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From: Spanish regional chair of the Dublin Group  
To: Dublin Group

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Subject: Regional report on South America

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**ARGENTINA REPORT**

(OCTOBER 2014)

**1. General situation in the country**

No recent statistics on the question of drugs in Argentina are available (the latest official data are from 2011) and those available are scarce and partial. Problems of statistic quality also affect other sector. Minidublin Group in Argentina has included since 2012 among its annual recommendations the need of update and improvement of reliability of official sources.

Argentina is ranked one of the highest in Latin America in terms of drug consumption. It remains a transit country for drug trafficking, mainly cocaine, from Latin America to Europe. There is an increase of drug trafficking and local production and consumption of cocaine and synthetic drugs, although not officially recognized because of the ongoing pre-electoral campaign.

a) Legislative and institutional framework

Argentina has signed the Single Convention of New York on Narcotic Drugs (1961), the Single Vienna Convention on Psychotropic Substances (1971) and the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988). In this framework, Argentina works with the United Nations Office on Drugs and Crime (UNODC), follows the discussions of the United Nations Commission on Narcotic Drugs (ECOSOC) and is submitted to the International Narcotics Control Board (INCB). Regionally, Argentina is part of the Inter-American Commission for Drug Abuse Control (CICAD) of the OAS and participates in the Multilateral Evaluation Mechanism (MEM). It is also part of the South American Council on World Drug Problem (UNASUR), the Specialized Enforcement Authorities Meeting on drugs, drug abuse and rehabilitation of drug addicts (MERCOSUR) and the Mechanism for Coordination and Cooperation on Drugs between Latin America, the Caribbean and the European Union (EU-LAC). At the national and provincial level, Argentina has passed specific legislation on combating drug trafficking and addiction prevention (*vid.infra*). The main institutions responsible for implementation of these regulations are the Ministry of Security and the Secretariat of Planning for the Prevention of Drug Abuse and Drug Trafficking (SEDRONAR).

b) Consumption

The Argentine Drug Observatory provides data only until 2010, but informal sources agree: local consumption has increased. **Marijuana** is the most commonly consumed drug in Argentina (10.3% prevalence of marijuana, 0,9% prevalence of cocaine according to SEDRONAR figures for 2010 published in 2012). But the demand for treatment for **cocaine** addiction in 2010 far exceeded the rest of other drug addictions (about 80%, according to UNODC 2014) and was reported to be second in Latin America, after Chile. Argentina is the country of the region with the highest per capita consumption, according to the annual UN World Drug Report 2012. Between 2002 and 2009, the prevalence rate among students of secondary level increased from 3% to 8.1%.

Regarding the evolution of consumption in Argentina, ecstasy grew 1200% and cocaine 300% between 2001 and 2011 (official figures from SEDRONAR). According to press reports, marijuana has doubled in the same period.

The consumption of **cocaine base paste** ("paco", a kind of cocaine crack) is still spreading in impoverished populations, pushing them to marginalisation, although officials say its reach is limited to "shanty towns". However, NGOs warn of the neurological effects of this drug, which creates faster and greater dependence than cocaine and turns consumers into dealers. Its consumption is associated with growing social exclusion, early school leaving, unemployment, poverty and immune deficiency diseases. The economic recession in 2014 seems to have worsened the situation. Official and unofficial data on poverty differ greatly (between 10% and 30%).

As for **synthetic drugs**, the Argentine secondary school students are the largest consumers in Latin America (2.3% prevalence of ecstasy in this age range, according to UNODC on the basis of data provided by Argentina in 2011). This is primarily middle-class youth.

Levels of legal purchase of **psychotropic drugs** remain high (1.5 million boxes per month in the Province of Buenos Aires, with an increase on sales of 75% in the past ten years, according to the Ministry of Health). In 2014, the obligation of conditioning any purchase to previous medical prescription was reinforced. An increasing trend of risks associated to mixtures between psychotropic drugs and alcohol was found.

### c) Control of supply

There are no aggregate data on drug seizures in Argentina as a whole. Each of the four Federal Police Forces (Federal Police, National Gendarmerie, Coast Guard, Airport Police) and each of the provincial and local police autonomously performs accounting, which remains non-public. The Ministry of Security stopped offering six-month statistics in June 2012 (seizures of 3.389 kg of cocaine and 60 782 kg of marijuana). The volume of drug seizure is lower than in the western countries of destination, mainly Europe, but the increase in seizures in Argentina in the last decade has been 800% according to UN.

Cocaine is the most transited drug in Argentina. According to the UN, between 2001 and 2012 Argentina was the third country of origin of cocaine before it reached the final markets, behind Brazil and Colombia. Drug traffickers take advantage of the existing commercial routes connecting Argentina with the rest of the world (maritime and air carriers). In 2014, the Secretary of State for Security Sergio Berni has announced several large-scale drug operations.

The route of entry in Argentina for cocaine remains primarily the northern border with Bolivia and Paraguay, but microtrafficking has also been detected in the Andean border with Chile. During the past year border surveillance was reinforced by the presence of the Army, but the National Gendarmerie is the body responsible for the arrest of drug traffickers in the border. Electronic monitoring instruments (radars in the "Northern Shield") were improved. However, the borders remain porous. Security forces have detected 1,600 clandestine airstrips for light transport planes, 750 illegal crossings in the Bolivia-Argentina border and 60 illegal crossings in the Paraguay-Argentina border. In 2014 the national and provincial aeronautical authorities signed a coordination protocol for data crossing on aircrafts in order to close illegal tracks, especially near the Parana River, where the drug is transferred to boats. The proposals made in 2013 by some of the opposition parties on ruling the possibility of shooting down aircrafts suspected of drug trafficking, have been put apart.

Outbound channels for cocaine are primarily ports (in containers, taking into account that this exit track amounts for 75-80% of drug trafficking according to the Ministry of Security) and the International Airport of Buenos Aires Ezeiza (through human "mulas"). In 2013, the General Auditor's Office reported the ineffective use of container scanners systems in both river and sea ports, as well as the inadequacy of the existing equipments for spotting organic substances hidden in inorganic materials. A new report from the General Auditor's Office is expected for November 2014.

In any case, international cooperation has been successful. Argentina and foreign countries have developed joint operations leading to arrests of traffickers both at the origin and destination of the drugs. According to the INCB 2013 report, 1.5 tons of cocaine seized in Europe came from Argentina, showing an increasing trend.

Argentina is not a producer of coca leaf, but has become a producer of cocaine for export and domestic consumption as demonstrated by successful police operation to dismantle cocaine hydrochloride laboratories in 2014. There is also evidence of local production of LSD and hallucinogens. The Argentine security forces believe that synthetic drugs are the market with the greatest potential for growth in the next years in Argentina. Seizures, only in the Province of Buenos Aires, increased from 1,700 pills in 2011 to 50,000 pills in 2013. Thefts of veterinary ketamine have also been registered.

Violent territorial wars occur between gangs of drug traffickers, seeking to secure distribution areas and quotas, particularly in the provinces of Santa Fe, Córdoba, Buenos Aires and Mendoza. They are linked to the growth of local consumption and -production. There has also been an increase in retail sales ("narcomenudeo" in "quioscos" and "bunkers"). Violence related to drug trafficking led to more kidnappings and killings by drug vendettas. In March 2014 the Security Ministry decided to concentrate 3,000 Federal Police Forces in Rosario, achieving a 30% reduction of drug related killings.

Nationwide, an increase of the presence of professional killers ("sicarios"), mostly Colombians, has been detected. The arrest of Joaquin "Chapo" Guzman in Mexico last February also showed the existence of Mexican connections in Argentina.

Drug use and trafficking has an important responsibility with regards to the overall crime rate in the whole country: 46.3% of those who committed any type of crime (65% theft) claimed to be under the influence of illegal substances (SEDRONAR 2014).

## 2. Update on the country's policies against drug trafficking

Since the completion of the latest report, the following developments can be noted:

### a) Division of competences for the fight against supply and demand

Decree No.48/2014 downgraded SEDRONAR powers. It transferred to the Ministry of Security full responsibility for the coordination and execution of the fight against drug trafficking (supply). SEDRONAR maintains the function of developing public policies to alleviate the demand (rehabilitation, education, social exclusion and human rights) and responsibility for control of chemical precursors (laws No. 23,737 and No. 26,045). The Federal Plan for Comprehensive Prevention of Drug Abuse and Illicit Trafficking Control has not yet been adapted to the new attribution of competences.

### b) Money laundering

a. GAFI/FATF: In October 2014, FATF decided to remove Argentina from the “gray list” of countries with deficits in regulatory standards to combat money laundering and terrorist financing. For this decision, FATF took into account the implementation of Laws No.25,246 and No.26,863, which foresee money laundering as an autonomous crime and facilitate the confiscation of ill-gotten assets. FATF also noted the ongoing sanction procedures led by the FIU (Financial Intelligence Unit) and the Argentine courts on money laundering.

b. Extensions to Law No.26.860: In June 2013, the Argentinean Congress passed a law allowing the voluntary repatriation of foreign currencies held either in Argentina or abroad. For this purpose, it stated the compulsory purchase of Certificates of Deposit for Investment (CEDIN), Argentine Economic Development Bonds (BAADE) and a bond for economic development, all three instruments sellable subsequently on the secondary market. The aim of the law was to stop the flight of capital, to attract repatriations of funds and to be able to finance with foreign currency strategic macroeconomic country needs (investing in oil and gas, recovering the housing market, reducing the fiscal deficit, increasing central bank reserves and topping informal exchange rate).

Since the entry into force of Law No. 26,860, five extensions have been acted (the latest one valid from the 1<sup>st</sup> of October until the 31<sup>st</sup> of December of 2014, following the Decree 1705/14).

The reason for these extensions is that the total collected volume of voluntary laundering of foreign currencies was quite low (20% of expected 4000 million dollars). This tax amnesty is the third in the last decade and still raises doubts on possible illicit origin of certain funds that could be regularized.

c) Chemical Precursors

Decree No.2061/91 provides for the control of dual use of chemical precursors. It is complemented by specific regulation for chemical and pharmaceutical industries, both relevant in Argentina. In April 2014, an online National Register of Precursor Chemicals was launched, having being announced in January 2013. The aim is to reduce the risk of diversion of precursors used in the manufacture of illicit drugs. However, during 2014, press reports have continued feeding the scandal of uncontrolled imports of ephedrine between 2005 and 2008, for which the former Head of SEDRONAR José Granero was recently indicted. According to the court proceedings, ephedrine imports increased from 1.200-1.500 kg between 1999 and 2003, to 20 tons in 2007. Around 85% of this ephedrine would have been used to manufacture synthetic drugs and for illegal triangular trade with Mexico. Imports of ephedrine to Argentina are mainly from China, India and Bangladesh.

d) Political debate on decriminalization of drugs:

According to Law No.23,737, production, marketing, transportation, use and possession of drugs for personal use is punishable in Argentina by three to fifteen years of prison, in order to protect public health and safety of citizens. It is considered a federal crime, therefore pursued by Federal Courts. On the other hand, Decree No.3540/44 states mandatory reporting in case of being aware of drug consumption of a third person. The Supreme Court case law (case "Arriola", 2009) introduced a nuance to the law No.23.737, declaring unconstitutional the punishment for possession of marijuana for personal consumption by an adult person in private premises, provided that there is no offering or showing to others. The decision of the Court was applied by analogy to all types of drugs and helped the security forces to focus all its resources in the large scale drug trafficking.

Following the ruling of the Court, three projects were also presented in Congress to decriminalize consumption, both in public and private places, but have spent two years in Parliament with no final result.

