
United States Department of State

**Bureau of International Narcotics
and Law Enforcement Affairs**

Fiscal Year 2003 Budget

**Congressional
Justification**

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Program Overview and Fiscal Summary

Program Overview

Objectives

The illegal drug trade and growing criminal enterprises around the world are among the most serious threats to the United States in the post-Cold War era. Few foreign policy concerns affect so many Americans so directly, adversely, and persistently as international narcotics trafficking and other forms of crime. Like terrorism, drugs and other international crime are especially dangerous because they simultaneously target both our domestic and international interests. They are also among the most important sources of global instability today, affecting both the developed and developing world. The U.S. government is responding to these threats by placing the fight against international narcotics and organized crime high on our national security and foreign policy agendas. Within the State Department, the Bureau of International Narcotics and Law Enforcement Affairs (INL) has broad responsibility for narcotics control and law enforcement policy and program coordination in the international arena.

Although the FY 2002 INL counternarcotics budget represented only a small (4.4 percent) part of the federal drug control budget, INL bilateral and multilateral programs and diplomatic initiatives are strengthening counternarcotics and law enforcement efforts in more than 150 countries around the globe. This represents a good return on U.S. tax dollars. The social and economic costs of drug abuse in America are staggering. Each year, illicit drug use directly or indirectly causes the death of more than 50,000 Americans. The Office of National Drug Control Policy (ONDCP) estimates that illicit drugs cost our society more than \$160 billion in 2000 in terms of health care, loss of productivity, law enforcement, and social welfare programs—an increase of 57 percent since 1992. This is in addition to the estimated \$65 billion spent by drug users on illicit drugs. But even these large numbers do not take into account the heavy social costs—the lives wasted and destroyed by addiction, the devastating impact on families, schools, and communities, and the generally corrosive effect on public institutions. In President Bush's words: "Illegal drug use threatens everything that is good about our country."

While the rate of drug use has stabilized among young people in recent years, it remains at an unacceptably high level. Moreover, recent surveys have indicated that American high school students ignorant of the epidemic of the 1960s and 1970s are increasingly experimenting with "chic" heroin—the most insidious and addictive of the hard drugs. Unlike during the 1960s and 1970s, with their dark legacy of dirty needles and shooting galleries, the high-purity Colombian heroin available in the United States today can be sniffed like cocaine. The U.S. is also feeling the impact of what amounts to a global surge in the use of synthetic drugs such as methamphetamine and MDMA ("ecstasy"). This phenomenon is affecting both industrialized countries and many areas of the developing world. In Thailand, for example, where heroin has been the drug of choice for centuries, methamphetamine has replaced heroin as the most abused drug. Unlike heroin and cocaine, synthetic drugs are relatively easy to manufacture and do not depend on vulnerable crops. The best place to hide a synthetic drug lab is not deep in the rain forest away from other people but in an urban industrial setting, or even the basement of a residence.

Domestic prevention programs and enforcement alone cannot cope with the latest onslaught of drugs destined for the U.S. These approaches must be coupled with an aggressive international strategy that targets drug production at the source and disrupts the movement of drugs in transit. The Administration is fully committed to working with producing and transit nations to eliminate drugs at their source or intercept them en route to the United States.

While narcotics trafficking generally receives more media attention—large drug busts, for example, make good footage for the evening news—transnational organized crime represents a rapidly growing threat whose global economic costs rival and probably exceed those of narcotics trafficking. Of the approximately \$750 billion in money laundered each year (some estimates run as high as \$1 trillion), about half is from non-drug crime. Fed by the same globalization and technological advances that supported the U.S. economic expansion over the past decade, international crime has spread at an unprecedented rate and scale since the end of the Cold War. The accompanying growth in the power, influence, and sophistication of international criminal organizations and their global reach pose a severe threat to free market economies around the world, to governance and stability in many countries, including some western democracies, and to U.S. domestic and international interests. Emerging crimes such as trafficking in persons, especially women and children, and high-tech and intellectual property rights crimes are demanding more of our attention, even as we continue to address money laundering, alien smuggling, corruption, stolen cars, credit card fraud, and firearms trafficking. Together, these crimes take a substantial toll on our economy and foreign interests. We pay through higher costs and poorer quality goods and services and lower standards of living at home because, in increasingly dangerous, uncertain, and unregulated foreign environments, we cannot protect our investments abroad.

Often, the countries that play the most critical roles in furthering the international drug and crime problems are the ones least capable of responding to the problem. Frequently, their law enforcement institutions are too weak to resist rich and violent drug and crime syndicates, and their economies too weak or small to generate alternative incomes for drug producers. Once in place, criminal organizations quickly secure their positions through corruption and intimidation. Their strategic attacks on the rule of law and effective corruption of democratic and free market processes—as seen in Russia, Colombia, Mexico, Nigeria, South Africa, Pakistan, the Balkans, and elsewhere—erode the very foundations of states, putting our entire range of foreign policy interests at risk.

The September 11, 2001 attacks highlighted the close connections between organized crime, particularly drug trafficking, and terrorism. This nexus takes many forms, ranging from facilitation—protection, transportation, and taxation—to direct trafficking by terrorist organizations themselves. Drug traffickers benefit from terrorists' military skills, weapons supply, and access to clandestine organizations. Terrorists gain a source of revenue and expertise in illicit transfer and laundering of money for their operations. Like traffickers and other organized crime groups, they make use of those countries and jurisdictions where banking regulations are weak. Both groups corrupt officials who can provide fraudulent documents, such as passports and customs papers. Finally, the September attacks demonstrated in horrific detail the great danger to the U.S. posed by a narco-funded terrorists residing in a nation where they can operate with impunity. While INL does not have the lead in the war on terrorism, INL counternarcotics and anticrime programs promote modernization of criminal justice systems and enhance the capabilities of foreign law enforcement agencies charged with countering terrorism. INL will continue to work with the Departments of Justice and Treasury, and with cooperating governments, to focus on counternarcotics and anticrime programs that also have an

impact on counterterrorism. In organizations such as the Group of Eight (G-8), and working with the European Union and other key countries, we have sought new approaches to overcome long-standing barriers to closer law enforcement cooperation and to assist other countries in their ability to implement UN Security Council Resolution 1373 to combat terrorism.

The President Bush has made clear that the Administration will be tough on both narcotics trafficking and other forms of transnational crime, and that both will be high-level foreign policy priorities. Our policy aims at achieving greater international cooperation focused on the most critical drug and crime targets. INL has a central role in a strategic approach to international crime control and will strengthen existing programs and create new ones to support strategic objectives. These include extending our first line of defense to strengthen control of our borders, ensuring that global criminals have nowhere to hide, attacking international financial and trade crimes, and responding to emerging crime challenges.

INL's primary goals and objectives are as follows:

- Reduce and ultimately choke off the flow of illegal drugs to the U.S.;
- Enhance the abilities of foreign countries to deter, prosecute, and thwart international crime and criminal organizations;
- Identify, target, and eliminate those international drug and crime threats that pose the greatest danger to U.S. security interests; and
- Increase international awareness of these threats and strengthen international cooperation and the ability of national and multilateral institutions to combat them.

Where drugs are concerned, INL programs will:

- Reduce drug crop cultivation through a combination of bilateral enforcement, eradication, and alternative development programs;
- Strengthen the ability of foreign law enforcement and judicial institutions to investigate and prosecute major drug trafficking organizations, and to seize and block their assets; and
- Improve the capacity of host nation police and military forces to attack narcotics production and trafficking centers.

With respect to international crime, our programs are designed to:

- Build stronger law enforcement networks to prevent and combat, among other threats, financial crimes and money laundering, migrant smuggling and trafficking in persons (especially women and children), violence against women and children, violations of intellectual property rights, and corruption;
- Strengthen efforts by the UN and other international organizations to assist member states in combating international crime, including implementation of relevant UN Security Council resolutions to combat terrorism; and

- Thwart the ability of international crime to undermine democracy and free-market economies in Eastern Europe, the former Soviet Union, and other vulnerable states by strengthening law enforcement and criminal justice systems and anticorruption initiatives.

The expansion of transnational crime and international narcotics trafficking into new areas has increased the demand for INL programs and assistance. More and more, nations understand the threat that these illicit activities pose to order, economic progress, and good governance, and they are looking primarily to the U.S. for assistance in dealing with these problems. It is in our national security interest to help them respond, but to do so will require significant additional resources.

Performance

INL funds various bilateral and multilateral international drug and crime control programs to accomplish USG goals and objectives. We continue to direct our greatest counternarcotics efforts at Latin America, focusing on eliminating the cocaine and heroin trades along with combating emerging methamphetamine trafficking from Mexico. Our overall aims are to reduce significantly coca and opium poppy cultivation, disrupt processing and trafficking operations in the region, and dismantle the organizations that dominate and finance the drug trade.

We are concentrating most of our efforts in the source countries of Colombia, Peru, and Bolivia, and the neighboring countries of Ecuador, Brazil, Venezuela and Panama. We are also attacking the major drug transit routes from South America to the U.S.

Our narcotics control priority in Asia is heroin. Efforts to attack the trade in that drug have been complicated by security and political barriers that limit our access to the major opium and heroin producing countries—Burma and Afghanistan. With the change of regime in Afghanistan, a major challenge there will be to work with our international partners to bolster that nation's recent commitment to eliminate opium poppy cultivation, processing and trafficking, thereby preventing Afghanistan's return to its status as the world's leading opium and heroin producer.

Regarding other forms of international crime, INL has increasingly taken the lead to define the threat, develop policy and programmatic responses, and implement training and other programs to confront it. Through diplomacy, training and institution building, our goal is to ensure that foreign authorities have the skills, confidence, professionalism, contacts, and resources necessary to identify, investigate and prosecute the most serious forms of international crime. We will work to strengthen the abilities of foreign judicial systems, intensify our efforts against money laundering and corruption, and strengthen our international web against alien smuggling.

Despite the size of the task and the challenges, INL programs are achieving success. Highlights include:

- **Colombia.** 2001 was a banner year for the U.S.-supported eradication program in Colombia. The expanded aerial spray program treated over 84,000 hectares of coca cultivation, up 78 percent over 2000 and 54 percent over the previous record year (1998). These numbers should increase as additional spray aircraft are delivered over the next year and as areas previously closed to spraying are opened up. In 2001, the complementary alternative development program signed 21 voluntary eradication

agreements with small farmer associations in poppy growing areas in the Colombian Departments of Tolima, Huila, Cauca and Narino, resulting in the eradication of 680 hectares of poppy, and benefiting an estimated 1,740 small farm families. In the Putumayo department, 33 voluntary coca eradication agreements were signed with 37,000 families for the eradication of as many hectares of coca. Nevertheless, the security threat and lack of viable economic infrastructure in Putumayo pose formidable obstacles. In recognition of these problems, the GOC and USG plan to refocus alternative development during FY 2002 and FY 2003 to initiate voluntary eradication agreements with entire communities that require the immediate eradication of coca; to emphasize infrastructure development, as opposed to crop substitution; and to expand activities beyond southern Colombia to neighboring departments where a greater number of legal economic activities already exist and have shown a potential for success. In 2001, U.S.-trained counternarcotics forces destroyed over 1,450 base labs and 21 HCL labs. On another front, extraditions of major traffickers to the U.S. more than tripled in number over previous years.

- **Peru/Bolivia.** Despite violence directed at eradication programs, coca replanting, and a problematic political transition in Peru, cultivation levels in Bolivia and Peru remained essentially stable in 2001 and well below the figures of several years ago when the two countries were the world's primary producers.
- **Mexico.** Huge quantities of illegal drugs entering the U.S. come through Mexico. Bilateral cooperation has improved considerably following President Fox's inauguration as he follows through on his campaign pledge to wage an all-out effort to dismantle the drug cartels. INL has revamped its programs to support the new government's criminal justice reform effort, which is essential to effective law enforcement cooperation. U.S. and Mexican personnel are making progress in arresting major narcotraffickers and disrupting their operations. Improved bilateral communication has led to increased drug seizures. Through intensive sustained eradication, Mexico continues to reduce the net production of opium poppy and marijuana.
- **Asian Heroin.** On the other side of the world, under U.S.-supported eradication programs, opium poppy cultivation in Thailand and Pakistan—both major producers at one point—continued to decline in 2001. Thailand is now a net importer of opium, while cultivation levels in Pakistan are down 93 percent from a decade ago. Opium cultivation in Burma has also declined, due in part to drought. The U.S. is unable to provide counternarcotics assistance to the government of Burma, but INL funding for a small UN-sponsored alternative development project in the major-poppy-growing region of Burma's Shan State has reduced poppy cultivation in the project area.
- **Money-laundering.** A common trait shared by terrorists, narcotics traffickers, and transnational crime groups is their need to launder money used in their operations and to move it surreptitiously around the international banking system. To combat money laundering—estimated at more than \$750 billion annually—the U.S. continued to push global initiatives aimed at increasing banking transparency, tightening practices against money laundering, making it easier to seize assets from such operations, and

reducing and ultimately eliminating “safe havens” for illegal money. This process gained urgency and intensity following the September 11 attacks. After extensive review, the 27 members of the multinational Financial Action Task Force (FATF), of which the U.S. is a member, identified eight states as “non-cooperating countries and territories” (NCCTs). However, FATF and U.S. technical assistance helped four countries make significant improvement in their money laundering control regimes and be removed from the NCCT. To broaden the impact of the FATF-agreed norms, the Department also provides political and technical support to efforts to form regional FATF-like bodies in South America and Africa. INL assistance in developing financial intelligence units (FIU) in target countries to analyze suspicious transaction reports yielded, for example, the first-ever prosecutions for money laundering in Thailand and Paraguay last year.

- **Trafficking in Persons.** An estimated 700,000 people, mostly women and children, are trafficked across international borders each year—approximately 50,000 of these enter the U.S. where they are subjected to various forms of sexual and/or economic exploitation. To combat this growing problem, the Department of State published the first annual Trafficking in Persons Report, which identified 82 countries as having a significant number of trafficked victims. The Department also established an Office on Trafficking in Persons to coordinate interagency information and policy, provide technical assistance to target countries, and to serve as secretariat to the cabinet-level Interagency Task Force on trafficking in persons.
- **Migrant Smuggling.** Organized criminal groups smuggle some four million illegal migrants across national borders each year, with an estimated 500,000 entering the U.S., including some belonging to terrorist groups. To strengthen our capacity to detect and disrupt these groups and activities before they reach U.S. shores, INL is establishing an interagency Migrant Smuggling and Trafficking In Persons Center (MSTPCC) to coordinate policy and real-time intelligence and to provide assistance for disruption operations. INL is assisting other countries improve their border controls, train border guards and immigration officers, and establish more responsive immigration regimes.
- **Law Enforcement Training.** In 2001, INL established a new International Law Enforcement Academy (ILEA) in Gaborone, Botswana, that will initially serve southern and eventually all of Africa. Like our ILEAs in Budapest and Bangkok, the purpose of our Gaborone ILEA is to strengthen regional cooperation and improve participating law enforcement agency performance. To further upgrade foreign law enforcement expertise and professionalism, the Department also established an ILEA at Roswell, New Mexico, to provide advanced training for graduates of the regional ILEAs. Planning is also proceeding for the possibility of establishing an ILEA for Latin America. ILEA training not only imparts key skills to law enforcement officials, it builds relationships between U.S. enforcement agencies providing the training and their foreign counterparts and strengthens cooperation at the operational level.

- **International Cooperation.** With U.S. political and financial support, the international community completed work on the Convention against Transnational Organized Crime (TOC) in December 2000, which obligates governments to strengthen laws against international crime and encourages cooperation among states. More than 140 states have signed the TOC Convention, with the U.S. assisting those states needing help in developing the necessary legislation and other legal changes to implement the convention. Protocols to the TOC Convention address trafficking in persons, migrant smuggling and firearms. The U.S. is providing similar support for negotiations on an international convention on corruption, which are currently underway. INL is the largest contributor to the OAS's Inter-American Drug Abuse Control Commission (CICAD), the hemisphere's principal counternarcotics policy forum. INL funds support a broad array of programs, ranging from development of national drug commissions and strategies to focused law enforcement and demand-side efforts. The U.S. provided political and financial support for the development of the counternarcotics Multilateral Evaluation Mechanism (MEM), the peer review system by member states, which has just completed its first round of assessments. Working through the UN International Drug Control Program (UNDCP) and the UN Center for International Crime Prevention, the U.S. has promoted international cooperation and program assistance in the areas of counternarcotics and crime control.
- **G-8.** We have also been instrumental in focusing the attention of the G-8 Experts Working Group on Organized Crime on tracing electronic evidence across borders; thwarting the trafficking of persons—especially women and children; migrant smuggling; trafficking in firearms; and adopting mutual legal assistance procedures for the 21st century. Following the September 11 attacks, the Experts Working Groups on Organized Crime and Counterterrorism began meeting jointly and developed a 25-point Action Plan to coordinate G-8 steps on counterterrorism and mobilize international action.

Justification

The FY 2003 INL budget request is formulated to support the Administration's comprehensive strategy for combating the global threat of narcotics and organized crime. While attacking the core targets, it emphasizes the need to strengthen host nation capabilities through institution building so that key countries can bolster their own effectiveness in fighting international drugs and crime. The budget reflects a long-term commitment to attack these problems globally. It underscores the need to create competent and honest counternarcotics and anticrime forces in countries where laws and institutions are weak, and it promotes more effective action in nations where motivated and capable enforcement organizations are hampered by a lack of public awareness and political will. Requested funding will permit INL to continue implementing the comprehensive heroin control strategy. The strategy supports efforts by multilateral organizations to reduce opium production in those major growing areas where our access is limited, such as in Burma and Afghanistan. Assistance to Burma provided through the UNDCP does not flow to the central government. However, it strengthens law enforcement operations against the major processing, distribution, and financial organizations in countries where we have access. Requested funds will enable INL to respond to the President's requirement to implement a

comprehensive international crime control strategy, including our focus since September 11 to bring these anticrime tools to bear in the fight against terrorism. The anticrime strategy includes aggressive diplomatic initiatives to bolster international cooperation, backed by an expanded international training program through International Law Enforcement Academies. It places special attention on money laundering and financial crimes.

The FY 2003 budget request of \$928.713 million directs our greatest counternarcotics efforts at Latin America, a regional approach focused on eliminating the cocaine and heroin trades along with combating emerging methamphetamine trafficking from Mexico. Requested funds will support Latin American programs initiated under the FY 2000 Emergency Supplemental and continued under the Andean Counterdrug Initiative. The requested funds will allow us to advance our source country approach against the cocaine threat in South America; it will provide for alternative development resources to buttress successful crop control efforts; it will allow continued materiel and logistical support to the police and military to block drug shipments out of the producing areas and through key transit zones; and it will furnish the training and other institution-building assistance needed to strengthen the judiciary's ability to resist trafficker corruption and to prosecute major cases successfully.

For Colombia, INL is requesting \$439 million for the operation and maintenance of air assets provided under FY 2000 Emergency Supplemental funding, for Colombia National Police and Colombian Army Counternarcotics Brigade operational support, aerially applied herbicide procurement, airfield upgrades, base and security upgrades, communications equipment procurement, and riverine and coastal interdiction activities. In addition, resources will be used to support the expanded aerial eradication program (which roughly doubled in 2001 and will increase further with the arrival of eight new aircraft in FY 2002) and the standing up of a second CD brigade to provide increased security for the aerial eradication program, alternative development and expanded interdiction operations. At the same time, INL is seeking \$164 million for alternative development and institution building programs in support of our long-term goal of institutional development. As a crucial element of enhancing countries' abilities to counter the production and trafficking of illicit narcotics, psychotropic drugs and other controlled substances, U.S. support for democracy and rule of law objectives will increase.

The requests for Peru and Bolivia focus on interdiction and border control efforts to preempt spillover from aggressive counternarcotics activities in Colombia, continuation of both voluntary and forced eradication, alternative development and institution building. Responding to the violent resistance to eradication in the Chapare and Yungas provinces of Bolivia will require significant additional resources. Similarly, we remain concerned over the revival of Shining Path in coca-growing areas of Peru, which will require additional security resources for alternative development and eradication activities. We are also requesting increased funding for Brazil, primarily in support of stronger border controls but also for demand reduction programs to combat the rapid rise in cocaine use. Brazil has now become the second largest consumer of cocaine, after the United States. Funding for Ecuador will focus on strengthening control along the northern border, where the security situation has deteriorated due to Colombian guerilla, paramilitary and criminal violence. This will be accomplished through improved law enforcement and expanded alternative development activities to create a productive barrier against cross-border influence.

The transit routes tend to shift between Mexico/Central America, and the countries of the western and eastern Caribbean influenced by factors such as levels of enforcement activity and presence of

detection and monitoring platforms. Thus, we will intensify efforts in the Caribbean to respond to signs of renewed trafficking there, while continuing to work closely with Mexico. INL will make use of improved relations with Mexico to work with that government to modernize and professionalize key justice sector institutions, notably prosecutors and federal investigators. The Latin American Regional budget will particularly target drug interdiction efforts and money laundering in the Caribbean, Central America, and the Southern Cone by strengthening host government investigative, judicial and prosecutorial capacities.

The FY 2003 INL budget request for Asia/Middle East programs will continue to support opium crop suppression programs in Pakistan and Thailand, where we have both access and government cooperation, but will also include increased emphasis on law enforcement. Although Thailand has one of the most effective opium eradication and crop substitution program in the world, it remains a major conduit for drugs flowing out of drug producing areas and of goods flowing in to meet the traffickers' needs. For Pakistan, the recent chain of events in neighboring Afghanistan has increased the importance of law enforcement activities, particularly border control, even as Pakistan continues to reduce the area under opium cultivation. These programs complement U.S. counternarcotics funding provided through international organizations such as UNDCP and are designed to help governments establish and strengthen counternarcotics law enforcement units, obtain training and equipment, and conduct demand reduction and public awareness campaigns in other countries, such as Laos. Programs for Afghanistan will focus on assistance for Afghan authorities efforts to implement the ban on opium production imposed by the Afghan Interim Authority in January 2002 through rural development programs and the establishment of a national police and judicial process to provide enforcement.

The Interregional Aviation Support Program has made possible the tremendous expansion of aerial eradication in Colombia that, along with alternative development, is the backbone of the country's counternarcotics strategy. The FY 2003 budget request will continue to focus on key programs in Colombia, Bolivia and Peru, with temporary deployments of aircraft and personnel, on an as-needed basis, elsewhere in the Andean region and Central America. Funding increases reflect the added support necessary to sustain the tremendously increased tempo of aerial eradication. Establishment of host government self-sufficiency in maintenance and support remains a priority.

The International Organizations budget is a good example of the whole being greater than the sum of its parts. Multilateral approaches highlight the international nature of the problems caused by drugs, crime, and terrorism, generate increased "buy-in" by more countries, broaden the base of political support, stimulate contributions by other donors, allow us to reach regions where U.S. influence is limited, and often prove more palatable politically to countries with sovereignty sensitivities. The FY 2003 request will support multilateral drug control operations, programs and policy objectives of the U.S. through UNDCP and the OAS' Inter-American Drug Abuse Control Commission (CICAD). Funding for UNDCP will help strengthen border controls and border security in Central Asia, address counternarcotics challenges in Afghanistan, and target opium production in Burma, currently the world's leading supplier. Assistance to CICAD will also support the effective operation and national implementation of the Multilateral Evaluation Mechanism.

In the past, many countries considered themselves immune to the dangers of drug addiction or were inclined to see trafficking, especially of cocaine, as an American problem. In recent years, however, the rise in heroin addiction in many Middle Eastern and South Asian states, the growth in synthetic drug use in East and South East Asia, and the increasing abuse of cocaine within Latin America has

made clear to these governments that drug trafficking is their problem as well. Drawing from the U.S. experience with drug abuse, INL demand reduction programs and public awareness programs are designed to help host governments engage their own national institutions, communities, and resources to address the domestic demand for illicit drugs. One focus of our assistance is the formation or strengthening of regional and sub-regional prevention networks so that all participating groups can share best practices. Funding for the Colombo Plan, an Asian regional organization, will be utilized to enhance our on-going collaboration with faith-based organizations, especially Islamic groups, in addressing counternarcotics challenges in Afghanistan and elsewhere in the region.

The anticrime program budget request of \$50.5 million reflects the consolidated management of law enforcement and police training programs. INL will use federal, state, and local law enforcement agencies, as well as multilateral international organizations (UN Crime Center, Financial Action Task Force, Caribbean Financial Action Task Force, Group of States Against Corruption) to provide law enforcement training programs and technical assistance to more than 150 countries around the globe. Programs will give special attention to combating organized crime, financial crimes, money laundering, migrant smuggling, and trafficking in persons. INL also has programs in anticorruption, border controls, rule of law, critical infrastructure protection, cyber crime, and intellectual property rights.

INL will continue to manage the USG interagency regional ILEAs (Budapest, Bangkok and Gaborone) as well as the center for advanced studies in Roswell and a possible new training center in Latin America. When all of the centers are fully operational, the number of law enforcement officials trained will double from the number in FY 2001. INL will provide some type of law enforcement training (ranging from one-day seminars to intensive training courses lasting several weeks) to more than 12,000 officials in FY 2003 using INL, FREEDOM Support Act (FSA) and Support for Eastern European Democracy (SEED) Act funding,

In FY 2003, INL program resources will support the efforts of the recently created Office to Monitor and Combat Trafficking in Persons to identify countries that do not meet the minimum standards for the elimination of trafficking specified in the Victims of Trafficking and Violence Protection Act of 2000 and to provide assistance to those countries seeking to improve their performance. Countries identified in the Department's Trafficking in Persons Report as Tier 3 may be subject to sanctions after the 2003 report.

To combat alien smuggling, INL will support the interagency Migrant Smuggling and Trafficking in Persons Coordination Center in its mission to coordinate USG efforts, including steps to broaden its operations. INL will also provide technical and other support to help states implement the UN protocols on alien smuggling and trafficking in persons and strengthen law enforcement capabilities in these areas.

To advance the U.S. anticorruption agenda, INL works with a range of international and regional organizations to promote anticorruption norm setting and implement a growing range of bilateral and multilateral anticorruption assistance projects to support U.S. diplomatic anticorruption efforts and promote innovative approaches to preventing and deterring corruption. The latter includes projects that reach beyond strict law enforcement to achieve broader anticrime purposes by focusing on developing a culture of integrity and lawfulness in governments and societies, fostering internal controls, transparency systems, corporate and economic governance, and engagement of civil society in national anticorruption efforts.

Like steps to combat money-laundering, strengthened border controls in key areas can pay double dividends by working against both transnational crime, including traffickers, and terrorist groups. Through INL border assessments of several Central and South American and Caribbean countries, we will identify several of the most vulnerable countries and work with them to upgrade their border control systems, concentrating on those countries that are major transit locations used by migrant smugglers and terrorist organizations that engage in crimes relating to terrorism.

The Africa regional anticrime program was initiated in FY 2001 to address the increasing number of criminal groups that have emerged in this region of the world. Most of the limited counternarcotics and anticrime funds spent to date in Africa have been focused on narcotics programs in Nigeria and South Africa. While continuing to concentrate on Nigeria and southern Africa, we are also beginning to aid other governments and regional organizations so that African organized crime will be reduced, not just displaced to other countries in the regions. Training will be paramount in the Africa program for FY 2003 as we work to strengthen host government capacity. Customs training, police science training, specialized training for counternarcotics units, demand reduction programs, technical assistance and counternarcotics public education campaigns will account for the majority of requested Africa regional funding. Material assistance is also planned to include communications, vehicles and computer equipment. In general, assistance will be directed to states with a demonstrated commitment to good governance and democratic policing and/or the political will to achieve these goals.

U.S. participation in international civilian police (CIVPOL) operations increased to over 855 experienced police officers assigned in Bosnia, Croatia, Kosovo, Macedonia, southern Serbia, and East Timor in CY 2001, funded primarily with FSA, SEED, and PKO funds. The completion of a competitive solicitation process in 2002 to establish a 2,000-member CIVPOL roster and provide related training and advisory services will establish a mechanism to further improve our ability to respond to requests from the UN and other organizations for U.S. participation in police components of peacekeeping operations.

INL Budget by Program

(\$000)

	FY 2000 SUPPL	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Counternarcotics Programs				
Andean Counterdrug Initiative (ACI) ¹				
Bolivia: Interdiction & Eradication	25,000	35,000	48,000	49,000
Alt Dev/Institution Building	85,000	17,000	33,000	42,000
Colombia: Interdiction & Eradication	635,500	48,000	243,500	275,000
Alt Dev/Institution Building	203,000	—	137,000	164,000
Ecuador: Interdiction & Eradication	12,000	2,200	15,000	21,000
Alt Dev/Institution Building	8,000	—	10,000	16,000
Peru: Interdiction & Eradication	32,000	21,000	75,000	66,000
Alt Dev/Institution Building	—	27,000	67,500	69,000
Brazil	3,500	2,000	6,000	12,000
Venezuela	3,500	1,200	5,000	8,000
Panama	4,000	1,363	5,000	9,000
Latin America Andean Regional	7,000	—	—	—
Total ACI	1,018,500	154,763	645,000	731,000
International Narcotics and Law Enforcement (INCLE)				
<u>Other Latin America</u>				
Bahamas	—	1,200	1,200	1,200
Guatemala	—	3,000	3,500	3,400
Jamaica	—	257	1,550	1,300
Mexico	—	10,000	12,000	12,000
Latin America Regional	—	8,537	10,000	9,500
Subtotal Other Latin America	—	22,994	28,250	27,400
<u>Asia Regional</u>				
Laos	—	4,200	4,200	3,000
Pakistan	—	3,500	2,500	4,000
Pakistan Border Security Supplemental	—	—	73,000	—
Thailand	—	4,095	4,000	3,750
Asia Regional Cooperation	—	2,233	5,050	4,500
Southwest Asia Initiative	—	—	3,000	3,000
Subtotal Asia Regional	—	14,028	91,750	18,250
Interregional Aviation Support	—	50,000	60,000	65,000
Subtotal Country Programs	1,018,500	241,785	825,000	841,650
International Organizations	—	12,000	16,000	13,000
Drug Awareness/Demand Reduction ²	—	4,500	5,000	5,000
Systems Support/Upgrades	—	4,000	6,000	4,000
Program Development & Support ³	—	12,187	13,703	14,563
Total Counternarcotics Programs	1,018,500	274,472	865,703	878,213
Anticrime Programs				
INL Anticrime Programs ²	—	22,450	20,330	14,000
Civilian Police Contingent	—	10,000	—	5,000
Africa Regional Anticrime	—	7,500	7,500	7,000
International Law Enforcement Academy	—	7,300	14,500	14,500
Trafficking in Persons	—	3,250	7,670	10,000
Total Anticrime Programs	—	50,500	50,000	50,500
Total INCLE	—	170,209	270,703	197,713
TOTAL INL PROGRAMS ^{4, 5}	1,018,500	324,972	915,703	928,713

¹ The Andean Counterdrug Initiative (ACI), the INL component of the Andean Regional Initiative, began in FY 2002.

