. CRIME SITUATION

General crime trends: On an average, about 10,000 crimes are committed every year in Nepal of which murders, homicides, attempted murders (26.1%), suicides (22.0%) and traffic accidents (21.2%) account for 69.7%. The total number of crimes committed declined marginally by 4.3% during the two years for which the most recent statistics are available. Social crime (a term used in Nepal for offences related to public property, citizenship, etc.) declined (by 14.63%) followed by suicides (10%). In fact, there has been a steady decline in the social crime during the period while suicides increased marginally during 2002-03 before declining in 2003-04. However, murders and homicides (1.5%) and organized and financial crime (1.4%) grew marginally.

Crime rates: The overall crime rate per 100,000 population in the country was 42.2 (2001-02) 44.4 (2002-03) and 40.4 (2003-04) during the three years under review.

Crime against women: In stark contrast to the general decline in crime in Nepal during the period, crime against women and children rose by almost 30% during the period. These include rape, attempted rape and trafficking, etc. This trend is similar to the trends observed in other countries in South Asia where crimes reported against women have been rising much faster than average crime. This trend may be due either to an actual increase in crime or due to greater willingness among women to report crime as the society becomes increasingly open.

Murders and homicides: The rates of murders and homicides have been 3.02(2001-02), 3.00 (2002-03) and 3.99 (2003-04). The average rate of murders plus homicides thus works out at 3.66.

Corruption

In the first comparative study of corruption in South Asia examining what users of key public services actually experience, respondents in Nepal considered the land administration to be the most corrupt public agency, followed by the customs department, police and the judiciary (TI 2002). About 48% of those who had used the services of the police said they had faced corruption. The figure for the judiciary was 42%.

Trafficking in Human Beings

Nepal is a source country for women and girls who are trafficked into India for primarily for work in brothels. Some women and children are also trafficked for the purpose of domestic work and other forms of forced labour, often to neighbouring countries and to countries in the Gulf region. Some of these women are trafficked onwards to SE Asia. It is estimated that between 100,000 – 200,000 Nepalese women and girls are currently working in the brothels of India (ADB 2002). Of these, approximately 25% are below the age of 18. Estimates of the number of women and girls trafficked annually range from 12,000 (for the purpose of sexual exploitation) contained in an ILO report (Kumar et al 2001) to the commonly recycled figure of 5,000 – 7,000. Many women and girls

are also internally trafficked from rural areas across Nepal to be sexually exploited in so-called cabin restaurants, massage parlours or in street prostitution. Most of the trafficking occurs through false promises by recruiting agents, but there is also evidence of a pattern in Nepal where families send their daughters to work in brothels in India. Anecdotal reports indicate that this practice is decreasing. Some NGOs cite an absence of shelters and legal and public policies to combat male violence against women and girls as one important underlying reason for the trafficking especially in women and girls. According to this perspective, women and children flee their family homes as a result of having been subjected to different forms of violence such as physical, sexual and emotional abuse by male relatives, to an uncertain future, often in urban areas, where they risk being recruited and trafficked for prostitution purposes or for forced labour within Nepal or to other countries in the region (Ekberg and Manandhar 2005).

The ongoing internal armed conflict has caused a deterioration in the trafficking situation. In many cases, women and children who are internally displaced as a direct result of the conflict, leave the conflict-afflicted zones to find jobs as well as protection (Ekberg and Manandhar 2005). Maoist insurgents reportedly abduct and forcibly conscript children to serve in their ranks. The government of Nepal has identified 26 (of a total of 75) districts as 'vulnerable' to human trafficking i.e., where women and girls have disappeared or to which they have returned following a trafficking experience. These are depicted above in yellow dots. Both at the central and district levels, the Ministry of Women, Children and Social Welfare provides funds for NGO-based efforts to provide victim rehabilitation and assistance. There are also high-profile NGO-based awareness campaigns in place assisted by the government and Unifem. All workers intending to travel abroad are required to attend an orientation session where they are informed of their rights and the risks they may face.