The project does not define the amount that should be considered as “personal use”, leaving the decision to the judge on a case by case basis. Several Latin American countries do not criminalize consumption.

In Argentina there are arguments for and against this decriminalization. In 2014, the Head of SEDRONAR priest Juan Carlos Molina, called for decriminalization of the consumption for all drugs, on the grounds that this is a problem of social health, rather than public safety. However, opposition political parties, NGOs and the President of the Supreme Court opposed this view. Argentina's Catholic Church, which is a major player for its presence in the shanty towns and the priority put by Pope Francis on drugs, disagrees with Molina’s proposal because the priests on the ground consider impossible to decriminalize drug consumption without an effective system of prevention and rehabilitation, permitting to avoid undesirable effect of encouraging consumption. The government is currently considering sending to Congress an amendment to Articles 5 and 12 of Law No. 23.737.

The situation is complex, because the current regulations cause inefficiencies in the use of law enforcement resources against drug trafficking. For example, in the first quarter of 2014, 2,093 people in the City of Buenos Aires were arrested for violations of Law No.23,737. Half of them were minors, 98% of court cases were ruled only on the ground of illegal possession and the total seizure of cocaine was only 6 kg. However, operations in transit provinces have more results because they concentrate on large scale drug trafficking.

e) Discussion on expulsion of foreign criminals:

According to data from the Penitentiary Procurator's Office, 56.09% of the 10,205 inmates imprisoned in Argentina are related to drug trafficking. Moreover, 20.60% of all prisoners are foreigners, mostly from Paraguay, Bolivia, Peru and Colombia and most of them illegal immigrants. The government has submitted to parliament a bill amending the Criminal Procedure Code to expel foreigners who commit crimes *in fraganti*.



There has been political debate on whether this measure could have a "pull effect" for international crime, but the Argentine government has clarified that it will only apply to sentences of less than three years and will entail immediate deportation and ban of entry to Argentina for fifteen years.

Currently, the majority of the EU Member States' citizens imprisoned in Argentina were convicted for drug related crimes. The general rule foresees automatic deportation and ban to return to Argentina, once half of the sentence is fulfilled.

f) Political control of the security forces: Drug trafficking is a highly politicized issue in Argentina, especially in view of the presidential election to be held at the end of 2015. Until very recently, the Argentine authorities denied the real dimension of the problem, but now the Secretary of State for Security Sergio Berni recognizes a "permanent state of vulnerability", because of the general awareness of the increase in urban insecurity and its electoral consequences. Counter drug trafficking operations are presented as political successes of the national government, even if operational results might be scarce in their quantification and quality. National Government public communication strategy aims both at minimizing the political accusations of inefficiency in the fight against drug trafficking coming from the opposition political parties and at undermining the actions of the Governors of the Provinces, should they be politically close or not. The Secretary of State for Security Sergio Berni is running for the position of representative of Latin America in Interpol and seeks to capitalize simultaneously on a stick and carrots strategy, with harsh languages against criminals and initiatives on social inclusion and technological modernization. Internally, he defends political control of the security forces to prevent situations like the cases of corruption discovered in 2014 in Rosario.

Regarding prevention policies, both the Ministry of Security and SEDRONAR coordinate their actions through citizen participation, relying mostly on political and grassroots associations close to the government.

g) Corruption: In 2014 several members of the Provincial Police Forces of Cordoba, Rosario, Mendoza, Formosa and Buenos Aires Province were arrested, for drug trafficking related crimes, as well as two members of the National Institute of Statistics (INDEC) and five members of the Federal Gendarmerie (Salta).

### 3. International cooperation

The level of cooperation from Argentine Authorities with third countries in the fight against drug trafficking remains satisfactory and is improving. Good operational relations with Argentinean police forces, judges and prosecutors remain.

#### **European Union:**

- Copolad Cooperation Programme: Close collaboration between the EU and Latin America on drugs is maintained. The objective is to improve coherence, balance and impact of drug policies through exchange of experiences, bi-regional coordination and multi-sectorial training.
- The International Meeting "Cities Alliance for the Prevention and Treatment of Drug from Europe, Latin America and the Caribbean" (EU-LAC) was held in Salta in October 2014.
- AMERIPOL-EU Programme: Argentina has withdrawn from the program for the Ministry of Security not having been accepted as sole representative and spokesman for Argentina, rather than the usual level of Heads of Police Forces.

**Australia:** Australia has two Australian Federal Police officers based in Bogota, Colombia. Their role is to help facilitate multinational investigations into the illicit drug trade. These officers visit Argentina twice a year to further investigations in Australia with links to Argentina. Both officers routinely meet and work with the Argentine Federal Police, Gendarmerie, the Airport Police and the Secretary of Security.

**Eslovaquia:** A bilateral Agreement for cooperation on fight against drug trafficking is under negotiation. Foreseen to end in 2015.

**Spain:** Leads European COPOLAD Programme.

#### 4. Recommendations

According to the evaluation of the Executive Secretary of the Inter-American Commission for Drug Abuse Control (CICAD), in Argentina there are problems of consumption, drug trafficking, development and social integration, like in other countries in the region. In his opinion, all these problems need time and institutional building to be overcome.

The main challenges that Argentina currently faces are:

- Internal coordination for the fight against drug trafficking.
- Reliable statistical update and coordination of aggregate national data.
- Strengthening of international cooperation to foster joint operations and the exchange of information and knowledge.
- Enhancing police and judicial training.
- Implementation of tools to attack the economic power behind drug trafficking organizations and related complex crimes, giving priority of law enforcement resources to bigger counter-drug operations and making use of international cooperation.
- Increased internal controls and anti-corruption policies.
- Control of imports of chemical precursors.
- Prevention of use and rehabilitation of drug addicts: i) awareness should be increased on the harmful effects of drugs ii) display of attractive life-objective alternatives for young people, countering the social mobility offered by drug trafficking (given that the life expectancy of young people in "villas-miseria" is no more than 25 years-old according to the ombudsman of the City of Buenos Aires, and they are considered as “disposable instruments” for criminal organizations); iii) control of new synthetic drugs to which the urban youth market is particularly permeable.
- Improvement of the budgets allocated to the preventive function SEDRONAR and the judicial and police fight against drug trafficking.
- Filling of vacancies in Federal Courts competent in the fight against drug trafficking

## **BOLIVIA REPORT**

Since the group's last report was submitted in March 2014 there have been no significant changes either in the Bolivian legal framework or in the national administrative structure for combating drug trafficking. Neither have there been any major arrests of drug traffickers in Bolivia.

With regard to the rationalisation and eradication of coca leaf, the area covered by the 2014 eradication campaign seems to be similar to that of the preceding four years.

However, during the last six months there have been the following important developments in Bolivia's fight against drug trafficking:

(i) The 2013 annual monitoring report on coca crops in Bolivia, published on 23 June 2014, estimated that coca crops covered 23 000 hectares, which is the lowest figure recorded by the United Nations Office on Drugs and Crime (UNODC) since 2003. For the third year in a row, this result confirms the trend towards a net reduction of the area under coca cultivation. In 2013 coca cultivation in the country fell by 9% compared to the previous period. 68% of the coca crop area is located in the Los Yungas region of La Paz, 31% in the Cochabamba Tropics and 1% in the northern provinces of La Paz (Apolo). In the three regions monitored, there was a reduction in the coca crop area of 7%, 12% and 28% respectively compared with 2012.

Comparing the area under coca cultivation in Bolivia, there has been a downward trend since 2010, with a reduction of approximately 26%, or 8 000 hectares, in the last three years. This national reduction is explained principally by the rationalisation/eradication work carried out by the Government of the Plurinational State of Bolivia.

The above report also mentions that in the Los Yungas area parcels of land formerly under coca cultivation have been abandoned, essentially because alternatives were being sought in response to low yields on the plantations.

(ii) On 10 July the UNODC released a validation report of the information on the incineration and destruction of drugs confiscated in the first half of 2014. Through its project to step up the fight against drug trafficking and related crimes in Bolivia ("Fortalecimiento de la Lucha contra el Narcotráfico y Delitos Conexos en Bolivia, BOL/J52"), it has been verifying information on the destruction of drugs and controlled chemical substances seized in Bolivia since the second half of 2013. Between June 2013 and June 2014, it was present at the incineration/destruction of drugs on a total of 107 occasions, verifying the incineration/destruction of 7.7 metric tonnes of cocaine, 1.2 metric tonnes of cocaine hydrochloride and 7.2 metric tonnes of marijuana. According to the UNODC, the Bolivian authorities carry out the destruction of controlled substances in full compliance with international standards and national protocols, and with the utmost transparency.

(iii) The comprehensive study on the coca leaf in Bolivia is still not available in its entirety to the wider public (only the EU delegation and the UNODC have a copy of the report), and it is not possible to access the data or the methodology used. We request that this report be made public.

(iv) With the financial and technical support of the EU, the Secretariat of the National Council to Combat Drug Trafficking (CONALTID) has been growing in strength as an institution in 2014.

- a. It has drawn up a five-year action plan for the implementation of the national anti-drug-trafficking strategy. The document was approved by multi-ministerial resolution and is the basis for further substantial support from the EU in this area. However, the document has not yet been made available to the public.
- b. It has entered into 16 grant contracts with a value of approximately EUR 5 million, using EU funds and focusing on different aspects of the fight against drugs. They include two funding packages benefiting the UNODC and seven projects with non-governmental and sub-national entities.
- c. Bi- and tri-national committees are periodically formed with neighbouring countries on anti-drugs issues and it participates in relevant international events (OAS, CELAC, UNASUR, UN, COPOLAD).

(v) In 2014 there was an even more apparent increase in illegal air traffic between Peru, Bolivia and Brazil, the so-called "air bridge", which is used to transport drugs to the consumer countries of the continent's Southern Cone. Even the head of operations of Peru's anti-drugs police (Dirandro) recently stated that there had been an increase in the amount of drugs transported in small planes between Peru and Bolivia. The planes fly over the Amazon in north-eastern Bolivia and land on rudimentary runways in remote areas to refuel, but also to refine drugs. In this context, Bolivia adopted a law in 2014 authorising its air force to bring down unidentified aircraft, and Deputy Minister Cáceres announced the acquisition of radars to detect illegal flights, although so far they have not materialised.

Lastly, we propose the following possible new recommendations to the Bolivian government with regard to combating drug trafficking:

(i) Given the increase in clandestine flights from Peru to Brazil which fly over and land on Bolivian soil, we recommend a comprehensive study and analysis of which technological instruments or other methods of intelligence/repression would be the most effective way of reducing this threat.

We also recommend that the government of Bolivia continue to work with and strengthen its cooperation with Peru and Brazil through joint and trilateral committees, with the aim of implementing joint actions to allow progress to be made towards the elimination of drug-trafficking networks in those three countries, and towards the approval of a joint action plan leading to effective cooperation between the three states.

(ii) In the light of the public debate on an amendment to the legal framework for drugs, the relevant ministers should be encouraged to address the formulation of these new sectoral policies and the debate over them as a matter of priority, and to speed up the legislative process in order to replace Law 1008. We propose that this Law should comprise two parts: (1) General law on coca, including its use, consumption, transportation, specific cultivation areas, commercialisation, etc.; (2) Law on controlled substances, including the distinction in terms of offences and penalties between the trafficking and micro-trafficking of drugs, updating lists of controlled substances, the control of chemical precursors and investigation into illicit profits, etc.