² Regional Law Enforcement Training funding was moved to Anticrime Programs in FY 2002. FY 2001 was adjusted accordingly.

³ The FY 2003 total for Program Development and Support includes \$ 0.713 million for full funding of federal employee retirement costs. The comparable amounts for FY 2002 (\$ 0.703 million) and FY 2001 (\$ 0.687 million) are included in those totals.

⁴ The totals do not include FSA and SEED Act funding transfers from USAID, nor PKO funding.

⁵ The total for FY 2001 includes a rescission of \$ 0.715 million.

INL Budget by Function

(\$000)

	FY 2001 Actual	% of Total	FY 2002 Estimate	% of Total	FY 2003 Request	% of Total
Counternarcotics Programs						
Law Enforcement Assistance and Institutional Development	115,126	35.5	542,171	59.2	524,321	56.5
Eradication, Crop Control and Alternative Development	105,270	32.4	258,585	28.3	286,905	30.9
International Organizations	12,000	3.7	16,000	1.8	13,000	1.4
Drug Awareness and Demand Reduction ¹	8,309	2.5	9,630	1.0	11,820	1.3
Program Development and Support ²	33,767	10.4	39,317	4.2	42,167	4.5
Total Counternarcotics Programs	274,472	84.5	865,703	94.5	878,213	94.6
Anticrime Programs						
INL Anticrime Programs ¹	22,450	6.9	20,330	2.2	14,000	1.5
Civilian Police Contingent	10,000	3.1	—	0.0	5,000	0.5
Africa Regional Anticrime	7,500	2.3	7,500	0.8	7,000	0.8
International Law Enforcement Academy	7,300	2.2	14,500	1.6	14,500	1.6
Trafficking in Persons	3,250	1.0	7,670	0.9	10,000	1.0
Total Anticrime Programs	50,500	15.5	50,000	5.5	50,500	5.4
Total INL Program Plan^{3,4}	324,972	100.0	915,703	100.0	928,713	100.0

¹ Regional Law Enforcement Training funding was moved to Anticrime Programs in FY 2002. FY 2001 was adjusted accordingly.

² The FY 2003 total for Program Development and Support includes \$ 0.713 million for full funding of federal employee retirement costs. The comparable amounts for FY 2002 (\$ 0.703 million) and FY 2001 (\$ 0.687 million) are included in those totals.

³ The totals do not include FSA and SEED Act funding transfers from USAID, nor PKO funding.

⁴ The total for FY 2001 includes a rescission of \$ 0.715 million.

Andean Counterdrug Initiative

Bolivia

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
52,000 ¹	81,000	91,000

Objectives

- Promote strong, cohesive democratic government institutions capable of stopping narcotics production and trafficking in Bolivia;
- Eliminate the production and export of coca and cocaine products from Bolivia through the eradication of illicit coca, increased interdiction, and the establishment and encouragement of sustained economic growth in the Chapare and the Yungas regions to reduce the impact of the drug trade on the Bolivian economy; and
- Strengthen and improve the efficiency of the Bolivian criminal justice system.

Justification

Despite setbacks in the Yungas, Bolivia continues to be the model for the region in coca eradication, with 92 percent of Chapare coca eliminated by December 2000. Once one of the world's largest coca producers, Bolivia now produces substantially less coca leaf and cocaine than Colombia or Peru because of the success of an integrated strategy of eradication, interdiction and alternative development. However, implementation of Colombia's "Plan Colombia" and successful eradication programs in Colombia and Peru have caused coca leaf prices to rise in Bolivia. The result is coca replanting in the Chapare at a rapid pace. The Government of Bolivia (GOB) has maintained a strong eradication force in the Chapare for that reason, and has eradicated over 7,000 hectares of coca that was mostly replanted after January 2001.

The cocaine industry in Bolivia continues to be dominated by small trafficking organizations that manufacture and distribute cocaine base in multi-hundred kilogram quantities per month. However, a highly effective chemical interdiction program forced Bolivian traffickers to rely on inferior substitutes and recycled solvents, causing the purity of Bolivian cocaine to be greatly reduced. This contributed significantly to Bolivia's becoming a transshipment zone for higher quality Peruvian cocaine products en route to Brazil and other Southern Cone countries.

In the Yungas, forced eradication operations that were planned during 2001 did not take place because violent opposition by militant cocaleros caused the GOB to reassess its policy. Resources for eradication were, therefore, shifted to increased interdiction operations in that region, particularly on

¹ This total does not include \$110 million of FY 2000 Plan Colombia Emergency Supplemental funding.

the borders, and to revitalize the General Directorate for the Legal Trade of Coca (DIGECO). These enhanced initiatives will help to ensure that legal coca grown in the traditional zone in the Yungas is only traded at the legal market, and not diverted to illegal cocaine production.

Counternarcotics alternative development support is conditioned on the elimination of illegal coca through forcible means (Chapare—where all coca is illegal) and voluntary agreements (Yungas—where Bolivian law allows up to 12,000 hectares of legal coca cultivation for traditional use), and offers viable options to its cultivation. There are now 114,000 hectares of licit crop cultivation in the Chapare and direct technical assistance has been provided to nearly 10,000 Chapare families since the initiation of the current alternative development project, CONCADE, in 1998.

FY 2003 Program

In FY 2003, additional INL resources, together with increased GOB political will, will support Bolivian efforts to eliminate the remaining illegal coca in Bolivia, halt exportation of cocaine, increase interdiction of essential chemicals and cocaine products, foster alternative economic development, lead to more successful prosecutions of narcotics-related cases, and improve the quality of investigations into alleged human rights violations. Bolivia remains one of the poorest countries in the hemisphere with a per capita GNP of less than \$1,000 in 2000. Without USG assistance, Bolivia would be unable to support the present level of counternarcotics and alternative development programs.

FY 2003 will begin just after the inauguration of a new Bolivian presidential administration. While Plan Dignidad, former President Banzer's five-year plan to eliminate illegal coca cultivation and remove Bolivia as one of the world's largest suppliers of cocaine will be completed, its successes must be consolidated to ensure that coca cultivation and drug trafficking do not regain a foothold in Bolivia. The FY 2003 budget request reflects the required level of support needed to sustain counternarcotics operations in two distinct regions. In the Chapare, coca replanting is ongoing, and must be stopped, while in the Yungas, where many displaced narcotics traffickers from the Chapare have relocated, we are expanding efforts to control the legal coca market and the illegal diversion of coca for cocaine processing. Violent ambushes of eradication forces in the Chapare and interdiction forces in the Yungas in 2001 highlight the need to significantly increase both manpower and commodity resources in these volatile regions.

In FY 2003, INL will continue to support twenty-six counternarcotics programs in Bolivia (e.g., training, equipment and technical assistance). They can be grouped into four distinct areas: 1) Narcotics Law Enforcement /Eradication Operations; 2) Alternative Development/Economic Incentives; 3) Administration of Justice/Rule of Law; and 4) Drug Awareness/Demand Reduction. In addition, funding will also be used for INL's Program Development and Support costs.

Narcotics Law Enforcement and Eradication Operations Projects support civilian police units responsible for the conduct of counternarcotics law enforcement and the protection of military units dedicated to coca eradication and counternarcotics support operations. Increased support will enable the Office of the Vice Minister of Social Defense to enhance counternarcotics programs and activities. Oversight and support in the Yungas will be particularly difficult, and will require the Vice Ministry to expand its regional support structure. Police units receiving U.S. support include the Special Force for the Fight Against Narcotics Trafficking (FELCN), with its uniformed interdiction force (the Police Rural Mobile Patrol Units or UMOPAR) and the Special Prosecutors of Controlled Substances that are

assigned to these units. Greater coverage of the Yungas, Beni/Pando, east and south Bolivia regions will require additional FELCN and UMOPAR personnel and facilities. Construction of three new UMOPAR bases is anticipated in FY 2003.

With U.S. support, the Financial Investigation and Analysis Group (GIAF), which investigates all forms of money laundering, will expand by 150 percent to 20 personnel and add two regional offices in Cochabamba and Santa Cruz. Also supported under this project are the Ecological Police, who will have an expanded security role for the military units that carry out eradication operations as militant cocalers in the Chapare continue to attack and ambush GOB forces; DIRECO, which will need to increase its presence in the Chapare and the Yungas to negotiate coca eradication agreements, verify measurements of (forcefully or voluntarily) destroyed fields; and the Joint Eradication Task Force that will maintain over 1,600 military, police and civilian personnel responsible for eradication operations in the Chapare. INL will also provide support for the Office of Professional Responsibility, which, owing to increasingly violent confrontations between cocalers and police, will need to conduct more investigations of allegations of corruption and human rights violations by narcotics police.

INL will support four Bolivian military units dedicated to providing transportation and logistical support to the police via air, land and river. The Red Devils Task Force (RDTF) consists of Bolivian Air Force units operating UH-1H helicopters and small fixed wing aircraft used in eradication/enforcement operations. The Black Devils Task Force (BLDTF) provides pilots and mechanics to fly and maintain three C-130 and one King Air aircraft used to transport police and heavy equipment, and pre-stage fuel in areas not accessible by road. The Blue Devil Task Force (BDTF), a Bolivian Naval unit with law enforcement authority, is responsible for maintaining a military-counternarcotics law enforcement presence on all rivers and waterways in Bolivia to deny narcotics traffickers the use of fluvial transportation and to make arrests and seizures. The army Green Devil Task Force (GTDF) provides extensive ground mobility and logistical support to the police.

Forced eradication operations in the Yungas will not take place because of a policy shift by the GOB after violent encounters with armed, militant cocalers in 2001. The Yungas is a particularly hostile region in which illegal coca cultivation occurs at very high altitudes and remote areas where the present inventory of helicopters cannot operate. The GOB has determined that controlling the legal coca market in the Yungas, significantly increasing interdiction and precursor chemical control operations, and enhancing border control, particularly along Bolivia's shared border with Peru, will prevent the diversion of legal coca to illegal cocaine production in this region. The reformed General Directorate for the Legal Trade of Coca (DIGECO), responsible for controlling and closely monitoring the legal coca market in the Yungas to prevent diversion to illicit markets, will play a major role in this respect. Expanded INL support for interdiction, particularly along border areas, will be key to heading off an influx of drug trafficking activity resulting from the implementation of Plan Colombia. Increased support for the Controlled Substance Prosecutors, and re-establishing support for the Seized Assets Directorate (discontinued in 1998 due to inefficiency and corruption, but now refocused under the Minister of Government) are also part of this strategy. The chemical investigative unit, GISUQ, will have 85 members (a 42 percent increase) to control the growing problem of international transit of precursor chemicals through Bolivia.

In order to carry out these new initiatives, additional improvements to a GOB military airstrip in the Yungas to enable the C-130B aircraft to fly in supplies and personnel will be needed. In addition, ground transportation will be required to move resources to areas where counternarcotics operations

are taking place. The Inter-American Development Bank has dubbed the road traversing the Yungas the world's most dangerous road. Aside from tricky hairpin turns, the rocky and rutted road is seldom wider than 11 feet, necessitating its closure at either end by soldiers to allow only one-way traffic during varying times of the day. Counternarcotics operations as well as alternative development programs will require that we continue to support infrastructure improvements, including road and bridge construction and upgrades.

Traditional operational support requirements for equipment procurement, salary supplements, fuel and vehicle maintenance continue to generate substantial funding requirements that INL will aim to meet in FY 2003. These and logistical support requirements will increase as the GOB provides enhanced coverage of the Yungas, Beni/Pando and east and south Bolivia, to stem the tide of Peruvian cocaine products being transshipped through Bolivia and prevent the importation of precursor chemicals from neighboring countries such as Argentina, Brazil and Chile.

The success of interdiction efforts will continue to be dependent upon effective intelligence gathering and analysis. Therefore, procurement of communications equipment, accessories and spare parts necessary to maintain and expand secure communications is especially critical to eradication and interdiction forces that face the possibility of violent ambushes and attacks from coca growers and traffickers in the Chapare and Yungas. The Special Intelligence and Operations Group (GIOE) will grow by nearly 30 percent to meet the challenges of, and provide intelligence support for, increasingly complex and sophisticated counternarcotics operations.

INL expects to provide funding to enable the new canine training facility in Cochabamba to increase 20 percent to 70 teams in FY 2003 to meet increasing demand of interdiction operations. The International Anti-Narcotics Training Center (Garras Del Valor) will increase its faculty and broaden its curriculum to include more varied professional police training aimed at increasing efficiency and operational effectiveness. The International Waterways Law Enforcement Training School will expand in FY 2003 to handle more BDTF students and to broaden its curriculum to include more law enforcement and leadership classes. The BDTF budget for FY 2003 will support completion of a multi-year effort to overhaul the fleet of supply ship and patrol craft, the upgrading and replacement of antiquated equipment and modest personnel increases. It also anticipates instituting a yearly purchase of Zodiac patrol boats and 40 hp motors to replace aging equipment.

The expansion of interdiction operations in the Yungas region and along the borders will accelerate normal wear and tear of a rapidly aging fleet of USG-provided vehicles. Support for two new vehicle maintenance facilities in the Yungas will be increased. Slow and difficult ground transportation in the Yungas will also require increased reliance on the three C-130 and one King Air aircraft. Funding for fuel and vehicle spare parts, previously covered by Foreign Military Financing (FMF), is now provided by INL. The small amount of FMF funding requested for Bolivia in FY 2003 will be used solely to procure training, weapons and ammunition that can be funded only from U.S. military sources.

The Alternative Development/Economic Incentives Project will support broader implementation of alternative development activities in the Chapare and the Yungas through the Counternarcotics Consolidation of Alternative Development Efforts Project (CONCADE) and the Yungas Development Initiative (YDI). These INL-funded, USAID-administered projects directly contribute to projected net coca reduction and prevention of coca replanting by targeting development assistance to communities, business organizations and municipal governments that fully support GOB objectives. Yungas development activities will be geared to reducing net coca cultivation below the legally permitted level

of 12,000 hectares. Although CONCADE has reached 10,000 families thus far, farmer needs for technology transfer, credit and productive infrastructure are surpassing our ability to provide them. Eradication figures for the first half of 2001 provide overwhelming evidence that some Chapare families are either reverting to coca production or planting more new coca in the absence of licit alternatives. In the Yungas, cocalero resistance to forced eradication in 2001 caused setbacks in GOB negotiations to reduce coca in southern Yungas in exchange for alternative development assistance. As YDI efforts become increasingly dependent upon negotiated reduction, absent forced eradication efforts, additional resources to foster economic and political incentives will be necessary.

The Administration of Justice/Rule of Law Project is dedicated to the full reform of the Bolivian criminal justice system to increase transparency, accessibility, efficiency and effectiveness in combating crime and protecting individual rights. With the Code of Criminal Procedure (CPP) implemented in 2001, the Administration of Justice Project in FY 2003 will support GOB efforts to enact complementary legislation, carry out institutional reforms required by the CCP and increase the legal community and general public's understanding of the CCP. FY 2003 resources will also support improved policing, investigations and prosecutions through programs designed to improve collaboration between prosecutors and police, and the development and equipping of the Forensic Investigative Institute. The support provided will result in the implementation of institutional reforms required by the CCP, including the provision of appropriate training for all judges and prosecutors, the enactment of five of seven proposed complementary laws for the CCP, and the resolution of all cases prosecuted under the previous legal system.

Drug Awareness/Demand Reduction Programs in FY 2003 will involve an expanded public affairs strategy designed to promote USG interests on drug issues by providing accurate information on counternarcotics policies and drug awareness themes to the media and by enhancing the professionalism of the media (especially on drug-related themes). The consolidation of counternarcotics program successes will require the Bolivian public understanding that the cultivation of coca and its processing into cocaine is a serious problem for Bolivia, and that interdiction, eradication and alternative development programs are part of an integrated strategy to get Bolivia out of the coca/cocaine circuit.

Program Development and Support funds are used for the salaries and benefits of U.S. and foreign national direct hire and contract personnel, International Cooperative Agreement Administrative Support Services (ICASS) costs, field travel and other administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- The residual coca is eliminated (and new plantings prevented) in the Chapare and illegal coca is eliminated in the Yungas;
- Viable, licit employment and income-earning alternatives for 8,000 additional families who have been growing coca in the Chapare are created;
- The value of licit produce leaving the Chapare increases to \$80 million in value and 300,000 metric tons in volume from the FY 2000 levels of \$44 million in value and 200,000 metric tons in volume;

- The availability of water, sanitation, electricity, education, health care, roads and market linkages in the Yungas is improved;
- The size of the illegal coca sub-economy and the amount of coca exports is decreased;
- The number of arrests and successful prosecutions of major drug traffickers is increased;
- Interdiction operations along Bolivia's borders is substantially increased to head off increasing influx of drug trafficking activity resulting from the implementation of Plan Colombia;
- The number of cases completed in the criminal courts within the legally prescribed time periods is increased;
- The number and amount of seizures of cocaine and other illicit coca derivatives, precursor materials, and assets of the coca trade are increased; and
- The awareness of the local populace of the dangers of drug abuse and trafficking to Bolivia's economy and society is increased.

Bolivia
INL Budget
(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Ground Operations Support UMOPAR, GIOE, GISUQ, GIAF, K-9, Training Center, FELCN and OPR	8,873	16,030	13,080
Air Operations Support Red Devils, Black Devils, UH-1H Conversion	5,000	7,000	8,000
Blue Devils Task Force	900	2,240	1,200
Green Devils Task Force	4,200	4,730	6,020
Field Support and Infrastructure	1,000	1,800	2,500
Seized Assets	400	600	800
Controlled Substance Prosecutors	1,200	1,400	1,600
Subtotal	21,573	33,800	33,200
Eradication Operations			
DIGECO, DIRECO, Ecological Police and JFT	6,888	9,380	9,800
Administration of Justice¹	2,000	4,000	3,500
Alternative Development			
Alternative Development	18,000	29,000	38,500
Balance of Payments	—	—	—
Subtotal	18,000	29,000	38,500
Drug Awareness/Demand Reduction	800	1,000	1,930
Program Development and Support			
U.S. Personnel	550	800	865
Non-U.S. Personnel	999	1,100	1,190
ICASS Costs	340	450	495
Program Support	850	1,470	1,520
Subtotal	2,739	3,820	4,070
Total	52,000²	81,000	91,000

¹ This is an INL-funded and USAID-administered program.

² This total does not include \$110 million of FY 2000 Plan Colombia Emergency Supplemental funding.

Brazil

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
2,000 ¹	6,000	12,000

Objectives

- Promote a strong legal structure for narcotics law enforcement and money laundering control;
- Reinforce Government of Brazil (GOB) efforts to improve the institutional capabilities of the Federal Police to disrupt the activities of major trafficking organizations, interdict illegal drugs and control precursor chemicals;
- Support programs to enhance the ability of the criminal justice system to investigate and successfully prosecute drug traffickers; reduce money laundering and dismantle international criminal organizations;
- Promote improved cooperation and coordination between federal and state law enforcement authorities; and
- Increase public awareness of the dangers of drug trafficking and drug abuse, and enhance the effectiveness of Brazilian organizations seeking to reduce the domestic demand for drugs.

Justification

Brazil shares its borders with the three major drug source countries in the region and the sparsely populated Amazon region comprises more than one half of the country. The implementation of Plan Colombia has increased concern over the potential spillover of narcotics activity into Brazil. The country's long, porous borders, its well developed communications infrastructure and banking system, and the presence of major international air and sea ports, continue to make it a desirable transit route for illicit narcotics bound for the U.S. and European markets. These factors, coupled with increasingly successful enforcement efforts in neighboring countries, contribute to a growing drug transit problem in Brazil.

In response to these concerns, Brazil, in late 2000, implemented Operation COBRA, an ambitious Brazilian government inter-agency effort that allocates greater resources in the Amazonian border area

¹ This total does not include \$3.5 million of FY 2000 Plan Colombia Emergency Supplemental funding.

for security and illegal narcotics control. INL has increased its counternarcotics support to Brazil, in the context of the Andean Regional Initiative, largely with assistance for Operation COBRA.

FY 2003 Programs

The increased resources requested for Brazil will support Brazilian programs designed to combat the growing problem of cross-border narcotics trafficking, such as Operation COBRA. These programs are consistent with the Administration's objectives for the Andean Regional Initiative for Colombia and the bordering countries. INL resources will also reinforce Brazilian efforts to combat money laundering and promote effective public awareness/demand reduction programs.

The FY 2003 request for the **Narcotics Law Enforcement Project** will provide operational support and equipment to the Brazilian Federal Police, Division of Drug Enforcement (DRE) to conduct more effective investigations and interdiction operations against international narcotics cartel leaders and their associates. The project will also assist the counternarcotics activities of the Brazilian National Public Safety Secretariat (SENASP) and local police forces, and promote improved coordination of counternarcotics activities within Brazil's law enforcement community. Project funds will be used to procure riverine craft, motors, vehicles, communications equipment, computers and GPS systems.

While the Narcotics Law Enforcement Project supports DRE operations (including air mobility) countrywide (including the Amazon and northern border regions), the project is focused on assistance to the DRE as it relates to Operation COBRA. The aim of Operation COBRA is to strengthen the law enforcement presence and control in the Amazonian border area. INL support to Operation COBRA in FY 2003 will include assistance for aircraft operations, maintenance and repair. The project will also contribute to the establishment of a Brazilian Federal Police Fluvial/Counternarcotics Operations Center in the Amazon that will complete the Amazon Surveillance System (SIVAM), an integrated air- and land-based radar system scheduled to become operational in mid-2002. The center will facilitate comprehensive surveillance and interdiction of narcotics traffickers operating over waterways, land and air, using resources such as riverine and maritime platforms integrated into the SIVAM network.

This project will build on previous USG training provided to Brazil. Training in FY2003 will address the need to develop a strong legal structure for narcotics and money laundering control and will include courses in arms trafficking and witness protection programs. Recipients of training to combat money laundering will include members of the Finance Ministry's Council for the Control of Financial Activities (COAF), which is responsible for the enforcement of Brazil's money laundering statutes. The project will also assist Brazil's efforts to improve communications and cooperation between federal and state law enforcement authorities.

The recognition of the seriousness of the increase in drug use in Brazil, particularly among young people, has led to the passage of drug legislation that emphasizes demand reduction. In FY 2003, the **Drug Awareness/Demand Reduction Project** will increase support for demand reduction programs through the National Anti-Drug Secretariat (SENAD), focusing on the production of a national survey of narcotics abuse patterns and on drug education programs. The project will also further increase public awareness of the drug problem and build public support for counternarcotics efforts by providing grants to individual state drug councils, federal and state government agencies; university educational research and treatment groups; and private organizations and youth programs.

Program Development and Support funds provide the necessary resources for salaries and benefits of U.S. and foreign national direct hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Increased number and amount of cocaine seizures;
- Increased number of drug-related, money laundering arrests and prosecutions;
- Successes in dismantling major cartel operations;
- Increased, and more effective, GOB presence in the Amazon region that deters illegal drug activities;
- Increased drug awareness and decreased illicit drug demand; and
- Improved public support and political will for law enforcement efforts.

Brazil INL Budget (\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Commodities	780	4,300	9,000
Training	200	300	450
Other Costs	400	600	1,400
Subtotal	1,380	5,200	10,850
Drug Awareness/Demand Reduction	200	300	600
Program Development and Support			
U.S. Personnel	120	150	160
Non-U.S. Personnel	50	60	70
ICASS Costs	110	140	160
Program Support	140	150	160
Subtotal	420	500	550
Total	2,000¹	6,000	12,000

¹ This total does not include \$3.5 million of FY 2000 Plan Colombia Emergency Supplemental funding.

Colombia

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
48,000 ¹	380,500	439,000

Objectives

- Eliminate the cultivation of coca leaf and opium poppy;
- Strengthen Government of Colombia capabilities to disrupt and dismantle major drug trafficking organizations and prevent their resurgence;
- Destroy the cocaine and heroin processing industries and stop the diversion of licit chemicals into illicit channels;
- Strengthen Government of Colombia capabilities to establish the Rule of Law throughout its territory, reducing the numbers of Illegal Armed Groups.

Justification

INL funding supports Government of Colombia (GOC) efforts to counter the illegal narcotics industry and the threat that drug cultivation, production, and trafficking poses to the stability of Colombia's democracy and economy, and to counter the threat such activities present to the security, health, and well being of U.S. citizens at home and abroad. The \$48 million of the FY 2001 Colombia program budget was supplemented by \$1.3 billion in FY 2000 Emergency Supplemental provided by the U.S. Congress in support of Plan Colombia, of which \$838.5 million went for assistance to Colombia alone. This supplemental funding continues to be used to meet critical Colombian needs for helicopters, base security improvements, justice sector reform, human rights protection, and expanded counternarcotics alternative development assistance.

Requested FY 2003 funding will allow the U.S. and GOC to build upon the initial successes of the Plan Colombia assistance package. In 2001, the aerial eradication program had a banner year and spray planes treated over 84,000 hectares of coca. This represents an increase of 78 percent over the 2000 total and a 54 percent increase over the previous record year for eradication, 1998. Interdiction programs in Colombia also exceeded expectations in 2001. The three battalions of the Colombian Army (COLAR) Counterdrug (CD) Brigade destroyed 21 cocaine-processing laboratories and over 800 cocaine base laboratories, more than doubling the goals set for the COLAR CD Brigade. The COLAR CD Brigade also provides valuable ground support for aerial eradication missions and has

¹ This total does not include \$838.5 million of FY 2000 Plan Colombia Emergency Supplemental funding.

limited the hostile ground-fire that spray pilots often encounter otherwise. Similarly, the Colombian National Police (CNP) Directorate of Anti-Narcotics (DIRAN) surpassed their own yearly goals with the destruction of 63 cocaine-processing laboratories, over 334 cocaine base laboratories and 5 heroin laboratories.

Plan Colombia efforts in 2001 created an Early Warning System to prevent massacres and forced displacement, provided assistance to thousands of Colombia's internally displaced, and supported protection and justice sector reform programs that helped improve Colombia's human rights climate. GOC political will to combat the narcotics trade was demonstrated by the extradition of 23 Colombians to the U.S., a seven-fold increase in the number of extraditions over the previous year.

USAID supported medium- and long-term alternative development programs concentrated in Putumayo and Caqueta, the areas of Colombia's densest coca cultivation. In the Putumayo Department, 33 voluntary coca eradication agreements were signed with 37,000 families for the eradication of as many hectares of coca. Nevertheless, the security threat and lack of viable economic infrastructure in the Putumayo pose formidable obstacles. In recognition of these problems, the GOC and USG plan to refocus alternative development during FY 2002 and FY 2003 to initiate voluntary eradication agreements with entire communities that require the immediate eradication of coca; to emphasize infrastructure development, as opposed to crop substitution; and to expand activities beyond southern Colombia to neighboring departments where a greater number of legal economic activities already exist and have shown a potential for success.

FY 2003 Programs

FY 2003 funding will build upon this positive progress with counternarcotics assistance for the DIRAN and other CNP elements, the National Narcotics Directorate (DNE), the National Plan for Alternative Development (PNDA), elements of the Colombian Military (COLMIL) involved in counternarcotics, and other Colombian government entities. It will also provide operational funds to dismantle narcotics trafficking organizations by strengthening those institutions responsible for the investigation of crimes, evidence gathering, arrests, prosecutions, asset seizures, and other law enforcement actions—including programs to stop the diversion of licit chemicals into illicit channels. Other project activities include improving coordination of CNP and military counternarcotics actions, completing infrastructure support programs, supporting counternarcotics alternative development, improving the security of Colombia's ports and airports, and sustaining public awareness and education projects. Rule of Law projects will include continuing support to the CNP to reestablish public security in the rural areas, strengthening the planning and management capability of the civilian Ministry of Defense, and encouraging members of the Illegal Armed Groups to leave the battlefield and be reinserted into society.

The programs requested in the FY 2003 budget are integrated into, and supportive of, Plan Colombia, the GOC's comprehensive national strategy for peace and control of the narcotics trade. Plan Colombia's objectives are realistic, but long term and President Pastrana's successor is likely to employ a similarly balanced approach to Colombia's counternarcotics problems after the 2002 elections. This budget request recognizes the interrelated nature of Colombian counternarcotics efforts and the peace process, and will sustain the incomplete, yet tangible progress, underway on both fronts.

The principal focus of the INL-funded counternarcotics program is support for the counternarcotics activities CNP DIRAN and the COLMIL's counternarcotics initiatives, particularly those of the COLAR CD Brigade and the COLAR Aviation Brigade. USG assistance will concentrate on discouraging Colombian cultivators or would-be cultivators of illicit crops through a combination of eradication, interdiction and alternative development programs. Aerial eradication continues to be the safest, most cost-effective law enforcement mechanism to deter cultivation, and in 2003 spray planes will be called upon to be able to cover all of Colombia's illicit cultivation zones. While the spray program had a record year in 2001, the well-publicized GOC February through November cessation of spraying in Putumayo—and subsequent extensive replanting there—reconfirmed the lesson that comprehensive and repeated spraying is the best way to prevent growers from playing the odds and investing in coca once more. Importantly, record spray numbers in 2001 came despite the fact that the number of spray planes did not increase markedly from the year before. The program expects to have eight new spray planes procured with FY 2000 Emergency Supplemental funds) operational in late CY 2002 which should help the Colombian government develop a sufficiently robust aerial eradication capacity that, combined with a strong alternative development program, will convince farmers that continuing to grow illegal crops is both uneconomic and futile. On October 4, 2001, the GOC signed into law a new compensation process for legal crops sprayed in error. This process will provide for faster investigation and resolution of complaints and will boost the credibility of the spray program. The GOC will direct the process with funds provided by the USG.