5(a) National drug control framework

Convention adherence

The Government of Nepal has ratified the two UN Conventions related to narcotic drugs, namely, the Single Convention on Narcotics Drugs, 1961 (as amended by the 1972 Protocol) and the United Nations Convention against Illicit Traffic in Narcotics Drugs and Psychotropic Substances, 1988. Nepal is still not a party to the 1971 Convention.

Legislation

In Nepal, the Narcotic Drugs Control Act, 2033 (1976) is the legal framework for drug control issues. Section 3(a) stipulates narcotic drugs as: cannabis, medicinal cannabis, opium, processed opium, plants and leaves of coca, any substance prepared with mixing opium, coca extract which include mixtures or salts, any natural or synthetic narcotic drug or psychotropic substance and their salts and other substance as may be specified by the Nepal Gazette notification. Any person violating this act shall be punished by up to life imprisonment and a fine. While the non-physician-prescribed consumption of narcotics drugs is a criminal offence the Act makes provision for the prevention and treatment of drug users. Rules under this Act have, as yet, not been framed.

The Narcotic Drug Control Act from 1976 was subject to a comprehensive and important amendment in 1993. The Act was revised by the Ministry of Home Affairs and reviewed by the Ministry of Law. The amendment which came into force on 14 June 1993 included: (i) incorporation of the SAARC convention of 1992 on Narcotics Drugs and Psychotropic Substances³⁷; (ii) inclusion of the provisions of the 1961 Single Convention (including the 1972 Protocol amending that Convention) and the 1988 UN Convention on Illicit Trafficking of Narcotic Drugs and Psychotropic Substances; (iii) legalisation of controlled delivery; (iv) increased penalties for drug offences; (v) an asset seizure section; (vi) a section on money laundering (including a bank secrecy act); (vii) legislation of advanced investigation techniques and methods of gathering

evidence such as wire tapping (including room and telephone bugging) and surveillance photography; (viii) authorisation of NDCLEU to prosecute drug law offences; (ix) a reward scheme; and (x) the destruction of seized drugs.

Following these amendments, discussions were held during the period 1994-1995 between UNDCP and HMGN regarding the formulation of separate legislation in the areas of money laundering, asset forfeiture and criminal conspiracy. Terms of Reference were developed for a UNDCP legal mission for finalising these matters. A legal consultation mission to Nepal was carried out. Working together with a government lawyer with considerable experience in narcotics control, the mission successfully drafted: (i) an amendment to the Narcotics Drug Control Act; (ii) a Witness Protection Act; (iii) a Mutual Legal Assistance Act; (iv) a Crime Proceeds Act; and (v) a Controlled Chemicals, Equipment and Materials Rule Act. The draft bills were translated into Nepali by a local translator and submitted to HMGN for consideration. The Ministry of Home Affairs however considered the bills to be too complex in their draft form and therefore deemed them not suitable for local conditions in Nepal.

Institutions and national policy

The Department of Narcotics Control and Disaster Management, under the Ministry of Home Affairs (MoH) has overarching responsibility for narcotics issues in Nepal. The MoH has established a National Co-ordination Committee for Drug Abuse Control (NCC) under the chairmanship of the Home Minister. This includes the Secretaries of Home, Health, Finance, Education, Foreign Affairs and Communications, together with the Inspector General of Police, Members and Secretary of the Planning Commission, and members of NGOs and other professional organisations. Generally, it has met less than once a year. Below the NCC is an Executive Committee, of which members include joint secretaries from the ministries of Education, Finance, Law and Justice, Health, and Women and Social Welfare, a Deputy Inspector General of Police (DIGP), National Project Director of the Drug Abuse Demand reduction Project, and the Chief of the National Drug Control Law Enforcement Unit (NDCLEU). This committee meets more regularly than the NCC, and is working towards closer co-operation and co-ordination of national efforts, and a strengthening of management procedures, policy and strategy.