(iii) With regard to the incineration and destruction of drugs overseen by the UNODC, we recommend improving the country's infrastructure and equipment, as well as setting up means of chemical analysis to identify the origin, composition and other characteristics of the confiscated drugs.

(iv) We recognise the good work of the two training centres – for anti-drugs police ("Garras del Valor") and drug-detection dogs – and we recommend working to maintain the policing standards obtained with the Special Anti-Drug-Trafficking Force's (FELCN) polygraph programme.

(v) We request that the entirety of the comprehensive study on the coca leaf in Bolivia be made available to the wider public.

## **BRAZIL REPORT**

### **1. The general situation in the country**

The production of opiates, cocaine and synthetic drugs in the country continues to be of little significance.

According to the World Drug Report 2014, published by the UNODC, the estimated amount of cannabis produced in 2012 was 185 tonnes, mainly produced in the northeast region. The federal police data estimates on eradication show an important increase, from 270 tonnes in 2013, to 324 tonnes in the period January-August 2014.

Regarding transit, as pointed out by the UNODC report, due to its geography Brazil is a country vulnerable to the transit of cocaine. The country faces the difficulty of controlling thousands of kilometres of borders and at the same time constitutes an ideal platform for the exit of drugs to Europe and Africa.

In relation to consumption, given the size of the country's population, the rise in income and the growing percentage of its urban population, Brazil has probably become one of the largest drug markets in the world (according to some estimates, the second largest for cocaine). According to the National Secretariat on Drugs Policy (SENAD), the consumption of cocaine and crack has risen in the past year, while the situation for other drugs remains stable. However, as pointed out in last year's report, the lack of recent, reliable, nationwide statistics, with the latest statistics dating from 2005, constitutes a significant obstacle to analysing the challenges that the country faces in this field.



The lack of official data leaves a vacuum filled by academic studies, whose conclusions are not always accepted by the local authorities, or partial studies commissioned by the federal government, such as the study by the Fundación Oswaldo Cruz (Fiocruz) on crack usage in urban areas of the country. The estimates in this study show the number of crack users in the whole country to be 370 000, which is much lower than previous estimates.

Nevertheless, the connection of crack with social exclusion and crime (40% of crack users live on the streets) poses difficult challenges to the country regarding the implementation of holistic drug policies, which are able to articulate attention and health services to addicts with the repression of organised crime gangs.

As regards the fight against drug trafficking, according to the federal police data, in 2013 there was a significant increase in the number of seizures of cocaine (41 789 tonnes) and cannabis (222 225 tonnes). Major events in 2014, such as the World Cup and the elections, are having an impact on the number of seizures, which have been reduced to 18 440 tonnes of cocaine and 116 058 tonnes of cannabis during the first half of the year. On the other hand, the focus on seizures of assets related to drug trafficking has resulted in a notable increase: their value in 2013 surpassed BRL 80 million and rose to BRL 176 billion in the period January-August 2014. It must be noted that these data only refer to federal police operations and do not include the operations of the different state polices.

Currently, 200 000 people are in jail in connection with drug trafficking, constituting a third of the country's total prison population.

## 2. Short update on the country's anti-drugs strategy

### 2.1. Institutional framework

During the past year there were no significant changes in the federal government actions concerning the fight against drugs. These actions are coordinated by the SENAD in the framework of the *Programa Crack, é Possível Vencer*, which will expire by the end of 2014. Given the current electoral context, it is not possible to confirm if this programme will be carried on by the next administration. Nevertheless, the SENAD expects continuity in the policies and its budget for 2015 has been significantly increased. The federal police also confirmed that they expect the level of resources currently dedicated to the fight against drugs to be maintained next year.

Some federal and local authorities also implement drug-related projects, such as the "De Braços Abertos" programme in the municipality of São Paulo. This programme represents an innovation in drug dependence treatment by engaging crack users in social inclusion initiatives on a voluntary basis with promising results.

Most of the programmes in place across the country focus on "cleaning" the streets through compulsory treatment with no clear evidence reducing dependence.

The manifestos presented to the Supreme Electoral Court by the three main presidential candidates contain generic references to the guidelines of their respective drug policies in the chapters on Public Security. The manifesto of *Coligação com a Força do Povo* (Dilma Rousseff, PT) merely proposes that the states join the *Programa Crack, e Possível Vencer*, therefore suggesting that the programme would be continued.

The *Muda Brasil* coalition (Aécio Neves, PSDB) refers to crack as the main risk in the fight against drugs and underlines the necessity of a comprehensive approach integrating the health, public security and social welfare sectors. Some proposals highlighted within the stipulated guidelines are: a national network for drug users in partnership with the states, municipalities, businesses and society at large; the creation of a Unified Health System for drug users; the designation of a national ombudsman for drug policy and reinforcing controls at borders, ports and airports.

Lastly, the coalition *Unidos por Brasil* (Marina Silva, PSB) refers to the need to develop comprehensive strategies in the areas of health, social welfare, education and public security such as orientation and protection programmes for drug users.

## 2.2. *Legislative changes*

In the past year, it is worth pointing out bill PLC 37/2013, passed by the Congress and currently under review in the Senate, for the reform of Law 11.343, which regulates the National System on Public Policies on Drugs. According to the SENAD, some of the most polemic items of the law, such as the use of compulsory confinement as a means of rehabilitating drug users proposed by Deputy Osmar Terra (PMDB, RS), have been eliminated during the legislative process.

The designation of legal and illegal drugs in Brazil depends on an administrative body, the Agencia Nacional de Vigilância Sanitaria (ANVISA). This agency is currently in the process of legalising the use of cannabidiol, a derivative of cannabis, for therapeutic use. On the other hand, two bills to legalise the use of cannabis altogether are currently in Congress, presented by deputies Eurico Júnior (PV, RJ) and Jean Wyllys (Psol, RJ). Through a public request with 20 000 signatures, the Human Rights Commission is promoting public hearings, which will lead to a decision on whether or not to draft a bill on the regulation of marijuana use, be it for medical or recreational purposes. Senator Cristovam Buarque is leading the hearings that have been very polarised on the legalisation of the use of cannabis. According to SENAD there is very little chance that these bills will be passed, since the "Uruguayan model" is not applicable in Brazil.

Meanwhile, some state authorities, such as the Parana government, have defended the necessity of establishing quantitative parameters that would allow the differentiation between drug possession for personal use and possession with the intent to traffic. The federal authorities (SENAD) support this approach, but the decision has to be taken by the Parliament.

### 2.3. *An assessment of the government's political will to conduct a comprehensive and resolute drug policy*

The approval of the *Programa Crack, é Possível Vencer* in 2010, meant that for the first time there was an integrated approach to drug policy in the country. With a budget of BRL 4 billion, the programme has resulted in a notable increase in resources in this field. The SENAD report on the programme is very positive, pointing out the increase of the number of social centres for drug users (doubled to 364) and the prevention activities carried out, with a particular focus on students in primary and secondary schools.

However, as federal police sources point out, this increase in resources should be accompanied by an equivalent reinforcement of institutions. As an example, the federal police only has, to date, 300 officers dedicated to the fight against drugs in the whole country, although it has to be noted that some state police forces also have human resources dedicated to the fight against drugs.

### **3. Enumeration of major bilateral and multilateral anti-drugs programmes**

In May 2014, the BRICS approved the creation of an Anti-Drugs Working Group to reinforce the cooperation between the five member countries.

The Brazilian federal police have bilateral cooperation agreements with the national police forces of neighbouring countries (Colombia, Paraguay, Peru and Bolivia) and has conducted combined operations in Paraguay and Peru. Brazil also participates in the different multilateral and regional fora (CICAD, Unasul) on drugs. The first meeting of Mercosur on drug cooperation should take place in Buenos Aires in December. As a partner in the consortium, Brazil participates in the COPOLAD programme (European Cooperation Programme between Latin America and the European Union on drug policies).

The second session of the EU-Brazil Dialogue on drugs, given the electoral situation, will probably be postponed to 2015.

#### **4. Place and date of meetings of Mini Dublin group**

The Mini Dublin Group meeting took place in the Spanish Embassy on 2 September 2014. Representatives of the federal police made a presentation during the meeting. In preparation for this report interviews were conducted with representatives of the SENAD, the federal police and UNODC.

#### **5. Prioritised identification of needs for external assistance**

As in the past year, no specific needs have been identified requiring the assistance of the member countries of the Dublin Group.

#### **6. Mini Dublin Group assessment of needs**

- On the demand side, the most important challenge is the lack of reliable data at national level on the consumption of drugs. However, according to SENAD, a new general survey has already been tendered and will be conducted by Fiocruz next year. The publication of its results, scheduled for 2016, should help to shed some light on current drug consumption in the country.
- On the supply side, the available data on seizures of drugs and drug-related assets in Brazil reflect a significant increase in drug trafficking compared to previous years, reinforcing the role of the country as a South American platform for the transit of drugs. The Brazilian government is making efforts to consolidate the National Statistics System on Public Safety (SINESP), especially regarding its capacity to aggregate the drugs seizures carried out by state police forces. The actual seizures information only includes federal police operations, and the amount of drugs seized is much larger. Crop monitoring in the northeast of Brazil and in Paraguay is essential for assessment of national efforts on supply reduction.

- There is a need to reinforce border controls, by means of advanced technologies as well as by increasing the human resources allocated and by integrating municipal, state and federal institutions in integrated drug policies.
- The improvement of international cooperation with neighbouring countries is crucial to address the drug problem in the region. Support should be provided for the Brazilian Government's triangular cooperation initiatives with third countries in the fight against drugs.
- Although the police forces and the judiciary have been proactive in freezing the proceeds of drug trafficking, the assets seized constitute an underused resource. Usually these assets are neither properly managed nor used to finance responses to the challenges posed by illicit drugs. With an adequate approach on how to better detect, seize and manage illegal proceeds of crime, the government could have access to more revenue sources for internal use while depriving criminals of what they value most - their assets. In Brazil, the OAS, in collaboration with UNODC, is currently conducting a project in this area – Project BIDAL- and has as its main objective creating and strengthening an administration unit in the country for seized and forfeited assets. This initiative is aimed at ploughing the profits of organised crime back into the financing of drug policies. In this area, consideration could also be given to the assignment by law of a pre-determined percentage of the decommissioned proceeds of drug trafficking exclusively for use in programmes for drug users, to sensitise certain social sectors against drug abuse; to the training and recycling of professionals, volunteers and social workers in the field; to fund research on drug users and to provide the technical and economic assistance needed for the proper functioning of the coordinating structures and the management of dedicated entities in the field of drug dependence.

## **COLOMBIA REPORT**

### **1. Introduction**

Colombia is one of the main catalysts behind the discussion on the need to adopt a new approach to combating drugs in South America. In 2012 and 2013, discussion of this issue took off in political and social media.

Against that background, on 21 August 2014, at a forum on drugs in Bogotá, President Santos announced that he was favourable to the initiative of Senator Juan Manuel Galán on legalisation of the use of marijuana for medicinal and therapeutic purposes; it will be discussed in the parliament in the next few months and it is expected that it will be passed in the first half of next year.

At multilateral level, Colombia, together with Mexico and Guatemala, is exerting pressure for international fora to acknowledge the need for such a discussion. This change of paradigm will be expressed at the extraordinary general meeting on drugs convened by the OAS in Guatemala City on 19 September, to which more than 500 international organisations and representatives of civil society have been invited. It is expected that during the meeting various initiatives will be presented on decriminalising the use and consumption of certain drugs, adjusting the general strategy for dealing with the cartels.