The United States will continue to encourage coordinated operations between the CNP and COLMIL—and particularly with the COLAR CD Brigade and the Marine Riverine Units to produce a substantial net decrease in illicit cultivation and simultaneous destruction of cocaine production and trafficking facilities. With the process of standing up a second CD Brigade, due to begin in 2002, and an expansion of the Marine Riverine units, the GOC will be ready to expand CD Brigade operations beyond the southern departments of Putumayo and Caqueta and into other drug producing regions. Funds will be directed at on-going training and equipment needs for these units and support for the helicopters required to provide air mobility for the brigades to fulfill their mission. The effort in southern Colombia will also rely heavily upon the expansion of the DIRAN Air Service and Airmobile Companies and the establishment of Forward Operating Locations (FOLs) for the various public security elements involved in counternarcotics operations. Simultaneously, the U.S. will continue to support the DIRAN's opium poppy eradication campaign, which aims to reduce the poppy crop to negligible levels. The United States will also continue support to Colombia's alternative development efforts in areas where illegal drug crops are grown. USG assistance to this project will reinforce eradication efforts by providing viable alternatives for small farmers currently dependent on illicit cultivation and help those persons displaced by counternarcotics efforts.

The United States will also provide continued support for CNP operations aimed at the destruction of emerging narcotics trafficking syndicates through the arrest and prosecution of syndicate leaders and the confiscation of their assets, and to discourage money-laundering activity. Similarly, funding will support projects to improve the efficiency of Colombia's court and prison systems. Finally, U.S. assistance will sustain GOC drug awareness and education programs that seek to dissuade Colombians from engaging in illegal drug use and trafficking.

The **Support to the Colombia National Police Project** supports the DIRAN units involved in eradication and law enforcement interdiction operations. The FY 2003 request is slightly less than that of the previous year. This decrease is made possible by successful institution building within the

DIRAN. Funding will allow the CNP to continue to play a central role in the effort to combat the narcotics trade as close to the source as possible and recognizes that eradication and interdiction operations will require the capacity to extend operations beyond traditional growing areas. The expansion of eradication efforts will again require substantial support for the CNP Air Service, including aircraft parts and maintenance, aviation fuel and lubricants, herbicide and other aviation-related support costs. These include pilots and rotary- and fixed-wing maintenance and logistics technicians funded by INL. INL funding will be used to upgrade DIRAN intelligence aircraft, and procure additional helicopters and/or fixed-wing aircraft. In addition, INL will provide funding for a variety of DIRAN operating costs, including such items as maintenance and fuel for INL-supplied and CNP-owned vehicles, office supplies and equipment, maintenance of communications and other equipment, utility costs, and minor facilities maintenance and repair.

The **Support to the Colombia Military Project** will provide assistance to military units that provide support for DIRAN aerial eradication efforts and conduct independent counternarcotics operations. Chief among these needs will be the COLAR Aviation Brigade. In addition to the understandable demand for ammunition and fuel, there will be a demand for spare parts and maintenance, complicated by the fact that three distinct platforms are in use: UH-1N, Huey II, and UH-60. Additionally, there is a continuing need to train replacement pilots.

This project will also provide money to train, equip, and sustain a second COLAR CD Brigade while providing some operational support for the first. In order to do their jobs, CD Brigade members will need a sustained supply of field and communications gear, as well as weapons and ammunition. Continued training support is also needed so that new troops can be readied to replace those lost to attrition. This unit, like its predecessor, must be vetted by the U.S. Embassy, which will also have continuing end-use monitoring and human rights monitoring obligations that will require sustained USG funding.

The **Narcotics Interdiction Project** will provide INL funding to support the Air Bridge Denial program (assuming program approval) and a dedicated C-130 unit to provide airlift support to the DIRAN and COLMIL for CN operations. Funding will be increased for the Colombian Navy and its Marine branch in order to continue and expand their counternarcotics campaign on the rivers and the coast. The vast majority of cocaine departs Colombia on small vessels, such as fishing and go-fast boats. Equipment, training, and technical assistance will be provided to Colombian riverine and coast guard harbor patrol programs.

The **Alternative Development Program** is an INL-funded, primarily USAID-administered program implemented in carefully selected drug growing regions. The project works in conjunction with PNDA, the GOC's alternative development program, and aims to implement a full array of sustainable counternarcotics activities, including the cultivation of alternate legal crops, infrastructure expansion, environmental management, and program monitoring support. Alternative development and related social development programs are time and resource intensive, and will be implemented in combination with eradication operations. Programs to provide licit employment alternatives to former cultivators of drug crops will be expanded to areas where the security situation permits, and where there is a greater possibility of sustainable licit economic activity. Increased funding levels for alternative development and social programs will be required as eradication operations expand in scope and intensity. Ongoing projects continue to demand resources even as new areas are added to the program.

The **Support For Democracy Project** will support a variety of USAID implemented programs. Given the fundamental importance of human rights to the INL program in Colombia, projects in the area of judicial reform, particularly programs meant to enhance the physical protection of witnesses, judges and human rights workers, will require continued support. The same is true for Colombia's human rights investigative units. In addition to the support for these investigative units, funding will continue to be provided to improve the physical security of human rights monitors and activists. Funds will continue to be provided to the United Nations High Commissioner for Human Rights to assist its local offices, and for human rights monitoring efforts of both the Colombian Government and the U.S. Embassy.

The **Assistance to Vulnerable Groups Project** will extend support to people displaced by violence as well as displaced populations resulting from the destruction of illicit narcotics activity in areas where alternative development has little chance for success. USAID and the Department of State's Bureau of Population, Refugees and Migration will continue to provide assistance to internally displaced persons. This assistance is provided primarily through grants to international organizations such as the International Committee of the Red Cross and UNICEF. These efforts are coordinated with PNDA and other elements of the Government of Colombia.

The **Promote the Rule of Law Project** will continue the justice sector reform programs designed to establish Fiscalia HR units, fight corruption, enhance the capability to go after financial crime and money laundering, and improve prison and port security. Rule of law funding will continue to re-establish a CNP presence in zones of conflict, as public security is the first step to reestablishing government control throughout Colombia. This funding will also continue assistance to programs that promote the reinsertion of former illegally armed actors into lawful Colombian society and continue institution building reforms within the Ministry of National Defense. This project will also fund community based Drug Awareness and Demand Reduction programs and support efforts to publish and disseminate narcotics education and prevention materials; design and implement public drug awareness campaigns; and sponsor conferences and visits in support of the above activities.

Program Development and Support funds provide required resources for salaries, benefits and allowances of permanently-assigned U.S. and foreign national direct hire and contract personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurement

- Reduced flow of illegal narcotics from Colombia to the U.S.;
- Sharp reduction of illicit crop cultivation will be achieved;
- The GOC will move toward Colombian self-sufficiency in managing eradication programs targeted at all illicit cultivation;
- The GOC will have developed more effective institutions capable of carrying out the full range of law enforcement activities necessary to prevent narcotics traffickers from using Colombia as their center of activity;
- Emerging narcotics trafficking organizations will be dismantled;

- Colombian institutions will be stronger and more capable of combating corruption and intimidation and of expediting proceedings against drug traffickers; and
- The GOC will have achieved successes in the seizure of major trafficker assets and in the disruption of money laundering activities; and
- The GOC will have improved public security in the rural areas of Colombia.

Colombia

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
Support to the Colombia Military			
COLAR CD Brigades	1,900	9,650	25,000
COLAR Aviation Brigade	—	69,000	76,250
Subtotal	1,900	78,650	101,250
Narcotics Interdiction			
Colombian Air Force	—	14,000	15,000
Colombian Navy	500	11,350	32,250
Subtotal	500	25,350	47,250
Support to the Colombia National Police	39,950	134,100	120,500
Support for Democracy¹	—	24,000	24,000
Alternative Development¹	500	56,500	54,500
Assistance to Vulnerable Groups²	—	34,000	45,500
Promote the Rule of Law			
Expand Fiscalía Human Rights Units	—	—	10,000
Follow-On Financial Crimes	—	1,000	10,000
Anti-Kidnapping Strategy	—	3,600	5,000
Bomb Squad/Explosive Database Center	—	1,750	—
Prison Security/Drug Rehabilitation Training	—	2,300	—
Cellular Intercept Switch Project	—	750	—
Ministry of Defense Human Rights Reform	—	2,500	1,200
Illegal Armed Groups/Reinstatement into Society	—	2,000	2,000
Protection of Human Rights Workers	—	2,500	1,000
Protection of Witnesses, Prosecutors and Judges	—	1,500	1,000
DNE and Demand Reduction	550	500	500
Culture of Lawfulness Program	300	100	300
Reestablish Public Security in Conflicted Zones	—	4,000	9,000
Subtotal	850	22,500	40,000
Program Development and Support			
U.S. Personnel	1,375	1,680	1,750
Non-U.S. Personnel	776	1,326	1,330
ICASS Costs	475	725	900
Program Support	1,674	1,669	2,020
Subtotal	4,300	5,400	6,000
Total	48,000³	380,500	439,000

¹ These are INL funded and USAID administered programs.

² These are INL funded and PRM and USAID administered programs.

³ This total does not include \$838.5 million of FY 2000 Plan Colombia Emergency Supplemental funding.

Ecuador

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
2,200 ¹	25,000	37,000

Objectives

- Increase the effectiveness of existing highway checkpoints and add new ones at critical locations in areas bordering Colombia;
- Strengthen counternarcotics enforcement and military units in northern border areas to improve overall border security and effectiveness of narcotics interdiction operations;
- Develop communications networks to improve operational coordination and better exploit drug intelligence;
- Develop institutional capabilities to interdict illegal drugs and controlled chemicals, prosecute traffickers, and seize illicit drug assets;
- Improve Ecuadorian National Police control of airports, seaports, and land routes used by traffickers to transport illegal narcotics and diverted precursor chemicals;
- Constrain the growth of the coca/cocaine economy;
- Increase licit income and employment opportunities; and
- Increase citizen satisfaction with the performance of local democratic institutions.

Justification

With the acceleration of drug eradication and interdiction programs in neighboring Colombia, it is anticipated that Ecuador could be drawn increasingly into conflict with the narcotics-insurgent groups that control the Colombian drug crop cultivation regions and, as a result, will face an even greater threat to its internal stability. The security situation along Ecuador's northern border, particularly in Sucumbios province where most of Ecuador's oil wealth is located, has continued to deteriorate due to increased Colombian guerrilla, paramilitary and criminal violence, as well as increasing social unrest fueled by chronic and increasingly high levels of poverty. As fiscal constraints in Ecuador have restricted the government's funding for the police, the Ecuadorian National Police (ENP) will need additional assistance to confront the increased drug trafficking and cultivation threat on its northern

¹ This total does not include \$20 million of FY 2000 Plan Colombia Emergency Supplemental funding.

border. The Ecuadorian military, which is responsible for northern border security and supports the ENP in counternarcotics operations, will require sustained logistical support in order to increase its northern border presence and operational readiness. Perhaps less obvious is the need of the vulnerable population of the northern border areas to strengthen its licit economic base and community infrastructure, which will help to build public support for local democratic institutions and enable the community to better resist the pressures of criminal elements and the illicit coca/cocaine economy.

The ports through which drugs transit Ecuador are also an important part of the USG counternarcotics focus in country. Ecuador is a major staging and transshipment area for drugs and precursor chemicals due to its geographical location between two major cocaine source countries, Colombia and Peru, with cocaine and heroin entering primarily by truck on the Pan-American Highway. Narcotics traffickers exploit Ecuador's porous borders and poorly controlled seaports to consolidate smuggled drugs into larger loads for bulk shipment to the United States and Europe hidden in containers of legitimate cargo. Precursor chemicals imported by ship into Ecuador and precursors produced in Ecuador are diverted to cocaine processing laboratories in southern Colombia.

In July 2001, the new Ecuadorian criminal justice procedural code entered into force. The new code fundamentally transforms the country's legal system from an inquisitorial to a more accusatorial-style system. The purpose of the reform is to strengthen the criminal justice system and speed up the process by converting to oral trial procedures. Under the new system, the roles of police, prosecutors, judges and other elements of the legal system are profoundly changed. This criminal justice reform requires extensive USG technical assistance to retrain judges, prosecutors, police and other components of the criminal justice system. The USG has initiated a new project establishing a judicial police-training program, which will strengthen forensic and criminal investigative skills. Related USG efforts to train judges are on going.

FY 2003 programs

Spillover effects from Colombia will continue to threaten the internal stability of Ecuador over the next two years, while ongoing GOE fiscal constraints severely restrict GOE budgetary support for the police. USG support to the ENP, as well as to alternative development, selected components of Ecuador's military, and Ecuador's national drug commission (CONSEP), is essential to confront the increased drug trafficking and cultivation threat on its northern border.

The **Narcotics Law Enforcement Project** will expand the range of ENP operations to confront the growing narcotics trafficker and insurgent threat on its northern border and support the efforts of the ENP to professionalize its personnel. USG assistance will enable the ENP to further develop communications networks to improve operational coordination and better exploit drug intelligence, will provide aircraft to enhance police mobility and, emphasizing support for counternarcotics units in the northern border areas, will procure additional supplies and equipment; fund facilities construction, security and other upgrades, and provide vehicle maintenance and other assistance. The project will expand police training programs to include interdiction training, courses on investigative techniques and other subjects, which will professionalize and train counternarcotics police units in their new roles in the accusatorial style criminal justice system. A U.S. police advisor position will be established to provide technical assistance on investigative techniques and intelligence collection. In addition, the project will develop and implement a public affairs strategy to support the USG's counternarcotics objectives.

The **Northern Border Security Project** will provide counternarcotics assistance to the Ecuadorian military in order to strengthen their capacity to provide security in northern border areas and to improve coordination and logistical cooperation with the ENP. This project includes procuring communications equipment, expanding and upgrading the ground transportation fleet, purchasing small coastal patrol craft for the Ecuadorian Navy, and providing fuel and operational support for Ecuadorian Army helicopters used in counternarcotics missions. Additionally, the project will provide counternarcotics training courses for the Ecuadorian Army and Navy, and develop and implement a public affairs strategy to support USG security assistance programs.

The **Port Security and Control Project** will focus attention on achieving better control of the air and seaports in this country. The bulk of cocaine and heroin from Colombia and Peru that transits Ecuador is smuggled out of seaports and airports concealed in shipments of legitimate cargo being exported to the U.S. and Europe. Currently the ENP, responsible for the physical inspection of all outbound and inbound cargo, has the capability to inspect only a small percentage of outbound cargo. The Sea and Airport Control Project will assist the ENP with new equipment and technological tools to physically inspect export containers and bulk cargo in the ports, and operational support to the canine units, essential to the sea and airport inspection service. The project will provide operational support and training in container inspection techniques, profiling, exploitation of intelligence and information systems, to ENP port inspection units at the planned new cargo inspection facilities in Manta, Machala and Esmeraldas. It will also establish data telecommunication links between seaport/airport ENP inspections units and the Guayaquil Information Center (JICC—linked to DEA/EPIC), to exchange investigative information and facilitate profiling techniques against suspicious export shipments and shippers, developing JICC databases to interconnect with the Quito ENP/Anti-Drug Division Intelligence Center. The advisory presence of a U.S. Customs Inspector will strengthen ENP coordination with the Ecuadorian Navy and Customs, which will lead to an increase in intelligence sharing and operational effectiveness.

The **Alternative Development Project** will be administered by USAID. USAID will intensify work with the GOE and other partners to support alternative, licit production options that will create a protective barrier along Ecuador's increasingly vulnerable northern border. The economy of this region has simply escaped the control of the GOE in recent years and increasingly has provided direct support for illicit activities based in Colombia. A USG agreement with the International Organization for Migration (IOM) initiated in FY2001 a chain of community infrastructure projects across the three principal border provinces of Sucumbios, Carchi and Esmeraldas. FY 2003 alternative development funding will help initiate productive activities in these provinces and in Napo and Orellana provinces, which are increasingly vulnerable to cross-border influence from Colombia. The project will focus on agricultural programs, construction and rehabilitation of productive and social infrastructure, and strengthening local governments and civil society organizations, including, as needed, assistance to mitigate the effects of refugee influx from the conflict in Colombia. The project will also publicize USG-funded development work in the northern border region.

The **Drug Policy and Legal Reform Project** will support the national drug commission (CONSEP), which is responsible for drug policy development and coordination, operating a chemical control program and anti-money laundering unit, promoting drug prevention campaigns, and managing properties seized from drug traffickers under the asset forfeiture provisions of Ecuador's drug laws. It has primary responsibility for certifying drug treatment and rehabilitation programs in Ecuador and for developing drug education and prevention campaigns. CONSEP's comprehensive national drug

strategy assigns clear roles to government agencies and military services in the fight against drug trafficking. Currently, CONSEP is coordinating a government-wide effort to reform the existing Ecuadorian National Drug Law (Law 108). Reforms proposed include broadening the scope and definition of money laundering as that derived from any illicit activity, and authorizing the use of controlled deliveries, electronic surveillance and other modern law enforcement techniques. The project will reinforce technical assistance given to CONSEP by OAS/CICAD to reform this law, will provide funding for additional computer equipment for the CONSEP chemical control unit and provide training assistance to the money-laundering unit. The project will also expand assistance to the CONSEP drug prevention and education programs to generate greater political support for tougher law enforcement actions against drug traffickers. In addition, the project will provide additional training and operational support to strengthen CONSEP in its policy development and coordination role.

Program Development and Support funding is used to pay for administrative and operating expenses for program planning, design, implementation, monitoring and evaluation. These expenses would include, but are not limited to, salaries, benefits and allowances of U.S. and foreign national direct hire and contract personnel, field travel and International Cooperative Administrative Support Services (ICASS) costs.

Effectiveness Measurements

- Voice and data systems will link the two ENP counternarcotics information centers in Quito and Guayaquil with interdiction units at key highway checkpoints and provincial counternarcotics offices;
- Police training programs including courses in investigative techniques, forensic science, evidence collection and handling, chain of custody, and working as a team with prosecutors will have reached all investigative personnel in the judicial and counternarcotics police;
- Counternarcotics police will all have sufficient appropriate equipment to fulfill their responsibilities effectively and safely;
- Seizures of illicit drugs will increase by at least 10 percent;
- Ecuadorian military forces will have extended security patrols throughout the northern border area and will perform them with greater frequency;
- The GOE and the general public will have a clearer understanding of the threat drug trafficking poses to their own society, and the need to combat it forcefully;
- New coca cultivation will remain minimal;
- Employment and incomes from licit activities will increase; and
- Citizen satisfaction with the performance of local governments and community infrastructure will increase.

Ecuador
INL Budget
(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Law Enforcement Support	1,200	5,500	4,000
Northern Border Security	—	5,815	15,250
Port Security and Control	450	3,000	1,000
Subtotal	1,650	14,315	20,250
Alternative Development¹	—	10,000	16,000
Drug Policy and Legal Reform	27	35	50
Drug Awareness/Demand Reduction	25	35	50
Program Development and Support			
U.S. Personnel	158	275	300
Non-U.S. Personnel	35	40	60
ICASS Costs	116	150	200
Program Support	189	150	90
Subtotal	498	615	650
Total	2,200²	25,000	37,000

¹ This is an INL funded and USAID administered program.

² This total does not include \$20 million of FY 2000 Plan Colombia Emergency Supplemental funding.

Panama

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
1,363 ¹	5,000	9,000

Objectives

- Assist the Government of Panama (GOP) to implement a comprehensive strategy for criminal justice system reform and modernization via an integrated program, training, and technical assistance plan;
- Confront transnational organized crime by increasing the institutional capabilities of the Government of Panama to investigate and prosecute criminal activities; seize and forfeit assets; and, dismantle drug and arms trafficking, alien smuggling, terrorist and other criminal organizations;
- Enhance GOP ability to interdict maritime shipments of illicit drugs, chemicals and weapons, counter alien smuggling and control its airports, seaports, and land routes so as to detect and deter smuggling;
- Assist the GOP to combat money laundering and other financial crimes and coordinate effectively with international partners; and
- Assist Panama to develop successful strategies to deter drug use and increase public awareness of the dangers of drug abuse.

Justification

As a neighbor of the largest cocaine-producing country, Panama serves as a crossroad for the transshipment of narcotics and other illicit goods. International drug shipments are trafficked through Panama destined for the U.S. and Europe. An ineffective criminal justice system that is undermined by corruption and inadequate maritime, airport, and border controls all contribute to Panama's vulnerability to transnational organized crime. In addition to drug trafficking, criminal groups engage in money laundering, chemical diversion, arms and stolen vehicle trafficking, alien smuggling and other criminal activities. The steady flow of illicit drugs has taken a toll on Panamanian society by increasing domestic drug abuse.

Panama is an attractive site for money laundering operations due to its dollar-based economy and large, sophisticated banking and trading sectors. In 2000, the Financial Action Task Force (FATF)

¹ This total does not include \$4 million of FY 2000 Plan Colombia Emergency Supplemental funding.

determined that Panama was not cooperating effectively with other governments in this area, in part because of institutional weaknesses. As a result of the passage of new legislation and increased prosecutions, Panama was subsequently removed from the FATF list of non-cooperating nations. However, Panama continues to need technical assistance to support its efforts to implement the new legislation and to dismantle the many criminal and terrorist groups engaged in money laundering.

INL funds are used to support programs and activities critical to the Panamanian national strategy's success and our shared law enforcement objectives. Technical assistance and equipment provided by INL to law enforcement agencies at the border and in airports has increased the GOP's capability to interdict drugs. Furthermore, INL has supported interdiction efforts through assistance to the Joint Information and Coordination Center (JICC) that enhanced information sharing and cooperation between U.S. and GOP law enforcement agencies. INL funds have played a key role in interdiction successes of the National Maritime Service (SMN) by providing training, technical assistance and equipment upgrades.

FY 2003 Programs.

A Criminal Justice Sector Enhancement Project will assist the GOP to develop and implement an integrated strategy for modernizing and improving the criminal justice system. It will focus on helping the GOP develop short-, medium- and long-term training plans for Panamanian judicial, prosecutorial and law enforcement sectors. The project will concentrate on both the management and operational aspects of judicial, prosecutorial and law enforcement training while promoting law enforcement training integration. A case tracking system to improve the effectiveness of the court system, reduce pre-trial detention, and increase accountability will also be developed. These efforts are central to improving the management and execution of criminal justice in Panama while raising the standards of professionalism.

The Narcotics Law Enforcement Project will provide commodities and training to support the Panama National Police (PNP), the National Maritime Service (SMN), and the National Air Service (SAN). These projects will strengthen the ability of the GOP to detect, deter and arrest traffickers, terrorists, and alien smugglers and to interdict drug and precursor chemical shipments. Another project will provide infrastructure, equipment and training for airport and border control facilities to enhance control of the entry of aliens into the country, including drug traffickers and smugglers by improving the skills, mobility, command & control, and communications of GOP law enforcement agencies.

Further support to improve the capability of the Panamanian law enforcement agencies will be provided to the Joint Information Coordination Center (JICC), the national criminal statistics and analysis agency (CONADEC), and the newly established Andean Region Precursor Chemical Intelligence Center (ARPCIC) to enhance the GOP's intelligence infrastructure, enabling the security forces to better investigate narcotics trafficking activities. Support to the Public Ministry's Elite Vetted Unit, Technical Judicial Police (PTJ) and the PNP will increase the GOP's ability to investigate, arrest, and prosecute Colombian drug kingpins and other organized criminals, and to interdict increased amounts of drugs, precursor chemicals and stolen vehicles. A project to support the recently established Financial Investigations Unit and Panamanian prosecutors will provide training in the detection, investigation and prosecution of sophisticated money-laundering cases. A port security project will be developed to increase the interdiction of illegal goods passing through the Colon Free Zone and Panama's other ports of entry.

The NAS will provide support to the Central American Permanent Commission for the Eradication of the Illicit Production, Traffic, Consumption and Use of Narcotic Drugs and Psychotropic Substances (CCP). The CCP was created as an entity within the Central American Integration System (SICA) to develop a regional approach to combat drug trafficking and other transnational crimes. INL funding will strengthen Panama's leadership role by providing training to Panama's representative to the CCP.

The **Drug Awareness and Demand Reduction Project** will include Civic Education Prevention and Demand Reduction components. The Civic Education Prevention Project will help curb the spread of drug abuse, crime and violence, and reinforce the rule of law by changing societal attitudes toward crime and corruption. Key activities will include the mobilization of community leaders and education officials, the development of lesson plans and their incorporation into high school curriculums, and teacher training. The Demand Reduction Project consists of working with health and education agencies and NGOs to promote drug abuse prevention, treatment and increased public awareness. The project will help the GOP to develop successful strategies to deter drug use and monitor and evaluate the effectiveness of school drug control strategies.

Program Development & Support funds will provide resources for salaries and benefits for U.S. and foreign national direct hire and contract personnel, International Cooperative Administrative Support Service (ICASS) costs and general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Increased effectiveness of criminal justice institutions and personnel as measured by improved performance of personnel, enhanced investigations of official corruption, improved case tracking systems and reductions in pre-trial detention times;
- Improved curriculum and teaching methods at police training academies, as demonstrated by an increase in the capabilities of graduates;
- Increased number and importance of traffickers arrested and successfully prosecuted as a result of GOP investigations or cooperative bilateral or regional law enforcement efforts;
- Increased intelligence and operational coordination of the SMN and SAN as demonstrated by an increase in successful joint interdiction operations against drug trafficking, the diversion of precursor chemicals and other international criminal activities;
- Increased number of arrests of narcotics traffickers, alien smugglers, terrorists and other criminals entering Panama by air, sea and land;
- Increased detection and prevention of precursor/essential chemicals diversions (as measured by actions taken on import/export licensing); and
- Increased public awareness of the dangers of drug abuse, increased community involvement in preventing drug use, and decreased drug use and violence among youth.

Panama
INL Budget
(\$000)

	FY 2001	FY 2002	FY 2003
Law Enforcement Support			
Commodities	400	1,955	3,000
Training	153	1,200	2,000
Other Costs	300	900	1,800
Subtotal	853	4,055	6,800
Criminal Justice Sector Enhancement	100	150	750
Drug Awareness/Demand Reduction	100	150	700
Program Development and Support			
U.S. Personnel	170	250	270
Non-U.S. Personnel	0	110	118
ICASS Costs	91	225	290
Program Support	49	60	72
Subtotal	310	645	750
Total	1,363¹	5,000	9,000

¹ This total does not include \$4 million of FY 2000 Plan Colombia Emergency Supplemental funding.

Peru

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
48,000 ¹	142,500	135,000

Objectives

- Build host nation capabilities that foster the institutionalization of policymaking and policy coordination and ‘Peruvianize’ all aspects of counternarcotics law enforcement and alternative development efforts;
- Reduce, and ultimately eliminate, the cultivation of coca and opium poppy and the trafficking of drugs in Peru; and
- Support economic reforms that eliminate the illicit coca cultivation economy.

Justification

The principal goal of the U.S. counternarcotics strategy in Peru is to reduce, and ultimately to eliminate, the production and processing of opium poppy and coca. This goal is consistent with the President’s National Drug Control Strategy and the Andean Regional Initiative (ARI), which seeks to deny traffickers the ability to spillover from one country to another as law enforcement successes eliminate established drug cultivation and operational areas. USG assistance is focused on helping the GOP develop an institutional capability to carry out an integrated counternarcotics program including law enforcement, opium poppy and coca reduction, alternative development, public awareness and demand reduction. A consistent INL focus on institutionalization over the years has led to ‘Peruvianization’ of most helicopter operations and maintenance, while USAID has supported Peruvian design and implementation of alternative development programs. The GOP has facilitated institutionalization by creating a cabinet-level counternarcotics agency, called CONTRADROGAS, to provide a Peruvian interagency coordination mechanism on drug matters.

In coordination with CONTRADROGAS, the USG counternarcotics program provides training, equipment and technical assistance to Peruvian government agencies charged with implementing counternarcotics-related programs, including law enforcement programs to disrupt coca and opium poppy cultivation, wholesale purchase, industrial-scale processing, and export of refined coca products. There is also a focus on dismantling narcotics trafficking organizations, and supporting judicial processes that will lead to the arrest and successful prosecution of key trafficking figures, and the seizure of their assets. USG alternative economic assistance programs are aimed at developing

¹ This total does not include \$32 million of FY 2000 Plan Colombia Emergency Supplemental funding.

local governments, agricultural credit, rural infrastructure (such as roads), improved farming practices (such as disease control), and access to national and international export markets.

Despite the political turmoil of the last two years created by the collapse of the Fujimori government, the subsequent legislative appointment of the interim Paniagua government, and the democratic election of the Toledo government in 2001, Peruvian counternarcotics efforts have sustained the law enforcement and coca reduction gains of the last six years. However, new counternarcotics challenges confront the Toledo government. Intensified counternarcotics efforts in Colombia, along with significant Bolivian coca cultivation reductions, have restored Peruvian coca leaf prices to profitable levels for coca-growing communities. Previously abandoned coca fields are being rehabilitated even as forced eradication of coca and alternative development projects continue to make gains in many of the same areas. There is also increasing evidence of a resurgent Shining Path presence in coca growing areas—a complication for alternative development efforts. The Toledo government's ability to respond to these challenges is impeded by a national economy in recession, 30-40 percent budget cuts for the police and armed forces, as well as a series of floods and earthquakes that left thousands homeless during 2001.