The NDCLEU is a specialized unit assigned to function on all narcotic drug related operational and investigative matters. The NDCLEU specializes in undercover operations, international joint investigations, and coordination with international law enforcement agencies. The Customs Department of HMGN is also one of the main drug law enforcement agencies. At present there are 22 customs points in the country including Tribhuvan International Airport in Kathmandu.

5(b) Licit control (drugs and precursors)

Nepal does not produce any of the substances scheduled in the 1988 UN Convention. The country has, however, been used as a transit point to traffic narcotic drugs and precursor chemicals to neighbouring countries where drugs are illicitly manufactured. His Majesty's Government of Nepal (HMGN) has established an Inter-departmental Coordination Committee on Precursor Control (ICCP). Besides the substances in Table I of the 1988 Convention, seven precursor chemicals listed under Table II are being regulated and controlled for importation and consumption. Precursor Control Rules and Regulations have been drafted to regularise importation, storage, transportation, distribution and consumption.

5(c) Supply reduction

In Nepal the policy of supply reduction is laid down in the Narcotic Drugs Control Act 1976 which was amended in 1993. The Master Plan designed with the assistance of UNODC indicated, as a long-term objective, “To contain and reduce the disruptive effect and damage to individuals, families and the social fabric of society caused by drug abuse and illicit trafficking”.

5(d) Demand reduction

In 1992 the Ministry of Home Affairs in cooperation with UNODC formulated a master plan for Drug Abuse Control, which is still in operation. The Master Plan includes the key areas of national drug control administration, legislation, law enforcement, preventive education, treatment and rehabilitation.

In Nepal the policy of demand reduction is laid down in the Narcotics Control Act 1976 which was amended in 1993. The long-term objective for drug control is “To contain and reduce the disruptive effect and damage to individuals, families and the social fabric of society caused by drug abuse and illicit trafficking”.

The Ministry of Home Affairs through the Community Recovery Centre conducts treatment and rehabilitation programmes in prison for drug addicted prisoners. Carrying out counselling, treatment programmes and skill development programmes for prisoners involves non-Governmental Organizations in Nepal in minimizing the use of drugs. Community Based Organizations are involved in carrying out anti drug programmes at schools and the community in Nepal. According to the National Drug Demand Reduction Strategy (Shakya 2004), the Government of Nepal has adopted a two-pronged approach: Preventive Education and Information Strategy and Treatment and Rehabilitation strategy. Regarding the former, the strategy envisages communication of drug abuse prevention messages in the formal as well as nonformal educational sectors and through the use of mass media. Regarding the latter, the strategy envisages provision of detoxification, after-care and rehabilitation services for all drug users at primary, secondary and tertiary levels of care, including the government, NGO and prison based services. The strategy, importantly, also supports harm reduction procedures including substitution treatment. The HIV/AIDS programme in the country is part of the activities of the Ministry of Health. The national coordinating body for HIV/AIDS prevention and control is the National AIDS Coordination Committee (NACC), which is chaired by the Health Minister. There is a need for closer cooperation between the Ministry of Home Affairs and Ministry of Health in matters relating to drug-related HIV/AIDS.

The National AIDS Prevention and Control Programme (NAPCP) was established in 1987. Nepal was, indeed, the first developing country in which an NGO established a “harm reduction” programme with needle exchange for IDUs. The National HIV/AIDS strategy of Nepal (National Centre For AIDS and STD Control 2002), recognized IDUs as the population sub-group in which HIV threatened to rise most rapidly and expressed concern that neither governmental nor non-governmental capacity and policy were positioned to mount an effective response. The strategy lays down emphasis on creation of an enabling environment, harm reduction (including drug substitution), care and support of seropositive IDUs and their partners, and demand reduction (i.e. IEC based prevention programmes). An analysis of policy issues in Nepal was under taken as a part of a UNODC ROSA project (Shakya 2004). The highlights emerging from the analysis were as follows:

- A balanced approach to harm reduction, especially regarding needle exchange is lacking between the Ministry of Health and the Ministry of Home.
- Government has been slow to provide resources and to implement comprehensive harm reduction programmes.
- NGOs have implemented harm reduction and community outreach initiatives but they are too few and too limited in scale to reach the majority of those in need and to have a major impact on the epidemics.
- There is a fear in the mind of some policy makers that syringe exchange might increase addiction among the youth.
- A minimum standard of services should be fixed for organizations involved in service delivery.