Finally, last 16 May an agreement was announced between the government and the FARC on the fourth agenda item, titled "solution to the problem of illicit drugs", whereby it was agreed to promote the replacement of illegal crops and the development of alternatives; the government likewise undertook to attend to human rights and public health in consumption prevention policies. Meanwhile, the FARC undertook to break off any existing links to drug trafficking in connection with the rebellion.

## 2. General drug situation in Colombia

Colombia still leads the world in coca growing and cocaine production, along with Peru and Bolivia. The downward trend of recent years has varied as regards crop-growing areas. According to the data, at the end of 2013 the areas involved covered an estimated 48 000 hectares, hardly changed from 2012, at 1%<sup>1</sup> more. The area covered by coca crops, however, has fallen by 34% from 135 000 ha to 89 215 ha<sup>2</sup>.

During 2013, some 47 053 ha were sprayed, compared with 100 549 ha in 2012, a drop of 53%. As to forced manual eradication, that fell from 30 486 ha in 2012 to 22 056 ha in 2013, or 28%<sup>1</sup> down.

In addition, coca crops remain in 23 departments out of the total 32, and potential cocaine production in 2013 fell to 268 metric tonnes as against 309 metric tonnes produced in 2012, a reduction of 13.26%<sup>1</sup> (using the new adjusted methodology, it went from 333 metric tonnes in 2012 to 290 in 2013, a fall of 12.92%).

With regard to the fight against drug trafficking, 166 732 kg of cocaine either in or from Colombia were seized in 2013, compared with 188 021 kg in 2012, i.e. a decrease of 11 %.<sup>3</sup>

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<sup>1</sup> Data from the UNODC/SIMCI report of June 2014.

<sup>2</sup> The area affected represents the geographical sum of the reports of illicit crops based on spraying, manual uprooting and the annual census. UNODC produces the data for these last two, while the spraying report is from DIRAN (Anti-Drugs Directorate).

<sup>3</sup> These data from the UNODC/SIMCI report do not match those from SIEDCO, the national police's statistical information system on offences and infringements, which appear in the previous report from this Group.



As to use of illegal drugs, the 2013 national study shows that 13% of the Colombian population has taken some drug at least once. The peak age group is people aged 18 to 24, and as regards socio-economic strata, the highest consumption is in stratum three (the strata go from 1 to 6, from lowest to highest purchasing power).

The most used drug is marijuana. Some 11.5% of people have used it at least once. Cocaine comes in second place, with 3.2% having used it at least once and 0.7% at least once in the last 12 months.

Throughout the country, some 484 000 people meet abuse or dependency criteria and need some kind of help to cut down or end their consumption. Of each five such people, four are male and one female.

### **3. Assessment of the Colombian authorities' anti-drugs strategy within the institutional, production, demand and trafficking framework, including money laundering and chemical precursors**

Despite what was stated in the introduction to this report and although the figures are lower, the attitude of the Colombian authorities remains clear and decisive as regards combating drug trafficking in all its aspects: **production, consumption, trafficking and money laundering**. The approach envisaged by Colombia's government is based on a regionalised strategy, giving priority to areas where the state takes integrated action, including on economic development, and on access to justice, education and health among others, with significant investments.

As regards international cooperation, the various programmes mentioned in earlier reports from this group (AMERIPOL, COPOLAD, UNODC/SIMCI) remain in operation.

With regard to large-scale trafficking, the principal destinations are still the United States and Europe. The corridors through the Southern Cone countries, Central America and the Caribbean continue to be the main routes towards Europe, along with the African route, while the Caribbean and Pacific corridors are the principal routes towards the United States. In most cases, ship containers are used. With regard to small-scale trafficking, there have been no major changes in the modus operandi, which remains dispatch by couriers or by parcel.

Lastly, the Colombian authorities are increasingly concerned about synthetic drugs and about the control of chemical precursors.

#### **4. Priority needs in terms of external assistance**

The Dublin Group in Bogotá has drawn attention to a series of urgent requirements in Colombia in the sphere of drug trafficking that should be dealt with by international cooperation, namely:

- Consolidating the European Union/Ameripol programme on combating drug trafficking to Europe.
- Boosting the activities of the Bogotá Platform, which comprises internal attachés of the European Union in Bogotá, representatives of the Colombian national police, UNODC, the United States, Ecuador and Peru, for the exchange of strategic information and development of operational projects to combat drug trafficking and related offences committed by organised groups.
- Increasing Colombia's regional cooperation capacity with regard to precursors and synthetic drugs.
- Increasing the funding, **by members of the Dublin Group**, of the Colombian agencies that combat drug trafficking.

- Intensifying the actions which Colombia is carrying out in the most extensive and costly alternative development programme in the Andean region, working directly with an even larger number of communities and offering integrated and sustainable solutions to the problem of illegal crops.

## 5. Recommendations by the Dublin Group in Bogotá

- Step up controls along the land and river corridors used for illicit trade and in land border areas.
- Increase the level of real-time information exchange and control mechanisms at ports and airports, strengthening the joint work and coordination of the entities responsible for the entry and exit of goods, services and people at borders (DIRAN, POLFA [Fiscal and Customs Police], DIAN [National Customs and Tax Directorate] and migration authorities), with particular attention to containers and more technical detection resources in cargo areas, mainly X-ray equipment, and better coordination with the competent judicial authorities.
- Increase monitoring of the end use and final destination of the most commonly used chemical precursors, targeting activities and increasing the capacity for intraregional cooperation and knowledge transfer.
- Involve **Dublin Group members** more in Colombia, in a policy which also embraces the operational approach.
- Encourage and support the Colombian government's efforts, through three-way cooperation (bilateral between two countries of the continent and a third organisation or another country) and South-South cooperation, to combat drug trafficking regionally and internationally.
- Improve analysis and monitoring of the origins of the cocaine seized on the territories of EU countries in order to identify where the threat is coming from and to plan the fight in accordance with the results.

## **CHILE REPORT**

### **1. Evaluation of the general situation in Chile with regard to drugs**

#### *1.1. 1st quarter 2014*

In the first quarter of 2014, police bodies investigated a total of **10 395** cases of infringement of Drug Law No 20 000, **a rise of 8.1 %** with respect to the fourth quarter of 2013 (from 9 617 to 10 395). As compared to the same quarter of the previous year, the first of 2013, there has been a drop of 9.5 %, from 11 485 to 10 395.

Some **13 677** arrests were reported (**down 14.2%** as compared to the same quarter of the preceding year), of which 42.7% were for possession, 25.2% for trafficking and 19.3% for consumption. In absolute terms this amounts to 2 271 fewer arrests, down from 15 948 to 13 677.

By type of drug, the seizure statistics give the following result (the comparison is in each case between the first quarters of 2013 and 2014):

- Cocaine hydrochloride. 1 432.54 kg **(+99.2%)**.
- Cocaine base paste. 2 973.00 kg confiscated **(-8.0 %)**.
- Processed marijuana. 3 827.33 kg **(+22.2%)**.
- Marijuana plants. 210 632 plants **(-16.9%)**.
- Pharmaceutical products. 8 460 units **(-78.0 %)**.
- Heroin. 0 g.

As a result of the above operations, 195 firearms (+21.1%) and 59 bladed weapons (-7.8%) were also seized.

From a geographical point of view, the main rises in police operations per drug were recorded in the Metropolitana Region and Valparaíso and Antofagasta regions, which represent 50.9% of the total operations in the country.

From a geographical point of view, by type of drug, seizures of:

- Cocaine hydrochloride were concentrated mainly in the Metropolitana Region (41.9 %) and the Valparaíso (22.3%) and Tarapacá regions (14.0%). These regions represent some 78.2% of the national total.
- Seizures of cocaine base paste were concentrated in the regions of Antofagasta (37.0%), Metropolitana (20.7%) and Tarapacá (12.7%). These regions represent some 70.3% of the national total.
- Seizures of processed marijuana were concentrated in the regions of Antofagasta (27.9%), Atacama (19.0%) and Metropolitana (14.7%). These regions represent some 61.6% of the national total.
- Seizures of marijuana plants were concentrated in the regions of Valparaíso (27.6%), Libertador General Bernardo O'Higgins (26.7%) and Maule (25.4%). These regions represent some 79.6% of the national total.
- Seizures of pharmaceutical products<sup>4</sup> were concentrated in the regions of Arica y Parinacota (51.1%), Antofagasta (24.9%) and Valparaíso (6.3%). These regions represent some 82.2 % of the national total.

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<sup>4</sup> Official statistics do not provide a breakdown of the types of pharmaceutical products seized.

The statistics for the last few years make it possible to analyse in detail the trend in seizures:

Type of drug (in kilos and units)	Years					Variations %		
	2009	2010	2011	2012	2013	2010/2011	2011/2012	2012/2013
Cocaine hydrochloride (kg)	2 654	2 808	2 392	3 150	2 932	-30.9	31.7	- 6.9
Cocaine base paste (kg)	5 696	7 127	7 059	9 675	10 798	- 0.9	37.0	11.6
Processed marijuana (kg)	13 928	8 144	14 568	14 550	23 305	78.8	- 0.1	60.2
Marijuana plants (units)	196 412	172 618	266 015	235 428	288 379	54.1	-11.5	22.5
Pharmaceutical products (units)	84 619	393 064	167 885	116 361	68 741	-57.3	-30.7	- 40.9
Heroin (kg)	0.1	0	0	0	0	0	0	0

### *1.2. Evaluation of drug trafficking in Chile*

It should be pointed out that the increase in seizures of processed marijuana (i.e. ready for immediate use) in 2013 is principally due to three operations carried out in Calama and Curacaví by the anti-drugs unit of the Criminal Investigation Police Department, and in Arica by the police.

Most of the seizures were of marijuana (processed and plants) and cocaine base paste.

The Deputy Minister for the Interior stated that the increase in the annual volume of drugs seized following the implementation of the "north border plan" has reduced unreported trafficking offences in Chile.

It is estimated that prior to the implementation of the preventive measures, only 10 % of all drugs entering the country were detected. Since 2011, this percentage has risen to some 30%.

In 2013, the total of substances seized reached 38.7 tonnes, some 43% more than in 2012. Of the amounts seized last year, some 61% (23.4 tonnes) were removed from circulation between the regions of Arica y Parinacota, Tarapacá and Antofagasta. The explanations are based both on reports from the Drug Enforcement Administration (DEA), and on analysis of intelligence from police and criminal investigation officers. The increase in the value of the drug per gram is an indicator of a drop in supply on the trafficking market.

It is worth drawing attention to the significant increase in synthetic drugs, particularly in C-boom, which since the end of 2012 has replaced LSD as the most commonly used synthetic drug in Chile. The increase is causing alarm among police officers and health workers, as the effects of the new drug are far more devastating than those of LSD.

## 2. Institutional framework

The positive results from the implementation of the "north border plan" are a stimulus to growing investment in the plan over the years. At the same time, new threats are being detected which require the plan to be extended and/or modified; the number of landmarks which demarcate the outer limit will be increased in order to strengthen the border and thus reduce the risk of drugs being smuggled into the country.

President Bachelet's new government may introduce amendments, bearing in mind the desire expressed by the then candidate during a visit to Arica on 5 December 2013 to revise the plan in the light of its results (with a budget of a little over CLP 3 092 million, the "north border plan" has become the most costly investment in public security for 2014, with an increase of almost 350% compared to the amount approved by the Congress for 2013).

On the other hand, there has been little progress<sup>5</sup> in the passage through Parliament of the legislation on the prevention of the consumption of drugs, or on policies on combating the diversion of medicines towards the consumption of drugs.