In 2001, there was further anecdotal reporting of Colombian traffickers encouraging Peruvian farmers to cultivate opium poppy by providing funds and seed. Although no reliable statistics exist on the extent of opium poppy cultivation, the Peruvian police eradicated 26 hectares in 2000. As of November 2001, 150 hectares of opium poppy had been discovered and eradicated. FY-2002 funding will be used to initiate a serious effort to quantify the amount of opium poppy in Peru and to develop the logistical means to reach and eradicate these fields—many of which are in heavily cloud covered, mountainous areas away from roads.

The current suspension of the air-bridge denial program, due to the accidental shoot-down of an American missionary aircraft by a Peruvian fighter in April 2001, has raised concerns that there are no longer any deterrents to trafficker use of aerial transportation to move drugs and money internationally. USG policy review reports on this subject have emphasized that reinforced procedures and safeguards against the innocent loss of life must be in place before consideration is given to restarting the air-bridge denial program. As of January 2002, no decision had been made on whether to restart the program.

FY 2003 funding marks a significant turning point in the scale of U.S.-Peruvian counternarcotics law enforcement, drug crop reduction and alternative development. Prior to FY 2002, funding limitations precluded the GOP from pursuing interdiction, eradication and alternative development in several areas simultaneously. With the additional funding requested in FY 2003, the GOP will be able to decrease coca cultivation in several source valleys and intercept coca movement in both the source and transit zones. Greatly increased funding for alternative development will address both long-term infrastructure building, and immediate emergency assistance to generate family income lost to eradication of coca fields. A major program of upgrading aircraft for law enforcement and eradication operations will provide the necessary airlift capability to reach high altitude opium poppy fields and to carry large numbers of personnel to outlying trafficking areas. FY-2003 funds will also allow the Peruvian police to recruit more counternarcotics officers to increase its presence in coca growing areas, intensify operations against drug trafficking organizations, road and river transport of drugs and precursor chemicals, and enhance intelligence collection efforts.

FY 2003 Programs

Forced eradication of coca seedbeds and mature coca is the main focus of the **Coca and Opium Poppy Eradication Project**. In 2001, this program was responsible for eradicating over 6,000 hectares of coca, which offset an increase in coca cultivation attributable to rising coca leaf prices and the elimination of the Bolivian Chapare region as an illicit commercial coca-growing center. The program uses a two-pronged approach to coca and opium poppy eradication. First, it ensures that coca-growing communities that have signed alternative development agreements remain committed to coca reduction, and also boosts the appeal of alternative development for coca farmers; and second, it provides for a labor force to forcibly eradicate coca cultivated in national parklands and other areas not covered under Peruvian alternative development plans.

The FY 2003 budget will allow increased USG support for expanding opium poppy eradication efforts. Opium poppy eradication occurs in remote high altitude areas that will require significant resources to transport and re-supply law enforcement and eradication workers implementing this program. In FY 2002 and FY 2003, the existing 14 USG-owned Huey UH-1H helicopters will be retrofitted, in phases, to Huey IIs that will provide the greater lift capability needed for this effort.

In order to make significant inroads against hard-line coca cultivating communities, including the Huallaga and Monzon areas, FY 2003 funds will greatly expand the number of full-time Peruvian coca reduction workers affiliated with the Peruvian Coca Reduction Agency (CORAH), and cover their operating and transportation costs to outlying coca and opium poppy areas. Coupled with an enhanced alternative development program, the bilateral coca reduction strategy seeks to reduce Peruvian coca cultivation from a 2000 baseline of 38,700 hectares, to 24,000 hectares in 2003.

An affiliated organization of CORAH, called CADA (Coca Survey and Verification), provides a means to verify the extent of coca reduction within communities, which is a critical condition of continued alternative development funding. In 2003, it will also take on duties to assist in verifying licit crop development in coca growing areas. The CORAH civil construction unit, which is a subset of the main project, provides counternarcotics law enforcement and military agencies with construction and facility improvement capabilities in outlying areas. Demand for both CADA and CORAH construction has been high: CADA statistical information is being used by the international community, such as the OAS Drug Commission, to prioritize its alternative development projects; and CORAH construction services have allowed the police and navy to establish riverine forward operational bases in key coca cultivation areas.

The **Alternative Development Project** will develop alternative sources of legal income and employment for coca-growing communities that are subject to coca reduction or that voluntarily agree to eradicate their coca plants. Since 1995, the alternative development program has invested approximately \$85 million for improved social infrastructure, potable water systems, rehabilitated road systems, new bridges linking key production areas to the market, support to farmers for licit crops, and local government rebuilding. As a result of the USAID alternative development program, many communities, which were previously dependent on the coca economy, have made a sustainable transition to licit agricultural production. In 1999, the farm-gate value of licit crops surpassed the value of coca in three coca-cultivating areas (Central Huallaga, Pichis-Pachitea, and Aguaytia). While the value of licit crops was 10 percent higher than coca at the beginning of 2000, this trend is threatened by the near quadrupling of coca leaf prices as alternative development funds lag behind demand, and aerial interdiction efforts weaken due to a lack of tracking assets. USAID is negotiating a

new agreement with the GOP to implement a revised five-year alternative development strategy that will go through 2006. As part of this strategy, FY 2003 funds will concentrate on expanding alternative development programs in the Huallaga and Apurimac-Ene river valleys. USAID will also expand its efforts to develop licit market opportunities by encouraging private sector companies to sign sales agreements, fund advances for crop harvesting and processing, and create new agribusinesses with former coca farmers for licit crop production.

The FY 2003 programs seek a licit crop increase of 10 percent in program areas, a significant increase in the percentage of families in coca-growing areas receiving basic services and a measurable increase in family income. By achieving these goals, the current levels of coca reduction can be locked in, negative spillover cultivation effects from the successful Colombian aerial spray eradication program can be minimized, and the Government of Peru can enforce coca reduction in key coca growing areas with the assurance of minimal social unrest.

In coordination with this effort, INL, the U.S. Department of Agriculture, and the drug office of the Organization of American States (OAS/CICAD) sponsor a joint Alternative Crop Research and Extension Project. This project will continue to perform field research into coffee and cacao diseases, with a focus on finding ways to increase yields in alternative development areas and develop international markets. The U.S. private sector has responded favorably to these efforts, and has provided supplementary personnel and funds for expert marketing and scientific assistance. The FY 2003 funding request will support the dissemination of the practical research results to alternative development farmers throughout the region.

Narcotics Law Enforcement Project efforts are structured around the Anti-Drug Directorate (DIRANDRO) of the Peruvian National Police, which conducts airborne operations against major trafficking facilities in outlying areas, develops intelligence and cases against major trafficking organizations, and takes the lead in drug-related precursor chemicals and counternarcotics riverine operations. DIRANDRO has operating units in several key narcotics trafficking areas, training bases at Mazamari and Santa Lucia, a joint riverine training school in Iquitos, and investigators in major urban areas. The narcotics field support subproject provides essentially all costs, except salaries, for training, equipping and operating DIRANDRO units and personnel, including units which are deployed on the rivers, units investigating trafficking, financial crimes, and chemicals trafficking and a major violators unit. DIRANDRO has formed operational task forces with other Peruvian agencies, such as Customs, to address increasing road and maritime port drug trafficking within Peru. In FY 2003, major law enforcement operations are planned for the coca-growing valleys, opium poppy cultivation highlands, as well as the transit zones, to sever the links between traffickers and drug-producing areas. Some of these new interdiction initiatives require cooperation between DIRANDRO, the Peruvian Air Force (FAP) and the Peruvian Coast Guard, in which DIRANDRO would be called upon to take the law enforcement lead when participating in multi-agency air and riverine operations.

The **Counternarcotics Aviation Support Project** covers operating and maintenance costs for the National Police Aviation Division (DIRAVPOL), which provides general aviation support for the entire PNP. It provides pilots, aircrews, and support personnel for 14 U.S.-owned UH-1H helicopters, 5 U.S.-owned K-Max, heavy-lift helicopters and 14 Peruvian owned Mi-17 helicopters, which support coca eradication and law enforcement actions in the field. FY 2003 funds will support the counternarcotics operations of the U.S. owned helicopters, providing fuel, maintenance, hangars and warehousing, aircraft rental when needed, and operational support for DIRAVPOL personnel. A high

priority for FY 2003 under this project to modify 14 Bell UH-1H helicopters to Huey II configuration. The Huey II will provide a heavier lift capability for larger ground operations, make river-borne helicopter float operations feasible, improve search and rescue capabilities and allow police to reach inaccessible opium poppy cultivation areas for survey and eradication purposes. Funds will also be used to operate the USG-owned C-27 and C-208 cargo aircraft that support forward operating locations from which the Peruvian Air Force and DIRANDRO conduct ground and aerial intercept operations throughout the country. The long-term objective is to leave behind a GOP-financed organization that can plan and execute strategically important and intelligence-based counternarcotics operations on a national basis.

The **Armed Forces Counternarcotics Support Project** will provide FY 2003 funds to support Peruvian Navy joint riverine operations with DIRANDRO in and around northern and eastern Peru (the Iquitos and Pucallpa areas). It will also provide some funding to begin addressing a growing maritime trafficking threat along the Peruvian coast. If there were a decision to restart the air-bridge denial program in Peru, FY 2003 funds would support an expanded FAP air-bridge effort with enhanced safeguards against loss of innocent life. Elements would include outfitting Peruvian-owned fixed-wing aircraft with specialized sensor packages, renovating FAP Tucano and A-37 aircraft to intercept trafficking aircraft, and supporting the establishment of forward operating locations for FAP and DIRANDRO in Iquitos, Pucallpa, Tarapoto and Puerto Maldonado. Support costs include training for pilots and mechanics, facility improvements, spare parts for aircraft and boats, and a search and rescue capability. A primary performance indicator would be driving coca leaf prices down from an average of \$3.30 per kilo in 2000, down to \$1.00 per kilo in 2003.

The **Administration of Justice/ Prosecutors Project** supports a unit of GOP prosecutors that has been granted special national jurisdiction to accompany police and military narcotics law enforcement operations to interrogate suspects and witnesses, take charge of evidence, supervise destruction of illegal facilities such as laboratories or airstrips, and prepare cases to be carried to trial. This project will continue support for the national narcotics prosecutors, provide training to personnel of the judicial branch that handle these cases, and provide selected jurisdictions with adequate resources to handle heavy narcotics caseloads.

The **Counternarcotics Policy and Institutional Development Project** provides support to the cabinet level agency (CONTRADROGAS) charged with coordinating and directing the overall counternarcotics efforts of the Government of Peru. In FY 2003, this project will support the further development of national drug control policies, make contact with multilateral and bilateral donors, and enhance communication and coordination between the various GOP counternarcotics agencies.

Drug Awareness and Demand Reduction Project activities will focus on providing the Peruvian public with information about the harmful personal and societal effects of cocaine production and abuse, conducting surveys on drug abuse to identify groups requiring assistance, and supporting educational fora for prevention and treatment professionals. This project will continue to provide assistance to drug awareness institutions, and the Ministry of Education, to support drug awareness, abuse prevention and treatment programs.

The **Program Development and Support** account funds salaries and expenses of U.S. and foreign national direct hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs and general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- A reduction in the amount of coca and opium poppy cultivated;
- The immobilization of cocaine production and transportation organizations;
- The implementation of reforms in the Peruvian justice system;
- The development of viable alternatives to the illegal coca economy, including implementation of comprehensive macroeconomic policy reforms and projects in and outside of coca-growing areas; and
- An increase in the awareness of the local population of the dangers of drug abuse and drug trafficking to Peru's economy and society.

Peru
INL Budget
(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Law Enforcement Support	2,800	12,200	10,700
Aviation Support	7,910	36,430	29,000
Riverine Support	1,500	2,800	2,500
Subtotal	12,210	51,430	42,200
Coca and Opium Poppy Eradication	4,700	5,000	5,000
Alternative Development¹	27,000	67,500	69,000
Armed Forces Counternarcotics Support	100	13,900	13,900
Air Force, Navy and Coast Guard			
Administration of Justice/Prosecutors	250	600	700
Policy and Institutional Development	50	200	200
Drug Awareness/Demand Reduction	1,000	1,000	1,000
Program Development and Support			
U.S. Personnel	750	790	835
Non-U.S. Personnel	773	815	860
ICASS Costs	622	710	725
Program Support	545	555	580
Subtotal	2,690	2,870	3,000
Total	48,000²	142,500	135,000

¹ This is an INL funded and USAID administered program. This total does not include ESF funds transferred to INL for alternative development projects.

² This total does not include \$32 million of FY 2000 Plan Colombia Emergency Supplemental funding.

Venezuela

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
1,200 ¹	5,000	8,000

Objectives

- Improve Government of Venezuela (GOV) ability to reduce the quantity of drugs transiting Venezuela;
- Enhance GOV ability to control the diversion of precursor chemicals;
- Support institution building in national police organizations and assist the GOV to implement judicial reform; and
- Promote successful investigation and prosecution of money laundering cases.

Justification

Colombian narcotics traffickers exploit neighboring Venezuela's position on the Caribbean to route illicit drugs going to the U.S. As Plan Colombia is implemented, the growing aggressiveness of narcotraffickers operating in Venezuela demonstrates the importance of expanding programs to counter narcotics trafficking and its ramifications. Most of the large containerized shipments of cocaine seized in Florida in the last ten years originated in Venezuelan seaports. Poorly regulated border crossings permit the transport of illicit drugs by land and river from Colombia to these seaports where they are put into containers. Smaller quantities of drugs reach the U.S. from Venezuela by air couriers and air cargo on frequent commercial flights, while smaller aircraft and "go-fast" boats from Colombia use Venezuelan air space and territorial waters to deliver and receive drugs in the Caribbean. Venezuela also exports chemicals used in the manufacture of narcotics to Andean drug source countries, and has a modern financial sector that is a target for the laundering of drug proceeds.

Against the upsurge in activity of Colombian narcotrafficking organizations operating in Venezuela, the GOV has attempted to pass expansive new counternarcotics legislation, refine the focus of its small force of criminal investigators and public prosecutors, and work with the USG toward the development of improved intelligence, investigative, interdiction and judicial capabilities. The GOV has an established National Financial Intelligence Unit to counter money laundering, and participates actively in multilateral money laundering control organizations such as the Caribbean Financial Action Task Force and the Egmont Group of Financial Intelligence Units. Venezuela cooperates closely with DEA in a worldwide operation against the trafficking in chemicals used in illegal drug production.

¹ This total does not include \$3.5 million of FY 2000 Plan Colombia Emergency Supplemental funding.

FY 2003 Programs

The **Narcotics Law Enforcement Project** will target the principal weak points in the flow of drugs through Venezuela with special attention given to port and border point-of-entry security, mobile inspections, airport, riverine, and coastal security, and intelligence fusion and analysis. The increased level of drug seizures in Venezuela, and information about narcotrafficking organizations that will come to light through these operations, will increase the effectiveness of future interdiction efforts. A Precursor Chemical Control subproject will assist the GOV in monitoring inbound chemical and in preventing the diversion of essential precursor chemicals to Colombia and other drug source countries. By providing training, equipment, advisory and organizational/procedural assistance, the GOV capabilities to disrupt and dismantle narcotrafficking organizations operating in Venezuela will be greatly enhanced.

The **Administration of Justice Project** will provide training to Venezuelan investigators, prosecutors and judges, with heavy emphasis on institutional development. This segment will continue current assistance aimed at converting court systems to an oral adversarial system of justice, with specific training on more efficient means to successfully prosecute drug and organized crime cases.

The **Money Laundering Project** will improve the monitoring procedures of Venezuelan financial institutions and increase the reporting of suspicious financial transactions, with the goal of developing evidence for the prosecution and sentencing of organized crime figures guilty of financial crimes. As part of the overall strategy to reduce all aspects of narcotrafficking organizations' operations in Venezuela, the project will work with the GOV National Financial Intelligence Unit (UNIF) to improve GOV ability to detect and investigate money-laundering occurring in the country's financial institutions, and will engage private sector financial institutions and businesses that handle large sums of cash. Project funding will provide technical assistance, technology for improved electronic sharing between enforcement and financial entities, and training.

The **Drug Awareness and Demand Reduction Project** will raise public awareness of the dangers of drug consumption to the individual, family and society; the threat of organized crime to the safety, security and prosperity of Venezuela; and the necessary and desirable role of a range of law enforcement activities to counter organized crime. The goal of this project is to reduce drug consumption and enhance public support for law enforcement efforts against narcotrafficking organizations. Support for this public outreach will include funding for public awareness activities, advisory assistance, equipment for non-government organizations and youth groups and, specifically, assistance to National Commission Against the Illicit Use of Drugs (CONACUID), the GOV entity responsible for promoting better coordination among government law enforcement organizations combating drugs, drafting and promoting counternarcotics legislation, and coordinating the national demand reduction efforts.

Program Development and Support funding covers the cost of salaries and benefits of U.S. and foreign national direct hire and contract personnel, International Cooperative Agreement Support Services (ICASS) costs and other administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Enhanced understanding of the structure of narcotics trafficking organizations and an increase in number of successful prosecutions of key narcotics traffickers;
- Reduced level of corruption within the legal system;
- Increased number of successful money laundering investigations and successful prosecutions; and
- Decreased drug consumption and increased popular support and political will for law enforcement action against narcotics trafficking organizations.

Venezuela INL Budget (\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Law Enforcement Support	525	2,475	5,300
Chemical Control	25	325	300
Subtotal	550	2,800	5,600
Money Laundering	100	400	300
Drug Awareness/Demand Reduction	50	400	440
Administration of Justice	50	760	1,000
Program Development and Support			
U.S. Personnel	174	214	224
Non-U.S. Personnel	40	40	40
ICASS Costs	120	196	206
Program Support	116	190	190
Subtotal	450	640	660
Total	1,200¹	5,000	8,000

¹ This total does not include \$3.5 million of FY 2000 Plan Colombia Emergency Supplemental funding.

Other Latin America

The Bahamas

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
1,200	1,200	1,200

Objectives

- Support Operation Bahamas and Turks and Caicos (OPBAT) to deny the use of Bahamian territory for the movement of illicit drugs to the U.S.;
- Enable Bahamian law enforcement to conduct increasingly sophisticated investigations, effective maritime interdiction operations, and financial analyses in order to stem the flow of illegal drugs, aliens and weapons through Bahamian territory;
- Strengthen judicial institutions so that drug traffickers, money launderers and perpetrators of other crimes will be prosecuted expeditiously, and the proceeds of their crimes seized and forfeited; and
- Assist the GCOB to reach Bahamian youth on remote islands with drug-use prevention programs.

Justification

The Bahamas has a population of 300,000 people scattered across 700 islands that combine to form an area the size of California. Located between Colombia and the United States, The Bahamas is a continuing target for drug transshipments as well as international crime.

Over the past few years, an estimated 12 percent of the cocaine from South America destined for the United States has passed through the Jamaica-Cuba-Bahamas vector. Bahamian drug trafficking organizations send go-fast drug smuggling boats to Jamaica to pick up cargoes of cocaine and marijuana or, less frequently, to areas around Cuba to pick up airdrops from South America or Jamaica. These boats then return to The Bahamas before attempting to smuggle the drugs into south Florida. In 2001, a multi-national law enforcement operation led by DEA and the Bahamian Drug Enforcement Unit (DEU) effectively dismantled the Samuel "Ninety" Knowles drug trafficking organization, one of eight major Bahamian organizations.

Since 1982, the Bahamian and U.S. governments have cooperated closely in OPBAT (Operation Bahamas, Turks and Caicos) to interdict the flow of drugs through The Bahamas. Despite the seven USG helicopters now assigned to OPBAT and the assistance of other USG surveillance aircraft,

OPBAT is able to seize less than ten percent of the drugs estimated to be transiting the region. Two factors account for this low seizure rate. Drug smuggling go-fast boats are difficult to detect from the air and a lack of high-speed fast response boats prevents actual confrontation and arrest of smugglers who typically, once sighted and pursued by OPBAT aircraft, dump their illicit cargoes at sea, beach their boats and escape into the bush.

The Bahamas is a major offshore financial center. The government has cooperated with USG agencies on money laundering and drug asset forfeiture cases since 1996 when it first criminalized money laundering. Nevertheless, until recently, The Bahamas remained an attractive target for money laundering and other financial crimes. In June 2000, citing deficiencies in the Bahamian anti-money laundering regime, the Financial Action Task Force (FATF) included The Bahamas in a list of “noncooperating” jurisdictions in the fight against money laundering. The Bahamas responded by enacting legislation in December 2000 reforming its bank secrecy laws and creating a Financial Intelligence Unit (FIU). In June 2001, FATF recognized these improvements by removing The Bahamas from the list of “non-cooperating” jurisdictions. The Bahamas now must develop the expertise and demonstrate the willingness to detect and prosecute financial crimes.

The Government of the Commonwealth of the Bahamas (GCOB) allocates approximately 14 percent of its annual budget to counternarcotics activities. Nonetheless, because of the country’s small population and budget, and its expansive geography, the GCOB requires significant USG assistance to fight international narcotics trafficking and crime.

The INL program in The Bahamas has three key counternarcotics objectives: (1) support the drug interdiction operations of OPBAT; (2) strengthen law enforcement institutions to allow the GCOB to more effectively combat drug trafficking, money laundering, and other criminal activity; and (3) strengthen judicial institutions so drug traffickers, money launderers and other criminals will be effectively prosecuted and sentenced.

FY 2003 Program

The **Narcotics Law Enforcement Project** will continue to support jointly operated OPBAT bases in FY 2003. OPBAT is an important USG drug interdiction effort in the Caribbean and a model for regional cooperation. Project funding will be used for construction, maintenance and operating costs of three OPBAT helicopter bases and for additional training for the Bahamian DEU Strike Force. Project funds will also be used to purchase additional interceptor boats to complement those procured in FY 2001 and 2002, providing Bahamian police with better capability to confront and arrest smugglers. This project will also fund communications and navigation equipment for seized go-fast boats to be used by the Bahamian police in OPBAT operations.

This project will also continue to support the Royal Bahamas Police Force (RBPF) Drug Enforcement Unit (DEU), which is composed of 80 officers dedicated to investigating drug trafficking and money laundering cases. INL funding will also be provided for additional dogs and for handler training for the DEU canine unit. The DEU money laundering/asset forfeiture section will receive training to develop the capability to effectively pursue sophisticated money laundering investigations.

INL will fund a modest project with The Bahamas National Drug Council to enable it to deliver a **Drug Awareness and Demand Reduction Project** to youth on the more remote islands.

Program Development and Support funds will cover the salaries and benefits of U.S. personnel in the Narcotics Affairs Section, along with International Cooperative Administrative Support Service (ICASS) costs and other administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Upward trend in OPBAT end-game statistics and increased amount of cocaine and marijuana seized from trafficker surface assets, expressed as a percentage of the estimated drug flow through The Bahamas;
- Increased number of major Bahamian drug trafficking organizations dismantled, increased number of successful prosecutions of major drug traffickers, increased number and value of asset seizures and increased frequency and improved quality of cooperation with USG law enforcement; and
- Reduced drug use as reported by the National Drug Council and NGO drug-use survey results (demand reduction).

The Bahamas INL Budget (\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Commodities	430	366	325
Training	198	200	175
Other Costs	195	250	300
Subtotal	823	816	800
Drug Awareness/Demand Reduction	60	50	50
Program Development and Support			
U.S. Personnel	197	207	217
ICASS Costs	75	79	83
Program Support	45	48	50
Subtotal	317	334	350
Total	1,200	1,200	1,200

Guatemala

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
3,000	3,500	3,400

Objectives

- Increase the interdiction of illicit drugs transiting the region en route to the United States;
- Maintain opium poppy and marijuana cultivation at low levels through the support of eradication operations;
- Improve counternarcotics and law enforcement capabilities, modernize the judiciary and pass updated counternarcotics legislation;
- Increase public awareness of the dangers of illicit drug production, narcotics trafficking and drug abuse; and
- Increase regional cooperation and through training and exchanges of information.

Justification

Guatemala is a major transit country for cocaine from South America to Mexico and onward to the United States. U.S. intelligence experts estimate that between 150 and 250 metric tons of cocaine are transshipped annually through Guatemala. Small amounts of opium poppy and marijuana are cultivated for domestic consumption. Diversion of precursor chemicals is a serious concern.

The Government of Guatemala (GOG) is actively working to strengthen its drug enforcement capability. Extensive training, and the provision of equipment and infrastructure for the Department of Anti-Narcotics Operations (DOAN), and the Narcotics Prosecutors, continues. The Ministry of Government (MOG), the Public Ministry (MP), and judicial organizations have initiated the integration of computerized systems to track cases and enhance information sharing within the GOG and eventually with counterpart Central American institutions. The GOG fully supports interdiction and eradication operations, including when available, the use of aerial spraying against marijuana and opium poppy crops. At the same time, the Executive Secretariat for the Commission Against Addictions and Illicit Drug Trafficking (SECCATID) is aggressively pursuing a demand reduction program in Guatemala.

Although the GOG seized almost triple the amount of cocaine during 2001 that it seized during 2000, its interdiction performance still lags behind the 1999 benchmark of more than 10 metric tons. INL support for interdiction efforts will include increased training, operational support and maintenance of equipment for the Guatemalan counternarcotics police. While significant poppy cultivation in Guatemala has been eliminated, it remains necessary to periodically assess the magnitude of the crop using the INL Regional Aerial Reconnaissance and Eradication (RARE) capability. The Peten region of the country continues to be the main source of marijuana cultivation. GOG drug control police carry out manual eradication, limited air-mobile interdiction (with INL assistance), port control operations, narcotics investigations, and road interdiction and inspection functions.

INL provided supplemental Hurricane Mitch funding to Guatemala to implement projects that address a variety of problems, including narcotics related corruption and drug smuggling in commercial freight. These projects address anticorruption efforts in customs agencies, encourage implementation of the Inter-American Convention Against Corruption, and build a capability to reduce alien smuggling. Although Mitch-funded projects will be completed by early 2002, those requiring additional or continuing support will be incorporated into other INL projects.

FY 2003 Program

The INL program for FY 2003 continues to reflect a shift to a regional focus in interdiction and program support activities that began in 1999. Funding will be used to support a full-time regional advisor, the initiatives of the Central American Drug Control Commission (CCP), the expansion of regional training as well as the regional Mitch-funded projects. This will help Guatemala and its neighbors to combat common problems and stimulate the regional cooperation necessary to counter the considerable resources and ingenuity of narcotics traffickers

The **Narcotics Law Enforcement Project** focuses on three areas: narcotics interdiction, drug crop eradication and institutional development. The **Institutional Development Project** utilizes INL funding to develop the investigative and operational capacity of the Department of Anti-Drug Operations (DOAN) of the National Civil Police. It will strengthen Guatemala's enforcement capability by providing training, equipment, and infrastructure for the DOAN. New DOAN units, such as the antismuggling unit, will be used to expand its presence in the interior and to deploy mobile inspection teams to prevent drugs, weapons, illegal aliens, and other contraband from entering and transiting Guatemala. Other new units include a special chemical diversion investigative unit to interdict precursor chemicals transiting Guatemala on a daily basis and the police polygraph unit. INL will support the expansion of the Guatemalan Regional Anti-Narcotics Training Center into a fulltime facility offering more courses for other Central American police as well. The NAS-funded canine training program at the center currently offers courses for detector dog handlers, instructors, supervisors and narcotics investigators for countries throughout the region. The Joint Intelligence Coordination Center (JICC) project is in the process of implementing an integrated computerized system to track vehicles, identify personnel, monitor active cases, and provide and enhance information sharing with the GOG and counterpart Central American institutions.

The **Interdiction Project** supports the objective of deterring the transshipment of cocaine while continued eradication of opium poppy and marijuana plants is the goal of the **Eradication Project**. To accomplish these goals, INL funds will be used to continue to strengthen interdiction and eradication capabilities through training and logistical support for police units involved in counternarcotics

operations. Operational training will be provided to support Mayan Jaguar and other USG regional eradication and interdiction efforts, including RARE and Central Skies regional deployments. The project supports the DOAN port security program by funding a U.S. Customs port advisor and training for DOAN agents.

The **Narcotics Prosecutor Assistance Project** provides funding for the special narcotics prosecutors unit of the Attorney General's office (Public Ministry). The objective is to expand the number of prosecutors in the program, increase professional training, integrate the current narcotics case tracking system with the case management system that the GOG is developing for the National Civil Police, and increase drug convictions. This project supplies equipment and training in coordination with USAID judicial reform efforts and funds a local-hire legal advisor. A well-received element of the project, developed in 1998, provides assistance to the GOG to streamline operations, prepare cases and draft counternarcotics legislation. The legal advisor, working with the host government since 1999, assisted in the development of recently passed money-laundering legislation in Guatemala. He will continue to support the drafting of counternarcotics and organized crime legislation in Guatemala and other Central American countries. The legal advisor will also help the GOG organize a financial crimes unit to investigate and prosecute money-laundering crimes.

The **High Impact Courts Project** will support a Guatemalan Supreme Court initiative establishing "high impact" courts designed to handle sensitive organized crime and narcotics cases that regular courts cannot. In addition to staff training, the court case tracking system will eventually be integrated with the National Civilian Police case management system. The primary objective of the project is to promote greater coordination and cooperation between the judiciary, the prosecutors and the police. Project provided training and technical assistance would also encourage the adoption of asset forfeiture laws and narcotics-related legal reforms.

The **Drug Awareness/Demand Reduction Project** is designed to advance GOG efforts in this area while encouraging the government to pass needed counternarcotics legislation. The GOG recognizes that domestic drug addiction is a growing threat and has made demand reduction a national priority. The main recipient of aid from this program is the Executive Secretariat for the Commission Against Addiction and Drug Trafficking (SECCATID). SECCATID develops education programs and actively promotes public awareness of drug issues. In 1999, SECCATID completed the first phase of a nationwide study to gather baseline data on drug addiction; sponsored, with INL assistance, a countrywide drug awareness contest; and sponsored a regional demand reduction seminar in conjunction with ONDCP. During FY 2002 and FY 2003, the project will help SECCATID conduct another survey of drug usage and continue to build on ideas generated by a regional demand reduction seminar. As it expands the GOG outreach program will begin to reach all school children. The project will also help SECCATID develop specific advertising and public information programs, including videos addressing the dangers of drug use by youth.