An analysis of national policies pertaining to drug use and HIV/AIDS (UNAIDS and UNODC 2000) found that the responsibility for drug policy planning in Nepal resides solely within the Ministry of Home Affairs, which had not, till then, placed substantial emphasis on the public health aspects of drug abuse. Many senior officers within the Ministry of Home Affairs saw needle and syringe exchange treatment as being against the law and counterproductive. It was further observed that the legal situation pertaining to the use of methadone for purposes of drug substitution treatment was unclear and although government was supportive in a limited and non-formalized sense, there was no written policy on the matter.

5(e) Money laundering control measures

Current provisions under the Foreign Exchange (Regulation) Act, 1982, are not adequate to deal with sophisticated and complicated financial crimes such as money laundering and the investigation of drug proceeds. There is also no ceiling for money transactions in Nepal. HMGN has drafted a Money Laundering Act but this has not to date been approved. The Department of Narcotic Control and Disaster Management has meanwhile initiated a Proceeds of Crime Act which is currently under consideration. Agencies, which have the authority to investigate financial offences, include Nepal Rastra Bank, Revenue Investigation Department, Special Police Department, NDCLEU and the Commission for the Investigation of Abuse of Authority. The multiplicity of agencies, lack of sharing of criminal intelligence, and division of authority for financial investigation and drug crime investigation between different ministries result in a very low detection rate of money laundering and related crime.

5(f) International cooperation

Nepal is actively participating in international and sub-regional meetings and conferences. Drug Liaison Officers from USA, Germany and UK visit the country regularly for exchange of information and to make assessment of drug problems. 100 The Government is a signatory to the 1990 SAARC Convention on Narcotic Drugs and Psychotropic Substances.

Criminal justice system: The constitution promulgated in 1990 reorganized the judiciary, reduced the king's judicial prerogatives, and made the system more responsive to elected officials. Under the new system, the king appoints the chief justice of the Supreme Court and the other judges (no more than 14) of that court on the recommendation of the Judicial Council. Beneath the Supreme Court, the constitution established 54 appellate courts and numerous district courts. The king on the recommendation of the Judicial Council also appoints the judges of the appellate and district courts.

The Judicial Council, established in the wake of the pro-democracy movement and incorporated into the constitution, monitors the court system's performance and advises the king and his elected government on judicial matters and appointments. Council membership consists of the chief justice of the Supreme Court, the minister of justice, the two most senior judges of the Supreme Court, and a distinguished judicial scholar. All lower court decisions, including acquittals, are subject to appeal. The Supreme Court is the court of last resort, but the king retains the right to grant pardons and suspend, commute, or remit any sentence levied by any court.

Crime control institutions: Nepal's police system owes its origins to the Nepal Police Act of 1955. Besides defining police duties and functions, the act effected a general reduction in the size of the police force and a complete reorganization of its administrative structure along Indian lines. At the apex of the system is the Nepalese Police Force, centrally administered by the Ministry of Home Affairs. The Central Police Headquarters, commanded by the inspector general of the Nepalese Police Force, has a criminal investigation division; intelligence, counter-intelligence, motor transport and radio sections; a traffic policy branch; and a central training centre.