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<sup>5</sup> While in the public debate there have been various calls for stiffer penalties for persons and/or organisations trafficking in narcotic substances, there have been no real changes in the applicable legislation.



### 3. International cooperation

Spain, through the Spanish Agency for International Development Cooperation (AECID), has in recent years organised seminars at the Latin American training centres in Cartagena de Indias (Colombia), Santa Cruz de la Sierra (Bolivia), La Antigua (Guatemala) and Montevideo (Uruguay), for public prosecutor's office personnel, police and criminal investigation officers, on topics including cooperation in addressing the threat posed by drug trafficking and organised crime; no such seminars are being organised at present.

In August 2013, Canada and Chile announced the launch of a trilateral cooperation project to support the reform of the police in Guatemala and El Salvador. Under its Anti-Crime Capacity Building Programme, Canada contributed CAD 215 000 for Chilean police officers to help law enforcement officers in Guatemala and El Salvador improve their investigation techniques in cases of homicides, which are generally linked to drug trafficking, as well as their techniques for collecting and analysing evidence. In April 2014, criminal investigation officers from Chile will carry out a mission to Guatemala and El Salvador to assess the needs of the authorities in both countries. The training will be held in 2014 or at the beginning of 2015.

With regard to the regional cooperation programme between Latin America and the EU on drugs (COPOLAD), which is funded by the EU (EUR 6 million for a period of four years from January 2011 onwards), it should be noted that throughout 2013 Chile has continued to play an active role through its implementing partner, the National Service for the Prevention and Rehabilitation of Drug and Alcohol Use (SENDA). Chile participates in all areas of the COPOLAD programme (COPOLAD report on Participation and Leadership in Chile annexed hereto).

In the mid-term evaluation of the COPOLAD programme carried out in 2013, all beneficiaries and interested parties gave the programme a very good assessment, thus reflecting the relevance of the issues tackled and the smooth implementation of the programme. The evaluation concluded that the programme was of great importance in the bi-regional, regional and subregional sphere and that its continuation in the near future should be ensured (evaluation report annexed hereto). The programme also serves to improve and activate the Coordination and Cooperation Mechanism between CELAC and the European Union.

#### **4. Conclusions and recommendations**

1. Having been a moderate drug consumer, Chile's consumption has increased significantly over the last few years as a result of the country's strong economic development: according to UNODC estimates, in 2013 Chile had the third largest per capita consumption of marijuana and cocaine in South America. Apart from some small marijuana plantations, Chile is not a drug-producing country.
2. Chile's weak point as regards the fight against drugs is the porous nature of its borders with cocaine-producing countries such as Peru and Bolivia, aggravated by the fact that merchandise from Bolivia enjoys the right of access to Chilean ports under the 1904 treaty. The future inclusion of the Atacama region in the north border plan will strengthen its borders with coca-producing countries.
3. Cooperation needs to be strengthened between the Bolivian and Chilean authorities in order to resolve the problem posed by the lax controls at Chilean ports on containers intended for export. It is of prime importance for the two countries to negotiate a joint strategy to ensure that application of the 1904 treaty does not facilitate drug trafficking.

4. The police forces of Peru, Bolivia and Chile should cooperate effectively in joint operations in the fight against drugs and in gathering intelligence.
5. With regard to chemical precursors, for which there are indications that trafficking in precursors from Asia is on the rise in Chile, it is necessary to strengthen the mechanisms for registering the bodies which import these products and to boost the post-import monitoring mechanisms.
6. The Chilean government is continuing to invest heavily in its anti-drug strategy and has announced a major increase in investments for 2014.

In this regard, it is important to underline the genuine determination with which the Chilean presidency, the Ministry of the Interior and the forces of law and order are tackling the fight against drugs, a task to which ever-increasing human and material resources are being assigned.

## **ECUADOR REPORT**

### **1. Evaluation of the general situation in Ecuador with regard to drugs**

Ecuador is located in a potential cultivation, production and consumption area as regards narcotic and psychotropic substances. In particular, located between the two largest producers of cocaine in the region, Colombia and Peru, drug-trafficking organisations are seeking to expand their markets and related activities in Ecuador. It has become a transit country for drugs to the markets in the United States and in Europe. This is not only due to its geographical location, but also to the fact that its control bodies are poorly coordinated and it lacks a properly institutionalised judiciary. Its judiciary is also marked by corruption and impunity; the reforms put in place, however, are beginning to improve this situation.

The analysis of the general drugs situation in the country for the first half of 2014 confirms that not only is Ecuador used by transnational crime organisations as a repository and delivery platform for drugs through airports and seaports to the big consumer centres in North America and Europe, directly or via Africa, but different international organised crime networks are settling in the country (the presence of Mexican cartels gives rise for concern). In spite of this, the Ecuadorian national police is combating the banned substances with increasing effectiveness.

The quantity of drugs seized in the period under examination (January to June 2014) - 29 tonnes and 547 kg (somewhat over 25 tonnes for the same period in 2013) - demonstrates that the Ecuadorian authorities continue to be effective in this field, despite the fact that the steady rise in drugs seizures suggests that the problem has taken on a worrying dimension. Attention can also be drawn to positive aspects: the continued exchange of intelligence between the United States and Ecuador and the presence of Colombian police and military attachés in Quito and of Ecuadorian ones in Bogotá. Furthermore, the Ministry of the Interior is planning to equip the anti-drugs directorate of the national police with state-of-the-art scanners for checking containers in ports.

It is believed that over 4 tonnes of drugs (mainly marijuana) were intended for domestic consumption.

The following aspects of the problem are of particular importance in the case of Ecuador.

**a) Maritime trafficking.** This continues to be the most common means of transferring large quantities of drugs. 5 538 kg of drugs transferred by container were seized in 15 cases, with nine arrests (this figure does not represent the largest share of the total, as the amount seized from warehouses totalled 13 tonnes); 1 286 kg of drugs transported using ferries, speedboats and fishing vessels for transport and logistical supplies (fuel and food) were seized in three cases with 16 arrests.

The drug shipments originate from the coasts of southern Colombia, northern Peru and Ecuador. The routes begin off the Ecuadorian coast and cross various continental, island and international waters, covering approximately 2 200 nautical miles up to the Mexican and United States coasts. Container ships also sail through the Panama Canal, directly to Europe or stopping off in the ports of sub-Saharan Africa.

- b) Human courier and postal trafficking.** Drug traffickers or organised crime networks are using these methods to transfer drugs with the help of drug concealment systems. The main destinations are the United States and Europe (via Spain and the Netherlands), using postal agencies (256 cases, 495 751 kg of drugs seized and 27 arrests) and human couriers (102 cases, 500 412 kg of drugs seized and 118 arrests).
  
- c) Trafficking of chemical precursors.** The porous nature of the northern and southern borders continues to allow such substances to be smuggled out of the country for laboratories, mainly along the northern border with Colombia (Esmeraldas province by sea and Sucumbíos province by river), but also – albeit to a lesser extent – along the southern border with Peru (El Oro province). The seizure of 4 900 kg and 685 litres of chemical precursors shows a significant drop.
  
- d) Illicit crops.** There continues to be a marked decrease in the detection and eradication of illicit crops (12 cases, 4 504 coca plants, 1 050 000 poppy plants and 555 marijuana plants). Ecuador is not a crop-growing country.
  
- e) Illicit drug laboratories.** No activities were recorded under this heading.

**f) Money laundering.** While there is no detailed, reliable information on money laundering, there is a perception that, because of the advantages of the dollarisation of the country's economy, many money-laundering operations take place in Ecuador on the proceeds of organised crime, particularly drug trafficking, in the form of trading operations with fictitious capital movements, purporting to be emigrant remittances, property development, etc. The Financial Intelligence Unit (linked to the Attorney General's Office) is combating this phenomenon by providing the public prosecutor's office with reports of unusual or unjustified financial operations and/or transactions (28 cases, USD 874 661 (and 1 498 128 counterfeit dollars), EUR 200 270, MXN 228 911 and 15 arrests).

## **2. Ecuador's anti-drugs strategy within the institutional framework**

The expectations raised by the enactment of the new Ecuadorian constitution which entered into force in October 2008 have still not yet been fulfilled as the new legislation intended to improve tools for combating organised crime, especially drug trafficking and related crimes, has not yet been enacted. When approved and implemented, the draft Organic Code on Citizen Security Entities currently before the National Assembly will bring about an organisational change with regard to the national police force and police careers, in order to turn the force into a more efficient and coordinated institution and bring it into line with the current requirements of a modern, citizen-friendly police force. The draft Code also establishes the Civil Crime Investigation Service, with the aim of increasing technical and scientific investigative capacity, which will help put an end to the prevailing culture of impunity.

In August 2014 the new Integral Organic Penal Code, which comprises the Penal Code, the Law on Criminal Procedure and a series of specific rules of law including the Law on Narcotic and Psychotropic Substances, entered into force. Article 228 of the Code decriminalises the possession of drugs for personal use by referring to a regulation which does not yet exist, thereby creating uncertainty among the various institutional actors responsible for its application.

Finally, the ongoing reform of the judicial service should also lead to major political improvements in terms of reduced corruption, and to increased efficiency which should reduce the alarming levels of impunity for crime, with low ratios of crimes investigated to crimes committed and even lower conviction rates. Another major cause for concern are the numerous cases of remand prisoners released because they have not been sentenced before the time limit laid down by law for this type of detention.

The Government of Ecuador seems determined to maintain a zero-tolerance policy towards the cultivation, processing and trafficking of narcotics, but the table of maximum permitted quantities for consumption approved by CONSEP (the National Council for Control of Narcotic Drugs and Psychotropic Substances) in June 2013, while not required to be enforced, has caused uncertainty and concern among various national and foreign institutions (some of the permitted amounts are very high, e.g. 1 g of cocaine).

With regard to money laundering, although there is still a long way to go in terms of legislation and control procedures, it can be said that significant progress has been made, and in particular that there is a political commitment on the part of the Ecuadorian authorities following the inclusion and subsequent removal of their country from the list of jurisdictions with serious deficiencies in combating money laundering and terrorist financing, which is published by the FATF (Financial Action Task Force). There is already a law reforming the Law on the Suppression of Money Laundering and an Action Plan that has already been approved by the National Money Laundering Council (CONCLA), which seeks to address some of the strategic deficiencies identified. On 15 October 2013, Ecuador submitted to the FATF its report on combating money laundering, which included 18 convictions for money laundering, preventive measures amounting to USD 57 million, and the criminalisation of money laundering in the new Integral Organic Penal Code.

Coordination among judges, prosecutors, CONSEP and the national police remains inadequate. Although efficiency has improved in preventing drugs from leaving Ecuadorian territory, a similar trend has not been observed for drugs entering the country. In this context the Ministry of the Interior has demonstrated the government's commitment to reducing supply and demand with an integrated approach. The provinces of Guayas, Pichincha, Manabí and El Oro have the highest levels of micro-trafficking and 2014 has been declared as the year for eradicating the sale of drugs in schools and educational establishments, which is expected to have a positive effect on the evolution of domestic demand.

### **3. International cooperation**

The cooperation being carried out by Member States of the Dublin Group in the Republic of Ecuador can be considered significant, especially with regard to training. Examples include the activities of the UNODC and the European Commission, as well as those of the United States (the project for specialised drugs courts in Cuenca was brought to an early close but a new project has been launched to provide training for trainers on local demand reduction, with the participation of the UNODC, the United States and Ecuador in the form of the community police and anti-narcotics police under the Ministry of the Interior), France, Spain, the United Kingdom, Italy, Germany and the Netherlands at bilateral level.