Program Development and Support funds will provide resources for salaries and benefits of U.S. and foreign national direct hire and contract personnel, International Cooperative Administrative Support Service (ICASS) costs and general administrative and operational expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Increased institutional capability within the DOAN for illicit drug interdiction, opium poppy eradication and drug trafficker prosecutions;
- Increased participation of students from other nations in the region in training activities and an increase in the exchange of law enforcement information between Central American countries;
- Adoption of measures, legislative and regulatory, to strengthen the judicial system, leading to an increase in effective prosecution of criminal cases; and
- Enhanced level of drug awareness, demand reduction, and counternarcotics expertise developed among prosecutors, public health, media and educational institutions.

Guatemala

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Interdiction	300	325	325
Training, Equipment, Operational Support, Command and Control, Port Security and Border Control			
Eradication	135	150	150
Training, Equipment and Operational Support			
Institutional Development	1,375	1,525	1,525
Training, Equipment and Operational Support			
Subtotal	1,810	2,000	2,000
Administration of Justice			
Narcotics Prosecutors	250	375	275
Training, Equipment and Operational Support			
High Impact Courts	150	225	175
Training, Equipment and Technical Assistance			
Subtotal	400	600	450
Drug Awareness/Demand Reduction	250	270	270
Program Development and Support			
U.S. Personnel	195	208	220
Non-U.S. Personnel	80	90	100
ICASS Costs	175	200	220
Program Support	90	132	140
Subtotal	540	630	680
Total	3,000	3,500	3,400

Jamaica

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
257 ¹	1,550	1,300

Objectives

- Assist the Government of Jamaica (GOJ) to develop laws and regulations to control international organized crime, especially drug trafficking, and to identify and prevent narcotics-related corruption of public officials;
- Improve the ability of the GOJ to conduct sophisticated law enforcement investigations and operations, including drug interdiction, marijuana eradication, detection of the illegal diversion of precursor and essential chemicals, money laundering and asset forfeiture, leading to the successful prosecution of drug traffickers, money launderers, and other criminals;
- Enhance Jamaican ability to detect and deter the transshipment of drugs and other contraband through Jamaica's air and sea ports;
- Improve GOJ ability to fulfill the terms of our bilateral mutual legal assistance and extradition treaties; and
- Assist the GOJ to prevent drug consumption among its citizens.

Justification

Jamaica is a major transit point for South American cocaine en route to the U.S. and the largest Caribbean producer and exporter of marijuana for U.S. markets. Traffickers use Jamaica's ports, offshore waters and airstrips to move drugs to the U.S. Jamaican ports are also vulnerable to the illegal diversion of precursor and essential chemicals. Corruption continues to undermine law enforcement and judicial efforts against drug-related crime in Jamaica. While Jamaica is not considered an important regional financial center, tax haven, or offshore banking center, the U.S. is concerned about the increase in money laundering in the Caribbean, including in Jamaica.

The Government of Jamaica (GOJ) publicly states its commitment to combating illegal drugs, but operates under severe resource constraints. Over 60 percent of its national budget is used for debt servicing and 30 percent for government salaries, leaving less than ten percent for operating and

¹ During FY 2001, the program was managed with prior fiscal year funding.

capital expenses. Therefore, U.S. and other donor assistance is essential to help the GOJ develop and sustain an effective counternarcotics/anticrime capability. Despite budget constraints, over the last four years, the GOJ acquired seven helicopters, a former U.S. Navy tugboat, and X-ray machines for use at its two international airports. In 2001, the GOJ hired staff for its Financial Investigative Unit. The GOJ also continued to support the Fugitive Apprehension Team, which has been successful in locating and arresting persons subject to U.S. extradition. The GOJ extradited ten people to the U.S. during 2001. Beginning in June 2001, the GOJ assumed the funding of salaries related to marijuana eradication efforts (which the USG had been funding). In addition, in 2001 the GOJ initiated a one-year pilot drug court project under which three such courts have been established. The GOJ continues to support the operations of the Caribbean Regional Drug Law Enforcement Training Center.

The GOJ has also taken steps to strengthen its counternarcotics/anticrime legal regime. During 2001, the GOJ brought into force an Anti-Corruption Act, amended the Integrity of Parliamentarians Act, and ratified the Inter-American Convention Against Corruption. The GOJ is in the process of drafting implementing regulations for the Precursor Chemicals Act that entered into force in 2000. The GOJ has strengthened its Money Laundering Act by amending it in 1999 to require suspicious transaction reporting and to raise the threshold for mandatory transaction reporting; in 2000, the Act was further amended to expand the predicate offenses beyond drug-related money laundering to include offenses related to fraud, firearms, and corruption. In October 2001, the U.S. and GOJ signed a new Letter of Agreement that redirects prior-year unexpended counternarcotics assistance funds to projects identified as high priority by both parties.

Counternarcotics assistance for the GOJ seeks to build upon limited counternarcotics and law enforcement resources and help the GOJ to enact and implement effective anticrime/corruption legal regimes. It helps the Jamaica Constabulary Force (JCF), the Jamaica Defense Force (JDF), the Jamaican court system, and other GOJ agencies carry out effective counternarcotics and anticrime law enforcement investigations and operations resulting in the arrest and prosecution of drug law violators, money launderers and other criminals, and the seizure of the proceeds of their criminal activities. The program also seeks to strengthen GOJ ability to detect and deter public corruption. Limited funding is provided for programs to reduce the demand for drugs in Jamaica. The U.S. has provided, and will continue to provide, extensive training and equipment to the JCF Narcotics Unit, the JDF Coast Guard, the Contraband Enforcement Team, the Port Security Corps, the National Firearms and Drugs Intelligence Center, the Fugitive Apprehension Team, and the Joint Intelligence Coordination Center. In November 2000, a resident Narcotics Affairs Officer was assigned full-time to the Embassy in Kingston.

FY 2003 Program

All aspects of the counternarcotics program are focused on Jamaican implementation of the 1988 UN Convention. The program provides resources to enable the GOJ to counter public corruption in compliance with the Inter-American Convention Against Corruption. The requested funding level for FY 2003 will permit the GOJ to undertake the intensity of counternarcotics and anti-money laundering law enforcement and anticorruption efforts that are needed to foster an environment conducive to the development of legitimate agriculture and commerce.

In support of the U.S.-Jamaica maritime counternarcotics cooperation agreement that went into force in 1998, the U.S. and Jamaica have undertaken combined maritime operations that have been

successful in interdicting vessels transporting drugs. To augment Jamaica's maritime interdiction resources, the USG provided two 82-foot cutters and is refurbishing boats, two of which have been turned over to the JDF Coast Guard (JDFCG). These boats perform routine counternarcotics patrols and interdiction operations, but lack the speed necessary to counter the threat of go-fast vessels transporting drugs. In October 2001, the U.S. and GOJ developed a revised plan for unexpended prior year counternarcotics funds that redirected a portion of these funds to a new **Maritime Interdiction Project** that will fund the procurement of three go-fast boats for the JDFCG. Continued funding of this project will support the acquisition of additional boats and equipment to support interdiction operations, as well as training and technical assistance to strengthen JDFCG ability to effectively operate and maintain the fleet.

The **Narcotics Law Enforcement Project** provides training, technical assistance, and equipment for Jamaican agencies involved in counternarcotics and anticrime activities. Project activities are designed to strengthen GOJ capability to target, investigate and prosecute drug traffickers and money launderers; apprehend fugitives from justice; detect the diversion of essential and precursor chemicals; and eradicate marijuana cultivation. The project assists the GOJ in preparing modern drug control legislation to bring it into compliance with the 1988 UN Drug Convention and in strengthening Jamaican legal institutions through training and technical assistance to judges and prosecutors in the areas of extradition, asset forfeiture, money laundering and drug prosecutions. Assistance is also provided to help the GOJ implement effectively its anticorruption laws and the Inter-American Convention Against Corruption.

The **Border Control and Port Security Project** provides training and equipment to strengthen GOJ ability to disrupt the movement of drugs and other contraband via commercial cargo and conveyances at air and seaports and free trade zones. Assistance will be provided to support GOJ implementation of its Customs modernization plan, for instance, through the provision of equipment and training for additional Contraband Enforcement Team staff, and procurement of drug-detection equipment for Jamaican ports.

The INL program will also provide limited assistance for a **Drug Awareness and Demand Reduction Project** to support programs of the GOJ, NGOs, and other donors. The NAS will also work with the GOJ to increase public awareness of the consequences of drug abuse by providing expert speakers and advisors.

Program Development and Support funds provide for salaries, benefits and allowances of U.S. direct hire and locally hired personnel, International Cooperative Agreement Administrative Support Services (ICASS) costs and other administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Enactment and implementation of a the full range of strong drug control measures by the GOJ;
- Increased cocaine seizures and a reduction of harvestable marijuana cultivation;

- Improved capabilities of Jamaican law enforcement and criminal justice institutions, as evidenced by increased number of major drug traffickers and money launderers arrested, prosecuted and sentenced;
- Decreased time from delivery of U.S. extradition requests to conclusion of Jamaican extradition proceedings;
- Enhanced GOJ capability to investigate and prosecute corrupt security and justice officials; and
- Reduction in drug abuse by Jamaican citizens.

Jamaica
INL Budget
(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Commodities	—	500	240
Training & Operational Support		370	210
Subtotal	—	870	450
Border Control and Port Security	—	150	200
Maritime Interdiction	—	250	300
Drug Awareness/Demand Reduction	—	—	30
Program Development and Support			
U.S. Personnel	157	160	185
Non-U.S. Personnel	10	10	15
ICASS Costs	45	50	55
Program Support	45	60	65
Subtotal	257	280	320
Total	257¹	1,550	1,300

¹ During FY 2001, the program was managed with prior fiscal year funding.

Mexico

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
10,000	12,000	12,000

Objectives

- Modernize and reform the criminal justice sector and eliminate corruption and the abuse of authority;
- Prevent the use of Mexican territory and territorial waters by drug trafficking organizations to move illicit drugs to the U.S.;
- Dismantle organized crime groups, especially the drug cartels, and disrupt their criminal activities;
- Reduce and ultimately eliminate drug crop cultivation, production of methamphetamines, and other illicit pharmaceuticals;
- Eliminate money laundering and increase the numbers and amounts of seized and forfeited trafficker assets; and
- Reduce demand for illicit drugs; mobilize communities against drugs and crime.

Justification

Entering his third year in office, President Vicente Fox Quesada will need to consolidate his administration's reforms and begin to institutionalize them. He will also need to be able to demonstrate concrete progress toward achieving at least his top campaign promises: improved public security and the elimination of official corruption. In the early part of his presidency, he has increased substantially the resources and political attention to criminal justice reforms and security. The Mexican government (GOM) has also been more open than in the recent past to technical and other support from the U.S. and other partner nations. It has likewise been open to improved bilateral and multilateral law enforcement cooperation in many areas of law enforcement, notably narcotics control. The Fox administration's ambitious strategic plan for strengthening and restructuring federal law enforcement agencies has been followed by more specific agency technical plans; this has facilitated the development of better-integrated U.S. support programs, with clearer goals and benchmarks. The INL program will focus on the modernization of key justice sector institutions, notably two key Fox administration goals: strengthening the prosecutorial role of the federal Attorney General's Office (PGR) and transforming the Federal Judicial Police into a more professional investigative body.

The success of U.S. national drug control strategy is heavily dependent upon the success of Mexico's counternarcotics effort. Mexico-based trafficking groups control the flow of large quantities of South American cocaine into the U.S. and operate their own distribution networks within the U.S. for Mexican-produced heroin and marijuana. They have also come to dominate the production and distribution of methamphetamine, one of the fastest-growing and dangerous drug use trends in the U.S. These criminal organizations are a principal cause of violence, corruption and other crimes in both countries, particularly along the border.

Despite its commitment to reform, the Fox administration faces some daunting obstacles. Corruption is a widespread and serious problem, but perhaps even more difficult to address are the chronic institutional weaknesses within many justice sector entities, including weak personnel systems, low pay and benefits, inadequate internal controls and accountability, outdated management procedures and a lack of automation. Fox administration efforts to professionalize Mexico's law enforcement agencies, to improve their organization and to institute modern management systems and techniques, will help to address many of these problems. Improved pay and benefits, merit-based promotions, improved training, and stronger internal controls will help improve the efficiency and reliability of law enforcement personnel.

In addition to strengthening basic federal law enforcement agencies, INL will assist the Fox administration develop specialized units capable of tackling the sophisticated criminal organizations or complicated new forms of international crime, such as cyber-crime.

As the drug cartels' profits have increased, their need for money laundering services has also grown. Measures enacted in 1996-97 have provided the basis for more effective control of money laundering, and the GOM has strengthened the capabilities of its money laundering investigators and prosecutors. While critical legal and regulatory reforms have been enacted in the past five years, Mexico still lacks the institutional capability to fully implement the new laws and regulations or to prosecute money-laundering groups.

The border region is not only the most affected by drug-related crime and violence, it also leads the nation in illicit drug use. Abuse of cocaine, crack, methamphetamine, and other drugs is growing rapidly along the border, in large cities and some tourist areas. Public and private sector programs, many with U.S. support, are trying to raise public awareness of this growing problem and to mobilize public support against it.

FY 2003 Programs

INL will continue to fund U.S. drug control programs in Mexico that are designed specifically to support the Mexican government's efforts to strengthen its law enforcement institutions, to enhance human resource management, to modernize its infrastructure and promote anticorruption reforms. While the GOM continues to invest heavily in its own programs, U.S.-funded technical assistance and equipment remains essential to Mexico's ability to achieve its objectives. In many cases, U.S. assistance permits Mexico to accelerate reform or training efforts. The INL program also seeks to support bilateral cooperation and cooperative activities.

The **Administration of Justice Project** will promote the professional development of police agents, prosecutors, and criminal experts from Mexican federal, state, and municipal investigative,

prosecutorial, and judicial institutions. The purpose is to improve the institutional capability of these public safety and national security agencies to act effectively against drug trafficking and other organized criminal activities.

The project will support the efforts by the PGR to develop a stronger administrative framework that will promote proper human resource development, ensuring greater career stability and professional development. Increasing the incentives to honest, professional performance is essential if Mexico is to achieve its objectives of ending corruption and increasing operational effectiveness, which in turn will enhance Mexico's counternarcotics and anticrime efforts. Training is another key component of the project. U.S. support will be concentrated on strengthening law enforcement training institutions, but will include a wide array of professional training, seminars, expert visits, internships and personnel exchanges with U.S. or other international counterparts. By supporting GOM efforts to make law enforcement a respectable and promising career, this project will help to improve recruitment, reduce chronic turnover and widespread compromise of personnel, and preserve our training investments. In some cases, we will provide computers, software, laboratory equipment, and other materials.

The project will also support the GOM National Anticorruption Plan and the Secretariat of the Comptroller and Administrative Development. This will include professional development activities for state and federal judges, including modern courtroom administration and promotion of transparency in court proceedings. INL training and technical support will also be used to support the reorganized and streamlined Federal Investigations Agency (formerly the Federal Judicial Police) which is responsible for investigating a broad range of serious crimes, including terrorism, arms trafficking, kidnapping, money laundering and intellectual property theft.

The **Narcotics Law Enforcement Project** will provide material and technical assistance to Mexican enforcement programs, particularly to drug control entities, such as the Drug Control Planning Commission (CENDRO), a multi-function agency that coordinates interdiction, conducts intelligence analysis, and participates in drug-related investigations. Many of these programs are designed to support the goals of the Binational Drug Strategy and respond to changing trafficking patterns and emerging threats. In FY 2003, the project will focus support on CENDRO and on specialized anticrime units. It will provide infrastructure support and specialized equipment, such as protective gear for dismantling of clandestine chemical labs.

While cocaine is transported to Mexico by air, land, and sea, maritime smuggling is the trafficking mode of greatest concern at the present time. INL project funding will continue to include support for maritime and land interdiction, including bilateral work in post-seizure analysis, which is critical to supporting investigations against the trafficking organizations. INL will also support a pilot project to improve maritime port security to detect and deter drug trafficking, with an emphasis on public and private sector cooperation.

The **Anti-Money Laundering Project** supports the Secretariat of the Treasury's Financial Investigative Unit (FIU) and the Attorney General's Office (PGR) Money Laundering Control Unit. The FIU is the GOM institution responsible for analyzing suspicious transaction reports and conducting audits for money laundering investigations, while the PGR unit carries out the criminal investigation and prosecution. The FY 2003 project will enhance the capabilities of FIU and PGR operations by providing additional information management equipment, consultant services for software design upgrades, office equipment, and training.

The **Aviation Support Project** will provide technical assistance to the PGR Air Fleet to improve the efficiency of its fleet in support of eradication, interdiction, or other law enforcement operations. In FY 2003, it will focus on assisting the PGR in implementing its fleet modernization plan, including long-term support for the U.S.-leased aircraft. It will cover some engine modifications, unanticipated repairs, and test equipment. It will also cover specialized training, such as the use of night vision goggles, engine repair and pilot instructor training, all of which will promote optimum safety and efficiency.

The **Drug Awareness/Demand Reduction Project** responds to Mexican concern about increasing domestic drug consumption through a public information effort and drug prevention education for high-risk populations, principally in urban areas and in communities along the border. The project will support printed material and outreach programs, as well as curriculum for drug abuse and crime prevention. It will also facilitate the expansion of the Culture of Lawfulness program beyond the pilot activities in Tijuana, Ciudad Juarez, and Sinaloa. This program embraces a long-term approach to reducing crime by raising student awareness of the harm that organized crime, corruption, and gangs have on their communities and their nation.

The **Alternative Development Project** assists an indigenous community located in an area plagued by drug crop cultivation and trafficking to avoid involvement in those activities. Like many other vulnerable areas, this community was drawn to drug crop cultivation by economic desperation or by trafficker intimidation. Activities include prevention education, community mobilization, and the promotion of economic alternatives to poppy or marijuana cultivation.

Program Development and Support funds will provide for salaries, benefits and allowances of U.S. and Mexican direct hire and contract personnel, temporary-duty personnel, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Increase in the efficiency and effectiveness of criminal justice institutions and personnel in bringing drug violators, including money launderers, to justice;
- Increase in the number, and importance, of traffickers arrested (e.g., the leaders and the financial, transportation and security experts) as a result of Mexican or cooperative GOM/USG law enforcement investigations;
- Increase in the detection and interception of trafficker vessels, vehicles, and aircraft, particularly maritime and an increase in drug seizures;
- Increase in seizures of trafficker assets, including companies used to conceal operations or to launder drug profits;
- Decrease in the diversion of precursor and essential chemicals, and an increase in seizures, particularly those related to methamphetamine production;
- Continued decrease in the net production of heroin and marijuana; and

- Increased public awareness of the dangers of drug trafficking and abuse, and increased community involvement in drug abuse and crime prevention efforts.

Mexico
INL Budget
(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement	4,850	5,850	5,000
Technical Assistance and Communications, Computer and Other Equipment			
Aviation Support	1,150	1,320	2,000
Advisors, Training and Maintenance and Repair			
Administration of Justice	1,975	2,500	2,500
Special Prosecutor's Office and Federal Judicial Police			
Anti-Money Laundering	100	250	250
Alternative Development	55	50	75
Drug Awareness/Demand Reduction	500	550	600
Program Development and Support			
U.S. Personnel	958	1,006	1,060
Non-U.S. Personnel	115	124	130
ICASS Costs	177	195	215
Program Support	120	155	170
Subtotal	1,370	1,480	1,575
Total	10,000	12,000	12,000

Latin America Regional

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
8,537 ¹	10,000	9,500

Objectives

- Strengthen criminal justice institutions to respond more effectively to threats of drug trafficking and narcotics-related crime, including legislative and anticorruption efforts;
- Enhance capability of law enforcement to investigate, prosecute, seize and forfeit assets, interdict drug and chemical shipments and control money laundering;
- Develop bilateral and multilateral mutual legal assistance and extradition cooperation;
- Promote effective maritime enforcement throughout the region by entering into cooperation agreements supported by training, materiel and combined operations; and
- Reinforce hemispheric and sub-regional institutions that promote intergovernmental initiatives against drug abuse and drug-related crime.

Justification

Goal Four of the National Drug Control Strategy is to shield America's air, land, and sea frontiers from the drug threat. The countries covered by the Latin America Regional Account, which are primarily drug transit countries that lie between the U.S. and the major drug - producing countries, are facing continuing challenges in dealing with changes in traditional drug production and trafficking patterns resulting from the recent increased pressure on the Andean countries. In addition, these countries are subject to increased pressure on their fragile social and judicial institutions because of trafficker violence, corruption, and increased drug abuse. While the U.S. needs the assistance of these countries to interdict U.S.-bound drug shipments, they, in turn, need USG assistance to strengthen their law enforcement institutions, interdiction capabilities and drug abuse prevention and treatment programs to protect their societies from the corrupting influences of narcotics trafficking.

¹ This total does not include \$7 million of FY 2000 Plan Colombia Emergency Supplemental funding provided for Latin America Andean Regional.

Cooperative arrangements, bilateral and multilateral, are being negotiated to increase the ability of governments to detect and interdict illicit drugs and other contraband. In 2001, Nicaragua and Panama concluded maritime agreements with the United States, joining Costa Rica, Honduras and Belize—three nations that had already done so. Law enforcement efforts in the Caribbean and Central America appeared to force traffickers to shift routes from the western Caribbean to other areas, notably, the eastern Pacific where many multi-ton seizures have been made. Similarly, Belize, Costa Rica, the Dominican Republic, Guatemala and Mexico have signed stolen vehicle treaties with the United States. El Salvador is currently negotiating a stolen vehicle treaty.

Financial crime is a serious problem in a number of jurisdictions in Latin America and the Caribbean. During its June 2001 review, the Financial Action Task Force (FATF) updated its list of non-cooperating countries and jurisdictions in relation to anti-money laundering. The list currently includes Dominica, Grenada, Guatemala, St. Kitts and Nevis, and St. Vincent and the Grenadines. Guatemala passed money laundering legislation in late 2001, and this, along with the implementing regulations, will correct many of the failings encountered by the FATF. However, FATF also identified the Bahamas, Cayman Islands and Panama as having made significant progress in remedying deficiencies and removed them from the list. There is a continuing need for the U.S. to assist countries in the Hemisphere to develop anti-money laundering regimes that meet international standards and enhance capabilities to implement them.

Program Development and Support funds pay salaries, allowances and benefits of Foreign Service Officers, U.S. direct-hire and contract personnel and Foreign Service National employees working in Narcotics Affairs Sections or Offices in the region. In addition, funds pay International Cooperative Administrative Support Services (ICASS) costs and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation. In FY 2003, INL will have a NAS in both Barbados and the Dominican Republic, and offices with locally engaged staff in a number of other missions in the region.

FY 2003 Program

Latin America Regional funds will help nations such as Chile, Argentina, Paraguay and Uruguay increase investigative, judicial and prosecutorial capabilities through training and modernization of local laws ranging from money laundering to anticorruption. Regional funds will help improve interdiction capabilities of transit countries by providing training and equipment in conjunction with efforts to negotiate bilateral maritime and multilateral law enforcement agreements as a means of increasing interdiction capabilities throughout the region. The Narcotics Affairs Sections in the U.S. Embassies in Barbados, Guatemala and the Dominican Republic will provide management oversight of Latin America Regional funds to ensure that they are used effectively to advance priority U.S. objectives and make certain that programs in different countries complement and reinforce one another.

Caribbean

The U.S. will continue to provide assistance to upgrade Caribbean capabilities in interdiction, law enforcement and administration of justice. Regional funds will support increased efforts to detect and prosecute growing financial crime and governmental corruption in certain Caribbean states. Assistance in asset forfeiture and the development of Financial Intelligence Units (FIUs) will be funded in part

from the Anticrime Programs budget. Joint Information Communications Centers (JICCs) will be established, where appropriate, or upgraded with new equipment, software and training, to promote more real-time interchange of cueing information from maritime and air detection platforms to law enforcement entities. Funds will also provide some support for drug demand reduction activities.

Central America

Regional funds will continue to support efforts to modernize justice sector institutions and legal frameworks to allow successful prosecution of drug and arms traffickers, money launderers, alien smugglers, as well as corrupt public officials. Assistance will include such things as computer equipment to upgrade law enforcement, court, immigration, and anti-money laundering systems, maintenance and repair of vehicles and vessels, upgraded communications equipment and training. Regional anticorruption, anti-alien smuggling and commercial freight tracking initiatives now being developed throughout Central America will require continuing U.S. assistance as they become operational in FY 2002. The U.S. will also support initiatives aimed at cross-border cooperation, harmonization of legislation, and improved information sharing.

South America

Paraguay, Chile, Uruguay and Argentina are used by traffickers as transit routes for cocaine originating in Andean source countries as well as areas to launder money and obtain precursor chemicals. The FY 2003 plan includes support to Argentina to strengthen its capacity to disrupt trafficking at its land borders and commercial ports. Significant seizures of cocaine transiting Chile highlight the need to support GOC interagency counternarcotics coordination and efforts to tighten container shipping inspection protocols and overland transit. In Paraguay INL will assist police to investigate and prosecute major traffickers and money launderers, and enhance border control by establishing the Chaco Mobil Enforcement Unit within the anti-narcotics secretariat. In Uruguay, equipment and training will be provided to sustain the drug enforcement efforts of several agencies charged with implementing GOU counternarcotics legislation.

Regional Programs

The Caribbean Support Tender (CST), a State Department, U.S. Southern Command, and U.S. Coast Guard cooperative initiative, funds a USCG buoy tender whose mission is provide both formal and on-the-job training to personnel from participating countries as it deploys throughout the Caribbean. INL will continue to support the CST to upgrade the capabilities of the Caribbean states to interdict drug shipments and foster regional cooperation. The U.S. has delivered a second C-26 surveillance aircraft to Barbados that will be used by the Regional Security System (RSS), a treaty-based organization consisting of seven East Caribbean countries. INL will continue to provide support for the operation and maintenance of the C-26 aircraft, which are used for maritime interdiction.

Effectiveness Measurements

- Adoption and implementation of effective statutes against narcotics trafficking, money laundering and corruption;

- Increased number of signed, six-part maritime agreements, especially with Central American countries, and the development of a Caribbean regional maritime agreement;
- Decrease in illegal drug production;
- Increased capabilities of regional counternarcotics law enforcement agencies as evidenced by larger quantities of drugs interdicted, larger numbers of smuggling attempts deterred and increased numbers of traffickers arrested;
- Increased prosecutions of major drug traffickers and money launderers and increased numbers of asset forfeiture cases;
- Increased host nation capacity to prevent narcotics-related official corruption, and investigate and prosecute corrupt law enforcement and justice officials; and
- Decrease in drug abuse along with an increase in regional public awareness of, and resistance to, drug trafficking and organized crime.

Latin America Regional INL Budget (\$000)

	FY 2001	FY 2002	FY 2003
Caribbean	2,200	2,875	2,600
Country Assistance			
Computers and Support for JICCs and FIUs, Investigative and Other Equipment, Aviation Support, Demand Reduction, Border Control			
Central America	2,635	3,150	2,750
Country Assistance			
Operational Support, Equipment; Border Control, Regional Initiatives			
South America	750	875	900
Non-Andean Country Assistance			
Vehicles, Radios and Other Equipment, Operational Support			
Regional Programs	1,500	1,600	1,700
Caribbean Support Tender and RSS C-26 Support			
Program Development and Support	1,452	1,500	1,550
Total	8,537	10,000	9,500

Asia Regional

Laos

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
4,200	4,200	3,000

Objectives

- Increase drug enforcement efforts to combat production and trafficking of heroin, opium and methamphetamine;
- Build Lao capacity to reduce opium production and narcotics refining through alternative development and crop eradication; and
- Reduce drug addiction and abuse levels.

Justification

Due to the ban on opium poppy cultivation in Afghanistan, Laos became the world's second largest producer of illicit opium in 2001. According to U.S. estimates, opium poppy cultivation in Laos decreased five percent and potential opium production fell slightly to 200 metric tons in the 2001 growing season. This level of production is still higher than in 1998 and 1999, and indicates that the opium poppy crop has recovered from those poor growing seasons. Opium poppy is generally grown in remote, mountainous areas largely populated by ethnic minority groups that have traditionally resisted the imposition of central authority. Laos is one of the world's poorest countries, with a lack of infrastructure such as roads and rail that isolates rural villages from the market economy and most government services and influence.

INL development projects are aimed at providing income alternatives for opium poppy farmers before instituting a program of crop eradication. Without such alternatives the farmers would face extreme hardship and the Lao government would be unwilling to enforce eradication. The crop substitution areas funded by the U.S. government consistently show low levels of opium cultivation. However, developed areas comprise only a small percentage of the opium-growing region. The INL-funded alternative development project in Houaphanh Province has succeeded in meeting its goal of bringing opium production in the project area to below commercial levels. The project has included construction of rural access roads, irrigation and hydroelectric dams, clean water systems, local hospitals, and primary schools. New rice strains and commercial crops have been introduced, and commercial weaving and silk production have been promoted. The project's success has led INL to establish a similar crop control project in Phongsali Province.

Laos is also a transit route for Burmese drugs going to China, Vietnam, Thailand, Cambodia and beyond, and is increasingly coming under siege by drug traffickers. The first INL- supported counternarcotics units (CNU), now in nine provinces, are slowly maturing and expanding cooperation with other counternarcotics forces in the region. The INL project intends to eventually open CNU in all eighteen provinces and to equip and staff branch offices along trafficking routes.

Laos has the second highest opium addiction rate in the world and much of the opium poppy grown is consumed in Laos. The addict population supports Lao opium production and increases the difficulties of eradication and crop substitution. In addition, Laos shares with the rest of South East Asia the growing problem of methamphetamine abuse. There is still little understanding in Lao society of the complexity and pathology of drug addiction.