Human trafficking: The Human Trafficking Control Act of 1986 is the main piece of legislation currently in place. It criminalizes the trafficking in human beings. There is in place a National Plan of Action against Trafficking in Children and Women for Sexual and Labour Exploitation. Through this document, Nepal has had the first plan of action against trafficking for all South Asian states. The government had also prepared an anti-trafficking Bill, which, due to the suspension of the Parliament, is yet to be enacted. The current extradition treaty with India does not cover trafficking. There is also no provision for repatriation in the current legislative framework. Thus if Indian NGOs rescue trafficked victims, there is currently no legal process to be used to return them to Nepal. In August 2002, the Office of the National Rapporteur on Trafficking in Women and Children (ONRT) was established as a three-year project at the National Human Rights Commission (NHRC) in Nepal through a Memorandum of Understanding between NHRC and the Ministry of Women, Children and Social Welfare (MWCSW). This initiative is the first of its kind in the South Asia region. The ONRT started its operations in January 2003 (Ekberg and Manandhar 2005).

6. POLICY – CRIME

Corruption: The legislature has amended the Anti-Corruption Act and made one of the constitutional bodies – the Commission for Investigation of Abuse of Authority – stronger. In February 2005, the king created an extremely powerful anti-corruption body through an emergency order. It is a six-member Royal Commission on Corruption Control (RCCC). The RCCC has the power to investigate and indict suspects, hear cases and order sentences in relation to smuggling, revenue-related crimes, irregular contracting procedures and kickbacks, and 'any other act deemed to be corruption under existing laws'. The rules for the RCC were approved in March 2006. In April 2006, the king extended the term of the RCCC through a separate order under Article 127 of the constitution which allows him extraordinary powers to remove obstructions to the implementation of the constitution (EIU Nepal 2005).

Convention adherence: Nepal is a signatory to the Transnational Organized Crime Convention of 2002 but not the three related Protocols on human trafficking, migrants and firearms. It is also a signatory to the 2003 Corruption Convention. Currently the main source of activity linked to terrorism in Nepal is the Maoist insurgency which is responsible for hundreds of deaths of security personnel and civilians. The key pieces of national legislation against terrorism were both promulgated as ordinances in 2001: (a) the constitution's emergency provisions and (b) the terrorism ordinance. There is no law against terrorist funding.

Convention adherence: Nepal is a party to five of the 12 international instruments related to the prevention and suppression of international terrorism. It is not a party to the 1999 International Convention for the Suppression of the Financing of Terrorism.

SRI LANKAN NATIONAL POLICY FOR THE PREVENTION AND CONTROL OF DRUG ABUSE

The Government of Sri Lanka being conscious of the illicit drug problem specially in relation to heroin and cannabis and its far reaching and destructive socio-economic implications, reaffirms its political will and determination to combat the problem by developing effective strategies based on

Enforcement:

Preventive education and public awareness;
Treatment rehabilitation and after-care; and
International and regional co-operation,

Strategies and Mechanisms of Implementation of the National Drugs Policy

1.Introduction to the drug problem in Sri Lanka

Sine the early 1980's Sri Lanka has had to face a growing problem of drug abuse, mainly heroin amongst its youth, introduced originally by tourists. It is estimated that there are about 40,000 users of heroin and about 200,000 users of cannabis in Sri Lanka today. To a nation which firmly believes that its citizens have a right to a decent life with moral, humanitarian and spiritual values in a healthy and safe environment, this matter is of grave concern specially as it involves the youth, who are the wealth of the nation.

The causes of drug addiction are many and include increased availability of drugs, expansion of communication, socio-economic factors, migration and rapid urbanization, changes in attitudes and values towards society, community, family, religion, morality etc. and the ruthless exploitation of fellow human beings by drug-traffickers. Social costs are heavy and are due to drug related crime and disease, increasing poverty among addicts, over crowded prisons, social and family disruption, human suffering and the like. Since the group at risk is primarily in the 15-35 years category the loss in productivity and manpower is enormous.

2.The role of the National Dangerous Drugs Control Board

To combat the growing problem of drug abuse effectively, it is vital that all agencies of the government, provincial councils and non-governmental-organizations join in a cooperative endeavor. The board will co-ordinate the implementation action based on the policies and guidelines approved by government. To this end the NDDCB Secretariat will be expanded and will consist of the following substantive divisions.

Enforcement

Preventive Education and Public Awareness.