Numerous courses and seminars were also held throughout 2013. It would be worth encouraging the Ecuadorian authorities to ensure that those selected for courses, seminars and internships meet the organisers' requirements, and to commit themselves to capitalising on the training these individuals receive by posting them to relevant positions. In addition, major bi-regional meetings (EU-CELAC dialogue) were held in Quito: the 15th EU-CELAC High-Level Meeting on Coordination and Cooperation Mechanisms on Drugs and the 3rd Annual Conference of the COPOLAD programme (13 delegations from EU Member States participated and preventive strategies were discussed). The 23rd Meeting of the Heads of National Drug Law Enforcement Agencies of Latin America and the Caribbean took place from 30 September to 4 October 2013.



As early as January 2014, a European delegation from the CORMS Project (led by an Italian judge) travelled to Quito to carry out an on-site assessment of the effectiveness of the EU's major drug projects in the region.

In the operational sphere, the collaborative processes conducted can be considered satisfactory, with exchanges of intelligence and joint operations successfully completed. Nevertheless, training in good governance and operational matters should be stepped up, satisfying current needs and supporting the development of specific anti-drug groups. A positive point that should be emphasised is that Ecuador has placed the first national office at Ameripol's disposal; it was opened in February 2013 having already begun its technical and operational activities.

#### **4. Conclusions and recommendations**

The conclusions and recommendations made in the August 2012 report remain valid.

- a) Continue to support Ecuador's efforts in its fight against the drugs problem, contributing both financing for the acquisition of technological control systems and more specialised training for the armed forces and police tasked with combating drug trafficking. Above all, increase the contribution towards training in the control and prosecution of money laundering. The lack of an IT system for analysing unusual transfers undermines the effectiveness of the Financial Intelligence Unit.
- b) Stress the benefits of improved coordination between the member countries of the Dublin Group in their contributions and bilateral cooperation with the State of Ecuador, to avoid duplication that would render them less effective. In the specific case of the EU, means of cooperation and coordination should be sought for the organisation of seminars and courses, etc., with such activities being conducted by specialists from Member States wishing to participate.

- c) **Offer advice on framing Ecuadorian legislation against money-laundering.**
- d) **Urge Ecuador to exercise greater control over the country's port infrastructure, especially in the port of Guayaquil** (world leader for the outflow of cocaine in 2013) and over other institutions with competence in this area, in order to minimise the cases of corruption that currently occur. Make good on the motto of "zero tolerance on corruption".
- (e) Remind the Ecuadorian authorities of the desirability of intensifying and improving public awareness campaigns against drugs to try to reduce demand, including through actions aimed at parents' and neighbourhood associations, schools and other educational establishments, through the CONSEP and in coordination with the ministries concerned.

## **PARAGUAY REPORT**

### **1. Situation in the country**

The **SEPRELAD** (Secretariat for the Prevention of Money Laundering) representatives presented the work of the Secretariat, and the SENAD representative highlighted some of the developments in the fight against drugs over the last six months.

Although SEPRELAD was set up in 1997, it did not become a truly effective unit until 2009, when its executive structure was modified and a Financial Intelligence Unit (FIU) was established, based on the model of the Egmont Group. As a member of the Egmont Group and founding member of GAFISUD (Financial Action Task Force of South America Against Money Laundering), SEPRELAD's principal objective is to obtain information on suspicious operations, to analyse it and, where appropriate, forward it to the public prosecutor's office. To do that, SEPRELAD builds on the work carried out by customs, the inland revenue, SENAD and the existing supervisory authorities (such as the banking supervisory authority for the financial sector), and it directly oversees those sectors (property, NGOs, remittances) which have no supervisory authority.

SEPRELAD's work falls within the framework of the strategic plan adopted on 11 June 2014 on combating money-laundering, the financing of terrorism and the proliferation of weapons of mass destruction. The laundering of money from drug trafficking, which is mainly channelled through the property, vehicles and livestock farming sectors, is one of SEPRELAD's priority areas. In terms of resources, SEPRELAD currently has eight analysts for some 4 000 annual reports on average.

As the most significant development, Dr Arce from **SENAD** highlighted the initiative under way in the framework of the CICAD/OAS Seized and Forfeited Asset Management Project ("BIDAL") on asset investigation and on the seizure, confiscation, administration and use of assets in connection with money-laundering and related activities. In addition, a law on forfeiture of assets is being drafted, which could come into effect at the end of 2014, for the disposal of all the material seized. At present SENAD has 47 unusable aircraft and 180 vehicles in its warehouses. In addition it has substances and 12 tonnes of chemical precursors.

The SENAD representative restated the concern which the Paraguayan authorities have regarding the prevalence of the use of basic paste, not so much so the quantities (consumption of marijuana is far higher), but rather its damaging effects on the population's health. In this connection, he pointed out that 80% of consumers are minors. With regard to combating the growing trafficking in chemical precursors, there was also mention of the problem posed by the fact that legislation only makes provision for the raw material, but not for any products derived from it. Canada asked for additional information on the countries of origin and transit of these chemical precursors.

In connection with the international debate on the legalisation of drugs, the SENAD representative voiced his objection and criticised initiatives such as the one launched recently in Uruguay, as these initiatives undermine the conventional framework adopted in the United Nations by treating drugs as a public health matter, and not as a purely criminal matter. This last aspect was confirmed by the UNODC representative.

Finally, Dr Arce confirmed what had been said at the previous meeting concerning emerging reports that possible coca-processing laboratories in Paraguay, the presence of which would indicate that the country is no longer merely a transit country, are actually mixing laboratories (where the basic paste is cleaned and mixed with sweeteners). The laboratories were known to exist and were now in the process of being identified.

In response to the desire to know more about the level of coordination between SENAD and the national police, the SENAD representative indicated that unfortunately there was none.

## **2. International cooperation**

The **UNODC** delegation described the ways in which the National Integrated Plan (NIP), adopted in 2011 (and due for mid-term review), was helping to increase coordination and dialogue between the country's various institutions, and to improve the identification of priorities; this was confirmed by the SENAD representative. One of the main obstacles it faces is funding. Of the three subprogrammes, all of the first (organised crime and illicit trafficking) and part of the third (drug demand reduction and treatment) currently lack financing, while the second (justice and anti-corruption) is the best funded.

Although there is nothing set aside for the NIP in the national budget as yet, it should be pointed out that the SENAD recently earmarked USD 50 000 for it, and funding opportunities have opened up with Qatar. The funding problems are also offset by the initiatives carried out as part of regional programmes, such as those related to chemical precursors and container control.

Under the NIP the UNODC is currently supporting the Paraguayan authorities in formulating and implementing the anti-corruption strategy, as a follow-up to the implementation of the UN Convention against Corruption, and carrying out various institutional capacity-building and strengthening initiatives in relation to the fight against organised crime, corruption and money laundering. Furthermore, a new priority of the UNODC relates to juvenile justice, which is currently being reviewed and evaluated while work continues on an analysis of the Paraguayan prison system.

Finally, it is worth highlighting the 24th Meeting of the Heads of National Drug Law Enforcement Agencies, organised jointly by the UNODC and the Paraguayan Chancellery, and due to take place in Asunción on 6-10 October.

The **US** delegation reported on the ongoing cooperation programmes relating to the prison system and the fight against money laundering. The United States is also supporting Asunción airport's dog unit, and delivering a variety of training activities to the national police, both in Paraguay and abroad.

**Spain** announced the composition of the delegation which would be participating in the 24th Meeting of the Heads of National Drug Law Enforcement Agencies, which would comprise representatives of the Integrated Centre against Organised Crime, the national police, the Guardia Civil and Customs.

### 3. Recommendations

- **Improve institutional coordination** in this field and support from the police and prosecution services for SENAD's activities, and **increase** the financial and technical **resources** available to it.
- Encourage **alternative crops** through international cooperation projects.
- **Step up demand reduction work via more specialist training of human resources devoted to it, increasing the coverage of school prevention programmes**, with more organised civil society participation, and periodic **studies** of key populations (such as schools, homes, emergency centres, prisons and treatment centres) on the prevalence of and trends in drug **consumption**, as well as associated risk factors.
- **Increase** the staffing of the **narcotics prosecution service** in order to reinforce judicial investigation of drug trafficking.
- Emphasis was once again placed on the importance of what is done with the material seized in **operations**.
- Highlight the desirability of providing **support to the NIP in the general state budget** so that it does not have to rely exclusively on voluntary contributions.
- **Monitor new psychoactive substances**, which constitute a real threat to public health and are on the rise in Latin America.

### PERU REPORT

February 2012 saw the adoption of a **new national anti-drugs strategy 2012-2016 (ENLD)**, which sets out the guidelines for the Peruvian State's action to combat drug trafficking. It has now been in force for two years, and can be seen to be working well. Peru is dedicating more resources and tackling the issue in its own right. There is clear leadership, and the National Commission for Development and Life Without Drugs (DEVIDA) has cemented its role as the lead agency. Of particular note are the sound management techniques of DEVIDA head Carmen Masías, who was replaced by Alberto Otárola in June 2014.

**The strategy aims to improve results using an integrated approach that addresses all aspects of the problem** (eradication, alternative crops, control, rehabilitation and prevention), and establishes precise targets and indicators. Significant progress was made in 2013, and a watershed was reached as the area under coca leaf cultivation fell from 60 400 ha to 49 800 ha.

## **1. Overall situation in the country**

### **a) Coca leaf, basic cocaine paste and cocaine hydrochloride**

In 2013 dried coca leaf production in Peru fell by 17.5% in terms of net area, surpassing the targets. This reduction followed the downward trend begun in 2012 and demonstrates that the political decisions adopted by the Peruvian government are on the right track.

According to UNODC data, potential dried coca leaf production had risen to 121 242 metric tonnes by 31 December 2013. Potential cocaine production has not been determined, as the conversion factors are being reviewed. It should be noted that 9 000 metric tonnes of dried coca leaf are chewed in the traditional way, according to data from the National Statistical Institute (INEI).

The main coca-growing areas in Peru are still in the Apurímac-Ene-Mantaro river valley or VRAEM (19 167 ha), and the La Convención-Lares (10 843 ha) and Alto Huallaga (4 302 ha) river valleys. Inambari-Tambopata and Bajo Amazonas are also key areas. The VRAEM accounts for 38.5% of the total area under cultivation in Peru, and 57% of potential production.

In 2013 the largest reductions achieved through eradication efforts were in Alto Huallaga, where the area under cultivation fell by 54.8%; eradication was also particularly successful in Palcazú-Pichis-Pachitea, with a drop of 81.6%. The reductions in La Convención and Lares, however, resulted from the abandonment of crops rather than eradication efforts. By contrast, there has been an increase in the area under cultivation in Aguaytía.

The average price established for 2013 was USD 4.3 per kilogramme of dried leaf, up 33% on 2012. With regard to cocaine hydrochloride in Peru, the average price rose 39% to USD 1 310/kg, the highest it has been for 15 years.

23 947 ha of coca crops were reported to have been eradicated in 2013. Recorded seizures of basic paste totalled 10 841 kg (compared with 19 697 kg in 2012), and seizures of cocaine hydrochloride amounted to 13 332 kg (12 677 kg were seized in 2012).

In the last 10 years international drug trafficking has changed its modus operandi. Since 2000, the transportation of the drug from the point of production has essentially been organised and supervised by domestic and foreign traffickers and carried out by groups known as backpackers ("cargachos" or "mochileros"). To that end they use the entire existing road network and their destinations include intermediate towns, generally in the sierra. Then they go to the coastal towns or border towns, where the shipments contracted for by the international cartels are made up.