FY 2003 Program

The **Narcotics Crop Control Project** has been concentrated in Houaphanh and Oudomxai provinces, the latter in collaboration with the United Nations Drug Control Program (UNDCP.) Funding for both the Houaphanh and Oudomxai projects ended in 1999, although some residual activities extended into FY 2001.

FY 2003 program funds will be used to expand the crop control project begun in FY 1999 in Phongsali Province, and to support eradication efforts in areas that have received crop control assistance. Phongsali Province is the most important opium-producing province in Laos, according to the most recent UNDCP surveys, and has seen little development assistance because of its extremely remote location and lack of roads. The Phongsali project began with a heavy initial investment in road construction to provide access to markets and government services, which will be followed by support for improved food production and alternative income activities such as weaving and raising livestock. The new 72-kilometer road, although not yet complete, is already providing a platform for project development activities. Funds will also be used to expand the project northward and southward to include new villages.

The goal of the **Narcotics Law Enforcement Project** is to improve Lao counternarcotics law enforcement capabilities and promote effective interaction with law enforcement agencies in the international community. INL supports the participation of Lao officials to attend ILEA Bangkok training programs to boost their own abilities and establish relationships with regional counterparts. In FY 2003, the project will continue to support the special Counter Narcotics Units (CNU) in nine provinces and house, equip, and train additional CNU requested by the Lao, with the goal of having one in each of the country's 18 provinces. Assistance will also continue to the Lao Customs Department and National Commission for Drug Control and Supervision, which oversees all GOL counternarcotics activities. The FY 2003 request for law enforcement is less than in prior years because the Lao were unable to open additional planned CNU in FY 2002.

The **Demand Reduction Project** will support a number of efforts throughout the country to increase education and treatment. In previous years demand reduction programs were financed through the Crop Control Project, but this new initiative reflects an expansion of those efforts. Financial support will be provided to a Demand Reduction Training Center to be operated by an NGO Consortium and to other NGOs within the country to develop a nationwide train-the-trainer effort. Funds will also be

provided to assist the National Center for Demand Reduction in Vientiane and drug counseling centers.

The **Program Development and Support** funds are used for salary and benefits for the U.S. Direct Hire Narcotics Affairs Officer, locally-hired American and foreign national personnel, International Cooperative Agreement Administrative Support Services (ICASS) costs, TDY assistance, and other administrative costs for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Reduction, leading to elimination, of opium cultivation in expanded project areas of Houaphanh, Oudomxai and Phongsali provinces;
- Improved enforcement effectiveness resulting in more heroin, opium and methamphetamine seizures and more arrests for drug trafficking; and
- Increased participation in demand reduction and treatment programs.

Laos INL Budget (\$000)

	FY 2001	FY 2002	FY 2003
Crop Control/Alternative Development	3,310	3,250	2,225
Agricultural Assistance, Alternative Economic Activities, Infrastructure Improvements, Public Health and Education			
Narcotics Law Enforcement	500	500	50
Commodities and Training			
Drug Awareness/Demand Reduction	0	0	250
Program Development and Support			
U.S. Personnel	215	260	274
Non-U.S. Personnel	20	16	18
ICASS Costs	50	60	63
Program Support	105	114	120
Subtotal	390	450	475
Total	4,200	4,200	3,000

Pakistan

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
3,500	2,500 ¹	4,000

Objectives

- Improve the effectiveness of Pakistan’s counternarcotics efforts, with particular emphasis on the destruction of major heroin trafficking organizations, tracing and seizing assets of such organizations, strengthening Pakistan’s judicial system, and prosecuting key figures in the heroin trade;
- Consolidate and maintain opium poppy eradication efforts, eliminate Pakistan as a source of opium, and significantly reduce the flow of opium from Afghanistan; and
- Increase political and public awareness of the negative impact of illegal drug use and trafficking on Pakistani society.

Justification

During 2001 Pakistan registered another dramatic drop in domestic cultivation of opium poppy, which declined from an estimated 515 hectares to approximately 213 hectares, a decrease of 59 percent. To put this decline in long-term perspective, poppy cultivation has declined to its present level from a high of 8,530 hectares in 1992, when Pakistan was the world’s third largest illicit opium supplier, a decline of 98 percent.

The sole obstacle standing in the way of a poppy-free Pakistan is cultivation in remote, currently inaccessible areas of Khyber Agency. While the Government of Pakistan has successfully eradicated the bulk of Pakistan’s opium production, the ban on poppy production announced by the Taliban in July of 2000 and renewed by Afghanistan’s interim government in January 2002, the subsequent rise in the price of opium, as well as changes in the local government structures in potential growing areas, place Pakistan at risk of a resurgence in cultivation.

While opium poppy cultivation has plummeted in Afghanistan as well, dropping from an estimated 64,510 hectares in 2000 to approximately 1,635 hectares in 2001 (a decline of approximately 97 percent), drugs from Afghanistan continue to flow into Pakistan. Most of these drugs are believed to come from stockpiles that trafficking organizations have maintained. Drugs entering Pakistan’s Northwest Frontier Province are normally consumed in Pakistan or trafficked through Punjab and

¹ Does not include \$73 million from the FY 2002 Emergency Response Fund.

Sindh provinces and exit Pakistan through international airports, the Arabian Sea, or the Indian border. Drugs are also smuggled from southern Afghanistan through Baluchistan and onward to the Arabian Sea or to Iran. The vast and rugged terrain along the Pakistan/Afghanistan border has complicated interdiction efforts.

A vetted unit within the Anti-Narcotics Force (ANF) called the Special Investigative Cell, or SIC, was established in 1999 and has exceeded expectations. It doubled in size during 2000 and is targeting major heroin trafficking organizations by investigating and arresting major drug violators and tracing and seizing assets of major heroin traffickers. The work of this unit, which has been funded and trained by the USG, has resulted in a number of arrests and successful prosecutions. Other recent developments include Pakistan's establishment of special narcotics courts, the extradition to the U.S. of a fugitive wanted on drug-related charges, a major seizure of heroin by the Pakistani Coast Guard, and a court ruling confiscating the assets of a convicted drug dealer.

A supplemental appropriation of \$73 million was received in FY 2002 for a Border Security project. The focus of the project will be Pakistan's 1,500-mile border with Afghanistan. It will address the interwoven problems of drug trafficking, smuggling, terrorism, crime, and trafficking in persons by providing Pakistani law enforcement agencies with the means to more effectively police and secure the border. Among the components of the project are mobility, including helicopters, fixed-wing aircraft, and vehicles; communications; border security equipment and hardware, including night-vision goggles; and training. FY 2003 costs for this project will be funded from the \$73 million supplemental. The FY 2003 request for Pakistan will be used to continue and expand the existing narcotics law enforcement, crop control/alternative development and drug awareness/demand reduction programs in Pakistan.

FY 2003 Program

The **Narcotics Law Enforcement Project** provides operational, training, and commodity assistance to the Government of Pakistan (GOP) to support efforts to investigate, arrest, and prosecute narcotics offenders; to interdict trafficking in heroin, opium, and hashish; to prevent smuggling of acetic anhydride (AA); to eliminate heroin laboratories; and to enforce a ban on the cultivation of opium poppy. To advance these goals, the project provides commodities, including vehicles, communications equipment, office equipment and technical investigation equipment; advocacy fees (a program through which the U.S. government subsidizes highly competent private attorneys serving as GOP prosecutors in certain high-profile cases); operational support; and training. Project assistance facilitates cooperation between GOP Law Enforcement agencies and the DEA and increases the GOP's responsiveness to U.S. government requests for the arrest and extradition of narcotics offenders. As opium production in Pakistan declines, law enforcement cooperation will focus on the reduction of the flow of heroin out of Afghanistan. INL will build on earlier cooperation to enhance Pakistan's interdiction capacity. Other important aspects of the Narcotics Law Enforcement Project include assistance to the Special Investigative Cell (SIC); a maritime interdiction project focused on the interdiction of narcotics along the Makran coast; assistance to the Frontier Corps Baluchistan (FCB) and the Frontier Corps Northwest Frontier Province (FCNWFP); prosecutor training to streamline the extradition process; assistance to the Special Narcotics Courts (SNC); and funding of special prosecutors in certain high-profile narcotics cases. Assistance provided will include transportation and communications equipment, office supplies and equipment, and certain operational support costs,

including fuel and maintenance. Training assistance will include professional development courses for prosecutors and judges in the Special Narcotics Courts.

The **Crop Control/Alternative Development Project** has played a major role in the drastic reduction in poppy cultivation in Pakistan. In order to consolidate these gains, and to eliminate poppy production in the country altogether, alternative development project activities such as road construction, crop substitution, provision of potable water, and agricultural extension will be expanded to the remaining remote and isolated areas where some poppy is still grown (such as the Khyber Area) and to areas where poppy cultivation has ceased, but where there is a danger of its reintroduction. The Khyber Area Project is modeled on the successful Bajaur and Mohmand Area Development Projects. All will continue to receive INL funding in FY 2003.

Despite the fact that Pakistan has a very large number of persons addicted to heroin and other drugs, demand reduction efforts in the country suffer from inadequate public and governmental recognition of the severity of the problem. The GOP has approved a five-year master plan for demand reduction, but implementation has been delayed due to lack of funding. The **Demand Reduction Project** will support aspects of this master plan, and will include treatment and rehabilitation programs for addicts and former addicts, workshops for teachers and social workers, support for non-governmental organizations that are active in demand reduction efforts, and speakers who will address specific aspects of demand reduction to specially targeted audiences. We will also encourage an increased role for provincial and district level officials in demand reduction efforts. One way in which this will be accomplished will be through the establishment focal points within various provincial and district governments. INL funding will support the start-up costs including training, office equipment and supplies.

Program Development and Support funds provide for salaries, benefits, and allowances of permanently assigned U.S. and foreign national direct-hire and contract personnel, International Cooperative Administrative Support Services (ICASS) costs, TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Effectiveness Measurements

- Disruption and dismantling of major trafficking organizations as measured by statistics from Pakistani law enforcement agencies and by the number of major traffickers arrested;
- Seizures of opiates and precursor chemicals will increase 10 percent over FY 2002 and the GOP will conduct follow up investigations of such seizures in order to identify, arrest, and prosecute major traffickers responsible;
- Increased Pakistani-U.S. cooperation in law enforcement efforts as reflected by an increased number of investigations, arrests, and extraditions;
- Little or no poppy cultivation and the elimination of stockpiles by 2001; and

- Improved public awareness of the personal and societal costs of the serious drug addiction problem in Pakistan and a reduction in addiction rates as measured by UNDCP addiction surveys.

Pakistan

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement	857	600	1,350
Vehicles, Radios and Other Equipment, Training and Operational Support			
Crop Control/Alternative Development	1,700	1,000	1,700
Road and Irrigation Construction, Electrification and Farm Project Costs			
Drug Awareness/Demand Reduction	80	100	100
Seminar, Workshop and Training Project Costs			
Program Development and Support			
U.S. Personnel	454	442	462
Non-U.S. Personnel	78	80	83
ICASS Costs	170	180	190
Program Support	161	98	115
Subtotal	863	800	850
Total	3,500	2,500¹	4,000

¹ Does not include \$73 million from the FY 2002 Emergency Response Fund.

Thailand

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
4,095	4,000	3,750

Objectives

- Increase the capabilities of the new anti-money laundering office and streamline and modernize the criminal justice system;
- Target traffickers and their organizations, and obtain extraditions through cooperative investigations;
- Reduce poppy cultivation (currently below 1,000 hectares) through continued eradication and development of viable economic alternatives for farmers;
- Expand and improve drug abuse awareness and demand reduction activities;
- Improve drug control institutions through interagency coordination and institutional development; and
- Expand Thailand's role as a regional leader in drug control programs.

Justification

Thailand is positioned in the center of the Golden Triangle and has the most advanced transportation system in the region. Thailand has a long tradition of cooperation with the United States and the international community in counternarcotics programs. Extensive cooperative law enforcement programs continue to bear fruit. Thailand has one of the most effective opium eradication and crop substitution programs in the world and narcotics traffickers must now import opiates from Burma and Laos to satisfy domestic demand. Thailand has also been a leader in developing programs aimed at treatment, epidemiology of substance abuse and demand reduction. Thailand has added to its leadership in the region in transnational crime issues by co-managing the International Law Enforcement Academy (ILEA) in Bangkok with the U.S.

Despite these accomplishments, much remains to be done. Traffickers have diversified drug smuggling operations to include direct maritime transshipment from Burma to major container ports, many of which are in Thailand. The road network in northern Thailand links drug refineries in Burma with the Thai transportation system providing a conduit for drugs flowing out and for commodities needed by trafficking groups flowing back into Burma. There is increasing pressure on law enforcement assets as a result of a dramatic surge in methamphetamine production and trafficking in the region, usually by

the same groups involved in opium production. Although Thailand's cooperative counternarcotics operations with the U.S. have had many successes, the Thai criminal justice system lacks the tools to effectively prosecute and convict drug kingpins and dismantle trafficking organizations. Despite the success in crop reduction, continued attention is required as growers adopt double cropping and irrigation techniques and traffickers offer advance payments to growers in order to maintain a viable opium poppy supply. A sharp increase in the local use of methamphetamine requires a different approach to demand reduction activities than were used when the main focus was on heroin use.

FY 2003 Program

The majority of the resources requested for FY 2003 will be directed toward law enforcement efforts. The main focus of the **Narcotics Law Enforcement Project** is law enforcement institution building aimed at achieving more effective prosecutions of significant traffickers. FY 2003 resources will provide training, equipment and improved coordination throughout the country. Cambodia, Laos and Malaysia border areas, and Thailand's long coastlines, are under increasing pressure as law enforcement activities in northern Thailand increase. Additional resources will be needed to raise law enforcement capabilities in other areas of the country up to the level found in the north where, due to previous production and trafficking patterns, the majority of assistance has been targeted. Toward this end, the project will support efforts to upgrade new law enforcement officer skills, provide computer, investigative and communications equipment and vehicles to law enforcement agencies and train prosecutors and judges.

The **Crop Control/Alternative Development Project** focuses on eradication of drug crops and low-cost, small-scale development projects to replace lost income. Poppy cultivation has been reduced from 9,600 hectares in 1986 to less than 1,000 hectares in each of the last three years. Besides providing ongoing development assistance in 42 opium-growing villages (working primarily through the Royal Thai Army and other Thai government agencies) the FY 2003 funding request will support the annual destruction of approximately half of the poppy fields. This continues to be an important project as traffickers continuously seek new ways to increase crop production.

The **Legal Reform Project** was launched in FY 2001. It responds to the Thai government's recent willingness to confront narcotics-related crime and modify their criminal justice system to make it more efficient with the use of modern prosecutorial tools, such as wiretap evidence. FY 2003 support will be in the form of technical assistance, including legal advisors. In addition, INL will support the Thai anti-money laundering office and the related police unit by providing equipment and training. This will benefit the U.S. in that the same organizations that traffic methamphetamine to Thailand are trafficking heroin to the U.S. The legal changes will improve the Thai capability to disrupt drug trafficking organizations and arrest and convict drug kingpins.

The **Regional Narcotics Control Project** funds regional meetings, workshops and training. Activities will be based on U.S.-Thai enforcement goals with Thai agencies assisting and/or consulting with third country counterparts including ASEAN members and other countries.

The **Drug Awareness/Demand Reduction Project** has been well received by Thai society. A consensus has emerged that the use of illegal drugs is a national crisis. The Royal Thai Government (RTG) realizes that the long-term solution to drug abuse lies in demand, as well as supply reduction. In FY 2003, INL will continue to provide modest funding support for RTG and NGO demand reduction

training and for counternarcotics community outreach through a nationwide network of community colleges, police, the Office of Narcotics Control Board (ONCB) and the border patrol. INL will continue to support epidemiological and drug prevention studies in the areas of both opiate-based drugs and methamphetamine abuse.

Program Development and Support funds provide resources for salaries and benefits of U.S. and foreign national direct-hire and contract personnel, short-term TDY assistance, International Cooperative Administrative Support Services (ICASS) costs, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measures

- Continued high levels of heroin seizures and arrests and convictions of major drug traffickers;
- Disruption and dismantling of major trafficking organizations;
- Prosecutions based on the Anti-Money Laundering Act and continued reform of the judicial and legal process through statutory change;
- Suppression of opium cultivation through crop control and alternative development; and
- Increased regional cooperation on seizures, arrests and convictions.

Thailand

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Commodities	709	950	851
Investigative and Communications Equipment and Vehicles			
Training	350	400	350
Other Costs	100	200	175
Task Force, Personnel and Project Support and Travel			
Subtotal	1,159	1,550	1,376
Crop Control/Alternative Development			
Commodities	73	100	100
Agricultural Supplies, Construction Materials, Training and Survey Equipment, Vehicles, Eradication and Communications Equipment			
Other Costs	624	700	600
Technical Assistance, Training, Survey Support, Agricultural Extension and Marketing Assistance and Other Project Costs			
Subtotal	697	800	700
Legal Reform Project	1,095	500	500
Regional Narcotics Control	150	150	150
Drug Awareness/Demand Reduction	344	350	350
Program Development and Support			
U.S. Personnel	155	162	170
Non-U.S. Personnel	77	85	90
ICASS	190	200	210
Program Support	228	203	204
Subtotal	650	650	674
Total	4,095	4,000	3,750

Asia Regional Cooperation

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
2,233	5,050	4,500

Objectives

- Assist countries adopt and implement strong narcotics control legislation, improve the efficiency and effectiveness of judicial institutions to bring drug offenders to justice, and develop bilateral and multilateral mutual legal assistance cooperation;
- Strengthen host nation counternarcotics law enforcement capabilities to deal with drug trafficking and production, including the rising threat of amphetamine-type stimulants (ATS), money laundering, and other crimes;
- Develop governmental and NGO institutional capabilities to address drug abuse and prevention;
- Reduce the cultivation and production of illegal drugs through sustainable development and eradication programs; and
- Implement demand reduction programs specifically tailored to the needs of each country.

Justification

The transnational character of illicit narcotic trafficking and crime requires a regional approach for both multilateral and bilateral programs if success is to be achieved. The Asia Regional Cooperation account takes such an approach and complements U.S. drug-control funding provided through international organizations such as the UNDCP. Drug trafficking continues to proliferate through South and East Asia and into the Middle East and Africa as local criminal organizations prosper and develop into regional, interregional, and global networks. Several nations in the region, including India, Pakistan, and Bangladesh, are significant transit routes for narcotics. In many cases, governments with poorly trained and financed law enforcement infrastructure provide fertile environments in which trafficking organizations have flourished. Traffickers seek to exploit weak law enforcement environments to create networks reaching from Southeast and Southwest Asia to Europe and Africa and to the United States. These networks can also be used by terrorist organizations for financial and logistical support. A relatively new phenomenon is the rapid increase in illicit ATS production and trafficking by Southeast Asian organizations that also traffic in heroin. The explosion

in ATS trafficking and abuse threatens the stability of our traditional Asian allies and trading partners, and is beginning to penetrate the U.S. market for ATS.

FY 2003 Program

The regional cooperation program is designed to help governments establish and strengthen counternarcotics law enforcement units, obtain training or equipment and conduct demand reduction/public awareness campaigns. The FY 2003 request will be used to strengthen law enforcement and judicial institutions in East Asia; counter the increasing threat in East Asia posed by ATS trafficking; and, boost commodity support to counternarcotics agencies coping with a proliferation of trafficking routes throughout all of Asia.

East Asia

The program in East Asia is designed to strengthen law enforcement and judicial institutions and help develop a capability to address domestic drug abuse. Indonesia, with weak institutions and continued political turmoil, has become a transit point as well as destination for illicit narcotics and is a new focus of INL counternarcotics and law enforcement enhancement efforts. Institution building and material assistance are needed throughout East Asia, where drug trafficking and abuse are serious problems and where the governments have limited experience and capabilities in confronting these problems. INL programs will also assist countries in developing legislative and judicial structures to deal more effectively with drug trafficking and related crimes, such as money laundering. Smaller projects to enhance law enforcement and demand reduction capabilities are planned for a variety of countries in East Asia and the South Pacific. The U.S. will continue to encourage enhanced regional cooperation in addressing narcotics control, including the East Asian regional campaign against ATS trafficking.

South Asia

India is a key heroin transshipment area due to its proximity to both Burma and Afghanistan, the two main sources of illicitly grown opium. It is also one of the world's top producers of licit opium and is the world's sole producer of licit opium gum. The diversion of licit production to illicit use is therefore an important concern. In India, the INL program will provide equipment and commodities to a broad range of state and federal law enforcement agencies throughout the country to improve investigative and interdiction capacities against increasingly sophisticated drug trafficking organizations. INL funds will be used to assist Bangladesh with the development of a strategic plan to improve the criminal investigative capacity of the Bangladeshi law enforcement agencies, develop a functioning counternarcotics forensic facility, and improve criminal investigations and prosecutions. Funds will be allocated to assist Sri Lanka improve airport control and maritime and coastal interdiction, while Nepal will benefit from a drug enforcement training program. Funds for demand reduction programs in several countries will be administered through the Colombo Plan.

Program Development and Support funds pay for salaries and benefits, International Cooperative Administrative Support Service (ICASS) costs and general administrative and operational expenses for program planning, design, implementation, monitoring and evaluation for Narcotics Affairs Sections in Brussels, New Delhi, Ankara and programs at other posts as needed.

Effectiveness Measurements

- Increased national and regional capacities to combat illegal narcotics production and trafficking and related criminal activities;
- Enhanced capabilities of law enforcement agencies measured by the quantities of drugs interdicted, the number of arrests of major criminals and the degree to which trafficking networks are disrupted;
- Adoption of effective counternarcotics and money laundering legislation and countercorruption measures;
- Effective use of counternarcotics legislation, including conspiracy and asset forfeiture statutes;
- Reduction in the diversions of India's licit opium crop; and
- Decreased levels of drug abuse.

Asia Regional Cooperation

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
Narcotics Law Enforcement			
Commodities	962	1,445	1,045
Vehicles, Information Systems, Communications, Investigations and Other Equipment			
Other Costs	552	2,650	2,500
Training and Technical Assistance			
Subtotal	1,514	4,095	3,545
Crop Control/Alternative Development	255	255	255
Program Development and Support			
U.S. Personnel	180	250	250
Non-U.S. Personnel	30	10	10
ICASS Costs	98	220	220
Program Support	156	220	220
Subtotal	464	700	700
Total	2,233	5,050	4,500

Southwest Asia Initiatives

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
—	3,000	3,000

Objectives

- Eliminate opium poppy cultivation in Southwest Asia;
- In Pakistan, support and extend successful crop control programs;
- Support similar crop control programs in Afghanistan; and
- Support development of crop control law enforcement capacity within the post-Taliban Afghan government to complement alternative development efforts.

Justification

Successful eradication efforts in Pakistan and the ban on opium poppy cultivation in Afghanistan have greatly reduced opium poppy cultivation in Southwest Asia. In order to prevent a resurgence of cultivation in Afghanistan and eliminate pockets of cultivation in Pakistan, it is essential that crop control and alternative development plans in the region be continued. The drug trade is behind rising crime, corruption, drug addiction, and HIV infection in Central, Southwest, and South Asia, and is a source of income for organized crime and terrorist groups stretching across Russia into Europe and the U.S. The Afghan drug trade, in particular, adversely affects U.S. interests through its links to international terrorism and by fostering instability in the region. To help stem the flow of heroin to the U.S., INL has proposed the provision of \$15 million over a five-year period for crop control and alternative development programs in Southwest Asia, beginning in FY 2002.

FY 2003 Program

Traditionally a major source of illicit opium, Pakistan has fought to eliminate poppy cultivation from its territory. INL is building on this largely successful program with a consolidation project to prevent the return of poppy cultivation to project areas. In addition, INL expects to launch a joint U.S.-Pakistan initiative to curb remaining pockets of cultivation and drug trafficking in the Khyber Agency of the Northwest Frontier Province.

Afghanistan was the world's leading producer of illicit opiates during the 1990s. In FY 2003, the U.S. will continue programs begun in FY 2002 aimed at ending poppy cultivation permanently by providing alternatives to opium-based livelihood and by eradicating poppy crops. The U.S. will

provide assistance through Afghan government authorities bilaterally and to non-governmental and international organizations to implement these programs. INL will work with multilateral and bilateral donors to ensure that rehabilitation and reconstruction assistance includes counternarcotics goals. Some programs may be implemented through USAID.

As a result of years of war and instability, Afghanistan has been left without effective law enforcement agencies or infrastructure. As part of its development in a post-Taliban environment, there will be a need to develop indigenous counternarcotics and law enforcement capabilities, both to ensure internal stability and to end the cultivation, production and trade of illicit opiates. Effective law enforcement capacity will also be necessary to ensure the security of those working to implement alternative development and crop control/eradication projects and to provide an additional incentive to farmers to cultivate licit crops.

Effectiveness Measurements

- Progressive elimination of opium poppy cultivation in Afghanistan and in the remaining pockets of Pakistan;
- Reduction or elimination of opium markets, stockpiles, and heroin manufacturing facilities in Afghanistan;
- Revival of licit, non-opium poppy crop cultivation in Afghanistan;
- Development of effective law enforcement counternarcotics capacity in Afghanistan; and
- Reduction in the flow of drugs from the region.

Southwest Asia Initiatives

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
Crop Control/Alternative Development			
Commodities	—	1,800	1,800
Farm Implements, Seed, Fertilizer and Other Agricultural Supplies; Construction Materials; Vehicles; and, Training, Survey, Eradication and Communications Equipment			
Other Costs	—	1,200	1,200
Technical Assistance, Training, Survey Support, Rental of Construction Equipment, Agricultural Extension and Marketing Assistance and Other Project Costs			
Total	<u>—</u>	<u>3,000</u>	<u>3,000</u>

Interregional Aviation Support

Interregional Aviation Support

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
50,000	60,000	65,000

Objectives

- Support and assist the Government of Colombia in conducting an aggressive aerial eradication program to reduce coca and opium poppy cultivation in Colombia;
- Provide and/or support air transportation of people and materiel to facilitate expanded manual eradication in outlying areas of Peru (coca and opium poppy) and Bolivia (coca);
- Conduct and/or support missions to transport host government law enforcement or counternarcotics military personnel by air in Bolivia, Colombia, Peru, and other countries as required, for the purpose of destroying laboratories for processing or producing cocaine and heroin or other controlled substances and interdicting drug trafficking activities;
- Conduct aerial reconnaissance to locate drug crops and production facilities and verify eradication program results;
- Provide cargo airlift capability to support logistical requirements of counternarcotics efforts;
- Support institution building of cooperating host government counternarcotics aviation programs in Bolivia, Colombia, Peru, and other countries as required; and
- Develop and implement technological innovations to improve effectiveness and safety of aerial eradication and interdiction efforts.

Justification

INL's aviation program is an essential element in achieving international counternarcotics objectives. It assists host governments worldwide in their efforts to locate and eradicate drug crops, interdict drug production and trafficking activities, and develop internal institutional counternarcotics aviation capabilities.

The aviation program provides eradication, mobility, interdiction, and logistical support capabilities that augment and facilitate ground operations and in many cases perform functions that would not be

possible by any other means. For example, aerial eradication techniques allow for the destruction of illicit crops over a more widespread area, in a faster and more cost effective manner than manual eradication. This is particularly important in eradicating the vast growing areas in Colombia during limited dry season windows of opportunity. In countries that conduct manual, rather than aerial, eradication, such as in Peru and Bolivia, INL aircraft provide essential transportation of manual eradicators and their supporting logistics to remote drug growing areas. These efforts, in conjunction with alternative development, significantly reduce the amount of illegal drugs entering the U.S. by eradicating raw materials for drug production where they are cultivated. Airplanes and helicopters allow for transportation of law enforcement personnel, critical supplies and equipment to remote, underdeveloped, unsecured regions that would otherwise be inaccessible. Air reconnaissance assets are also an essential element in locating, identifying and targeting drug activities and verifying operational results.

By working closely with host government personnel to instill aviation technical and management skills and transfer technology, the aviation program supports the operational goal of enhancing the political will of countries to combat illegal drug production and trafficking. This program builds long-lasting institutions that develop trained personnel with demonstrated abilities to assume increased responsibilities for counternarcotics air activities.

Accomplishments

The interregional aviation program has made possible the tremendous expansion of aerial eradication in Colombia that, along with alternative development, is the backbone of that country's counternarcotics strategy. INL and the Colombian National Police have collaborated in mounting an effective campaign using U.S. owned T-65 Thrush and OV-10D Bronco spray planes to address coca and opium poppy cultivation in the various regions. INL has assisted the Colombian National Police with training, maintenance, logistics, and operational support to make this effort possible. The program also provided logistical and operational support in the form of C-27 cargo airplanes and a Multi-spectral Digital Imaging System (MDIS) mounted on a Cessna Caravan for identification and mapping of coca.

Besides supporting Colombian National Police aerial eradication activities, the interregional aviation program initiated and sustained the Colombian Army (COLAR) UH-1N helicopter program that provides air mobility to soldiers of the Counterdrug Battalions. This project included establishing an infrastructure, training the personnel, and preparing, configuring, deploying, and supporting the operation and maintenance of 33 UH-1N helicopters. The result of this effort, a fully trained COLAR aviation unit capable of conducting air mobile operations, is yielding results in terms of interdiction and ground support to aerial eradication.

The interregional aviation program support to Peru and Bolivia has also been instrumental in the continued net reduction of coca cultivation. In Peru, INL-owned helicopters transporting local counternarcotics police and U.S. law enforcement advisors on counternarcotics operations using a mobile-basing strategy have been a key factor in success. In Bolivia, INL helicopters have enabled the government to project authority over vast areas where drug traffickers previously operated with impunity. The virtual elimination of coca in the Chapare region of Bolivia would not have been possible without the helicopter support provided through INL's aviation program. INL-contracted aviation technical, training, and logistical support was an essential ingredient of the success enjoyed

by host nation personnel operating these helicopters. The aviation program has also continued to make progress in establishing self-sufficiency in host nation counternarcotics aviation organizations.