Treatment, Rehabilitation and After-care.

The board will in addition have the following divisions

Research & Training

Drug Analytical (to facilitate law enforcement treatment and research)

Each division will have a suitable and permanent staff in order to engage in these activities more fully and co-ordinate and monitor the implementation strategies.

The short term and long term action plans developed will be based on national priorities and would be formulated keeping in mind the local needs and suitably adapting the strategies which are outlined in the United Nations Comprehensive, multi disciplinary Outline of future activities in drug abuse control (CMO). The CMO, is the compendium of practical action for combating drug abuse and illicit trafficking. The UN General Assembly has on several occasions urged governments to use the CMO in the formulation of their own programs.

3. Strategy Outline

The strategy for implementation will be presented under the following policy subject headings, which will also contain appropriate lists of relevant government and other agencies.

Enforcement

Preventive Education and Public Awareness

Treatment, Rehabilitation and After-care

International and Regional Co-operation

4. Enforcement

It is necessary to ensure vigorous enforcement of the law in order to reduce the illicit availability of drugs, deter drug related disease and to create an environment favourable to drug abuse prevention. Thus, enforcement will be made more effective through the following

4.1 Building up intelligence on trafficking, effective interdiction at all points of entry and strengthening operational capabilities of all enforcement agencies and personnel.

4.2 Extend scope of existing legislation to deal effectively not only with carriers but also more importantly with traffickers and financiers with maximum penalties and deprivation of the proceeds of their crimes

4.3 Taking necessary steps to 1. Expedite the hearing of drug cases 2. Establish standard procedures for the safe handling and destruction of court productions of drugs.

4.4 Tightening controls over legal drugs prescribed in Sri Lanka to prevent “leakage” to the illicit market.

4.5 Stressing alternatives to imprisonment such as treatment and rehabilitation programs for dependants wherever appropriate

4.6 Giving adequate resources to the enforcement agencies at all times and facilitating maximum use of specialized personnel.

4.7 Monitoring the effectiveness of present enforcement agencies island-wide to assess the extent of their impact on the trafficking and availability of drugs at street level. If it is found necessary that a combined enforcement thrust should be wielded by a new single agency establishing such an agency under the NDDCB

4.8 Supporting International efforts to curb the production, transiting and trafficking of drugs.

4.9 Entering into treaties with other states to cover exchange of prisoners, mutual, legal assistance, extradition and controlled delivery.

4.10 Government and other implementing agencies

Ministry of Defence (Police, Armed Services, Immigration & Emigration, NDDCB)

Ministry of Finance(Customs, Excise)

Ministry of Foreign Affairs

Ministry of health

Ministry of Justice and Parliamentary affairs (Courts, Prisons, Attorney-General’s Dept.)

Ministry of Public Administration and Home Affairs (Provincial Councils)

5.0 Preventive Education and public awareness

Accepting that prevention is more efficient and cost-effective than either enforcement or and treatment, the Government will facilitate better use of all preventive educational opportunities. Focus will be on formed curricula, informal and non-formal education activities and the use of mass media.

Awareness and educational programs will utilize all mass media. Measures will also be taken to impart relevant facets of knowledge, positive attitudes coping skills, particularly to young people.

5.1 The role of mass media

5.1.1 A multi-media approach will be taken, paying attention to allocation of media space/time, supplementary media in-puts, appropriate material selection and effective presentation of material selection and effective presentation of material.

5.1.2 Each media will be promoted to have specialized preventive educational cells and personnel

5.1.3 The board and other appropriate organizations will facilitate the dissemination of relevant knowledge to media practitioners, give specialized skills in presentation of material, conduct and update training programs and where possible play a monitoring role on media effectiveness.

5.1.4 Guidelines and ethical codes will be evolved with regard to the portrayal of drug abuse related incidents in the media

5.2 Prevention through education

5.2.1 Modules pertaining to drug abuse will be included where possible in programs of formal and non formal education.

5.2.2 Extra curricular activities will be carefully planned in order to supplement the class-room learning.

5.2.3 All educational institutions which will also have the capability of dealing with drug related problems, Access will where necessary be made available for the testing for the presence of drugs in the body and for treatment and rehabilitation.