Currently drug traffickers use various ways to get the drugs out. One way is by sea (involving the setting up and use of front export companies, hiding the "goods" in the innumerable containers that leave the country's various ports every day). However, it is believed that much of the drug is moved out by land, through neighbouring countries. An extremely worrying phenomenon is drug traffickers' growing use of illegal light aircraft, which operate from increasingly dispersed clandestine airstrips. It is believed that a considerable proportion of the drugs is currently leaving for neighbouring countries on such illegal flights, and the authorities are considering taking aggressive action to curb the practice.

#### **b) Poppy and other opiates**

No official statistics exist. The scant data available are not sufficient for a precise analysis of the situation, though the increased supply of heroin in some neighbouring countries suggests that cultivation could be on the rise in Peru.



### c) Drug consumption in Peru

There are not many statistics, but according to a 2013 study from CEDRO, the drugs with the greatest lifetime prevalence in Peru are marijuana (7.5%), basic cocaine paste (2.9%) and cocaine (2.4%). The situation is serious, since drugs can be obtained cheaply and from numerous sources. According to DEVIDA, around 106 000 Peruvians who take drugs need some kind of urgent treatment to tackle their addiction, a problem which clearly requires greater attention from the public authorities.

### d) Main approaches and results in the fight against drugs

**d.1. Eradication:** More than 23 947 ha were eradicated in 2013, exceeding the targets set in the ENLD. Following the great success of the eradication campaign in Alto Huallaga, the VRAEM is now the region in which efforts must be concentrated. The Peruvian government has affirmed its intention to act soon, with a new yield-based approach and a greater role for the Ministry of Agriculture. In 2014 it aims to eradicate 30 000 ha, and is well on the way to meeting the target.

**d.2. Prohibition and seizures:** 10 841 kg of basic cocaine paste and 13 332 kg of cocaine hydrochloride were **seized in 2013**. In terms of chemical inputs, 2 240 424 kg were seized. In addition, 1 398 maceration pits and 869 cocaine hydrochloride processing laboratories were destroyed. CONABI (the national commission on seized assets) has carried out a number of public auctions. Arrests of drug mules ("**burriers**") continue to increase, especially at Lima international airport.

## 2. Institutional framework

### a) Policy framework

The strategy for 2012-2016 sets the **general strategic objective** of a drastic and lasting reduction in illegal trafficking and consumption of drugs and their adverse social, political, economic, cultural and environmental effects, while integrating those who produce illegal crops into the lawful economy. Within this general objective there are four major strategic aims: **1. Strategic objective of integrated and sustainable alternative development**, by making it more feasible for people to disengage themselves from illegal coca cultivation. **2. Strategic objective on prohibition and punishment**, through a significant reduction in the unlawful production and trafficking of drugs and related offences, dismantling organised criminal groups and bringing them to justice. Increased detection and investigation of money laundering is also proposed. **3. Strategic objective of prevention and rehabilitation**, decreasing drug consumption nationally using preventive and therapeutic measures. 4. The ENLD includes a **strategic objective of overall commitment**, under the principle of shared responsibility.

The strategy establishes **ambitious goals and monitoring indicators**, and if projections hold they will translate into significant achievements by 2016. However, there are areas in which it is not made clear what resources the Peruvian authorities plan to use to achieve the proposed aims, and in which perhaps the strategy could be further refined.

### b) Main institutions

Implementation of the national anti-drugs strategy is carried out by **DEVIDA**, which is designed to operate as the lead agency responsible for combating drugs in Peru and reports to the Prime Minister's Office. DEVIDA is headed by an Executive President; Alberto Otárola has held the position since June 2014.

**There is a range of entities directly or indirectly involved in combating drugs in Peru, including the Ministry of the Interior (more specifically DIREJANDRO), the Ministry of Defence, SUNAT (the national tax administration), the Ministry of Agriculture, the Ministry of Justice, the Ministry of Foreign Affairs and the Ministry of Health. ENACO S.A. is the public-sector company responsible for marketing and industrialising coca leaf and derived products, and it maintains a register of legal coca-leaf producers. Other entities with relevant responsibilities** are CONABI, the regional governments, the courts, the public prosecutor's office and the national congress (committee on defence, internal order, intelligence, alternative development and combating drugs). **To these should be added** the special project named CORAH (control and reduction of coca crops in Alto Huallaga), attached to the Ministry of the Interior's drugs control office, the banking authority, insurance and the pension funds administration/private pensions system, and the financial intelligence unit.

Given the number of entities involved, it is essential that DEVIDA has sufficient political backing to take effective action as the lead agency and to carry out its coordination role.

**c) Legal framework and main legislative developments in 2013**

The Peruvian government's commitment to stepping up the fight against drugs can be seen in various legislative measures that have been adopted. In 2013 these included the legislative decree establishing control measures for chemical inputs and controlled products, machinery and equipment used for the production of drugs, together with the associated regulation.

### **3. International cooperation**

International cooperation has continued to support various programmes, particularly in terms of alternative development, environmental conservation and the restoration of damaged ecosystems. Examples include the work of the **UNODC**, as well as funding from the **US** government (which has pledged USD 25.5 million to alternative crop development projects), from the **EU** (a support project is under way worth EUR 32.2 million, including EUR 24 million earmarked for sectoral budget support, and EUR 6 million for a technical support programme to assist the Peruvian government in implementing its national anti-drugs strategy 2012-2016; there is also an alternative development programme for Satipo worth EUR 10.2 million, of which EUR 8 million has been provided by the EU and EUR 2.2 million by the Peruvian government), and from various member states. In particular, Japan is focusing on community development projects. The Organisation of American States (OAS) also provides support through the Inter-American Drug Abuse Control Commission (CICAD) for the programme to strengthen national drug commissions in Latin America, which receives financial support from Spain.

#### **At the regional level, Peru is stepping up cooperation with neighbouring countries.**

Cooperation with Brazil is intensifying, and there is also smooth cooperation with Ecuador, Colombia, Bolivia and Chile. The **UNODC** is also implementing a European Union project worth EUR 6.5 million to tackle drug demand in the four countries of the Andean Community.

### **4. Recommendations**

**1. The Group congratulates the Peruvian government on the successful implementation thus far of the national anti-drug strategy 2012-2016**, in particular the achievement of many of its goals, and welcomes the fact that the country is dedicating substantial resources to combating drug trafficking. The Group considers that a real positive impact will be seen in the coming years.

2. **The Group urges the Peruvian government to institutionalise the authority of the lead agency in the fight against drugs at the highest level, and to strengthen all the departments of the ministries and public bodies with responsibilities related to combating drug trafficking**, so as to create a compact, well-coordinated and efficient state apparatus with adequate budgetary resources.
3. The Group urges the Peruvian government to keep up its **efforts to ensure that the lead agency in the fight against drugs in Peru** continues its process of consolidation, increasing its authority, rallying power across the sectors and budget so as to be able to coordinate all the ministries and institutions involved.
4. **The Dublin Group would be grateful to DEVIDA for keeping it regularly informed of the results** – achievement of goals and development of monitoring indicators – being obtained in the implementation of the new national strategy.
5. The Group considers that it would be useful to have **a revised estimate of potential cocaine production by means of** an updated conversion study.
6. The Group congratulates the Peruvian government on its success in eradicating crops in 2013, which has been accompanied by the development of alternative crops. However, it urges the government to **intensify its efforts in terms of seizures**, since better results could be achieved in this area.
7. The Group also urges the Peruvian government to step up its efforts to combat money laundering, in accordance with its action plan, since money laundering is closely linked with drug trafficking.
8. Given that an increasing quantity of the drugs leaving Peru do so by air, the Group urges the Peruvian government to acquire the technical means and equipment that will allow it to put a stop to illegal flights leaving the country.

9. The Group stresses the importance of its future actions in the **VRAEM**, and urges Peru to pursue a multi-sectoral framework in this area, taking into account the economic, social, law-enforcement and military aspects of the problem as a whole. The Group hopes that the new approach adopted for the VRAEM will make it possible to achieve the objectives set for the area for 2014.

10. **The Group repeats its recommendation that national and international technical support should be increased for all authorities involved in combating drug trafficking, albeit with specific effectiveness criteria.** One of the main problems is the high turnover of senior law enforcement officials, which can make dialogue and staff training difficult. Technical assistance should also be increased in sectors such as the procurement of equipment, in which established procedures hamper the State's action.

11. **The training of judges, prosecutors, public defence lawyers and lawyers in the criminal justice system in general should be stepped up** so that they can carry out thorough investigations, since trials against drug traffickers often pit them against teams of well-paid, well-prepared and well-equipped lawyers. In this case staff turnover is lower than in law enforcement, but appropriate measures for improving the effectiveness of these proceedings are also recommended.

12. The Group recognises the **efforts Peru has made over the last year to combat corruption**, which is very closely linked with drug trafficking, particularly at Jorge Chávez airport. It recommends that the Peruvian authorities intensify these efforts and remain extremely vigilant.

13. In accordance with the principle of shared responsibility, and taking account of the success of the national strategy and the fact that its status as a producer country continues to make Peru an important factor in global drug trafficking, the Group considers that **the member countries should continue their international cooperation with Peru on this subject, increasing available resources as far as possible.** The Group also congratulates Peru on its increased international cooperation with neighbouring countries on the fight against drug trafficking.

## URUGUAY REPORT

### 1. General situation

There are no changes to existing trends as regards the **international trafficking of narcotics**, mostly cocaine intended for Europe and to a lesser extent Asia and Oceania, through Uruguay. Africa has consolidated its position as a major transit point.

With no new entry points detected, the "traditional" entry points are still as follows: the port of Montevideo, a natural entry point for goods entering or leaving Paraguay, via ro-ro transport, and Montevideo's Carrasco International Airport (mainly using mules). Trafficking in small aircraft from neighbouring countries stands at the same level as in the previous report.

Although Uruguay does not yet have cartelisation, arrivals of members of **Mexican and Colombian organisations** are still being detected. In addition, the government acknowledges a complex situation as regards local gangs and their control over certain areas of Montevideo, which makes policing difficult. It has been noted that fire power of these gangs has been increasing and it is believed that there is a flow of illegally imported weapons, including automatic weapons, coming into the country and intended for these gangs.

**Lack of public safety** continues to be viewed with growing concern by the people and is closely linked with the trafficking and consumption of illegal substances, especially cocaine base paste. The persistence of types of violence previously unknown in the country, such as contract killings and settling of scores, is confirmed, and small-scale trafficking and the ghettoisation of certain places are causes for concern. The *Strategy for Life and Coexistence* (June 2012) continues to frame the actions undertaken by the government.

Uruguay is continuing to progress with the **second stage of the PRELAC programme**. The **Controlled Substances Division** of the Directorate-General for Health at the Ministry of Public Health is developing a system which, with the agreement of industry representatives, will allow companies using these products to link up with the drug control body. Uruguay is cooperating with other countries in the region (Ecuador, Argentina, Colombia, Paraguay) on combating diversion. The government hopes to be able to extend controls to the domestic finished-product market during 2015.

Regarding the **control of supply**, 2013 saw a significant increase in arrests for drug offences (2 456 as against 1 980 in 2012), although the total number of prosecutions/detentions was down to 739, from 839 in 2012.

The trends remain the same as regards the **origins of the substances**: cocaine and cocaine base paste (as well as synthetic drugs, especially in the tourist season) from Argentina, and marijuana from Paraguay.