INL's interregional aviation program has provided support to other Latin American countries in identifying and curtailing drug cultivation through its Regional Aerial Reconnaissance and Eradication (RARE) program. In addition to keeping drug crop cultivation in check in Guatemala, Panama, Ecuador, Venezuela, Belize, and several other countries, this program has provided a capability to intercept drug smuggling aircraft, day or night, on a short-notice temporary deployment basis.

INL has made many technical innovations to enhance safety and effectiveness of operations. INL has continued to modify its OV-10 aircraft to provide appropriate armoring and night vision goggle capability in addition to state-of-the-art, satellite guided spray systems. This has provided more protection and safety for crews, while delivering herbicide in a very effective manner. The aviation program also established a technologically advanced system for identifying, plotting, and targeting coca cultivation using multi-spectral digital imaging.

In FY 2002, the interregional aviation program will continue to place special emphasis on the expansion of successful eradication efforts in Putumayo and other coca growing regions in Colombia. The program will continue to provide flight operations and instruction, maintenance quality control, and repair parts support to the CNP to make possible a high sortie rate against illicit crops. Simultaneously, we will conduct training of police and military counternarcotics elements to make possible their assumption of increased responsibility for these areas. We will also continue to provide support for helicopter operations in Peru and Bolivia, and successful training and institution building will allow us to continue to reduce U.S. contractor presence at those locations. The interregional aviation program will continue to pursue technological innovations to improve aircraft performance and explore new variations of aircraft to enhance eradication capabilities at a reasonable cost.

FY 2003 Program

The eight percent increase in the interregional aviation program budget request reflects growth in currently negotiated contract costs for continuation of the existing level of aviation support, as well as projected increased costs associated with Plan Colombia and the Andean Counterdrug Initiative (ACI). The addition of extensive aircraft equipment to the program via the FY 2000 Emergency Supplemental (33 UH-1N and 25 Huey-II helicopters owned by the USG and operated by the COLAR and 12 additional USG owned spray planes operated by the CNP) is expanding the contract support level effort even beyond that for which Plan Colombia Emergency Supplemental and ACI-related funds are available. Several elements of support that are ramping up in conjunction with the additional Plan Colombia equipment also will be borne by the Interregional Aviation segment of the budget. Examples include multi-spectral imagery and air movement of cargo and personnel.

Interregional aviation activities will continue to focus on key programs in Colombia, Bolivia, and Peru, with temporary deployments of aircraft and personnel on an as-needed basis elsewhere in the Andean region and Central America. INL will exploit all opportunities to support host nation aerial eradication while maintaining support for aggressive interdiction activities. Establishment of host country self-sufficiency for aircraft maintenance and training programs will continue as a priority in Bolivia, Peru, and Colombia. Efforts to upgrade spray aircraft capabilities will continue.

Effectiveness Measurements

- Aerial eradication of 200,000 or more hectares of coca and 5,000 or more hectares of opium poppy in Colombia in 2003, subject only to any restrictions imposed by the host government;
- Elimination of all residual coca and prevention of new plantings in the Chapare and elimination of illegal coca in the Yungas regions of Bolivia;
- Increased interdiction operations in the Yungas and along Bolivia's borders made possible through aviation support to head off increasing influx of drug trafficking activity resulting from the implementation of Plan Colombia;
- Successful reduction of coca cultivation in Peru as evidenced by abandonment of remaining coca fields;
- 20 percent or more increase in the number of eradication/interdiction missions flown in Peru in 2003 compared to 2002;
- Increase in the percentage of nationalization of the Peruvian National Police pilot and mechanic forces to over 90 percent;
- Provide 40,000 flight hours of support to counternarcotics initiatives with over 125 active aircraft;
- Successful aerial reconnaissance missions to pinpoint drug production areas and facilities and verify eradication;
- Enhanced host government institutional capabilities to undertake counternarcotics air operations safely and effectively; and
- Technological improvements to enhance the effectiveness, efficiency, and safety of aerial eradication.

Interregional Aviation Support

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
Aviation Support Services Contract 100 Aircraft Fleet	42,530	51,700	56,250
DOD-Source Parts, Maintenance and Overhaul	3,600	4,000	4,000
Operations Support			
Salaries and Benefits	1,470	1,700	1,900
Field Travel	200	220	235
Administrative Services and Program Support	1,690	1,780	1,925
Base support at Patrick AFB	510	600	690
Subtotal	3,870	4,300	4,750
Total	50,000	60,000	65,000

Other Counternarcotics Programs

International Organizations

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
12,000	16,000	13,000

Objectives

- Maximize opportunities to integrate and coordinate counternarcotics programs with anticrime and, where appropriate, counterterrorism programs; and
- Promote regional coordination and leadership in the international drug control effort.

Justification

The attacks of September 11, 2001 highlighted the close connections between illicit drug trafficking, organized crime and terrorism. There is strong political support worldwide to target these connections through coordinated efforts. International organizations (IOs), as established leaders in international counternarcotics and anti-organized crime efforts, are well positioned to provide law enforcement training and technical assistance on border security, money laundering and other intersecting issues. It is essential that INL take advantage of the post-September 11 international unity of purpose to fight illicit drugs, international crime and terrorism by supporting IO programs that promote modernization of criminal justice systems, help to establish high standards in law enforcement, and promote multinational cooperation.

U.S. support for multilateral organizations complements our bilateral and unilateral programs by stimulating cooperation among countries and within regions. Multilateral approaches highlight the international nature of the problems caused by drugs, crime and terrorism, generate increased “buy-in” by more countries, broaden the base of support, and stimulate contributions from other donors. Multilateral programs can also reach regions where the U.S. is unable to operate bilaterally, for political or logistical reasons. In addition, activities or initiatives sponsored by the United Nations (UN), the Organization of American States (OAS) and other multilateral organizations are often more palatable to countries sensitive to sovereignty issues and bring the weight of the international community to bear on a problem or an issue of general concern.

INL provides direct funding to international organizations such as UNDCP, the OAS’ Inter-American Drug Abuse Control Commission (OAS/CICAD), and the Colombo Plan’s Drug Advisory Program, and through them, to smaller sub-regional programs and organizations. In addition, UN agencies, international financial institutions and multilateral banks engaged in development programs in drug

source countries can have a major positive impact by factoring counternarcotics goals into their activities. INL encourages program collaboration among these organizations.

UNDCP

For most donor countries, the UN is the primary, or only, vehicle for contributing to international drug and crime control efforts. Active U.S. engagement is key to keeping them involved in, and committed to, what must be a truly international effort.

The UN will play a key role in efforts to strengthen border controls and border security in Central Asia and counternarcotics challenges in Afghanistan. The U.S. has supported UN training and technical assistance to law enforcement and customs institutions in Central Asia and expects to expand those programs in the aftermath of September 11. Before then, the U.S. was just beginning to fund alternative development and subsistence assistance to Afghan farmers through UNDCP (the projects were suspended after September 11). When rebuilding efforts begin, increased alternative development and drug law enforcement programs will be critical.

U.S. contributions to UNDCP have fostered an expansion of the Southeast Asia program that targets the second largest opium producer, Burma, where opium production is beginning to decline. This UN-led program encompasses China, Thailand and Laos, and includes projects in the Wa-controlled area of Burma and major alternative development projects in Laos. In addition, U.S. contributions to UNDCP support judicial and prosecutorial training in east Asia, Ecuador, the Dominican Republic and southern and eastern Africa; precursor control in central Asia, Bolivia and Colombia; border and seaports programs in southern and eastern Africa; computer-based amphetamine training in East Asia; the ASEAN and China Cooperative Operations in Response to Dangerous Drugs (ACCORD) plan to address amphetamine-type stimulants; an international law enforcement academy in Turkey; the Global Money Laundering Program; a maritime training and cooperation program; a data bank for precursors control; a legal advisory program promoting accession to and implementation of the international drug control conventions; and development and implementation of a new financial tracking system for UNDCP.

UNDCP Executive Director Pino Arlacchi will leave that position in early 2002. His departure should allow management reforms to go forward with greater speed. INL will continue to closely monitor management issues, working with the new leadership to ensure that reforms are implemented and sustained and programs are effective and efficient.

OAS/CICAD

The OAS, through CICAD, has played a key role in building a hemispheric consensus on drugs that has resulted in a formal counternarcotics alliance. Through that alliance, all OAS member states have now become parties to the 1988 UN Drug Convention and, through implementation of the Anti-Drug Strategy in the Hemisphere, are proceeding to develop comprehensive national drug plans, pass modern counternarcotics legislation, initiate drug abuse prevention and other key programs, and take other necessary actions. The work of OAS/CICAD was endorsed by the Heads of State at the Quebec Summit (April 20-21, 2001), including encouragement of the Multilateral Evaluation Mechanism (MEM), a peer review system to evaluate national and regional counternarcotics performances in implementing the goals of the hemispheric drug strategy and the 1988 UN Drug Convention. The success of the MEM will be measured by how effectively they are implemented by individual

countries. The MEM will produce a report each year, one a detailed evaluation with recommendations followed the next year by a review of the status of implementation of those recommendations. The EU, the UN and other bodies are watching the MEM closely as a possible model for monitoring national compliance with other multilateral agreements or conventions.

OAS/CICAD's principal project areas are legal development, control measures/law enforcement, demand reduction/prevention/treatment, and alternative development. It also manages a hemispheric information system—the Inter-American Observatory on Drugs—encompassing demand and supply/seizure data as well as a data bank of documents and reference materials and is working with member states to develop national data collection systems and observatories. CICAD has various initiatives underway to promote information sharing among national authorities, such as the Inter-American Telecommunications Network for Drug Control (RETCOD).

INL contributions have supported projects in all of these areas. Some direct results include: model regulations on money laundering and asset forfeiture, chemical diversion, and trafficking in firearms (along with training and technical assistance to implement them); national drug strategies (29 of 34 member states now have such plans); a regional Central American legal development and training center that assists governments in developing counternarcotics laws and sentencing guidelines; a regional demand reduction strategy for the hemisphere; coordination of demand reduction programming for street children and women; drug abuse prevention programs for under-served indigenous communities in Central America; drug abuse prevention and treatment training for nursing school personnel, counselors and others who work with street children; projects to promote communication and cooperation among regional customs services, port authorities, and drug law enforcement agencies; and the establishment of a telecommunications network for control of precursor chemicals in the Andean producer countries and neighbor states.

CICAD supports a number of projects that support alternative development and supply reduction, such as the Generalized Land-Use Evaluation and Management Tool (GLEAM) used to map land use, both legal and illegal, and support law enforcement, alternative development and integrated pest management projects that assist growers of legitimate crops (e.g., coffee, cacao, bananas) working in drug crop-producing areas. CICAD supports money laundering prevention programs for financial institutions throughout the hemisphere, including training for bank regulators and supervisory agencies, judges, prosecutors, and financial intelligence/analysis units. CICAD has conducted youth gang prevention seminars to assist regional governments confront this growing regional threat to our youth and to public safety.

FY 2003 Programs

UNDCP

FY 2003 presents a prime opportunity for the U.S. to capitalize and build on the international consensus for a coordinated and integrated approach to fighting illegal drugs, crime and terrorism. Central Asia and South Asia will continue to require significant resources to strengthen borders and law enforcement capacity. Synthetic drug abuse is evolving and increasing, requiring more coordination to identify and track precursor chemicals. The U.S. must maintain momentum toward reaching the UNGASS goal of eliminating or significantly reducing the illicit production of narcotics by 2008, as well as other UNGASS targets. Notable progress has been made in some areas towards the

ambitious UNGASS goals, though serious challenges remain. UNDCP has established itself as a respected, effective multilateral channel, and can provide invaluable expertise, as well as the ideal multilateral forum, as countries look to expand and coordinate their counternarcotics efforts.

FY 2003 contributions will allow UNDCP to assist countries to implement a broad-based, long-term change from poppy crops to alternative crops. They will assist Afghanistan's neighbors to increase effectiveness in controlling borders and tracing and seizing illegal proceeds. While much of the focus will be on Central Asia, U.S. funds will also continue to be needed to realize a decline in opium production in Burma and Southeast Asia, where the U.S. has limited access. Along with a new focus on Central Asia, continued support will be needed for effective programs elsewhere that: strengthen drug control institutions and regional cooperation in the NIS, coordinate and provide law enforcement training, judicial assistance, and demand reduction assistance to Russia and Africa, and strengthen Western Hemisphere institutions to investigate, prosecute, and confine major drug traffickers. Through UNDCP global programs, FY 2003 contributions will bolster new international initiatives to track and seize illegal proceeds and control the precursor chemicals used in illicit drug production.

OAS/CICAD

CICAD's solid track record in designing and implementing effective programs has attracted a widening source of international donors. INL continues to be the largest funding source. The FY 2003 budget request will support the effective operation of the MEM and enable CICAD to provide the follow-up training and technical support that member states will need to remedy the shortcomings identified by the MEM. INL will fund program activities to strengthen national drug commissions; develop and implement comprehensive national drug strategies; promote regional cooperation on the control of drug smuggling, money laundering, chemical diversion, and arms trafficking; provide specialized law enforcement training, such as customs inspection and maritime interdiction; promote administration of justice reform; reduce or prevent drug abuse; develop or refine sub-regional models and curricula for drug awareness and crime prevention/antigang education; promote best practices or establish regional standards for drug treatment; mobilize communities against drug abuse and trafficking; and promote sustainable alternative development in narcotics-producing regions. It will also be used to reinforce practical, effective sub-regional cooperation, such as in Central America, the Andes, and the Caribbean, to address cross-border or spillover effects of the drug problem.

Effectiveness Measurements

- Three UNDCP programs funded by the U.S. will specifically target the relationships between illicit drug trafficking, organized crime and terrorism;
- Increase in the number of UNDCP programs targeting sub-regions (rather than individual countries) from 17 in FY 2001 to 21 to better respond to transnational realities;
- Add a long-term evaluation component to five UN programs to assess their effectiveness one year after project completion;
- Increase the number of parties to the 1988 UN Drug Convention from 162 in FY 2002 to 165;

- Double the number of Muslim-based counternarcotics programs in South Asia from three in FY 2001 to six; and
- Increase Asian participation in the Global Drug Prevention Network from 50 to 100 organizations.

International Organizations

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
UN International Drug Control Program (UNDCP)	9,000	10,000	7,800
OAS Inter-American Drug Abuse Control Commission (OAS/CICAD)	2,800	6,000	5,200
Colombo Plan Drug Advisory Program ¹	200	—	—
Total	12,000	16,000	13,000

¹ Funding for Colombo Plan Drug Advisory Program was moved from the International Organizations account to the Demand Reduction account beginning in FY 2002.

Demand Reduction

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
4,500	5,000	5,000

Objectives

- Encourage drug producing and transit countries to invest resources in drug awareness, demand reduction and training to build public support and political will for implementing counternarcotics programs;
- Strengthen the ability of host nations to conduct more effective demand reduction programs.
- Improve coordination of, and cooperation in, international drug awareness and demand reduction issues involving the U.S., donor countries and international organizations; and
- Utilize accomplishments in the international program to benefit both U.S. and foreign demand reduction services

Justification

The Demand Reduction program seeks to reduce the worldwide demand for illicit drugs by motivating foreign governments and institutions into giving increased attention to the negative effects of drug abuse on society. It is important to note that additional funding for these activities comes from other program categories within the INL budget.

Demand reduction efforts aim to reduce the use and abuse of narcotic drugs and psychotropic substances worldwide. The need for demand reduction is reflected in escalating drug use and abuse that takes a devastating toll on the health, welfare, security, and economic stability of all countries. Foreign countries recognize the vast U.S. experience and efforts in reducing drug demand and increasingly request technical and other assistance from the USG to address their problems. Assisting countries to reduce drug consumption helps in a small but important way to preserve the stability of that country. On the other hand, INL support for public/private sector networks (national and regional) of demand reduction programs helps facilitate support for overall USG counternarcotics policies in foreign countries. This involves the development of coalitions of private/public social institutions, the faith community, and law enforcement entities to mobilize national and international opinion against the drug trade and encourage governments to implement strong counternarcotics policies and programs. Lastly, foreign countries are collaborating with the USG on developing model research-

based programs to improve the delivery of prevention/treatment services and reduce drug-related violence among youth.

As a result of INL-funded training and technical assistance, host governments are engaging their own national institutions, communities, and resources to address their demand for illicit drugs. Countries in Southeast Asia continue to develop and staff their own treatment/prevention programs. In Thailand, with INL-funded training, the Department of Health established nine pilot treatment sites to treat the growing epidemic of methamphetamine users. Further, the Thai Department of Corrections instituted drug intervention programs in 75 institutions covering 2,500 drug addicted inmates daily.

Governments in South America have implemented their own national-level counternarcotics media campaigns: local media advertisers and business in Chile, Venezuela and Brazil contribute between \$5-18 million annually to counternarcotics media advertisements. South Africa is developing a national counternarcotics media campaign. INL has co-sponsored regional training events in Latin America, Asia, and Russia/Eastern Europe and specialized prevention projects for high-risk youth in Latin America. Youth-based drug intervention programs in Latin America that were developed from INL training have produced high retention and success rates (i.e., reintegration into society) that were the subject of a recently published study that may help improve U.S.-based programs. Finally, public/private sector demand reduction networks significantly increased membership in the Western Hemisphere to 3,000 organizations and internationally to 6,000 organizations from over 70 countries.

FY 2003 Program

INL-funded training will continue to strengthen host nation counternarcotics institutions so that they can conduct more effective demand reduction and public awareness programs on their own. The program will give particular attention to cocaine producing and transit countries in Latin America, address the emerging serious methamphetamine abuse problem in Southeast Asia, and address the heroin threat for Asia and Colombia. An expanded area of focus will be the Middle East and South Asia where several hundred counternarcotics programs are members of INL's global drug prevention network. INL will increase support to its sub-regional demand reduction academies in Brazil and Columbia with an aim to increase by 100 percent the number of students trained at the centers. INL will establish new regional technology transfer centers in Eastern Europe, including establishing an Eastern European Institute for Substance Abuse Prevention in the Czech Republic and an Addiction Technology Transfer Center for the Asia/Pacific region. These activities will be undertaken in collaboration with other donor countries and international organizations to reflect an emphasis on increased multilateral activities.

The training and technical assistance program in FY 2003 will be designed to prevent the onset of use, to intervene at critical decision points in the lives of at-risk populations to prevent both initial use and further use, and to improve effective treatment and prevention programs. The program will expand its emphasis on the development of national, regional, and international coalitions of public/private sector organizations to strengthen international cooperation and actions against the drug trade. Programs will continue to facilitate cross-cultural, comparative research to directly benefit foreign and U.S.-based demand reduction programs. The results of this research will be a compilation of best-practices, common program elements, and lessons learned from organizations in selected countries that have developed successful demand reduction programs, both INL- and self-funded. Research will evaluate treatment and youth-gang violence best-practices studies and evaluate juvenile correctional institutions

to identify drug prevention best practices programs. The findings of two countries' programs will be the basis of a first international drug prevention research study. INL will also conduct four technology transfer studies of programs developed from INL-funded training and technical assistance, and provide support for three international drug treatment best practices research studies and drug-related anti-violence best practices studies.

The Demand Reduction Program budget will also support the enhancement of the abilities of host countries to build public support and strengthen the political will for implementing strong counternarcotics programs. Training will emphasize the development of national-level drug awareness campaigns that demonstrate connections between the drug trade and other concerns such as economic growth, democracy, and the environment. On the local level, training will target the establishment of effective drug awareness/education campaigns in schools and communities, including the use of the media and advertising resources. Technical assistance will support host governments' efforts to conduct and sustain drug awareness campaigns by building linkages between the corporate sector and the mass media. This assistance will result in an increase from five to seven countries that have established private-sector media partnerships for drug prevention education. The Demand Reduction Program budget request will also accommodate the increased need for training, enhance the development of international, regional, and national counternarcotics partnerships, and facilitate cross-cultural, comparative research designed to improve U.S.-based services. At the policy level, the program will focus assistance on building and strengthening national-level counternarcotics institutions with the capacity to develop comprehensive policies, programs, and strategies. At the international and regional levels, the program will enhance regional and international coalitions of NGOs developed previously, to mobilize international opinion against the drug trade, and encourage governments to develop and implement strong counternarcotics policies and programs. With INL continued support, technical assistance provided by the global /regional drug prevention networks to foreign countries will increase by 50 percent.

INL funds will expand the Colombo Plan's regional networks of public/private sector demand reduction organizations, in addition to linking the Asian networks to their counterparts in Latin America and other regions. These regional and international networks will allow us to mobilize Asian and international opinion and cooperation against the drug trade, encourage governments to develop and implement strong antidrug policies and programs, and strengthen support for USG counternarcotics policies and objectives in the Asian region.

At the grassroots level, the program will continue to help establish and sustain strong community partnerships and coalitions of public and private sector programs for drug prevention, expand community mobilization efforts, and create or enhance effective community- and school-based prevention programs. A goal of strong community-based partnerships is to establish demand reduction programs that address drug-related crime and violence and support national policies. Continued INL support for these coalitions will allow membership in the Western Hemisphere Drug prevention program to increase by 250 programs or individuals, and the Global Drug Prevention Network to increase by 500 the number of its affiliated programs or individual members.

The demand from foreign countries for INL-sponsored technical assistance on drug prevention programming continues to increase rapidly. Membership in INL-sponsored international and regional demand reduction networks has expanded exponentially, and initial findings from INL-funded research shows potential to directly enhance U.S.-based programs. Increased funding will allow us to

better mobilize international opinion and cooperation against the drug trade, encourage governments to develop and implement strong counternarcotics policies and programs, and strengthen support for USG counternarcotics policies and initiatives.

Effectiveness Measurements

- Increase by 100 percent the number of Latin American students trained in the Colombian and Brazilian sub-regional demand reduction academies;
- Establish an Eastern European Institute for Substance Abuse Prevention in the Czech Republic;
- Establish an Addiction Technology Transfer Center for the Asia/Pacific region;
- Conduct two international drug-related, antiviolence best practices research studies;
- Publish the first international drug prevention best practices research studies by reporting findings from two countries;
- Conduct four technology transfer assessment studies to document self-sustaining programs developed from INL-funded training and technical assistance;
- Conduct three international drug treatment “best practices” research studies;
- Increase the number of private-sector media partnerships for drug prevention education from five to seven countries;
- Increase technical assistance provided by the Global/Regional Drug Prevention Networks to foreign countries by 50 percent;
- Increase membership in the Western Hemisphere Drug Prevention Network by 250 programs or individuals; and
- Increase membership in the Global Drug Prevention Network by 500 programs or individuals.

Demand Reduction
INL Budget
(\$000)

	FY 2001	FY 2002	FY 2003
Contracts, Grants & Agreements	2,500	3,000	3,000
Training	2,000	2,000	2,000
Total	<u>4,500</u>	<u>5,000</u>	<u>5,000</u>

Systems Support and Upgrades

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
4,000	6,000	4,000

Objectives

- Provide program cost savings through standardization of services, support and upgrade aviation performance characteristics through economy of scale procurement;
- Provide standardization and sustained support to those countries that have received C-26 aircraft from the United States; and
- Provide flexibility for contracting cost fluctuations by maintaining a separate account for equipment upgrades and other contracting requirements.

Justification

The Systems Support and Upgrade Project has historically included C-26 support, an airborne surveillance initiative, refurbishment of OV-10 Broncos, and UH-1H helicopter upgrades. Through this funding, specialized systems that were previously not available were to be provided to meet counternarcotics mission requirements in support of surveillance, detection, eradication, interdiction and logistics. This project also allowed INL to improve the performance characteristics of existing systems to better utilize their capability, extend their useful life, and increase the effectiveness of reconnaissance, eradication and interdiction efforts.

INL has contracted for engineering and modification services to modify C-26 aircraft (owned by the host governments of Barbados, Colombia, Peru, Mexico, Venezuela and Trinidad and Tobago) with a suite of surveillance sensors. To ensure effective utilization of these powerful resources, host countries must be taught the appropriate tactics, techniques, and related doctrine that will lead to a systems approach in their counternarcotics surveillance and interdiction efforts. In addition, with appropriate information management protocols in place, these host nation operations will generate surveillance information of import to the U.S. and other donor nations. As C-26 operations mature, the need for optimized sparing protocols (both airframe and sensor system) will be of increasing importance. An appropriately tailored sparing protocol could save C-26 user nations as much as 50 percent of the cost of traditional spares packages.

To date, we have completed sensor upgrades for the Barbados C-26 (used by the Regional Security System or RSS) and the Colombian National Police. By the end of FY 2002, we also will have completed sensor upgrades for Trinidad and Tobago. The C-26 programs in Barbados and Colombia

are already providing valuable information and results. The Barbados aircraft conducted an operation in Puerto Rico that resulted in a multi-ton seizure of cocaine from non-commercial maritime drug traffickers. The Colombian CNP C-26 program has been providing valuable signal communications information that the Colombian police and military forces have used in drug laboratory seizure and aerial eradication missions.

FY 2003 Program

C-26 Support

Host nation aviation operations are significantly affected by their ability to fund the procurement of spares and general operating and maintenance expenses. It is, however, one of the fundamental tools that can be applied in an effort to reduce capital expenditures and recurring costs associated with spares replenishment and associated logistics. For FY 2003, INL will support C - 26 programs in Barbados, Trinidad and Tobago, Mexico and Peru and for the Colombia National Police. Program support will include training of sensor operators and pilots, contract logistical support, and provision of spare parts and maintenance.

Airborne Surveillance Initiative

One of the critical shortfalls in the current counternarcotics operational structure overseas is the lack of host government surveillance, detection, and monitoring capability. Traffickers operate with near impunity as they violate border integrity while transporting a variety of forms of contraband. Customs laws have been meaningless as air, land and maritime traffickers choose arrival points at their discretion. In short, many nations lack the fundamental means of assuring their own sovereignty.

INL will continue to modify C-26 aircraft with surveillance systems and train host nation forces to utilize this technology in a manner that benefits domestic, international and U.S. counternarcotics objectives. Training will include the disciplines of data management and analysis and will strongly promote the development and implementation of information sharing protocols across host nation interagency and regional counternarcotics communities. A systems approach to maritime- and land-based surveillance operations will emphasize the requirement for effective coordination between strategic and tactical airborne surveillance units as well as those directly involved in ground-based interdiction activities. INL will take advantage of contractor, U.S. military, and other law enforcement expertise to provide the international C-26 community with the tools to effectively prosecute their drug law enforcement missions.

OV-10 Refurbishment/A-10 Testing

INL received 22 OV-10D aircraft previously used by DOD that increased capabilities for conducting massive coca and opium aerial eradication campaigns throughout Latin America. The employment of these additional U.S.-owned aircraft, equipped with armored cockpits and twin engines, has increased speed, range, pilot safety and herbicide-carrying capacity, compared to the existing T-65 aircraft. The OV-10 refurbishment program will allow for major modification of these airframes to reduce weight and modernize electrical, avionics, cockpit configuration, and special mission equipment to take full advantage of the aircrafts' capability and extend their useful life. Aircraft so modified will have full day and night eradication capability.

In connection with the OV-10 program, INL intends to conduct testing to determine the feasibility of using excess A-10 aircraft as the next generation spray platform. Successful testing could lead to the eventual employment of these aircraft as spray planes with dramatically increased range, speed, payload and pilot protection.

Effectiveness Measures

- Increase the number of detections of drug trafficking events and seizures of illegal drugs in the Eastern Caribbean; and
- Improve performance capability of existing systems to extend their effectiveness and useful life.

Program Development and Support

Budget Summary (\$000)¹

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
12,187	13,703	14,563

Objectives

- Maintain a competent, motivated, skilled and diverse workforce essential to achieving international narcotics control goals and objectives;
- Develop, manage and coordinate international counternarcotics policies, programs and activities of the U.S. Department of State;
- Provide the infrastructure needed for bureau personnel to pursue policy objectives and effectively manage INL programs; and
- Provide program and administrative management oversight and direction to embassies worldwide to assure effective implementation of INL policies and projects.

Justification

The Bureau of International Narcotics and Law Enforcement Affairs (INL) is charged with developing strategies and programs to achieve international counternarcotics and criminal justice foreign policy objectives. INL maintains a cadre of both domestic and overseas program and technical experts to carry out a wide range of initiatives. Washington personnel functions include, but are not limited to: international narcotics control and law enforcement policy formulation and implementation; coordination of policies and programs with other USG agencies and with other governments and international organizations; budget and financial management activities; program administration and analysis including development, implementation, oversight and evaluation of overseas programs; contract, procurement and information systems support; field assistance visits to Embassy Narcotics Affairs Sections and Law Enforcement Sections to review, analyze and make recommendations on programs, funds control and procurement; sponsoring regional policy and program management conferences and seminars; and, developing and providing training programs both domestically and overseas for embassy and INL personnel.

The Program Development and Support (PD&S) account funds the domestic administrative operating costs associated with the Washington-based INL staff. Over three-quarters of the PD&S budget request

¹ The FY 2003 Program Development and Support total includes \$ 0.713 million for full funding of federal employee retirement costs. The comparable amounts for FY 2002 (\$ 0.703 million) and FY 2001 (\$ 0.687 million) are included in those totals.

is programmed for salaries and benefits of U.S. Direct Hire (USDH) employees, personal services contracts, rehired annuitants and reimbursable support personnel. Currently, INL funds support 119 USDH and 23 other INL personnel based in Washington, D.C. Eleven additional domestic positions support the Interregional Aviation Support program, but are funded from the Interregional Aviation Support account. It should be noted that ten positions in the INL Office of Anticrime Programs are funded from the Department of State D&CP account.

Field travel for the INL personnel based in Washington is funded from the PD&S account. This is an essential component of the bureau's program, needed for program development, implementation, oversight and review, as well as for the advancement of international counternarcotics and criminal justice foreign policy objectives. PD&S funds are utilized to maintain a reliable and secure information resource management system and operating infrastructure to enable bureau employees to pursue policy objectives and complete work requirements effectively and efficiently. In addition, funding for the following expenses ensure an adequate level of administrative support to allow the bureau to function effectively: office equipment rental, telephone services, printing and reproduction, miscellaneous contractual services (Information Management non-personal services contractor personnel, INL office renovation expenses, etc.), materials, supplies, furniture, furnishings and equipment.