5.3 prevention in the work place

5.3.1 Employers will publicize among the work-force the information regarding consequences of peddling or use of drugs. "Employers and workers" organizations will develop joint action programs for this purpose.

5.3.2 Testing for the presence of drugs in the body will be recommended where necessary

5.3.3 Employee assistance programs will be initiated.

5.4 Leisure-time Activities

5.4.1 The Provincial Councils and local authorities will have community- based programs to cater to a wide range of interests of persons at risk, especially the school drop outs and the unemployed. These programs will act as viable alternatives and discourage deviant behaviour such as drug abuse

5.5 Development of Employable Work skills

5.5.1 Relevant institutions will provide vocational training for youth with a view to opening up avenues of appropriate employment.

5.6 Government and other implementing agencies

- a. Ministry of Defence (NDDCB)
- b. Ministry of Education, Cultural Affairs and Information (Institutes of Higher Education, NIE, Department of Information, SLBC, SLRC, ITN, Lankapuwath)
- c. Ministry of Labour and Social Welfare
- d. Ministry of Public Administration and Home Affairs (Provincial Councils)
- e. Ministry of Youth Affairs and Sports (NYSC, NAB)
- f. NGOs

6.0 Treatment, Rehabilitation and After-care

In order that the process of treatment be complete, the phase of treatment and detoxification must be integrated with the phases of rehabilitation and after-care.

Treatment, rehabilitation and after-care will be through the following measures:

6.1.1 In view of the large number of persons voluntarily seeking treatment, a short term Action Plan will be drawn up by the Ministry of Health to deal with the immediate problem.

On a long term basis the Department of health will be responsible for coordinating and giving guidance to the development and maintenance of a comprehensive national treatment program for drug dependants.

6.1.2 The active co-operation and collaboration of the non-governmental sector will be encouraged.

6.1.3 Treatment facilities will be made freely available. Where possible it will be encouraged.

6.1.4 Appropriate health care professional cadres will be given a training in the treatment and care of drug abusers.

6.1.5 Treatment/detoxification will be supported with counseling educational and other social measures.

6.1.6 Legislation will be enacted and facilities will be provided for compulsory treatment where appropriate

6.1.7 Government and other implementing agencies

Ministry of Defence (NDDCB)

Ministry of Health

Ministry of Justice and Parliamentary affairs (Prisons)

Ministry of Labour and Social Welfare (Department of Probation and child Care)

NGOs

6.2 Rehabilitation and After-care

The objective of rehabilitation and after care will be the integration of former drug dependants to the society.

Rehabilitation and after care will consist of regular follow up, giving social support and training and channelling into appropriate vocations. Trained personnel of the implementing government agencies listed below will take part in this process. If the magnitude of problem warrants it the NDDCB may engage in a co-ordinating or catalysing role.

6.2 .1 Government and other implementing agencies

Ministry of Defence (NDDCB)

Ministry of Health

Ministry of Justice and Parliamentary affairs (Prisons)

Ministry of Labour and Social Welfare (Department of Probation and child Care)

NGOs

7.0 International and regional Co-operation

It is accepted that no country can tackle its drug problem in isolation. The government will encourage the relevant agencies to actively engage in formal international collaboration as follows:

7.1 Sri Lanka government has been a party to the 1961 Single Convention on Narcotic Drugs and the Amending protocol of 1972. Expeditious action will be taken to accede to the 1971 Convention on Psychotropic Substances and the 1988 Convention on illicit Trafficking in Narcotic Drugs and Psychotropic Substances. In pursuance of these undertakings the NDDCB will take appropriate action and will assist the relevant Ministries to do likewise.

7.2 International co-operation will also be encouraged through NGOs which have international Connections or dealings and collaborative mechanisms.