**Marijuana seizures** reached an **absolute record** of almost 2.2 tonnes in 2013, and had already reached 1.2 tonnes at the time of writing, compared with 1.8 tonnes for the whole of 2012. It is estimated that almost 80% of Uruguay's illegal drugs market is in cannabis. There was also a significant shift in cocaine seizures. In 2013, 1.5 tonnes of cocaine were seized on the domestic market and some 7 kg were seized on the international trafficking market, compared with 2012, when 125 kg were seized on the domestic market and 522 kg were seized on the international trafficking market. Seizures of cocaine base paste are still rising.

As to **consumption**, national and international statistics show that **alcohol is still the most consumed drug in the country**, with consumption levels of about 75% showing a clear upward trend since the mid 2000s. It is calculated that there are around 260 000 problem alcohol users and that users are beginning to drink at around the age of 13. There are an estimated 30 000 regular **marijuana** users and 100 000 occasional users.



According to the 2013 UNODC World Drug Report, the prevalence of **cocaine consumption** in South America was still high, at 1.3%. In the Southern Cone, consumption levels rose considerably between 2005 and 2011. The latest figures for Uruguay from the JND show that 1.9% of the population use cocaine (the same as in the previous report). There was a worrying rise in consumption over that period among the 13-17 age group.

Consumption of **cocaine base paste** has been increasing in Argentina, Chile and Uruguay over the past ten years, though the rate is lower in Uruguay (around 1.1%) than in the Andean region countries. (Data source: *OAS Report on the Drug Problem in the Americas*, 2013).

Also worrying are the rise in consumption of **synthetic drugs** and the emergence of a new consumer market. Trafficking in these substances occurs along the western coast of Uruguay, across the border bridges between Uruguay and Argentina.

According to the 2013 UNODC World Drug Report, Uruguay is one of the countries that has reported a rise in the use of **NPSs (new psychoactive substances)**, such as ketamine, though consumption is still well below the levels seen in North America and Europe.

## 2. Institutional framework

Reform of the regulatory framework for establishments specialising in the care and treatment of problem drug users is being consolidated. In this context, the **Ciudadela project** on information, advice and referral for drug users has started to be extended across the country, through projects such as "Aleros 7 zonas". This set-up facilitates referral of problem drug users to the **national care and treatment centre (RENADRO)**.

In early May, the Regulation implementing the Law on the **regulation, trading and consumption of marijuana** entered into force. Also noteworthy is the establishment of the **Institute for Cannabis Regulation (IRCA)**, whose role is to issue consumer licences and control production and distribution.

The IRCA started working as soon as the Board of Directors' rules of procedure were approved. So far, registers of marijuana home growers have been set up and systems for workplace and roadside drug tests have been put in place. A tendering procedure is currently under way for production on government-allocated land with distribution through the pharmacy network and legislation is starting to be developed on cannabis clubs.

**Money laundering:** August 2012 saw the adoption of the **National Strategy and Action Plan** against money laundering and financing of terrorism, and work continues on increasingly comprehensive application of the FATF and IMF recommendations. Uruguay is considered to be one of the more compliant Latin American countries as regards implementing the FATF 2009 recommendations, which were, however, purely normative. The authorities need to examine the principle of effectiveness inserted in the 2012 recommendations, as regards the gap between the current situation and what is being required. The 2015 five-year budget must include measures to ensure that the requirements are met, as Uruguay is due for evaluation in 2019.

### **3. International cooperation**

The JND's international cooperation objectives include strengthening national capacities in order to take an integrated approach to a "global and transnational issue", managing offers of technical and financial cooperation which support the national strategy, and ensuring it is represented in scientific and institutional exchanges.

Examples of international cooperation projects include: the SAVIA project by CICAD/OAS to develop regional cooperation and local initiatives for drug demand reduction; the COPOLAD Programme (Latin America/European Union); the subregional drug information and research project (UNODC, CICAD/OAS); the PRELAC Project (Prevention of the diversion of drug precursors in the Latin American and Caribbean region, funded by the European Union and implemented by UNODC); support for the fight against money laundering in the countries of Latin America and the Caribbean (European Union/GAFISUD project); UNODC Brazil and Southern Cone work and family prevention project; UNODC Global SMART programme (Canada). Agreement between Ecuador and Uruguay in the framework of political dialogue and technical cooperation in the areas of demand reduction and supply control.

Since July 2014, Uruguay has been co-chairing the EU-CELAC Coordination and Cooperation Mechanism on Drugs and will host the XVII High-Level Meeting in 2015.

It has also been actively supporting the establishment of a UNASUR member countries Drug Observatory in order to create a stronger regional vision in this area, as suggested in the meeting of the working group on institution-building and legislative harmonisation in Montevideo on 28 and 29 August.

#### **4. Recommendations**

- Maintain progress with the interdepartmental cooperation launched by the government in recent months.
- Continue strengthening institutions and technical training, in police and judicial spheres.
- Recognising Uruguay's efforts on money laundering, we recommend it follow the recommendations of the IMF and FATF and take them into account when drafting its five-year plan and preparing for the 2019 evaluation.

- Keep up efforts and international cooperation on control of chemical precursors, with a view to preventing their diversion to other countries.
- As regards the draft law on regulating the marijuana market, we recommend more dialogue with international specialist bodies that have expressed doubts on the new rules and their compatibility with relevant international law. The UN International Narcotics Control Board's planned visit to Uruguay before the end of 2014 could be the perfect opportunity.
- At the same time, it would be helpful to analyse the instruments adopted and to monitor their implementation and effects on Uruguayan drug use. This could be useful input for the United Nations General Assembly Special Session (UNGASS) on drugs in 2016.

## **VENEZUELA REPORT**

### **1. General situation**

(a) Drugs: Last August, the National Anti-Drugs Office (ONA) published official statistics on its website on seizures during 2013, which show that the Venezuelan government's anti-drug policy and strategies to combat drug trafficking are gaining a firm footing.

In 2013, a total of almost 47 000 kg of drugs was seized, of which 56% was marijuana, 43% cocaine and the rest, in very small quantities, basuco, crack and heroin (4.41 kg of the latter). Venezuela remains a transit country for drugs transported to Europe and the United States, and there are currently several investigations linked to Venezuela being conducted in Spain. ONA President Alejandro Kerelis Bucarito has stated that during the first half of 2014, **62 867** kg of drugs were seized in Venezuela in various operations involving the Bolivarian National Armed Forces and State security forces.

In 2013, in the wake of the approval of the law on airspace defence control, 30 aircraft were disabled and six were seized. Some 108 clandestine airstrips were also destroyed. In the first half of 2014, at least six aircraft suspected of being involved in drug trafficking were detected in states bordering Colombia.

In 2013, Venezuela was ranked as a country free of illicit crops for the eighth consecutive year, and 43 laboratories were dismantled.

One of the international cooperation operations undertaken by Venezuela was operation "TIBURÓN-TOTO", carried out in conjunction with Spain, which resulted in several arrests including that of a British national who happens to be one of Europe's top ten most wanted drug traffickers. 2013 saw the arrest of 15 drug-trafficking kingpins who were wanted nationally or internationally.

In 2013, the ONA's national assets service seized a total of 1 180 assets including immovable property, miscellaneous vehicles, cash and other items, valued at almost USD 150 million.

(b) Arrests: Some 9 130 Venezuelans and foreigners were arrested. Of that number, 15 leaders of drug-trafficking organisations were arrested and placed in the custody of the authorities — these are in addition to the 111 arrests of individuals wanted by national and international security agencies.

## **2. Institutional framework**

In 2013, Venezuela demonstrated to the FATF International Cooperation Review Group the countermeasures it had taken to combat money laundering through an action plan implemented jointly by all Venezuelan state institutions with responsibility in this field, and was taken off the FATF Grey List, giving international recognition to the fact that Venezuela has strengthened its systems for the prevention and control of money laundering.

Under Resolution No 355 of the Ministry of the Interior, Justice and Peace, published in Official Gazette No 40 474 on 13 August 2014, Army Brigadier General Irwin José Ascanio Escalona was appointed ONA President with the rank of director. Brigadier General Ascanio Escalona was previously Director of Counter-intelligence of the Presidential Guard of Honour.

### **3. International cooperation actions by mini-Dublin Group countries, including Venezuela**

**Spain.**- In the field of technical cooperation, a course in criminal intelligence was run in 2014 and attended by a Commissioner from the Forensic, Penal and Criminology Department (CICPC).

To date, there have been 34 drug-trafficking arrests.

Cooperation by the authorities is generally good but would be much more efficient if they made greater use of the legal instruments provided for under their legal system, such as controlled deliveries.

Finally, it is observed that while there is a steady flow of information from Spain, there is less in the opposite direction and it is almost always provided in response to requests that are made through personal contacts. In this connection, we have informed the Venezuelan authorities that they would do well to formalise the transfer of operational information.

**Belgium.**- Establishes the need for access to official statistics on drugs.

**Canada.** States the need for further action on trafficking in medicinal products.

**United Kingdom.**- Gave operational and technical courses as part of the training of Venezuelan police.

**Italy.-** At an operational level, has conducted operations with relative success. Argues that some operations are delayed because of a lack of information flow.

Has tried to bring Venezuelan police to Italy to attend training courses but recent attempts have been unsuccessful.

Institutional relations with the ONA and CICPC are smooth, though in recent months contacts with the National Guard have become more difficult.

Stresses the need to formalise the exchange of operational information in order to avoid relying on personal contacts.

Ten Italian citizens are currently being detained in Venezuela for drug trafficking, one of whom is about to be repatriated.

**USA.-** According to US statistics, air traffic from Venezuela in 2013 was down 36% on 2012. However, several flights a week still operate in the state of Apure, facilitated by FARC. There has also been a shift in trafficking trends towards delivery by sea.

The US has cast doubts on the effectiveness of the judicial system and claims that cooperation with the ONA has been weaker since the change of leadership in 2012.

There are a total of 19 Americans nationals in custody in Venezuela, of whom 15 have been detained for drug trafficking. Last year saw the first successful extradition.

**France.-** Has voiced concern about the new situation at the ONA and the excessive militarisation of the fight against drugs.

Under Article 19 of the Vienna Convention, France has established active cooperation with the Venezuelan authorities with regard to vessel monitoring on the high seas.. In all such cases, the Venezuelan authorities carry out the operations and follow-up investigations in Venezuela.

France has given four training courses for Venezuelan police on money laundering, synthetic drugs, precursors and telephone analysis. All four courses were delivered in the French West Indies.

There are currently four French nationals in jail for drug trafficking.

**Japan.-** Only one Japanese national is being detained in Venezuela.

#### 4. Recommendations

- Visits should be arranged by senior officials of Dublin Group member countries with responsibility for combating drug trafficking, with a view to promoting *cooperation* in the exchange of information between Venezuela and the other countries.
- The Bolivarian Republic of Venezuela should be encouraged to make more use of the legal instruments designed to combat drug trafficking as soon as possible.
- Review the policy for *prevention* of drug consumption, especially among the most socially and financially deprived sectors of the population and those drugs which generate a high rate of violence and crime in those sectors of the population.
- Now that it is off the FATF grey list, Venezuela must continue to combat *money laundering*. To combat drug trafficking effectively, its funding must be blocked by stepping up the fight against money laundering and corruption.



- Address the increasing links between *drug trafficking* and crime in general.
  
  - The Bolivarian Republic of Venezuela should be encouraged to participate more and to be represented more actively in *international fora* and bodies concerned with combating drug trafficking.
  
  - Promote and encourage joint action by the different diplomatic missions in order to achieve higher levels of efficiency in the areas of training and transfer of operational information. This would be possible if specialised officials from the various countries gave training courses in Venezuela.
-