FY 2003 Program

The PD&S budget request for FY 2003 will cover the annual, government-wide cost of living increase, in-grade step increases and promotions that occur during that fiscal year. It will also cover the annualized portion of wage increase for positions that INL plans to fill during FY 2002 to improve program oversight and expanded programs. An additional \$.713 million is included in this request for full funding of federal retiree costs. Higher costs resulting from inflation for field travel and transportation costs; equipment rentals, communications and utility expenses; printing and reproduction; miscellaneous contractual services; and furniture, furnishings and equipment have been factored into the FY 2003 budget request.

Program Development and Support
INL Budget
 (\$000)

	FY 2001	FY 2002	FY 2003
Personnel Compensation	7,900	8,425	8,950
Personnel Benefits	2,400	2,575	2,735
Field Travel and Transportation	265	570	610
Equipment Rentals, Communications and Utility Expenses	195	200	210
Printing and Reproduction	165	170	180
Miscellaneous Contractual Services	980	1,475	1,575
Materials and Supplies	220	225	235
Furniture, Furnishings and Equipment	62	63	68
Total¹	<u>12,187</u>	<u>13,703</u>	<u>14,563</u>

¹ The FY 2003 total for Program Development and Support includes \$ 0.713 million for full funding of federal employee retirement costs. The comparable amounts for FY 2002 (\$ 0.703 million) and FY 2001 (\$ 0.687 million) are included in those totals.

Anticrime Programs

INL Anticrime Programs

Budget Summary¹ (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
50,500	50,000	50,500

Program Summary

The international crime threat to U.S. interests is manifest across three broad, interrelated fronts: threats to Americans and their communities, threats to American businesses and financial institutions and threats to global security and stability. The impact of international crime is felt directly on the streets and in the communities of the United States; hundreds of thousands of individuals enter illegally each year, and there is wide-scale smuggling of drugs, firearms, stolen cars, child pornography, and other contraband across our borders. Criminals seek to protect their anonymity and their wealth by laundering their profits through the vast, complex, and unevenly regulated international banking and financial systems. The U.S. needs to confront these activities and those who carry them out with comprehensive, coordinated, and effective law enforcement and diplomatic efforts that include forging crime control alliances with our international partners.

The U.S. is making strides globally towards enhancing international cooperation in the fight against international organized crime. In addition to training, INL provides technical assistance, equipment and other assistance to countries to combat transnational crimes such as alien smuggling, trafficking in stolen vehicles, illegal trafficking in small arms and firearms, trafficking in persons, money laundering and other financial crimes. INL also has programs in anticorruption, border controls, rule of law, critical infrastructure protection, cyber crime and intellectual property rights. INL will continue these training and technical assistance programs in FY 2003.

INL uses federal, state and local law enforcement agencies, the International Criminal Investigative Training Assistance Program (ICITAP), the Office of Overseas Prosecutorial Development and Training (OPDAT), and other organizations to provide law enforcement training programs and technical assistance to Russia and other countries in the NIS, Central and Eastern Europe, Latin America, Africa and Asia. Multilateral international organizations also serve as implementation mechanisms, and INL provides contributions to several, including the UN Center for International Crime Prevention, the Financial Action Task Force, the Caribbean Financial Action Task Force, and the Group of States Against Corruption (GRECO), a group created under the auspices of the Council of Europe.

¹ The FY 2001 budget total does not reflect \$13 million in FREEDOM of Support Act (FSA) and \$97.3 million in Support for Eastern European Democracy (SEED) Act funds transfers or \$15.5 million in Peacekeeping Operations (PKO) fund allocations. Similarly, the FY 2002 and 2003 budgets do not reflect FSA and SEED Act or PKO funding.

FY 2003 Programs

The FY 2003 budget request is based on the requirements set forth in PDD-42, *International Organized Crime*, and the Administration's *International Crime Control Strategy*, and reflects the consolidated management of law enforcement and police training programs. INL will continue to use federal, state and local law enforcement agencies, the International Criminal Investigative Training Assistance Program (ICITAP), the Office of Overseas Prosecutorial Development (OPDAT), and other organizations to provide law enforcement training programs and technical assistance to the Newly Independent States (NIS), Russia, Central and Eastern Europe, Latin America, Africa and Asia. The program will place significant emphasis on combating organized crime, financial crimes, money laundering, migrant smuggling, and weapons trafficking. Funding for these programs will continue to come, as it has in the past, through a combination of International Narcotics Control and Law Enforcement (INCLE) funds, FREEDOM Support Act funds and Support for Eastern European Democracy (SEED) Act funds.

ALIEN SMUGGLING

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
800	700	400

Objectives

- Attack criminal smuggling organizations at all points of their organizational structure;
- Provide technical assistance and training to foreign immigration officers, border guards, and police officials; and
- Coordinate the activities of the USG agencies working to counter alien smuggling in their efforts to disrupt major alien smuggling rings operating both domestically and overseas.

Justification

Smuggling of illegal migrants is a widespread, expanding, and increasingly sophisticated criminal industry that has a serious and direct impact on the United States. The United Nations estimates that nearly four million human beings are smuggled and trafficked across national boundaries every year and roughly \$7 billion is paid to criminal organizations involved in alien smuggling. Viewed from a global perspective, smuggling in illegal migrants is a widespread criminal industry. According to the U.S. Government's recent International Crime Threat Assessment, some 500,000 illegal aliens are brought into the United States annually by organized crime smuggling networks. They arrive from

around the world: Mexico, Central America, and the Caribbean Islands are the major sources in the Western Hemisphere; China, India, and Pakistan are the major sources in Asia. They often take indirect routes to get here. Chinese organizations, for instance, will frequently direct their operations through South and Central America. Eventually, most of the illegal aliens enter the United States by way of Mexico and Canada.

Foreign governments and law enforcement authorities are sometimes reluctant to dedicate resources to alien smuggling cases because they see this as a victimless crime. The reality is that migrants are often subjected to inhumane or dangerous treatment and in some cases to violence. In addition, alien smuggling has a corrosive effect on the integrity of public institutions since bribery is a key component of the alien smuggler's trade.

INL has a series of initiatives underway to combat alien smuggling. The bureau has provided funding to conduct a training course for mid-level managers in developing countries on ways to combat international migrant smuggling and illegal migration. The course is designed to provide technical, legal, and managerial training to enhance the participating foreign official's ability to professionally and effectively implement border security. INL has also provided funding to deliver a training course designed to provide senior instructors and training managers with the skills to develop and manage basic immigration law enforcement training. INL continues to encourage governments throughout the world to sign, ratify and implement the UN Convention Against Transnational Organized Crime and its protocol on migrant smuggling. To date, nearly 100 countries have signed the protocol. The convention creates an obligation for the United States to assist developing countries in implementing the convention, while the protocol lays out the blueprint for combating migrant smuggling. The main themes of the protocol are smuggling criminalization, law enforcement cooperation and border controls, including document security, training, and ensuring the prompt return of the smuggled migrant.

In response to the migrant smuggling challenge, and to further our anti-alien smuggling objectives, INL is working closely with the Department of Justice to establish an inter-agency Migrant Smuggling and Trafficking in Persons Coordination Center (MSTPCC). This initiative brings together federal agency representatives from the policy, law enforcement, intelligence, and diplomatic arenas to work together full-time to make progress on these problems, particularly in terms of converting intelligence into effective enforcement actions. The center, which will begin operation in FY 2002, provides a mechanism to foster greater integration and overall effectiveness in U.S. government enforcement and other response efforts, and promotes similar intensified efforts by foreign governments and international organizations, to combat migrant smuggling and trafficking in persons.

FY 2003 Programs

The MSTPCC will provide strategic assessments, identify issues that need interagency coordination and attention, and coordinate or otherwise support agency or interagency efforts in particular cases. In 2003 the center will expand its capabilities by funding experts to conduct research in the fields of alien smuggling and its link to terrorism, and on the coordination of overseas law enforcement operations.

INL will continue to provide technical and other support to assist countries in implementing the terms of the United Nations protocols on alien smuggling and trafficking in persons. Many of these countries continue to need help in drafting legislation, organizing their border police, training their immigration

officials, and upgrading their equipment and border infrastructure. INL assistance will help these countries to improve their ability to combat smugglers and traffickers and terrorist which use smuggling organizations.

Effectiveness Measurements

- Increase the number of foreign border guards, and immigration and police officials trained each year;
- Improve immigration controls and the quality of travel and identity documents and issuance systems of select priority countries;
- Use INL participation in international working groups devoted to the subject of alien smuggling to combat such crimes; and
- Tool INL diplomatic initiatives and law enforcement coordination efforts to specifically increase the negative impact on alien smugglers and organizations.

ANTICORRUPTION

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
3,950	3,500	1,800

Objectives

- Advance the adoption of comprehensive internationally recognized norms for actions governments should take to prevent, disclose, investigate and punish corruption among public officials;
- Support the development and implementation of effective regional anticorruption regimes, commitments and activities;
- Enhance the institutional capabilities of individual countries to promote public integrity and prevent, deter and punish official corruption;
- Initiate and support systematic international research and academic scholarship to enhance public comprehension of factors that encourage, promote, or combat public corruption; and
- Support public education awareness campaigns on anticorruption and foster innovative public-private partnerships with non-governmental organizations (NGOs)

and the business community on the rule of law, transparency, public integrity, and corporate governance.

Justification

Corruption threatens U.S. national interests on many levels. Corruption destabilizes institutions and undermines democracies throughout the world. Corruption may rise to levels where it jeopardizes the ability of a legitimate government to govern and, in extreme cases, may lead to the institutional collapse that characterizes a “failed state.” Corruption distorts the operation of free markets, impairs economic stability and growth, jeopardizes privatization and economic rationalization, and is a serious impediment to foreign investment and free and fair competition. It is also inevitably and inextricably linked to all forms of organized crime. Criminal groups employ corruption to undermine law enforcement. Terrorists manipulate and take advantage of corrupt officials to further their terrorist acts and obtain illegal weapons, false documents, and access to sensitive information and intelligence. Corruption affecting multilateral or bilateral foreign economic assistance not only deprives recipient countries of benefits, but also renders problematic continued political support for such programs in donor countries.

Since 1977, with the adoption of the Foreign Corrupt Practices Act (FCPA), the U.S. has been a leader in the international fight against corruption. In 1996, the U.S. Government joined with several other countries to create the first international convention (the Inter-American Convention Against Corruption) that establishes internationally recognized anticorruption norms and governmental commitments to address corruption. In 1999, the U.S. and 33 other countries adopted the OECD Convention Against Transnational Bribery in International Business Transactions, which outlaws the bribery of foreign public officials in the conduct of international business. The United States continues to work with other countries to encourage a broad range of effective principles and practices that help authorities detect and prevent corruption and promote public integrity including the Council of Europe Group of States Against Corruption, and the Stability Pact Anticorruption Initiative. In January 2001, the United Nations began negotiations to develop a global convention against corruption, and the U.S. Government is actively involved in this process. The U.S. is also the founder of the intergovernmental Global Forum process. Support for this process continues: the U.S. recently served as co-sponsor of the Second Global Forum Against Fighting Corruption, held in The Hague in May 2001, attended by representatives from 143 nations; and we will assist the Korean government with its preparations to host the Third Global Forum in 2003.

INL furthers U.S. foreign policy and national security objectives in the anticorruption area through policy development, interagency coordination, bilateral economic and anticrime assistance, participation in activities of international financial institutions (IFIs), public diplomacy, and diplomatic engagement with the United Nations and provides support for other organizations and programs that promote anticorruption efforts. For example, INL coordinates U.S. involvement in the Global Forum process and heads the U.S. delegation involved in negotiating a global United Nations convention against corruption. INL is a primary player in efforts to create a mutual evaluation mechanism to monitor implementation of the Inter-American Convention Against Corruption, is a member of the organizing committee for the ADB/OECD Asian Anticorruption Initiative, co-chairs U.S. representation in the Council of Europe’s Group of States Against Corruption (GRECO), supports multilateral and bilateral anticorruption projects in coordination with the South Eastern Europe’s

Stability Pact Anticorruption Initiative (SPAI) and has taken a leadership role in discussing the importance of anticorruption in the promotion of corporate governance particularly within the World Bank-OECD Global Corporate Governance Initiative. In addition, INL coordinates and oversees production of three major reports to Congress that outline U.S. strategies and international efforts to address corruption: the International Anticorruption and Good Governance Act of 2000 report, the report required by the Senate ratification of the Inter-American Convention Against Corruption, and the International Narcotics Control Strategy Report.

INL implements a growing range of bilateral and multilateral anticorruption assistance projects to support U.S. diplomatic anticorruption efforts and promote innovative approaches to preventing and deterring corruption. We pay U.S. dues to the GRECO, and contribute funds to the SPAI, the ADB/OECD Asian Anticorruption Initiative, UN negotiations and related anticorruption programs, the new OAS mechanism to monitor implementation of the Inter-American Convention Against Corruption (including interim programs by the OAS to promote implementation), and the Global Forum. Innovative preventive projects supported by INL include a civic education program being tested in four countries and the World Bank/OECD Corporate Governance Initiative. INL promotes the involvement of faith-based organizations in the fight against corruption, fosters anticorruption in environmental protection efforts, explores the link between corruption and terrorism, and has assigned an anticorruption advisor help Asian countries implement multilateral anticorruption commitments.

FY 2003 Programs

INL will continue to promote internationally accepted comprehensive norms against corruption as the UN continues negotiations to develop a global anticorruption instrument, including support for participation in UN negotiations by appropriate officials from developing or transitional countries. We will also continue our support for the Global Forum on Fighting Corruption, a U.S.-initiated process that generates important international political support for effective measures against public corruption. We will support anticorruption norm-setting, implementation review, and institutional development activities of regional organizations and groups such as the GRECO, the new OAS mechanism to monitor implementation of the Inter-American Convention Against Corruption, the Stability Pact Anticorruption Initiative in Southeast Europe, the ADB-OECD Anticorruption Initiative for the Asian Pacific Region, the Global Coalition for Africa, and other regional or multilateral organizations or groups whose activities against corruption are important to U.S. national interests.

INL will support technical assistance projects that help countries meet their commitments under these multilateral initiatives. For FY 2003, a total of \$1.8 million is requested to support these multilateral initiatives and to develop technical assistance that will assist countries meet their commitments under the various existing regional anticorruption regimes. Included in this request is \$250,000 for the U.S. annual compulsory contribution to the Group of States Against Corruption (GRECO), an organization established under the auspices of the Council of Europe to promote adherence to anticorruption norms.

We will emphasize the strengthening of key democratic institutions and the rule of law, including training for police, prosecutors, defense counsels, judges, ethics officers and other law enforcement officials. We will further develop and support projects that reach beyond the law enforcement community and promote innovative approaches to preventing corruption, including supporting the development of a culture of integrity and lawfulness in governments and societies; fostering internal controls, transparent systems and corporate and economic governance; and engagement of civil society

in national anticorruption efforts. Finally, we will undertake new or enhanced INL international training activities that specifically address relationships between corruption and other forms of transnational crime of strategic concern to the U.S., such as terrorism, trafficking in persons, cyber crime, environmental crime, and the role of the media in the fight against corruption and money laundering, including drug trafficking and “kleptocracy”.

Effectiveness Measurements

- Progress toward international acceptance of comprehensive norms for government action against corruption;
- Agreement among governments that the effectiveness of their implementation of anticorruption commitments will be subject to mutual evaluation by other governments on a permanent, continuing basis;
- Establishment and continued implementation by governments of effective national ethics laws, integrity standards, transparency measures and practices to engage civil society in national efforts against corruption; and
- Increased enforcement and prosecution and conviction of public officials found to have been engaged in corrupt acts, or adverse action against elected officials found engaged in corrupt activities.

BORDER CONTROLS

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
200	1,000	600

Objectives

- Improve the proficiency of customs, immigration, and other border control officials;
- Assess border control capabilities of selected developing and transit countries and recommend improvements to visa processes, travel and identity documents, and immigration policies to facilitate travel while enhancing border control; and
- Improve the integration and coordination among the various law enforcement entities at the borders.

Justification

Lax border controls greatly enhance the ability of international criminals, smugglers, and terrorists to expand their operations and avoid arrest. In seeking to move their contraband around the world, they will typically either try to avoid these controls, suborn them through corruption, negate them with falsified documentation, or overwhelm them. In many countries, effective control of the movement of persons, vehicles, and cargo across national land borders is non-existent. Border control officials are often poorly trained and equipped and inspections facilities are substandard.

As the first line of defense for many countries, stiff border controls provide substantial deterrence to smugglers and other traffickers. They can force them into other, less attractive routes, provoke them into taking measures that raise their operational costs, and make them more vulnerable to law enforcement countermeasures. Borders are also intelligence collection points. Information gleaned from seizures, arrests, and documents can provide leads useful to making even bigger cases that dismantle major international criminal syndicates. Successful enforcement is a powerful instrument for generating greater public support for fighting transnational crime.

INL conducted border assessments of immigration controls in several Central American, South Asian, South African and Caribbean countries. Based on those assessments, INL is recommending appropriate policy and structural changes to improve border controls in these countries. As appropriate, these countries may receive training and/or equipment that will enhance their ability to control the movement of persons and cargo across their international borders.

FY 2003 Programs

Effective border control programs depend on adequate training, visa regimes, and equipment, including automated systems to track the movement of cargo and people through ports of entry. Through our border assessments, INL will identify several of the most vulnerable countries and will work with them to upgrade their border control systems, including assisting them to improve travel document issuance systems. INL will concentrate on those countries that are major transit locations used by migrant smugglers and terrorist organizations.

Effectiveness Measurements

- Increase in the number of border control officials trained annually;
- Increase in the number of effective border assessments conducted;
- Increase in detection of illegal transit attempts by host nations;
- Increase in the number of border posts receiving equipment and technical assistance; and
- Increase in the number of countries that have improved their travel and identity documents.

CRITICAL INFRASTRUCTURE PROTECTION, CYBER CRIME AND INTELLECTUAL PROPERTY RIGHTS

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
600	300	250

Objectives

- Expand U.S. international efforts to increase critical infrastructure protection (CIP) cooperation with like-minded and friendly nations;
- Develop a coordinated INL approach to providing technical assistance and training to foreign law enforcement in fighting cyber crime; and
- Provide intellectual property rights (IPR) training and technical assistance in accordance with priorities established by the inter-agency working group.

Justification

The Internet revolution and the spread of information technology (IT) generally have led to tremendous productivity gains in the global economy. However, these advances have created new challenges for the U.S. in the areas of law enforcement, national security, and national economic security. In the twenty-first century, nation state boundaries and distinctions are becoming almost inconsequential. The global interdependence of infrastructures across various sectors such as finance, trade, transportation, energy and communications means a physical or cyber attack on the critical infrastructures of one nation will likely impact other nations. Consequently, U.S. national security depends not only on our own domestic CIP efforts, but also on the capabilities and cooperation of our foreign partners upon whose infrastructures we rely.

Pursuant to Presidential Decision Directive (PDD) 63 issued in May 1998, the U.S. government began to take all necessary measures to eliminate significant CIP vulnerabilities within its borders. In FY 2000, at the direction of the National Security Council, the Department of State developed an interagency-approved four-track strategy for international CIP outreach. In October 2001, President Bush issued Executive Orders 13228 and 13231 establishing, respectively, the Office of Homeland Security and the President's CIP Board. Under the new policy, the Department of State will continue its role as lead agency for international outreach and coordination. Within State, the PM Bureau is designated functional coordinator, with the INL having particular responsibility for law enforcement-related CIP issues.

Cyber crime is a significant issue. The criminal misuse of IT has increased exponentially in the last several years. Cyber crimes can include activities such as fraud, child pornography, and extortion, where IT is a means for carrying out the elements of the crime, and also activities such as hacking,

intrusion, and denial of service attacks where computer networks are themselves targeted. INL provides technical assistance and training to foreign law enforcement personnel in detection, prevention, and prosecution of high-tech crimes. INL also participates in developing U.S. policy positions on cyber crime in organizations such as the G-8, the Council of Europe, and the United Nations.

The U.S. has also long been engaged in issues related to protection of intellectual property rights (IPR). The 1998 Crime Control Strategy directed U.S. agencies to protect IPR rights by enhancing foreign and domestic law enforcement efforts. The State Department remains tasked to help combat IPR theft worldwide and to help create predictable legal and economic environments so that American business interests can prosper. Through an inter-agency working group that includes industry representatives, INL will promote IPR international training and technical assistance projects that involve significant cooperation with the private sector.

FY 2003 Programs

INL will continue to participate as part of the State Department inter-agency working group on CIP international outreach activities. This will include working with our closest allies to facilitate sector-to-sector relationships and connectivity among law enforcement entities, as well as expanding our circle of contacts to selected countries and multilateral organizations. INL will coordinate its activities with the new entities created by Executive Orders 13228 and 13231.

Training and technical assistance for foreign law enforcement personnel to combat criminal misuse of IT is provided through a range of INL programs. INL provides assistance either by training to fight cyber crime itself, or by assistance in fighting substantive crimes such as money laundering and child pornography that are furthered through use of IT. Raising the technical capabilities of our foreign law enforcement partners is essential to the mission of U.S. law enforcement.

INL will continue to promote IPR enforcement through participation in the International Training Coordination Group. Our particular responsibility will be to deliver assistance to countries identified as priorities for IPR training. Last year, INL funded IPR training courses in several nations, including Russia and Vietnam, and several nations in Central America. We look not only to increase the numbers of such programs, but also to integrate input from private industry into our long-term IPR assistance plans.

Effectiveness Measurements

- Expand our existing international CIP outreach efforts beyond the circle of our closest allies;
- Provide INL training and technical assistance to combat cyber crime and related criminal misuse of IT; and
- Increase the number of INL-sponsored IPR training projects with an emphasis on long-term planning and involvement of private industry.

FINANCIAL CRIME AND MONEY LAUNDERING

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
3,500	3,225	1,725

Objectives

- Combat money laundering and terrorist financing by denying criminals and terrorists access to financial institutions and by strengthening enforcement efforts to reduce inbound and outbound movement of criminal or terrorist funds;
- Enhance bilateral and multilateral cooperation against all financial crime and terrorist financing by working with foreign governments to establish or update enforcement and regulatory tools and to implement international anti-money laundering standards; and
- Encourage the formation of foreign Financial Intelligence Units (FIUs) and enhance their ability to share critical financial intelligence by providing technical assistance and encouraging membership in the Egmont Group of FIUs.

Justification

Financial crime, terrorist financing and money laundering continue to pose a significant national security threat to the United States and countries around the world. These activities have the power to corrupt officials, distort economies, skew currency markets, undermine the integrity of financial systems, and destabilize governments. Criminals and terrorists seek access to the countries' financial systems to fund their operations and launder funds stemming from a variety of illegal activities, including drug trafficking, corruption, terrorism, arms trafficking, theft of state assets, and a variety of financial crimes. Experts estimate that global money laundering exceeds \$750 billion a year and continues to grow through a variety of new innovative schemes limited only by the imagination of criminals and their organizations. Our ability to conduct foreign policy, promote our economic security and prosperity, and safeguard our citizens is hindered by these threats to democracy and free markets.

INL has developed an aggressive program to combat international financial crime and money laundering. In FY 2001, INL implemented a \$6 million training and technical assistance program that delivered over 27 courses to bank regulators, bankers, law enforcement, prosecutorial, and judicial personnel from 25 governments. A multi-agency team of experts representing the Departments of State, Treasury and Justice, the Office of the Comptroller of the Currency (OCC) and the Federal Reserve Board delivered the training courses. In addition, INL provides contributions to multilateral international organizations such as the Financial Action Task Force (FATF), the Caribbean Financial Task Force (CFATF), the Asia/Pacific Group and other regional bodies to support anti-money laundering efforts in those areas. The members of these bodies have committed to meeting

international anti-money laundering standards and undergoing mutual evaluations by their peers. Our contributions assist in supporting the ongoing operations of these bodies, as well as funding for special programs, such as mutual evaluation training seminars.

In 2001, INL participated in the development of the Financial Action Task Force's Non-Cooperating Countries and Territories (NCCT) program to identify jurisdictions not cooperating in the fight against money laundering. Many of the 19 jurisdictions that FATF identified as NCCTs were subject of U.S. Treasury Department advisories, warning all U.S. financial institutions to pay enhanced scrutiny to financial transactions with the listed NCCTs. INL is providing training and technical assistance to many of these jurisdictions to help them correct the deficiencies identified by the FATF so that they can be removed from the NCCT list. In addition, INL participated in the FATF Extraordinary Plenary on the Financing of Terrorism held in Washington, D.C. on October 29-30, 2001. As a result of this meeting, FATF expanded its mission beyond money laundering and will now also focus on a worldwide effort to combat terrorist financing.

FY 2003 Programs

In FY 2003, INL will aim its training and technical assistance programs toward countries that need to improve their ability to combat terrorist financing, financial crimes and money laundering. Training will focus on: tracking, freezing and seizing terrorist assets; developing anti-money laundering laws and regulations that meet international standards; training bank supervisors to ensure compliance with regulations; developing anti-money laundering examination procedures; providing law enforcement agencies with financial investigative skills; and training prosecutors to develop money laundering cases. Country advisors will also assist in the development of financial intelligence units to analyze suspicious transaction reports and share information with allies. We will continue to work closely with other USG agencies to provide this assistance, including the FBI, Secret Service, Customs Service, Internal Revenue Service, the Federal Reserve Board of Governors and the OCC. It is expected that training will focus on many of the NCCT jurisdictions, including Russia, Lebanon, Israel, Egypt, Indonesia, the Philippines, and Ukraine. In addition, assistance will be provided to many emerging jurisdictions that are in need of technical assistance to develop anti-money laundering laws to protect their economy and financial services sector against financial crime and terrorism.

INL will continue to support international anti-money laundering organizations such as the FATF, Asia-Pacific Group, Council of Europe, CFATF, the Organization of American States Inter-American Commission on Drug Abuse Control (OAS/CICAD) and the Egmont Group. We will place special emphasis on expanding support to the FATF-like regional organization that has been established in South America.

INL will also continue to provide technical assistance to develop, enhance, and improve anti-money laundering regimes around the world. We are currently looking at some of the NCCT jurisdictions and others located in the Middle East. We will support the creation of Financial Intelligence Units in those jurisdictions that have passed the necessary anti-money laundering legislation and are in need of technical assistance.

Effectiveness Measurements

- Increased number of jurisdictions in compliance with international anti-money laundering standards, including Special Recommendations on Terrorist Financing;
- Enactment of more and stronger national laws against money laundering;
- Creation of additional Financial Intelligence Units in targeted regions;
- Increased exchange of money laundering information among anti-money laundering enforcement and regulatory agencies and officials; and
- Increased numbers of investigations and prosecutions abroad of important money laundering cases.

LAW ENFORCEMENT AND POLICE SCIENCE

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
3,350	3,000	1,600

Objectives

- Support regional and national criminal justice institution building;
- Promote regional cooperation and coordination of law enforcement activities;
- Assist in the professionalization of foreign law enforcement organizations;
- Strengthen basic infrastructures for carrying out law enforcement activities in cooperating countries;
- Improve technical and investigative skills of law enforcement personnel; and
- Develop long-lasting relationships between U.S. law enforcement entities and foreign law enforcement authorities.

Justification

Law enforcement and police science training is managed and funded by INL and carried out by the Departments of Justice and Treasury, as well as several other smaller federal law enforcement organizations. Training and technical assistance provided to foreign law enforcement to combat crime helps to advance U.S. interests in international cooperation while also promoting social, political and economic stability. INL emphasizes regional approaches to training and coordinates with other training

providers, such as the European Union and UNDCP, to ensure that this training serves a common strategic interest.

In FY 2001, INL focused increasingly on ensuring that training courses were provided within the larger context of overall program or project development. That is, INL and other U.S. agencies increasingly evaluated requests for training on the basis of how that training applied to achieving concrete law enforcement project objectives by the host government.

Our program addresses virtually every type of international crime and related issues including the following: alien smuggling, border control, corruption, narcotics trafficking, domestic violence, trafficking in women and children, illicit firearms, cyber crime, intellectual property rights, money laundering and financial crime, rule of law, and law enforcement and police sciences. Where feasible, INL relies on regional training courses to bring together law enforcement officials from neighboring countries to foster increased law enforcement cooperation and coordination.

In FY 2001, 7,100 foreign officials from over 100 countries participated in INL-funded international narcotics and crime control training programs. Continued funding will accommodate the growing emphasis on law enforcement training as a vehicle for achieving many of the USG's basic international law enforcement and foreign policy objectives. Continuation of INL law enforcement training programs constitutes one of the surest means of institution building and promotion of host nation self-sufficiency.

FY 2003 Programs

In FY 2003, INL-funded training will continue to support major U.S. and international strategies for combating crime worldwide. Law enforcement efforts overseas will be evaluated in terms of what they have done to bring about establishment of effective host country enforcement institutions. INL will maintain its role as coordinator of the activities of Washington-based agencies in response to assistance requests from U.S. embassies. INL will also continue to focus on training courses that address elements of larger overall law enforcement development programs or projects. INL and U.S. agencies will continue to evaluate training requests based on how that training supports the host government in achieving concrete law enforcement project objectives.

Effectiveness Measurements

- Enhanced cooperation among regional law enforcement agencies;
- Improved communication of law enforcement officers within countries, regions and with U.S. law enforcement;
- Increased number of criminals successfully prosecuted; and
- Increased number of successful criminal prosecutions involving multinational crimes.

REGIONAL NARCOTICS LAW ENFORCEMENT TRAINING

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
5,500	5,000	5,000

Objectives

- Contribute to the basic infrastructure for carrying out counternarcotics law enforcement activities in cooperating countries;
- Improve technical and investigative skills of counternarcotics law enforcement personnel in key narcotics countries; and
- Increase cooperation and coordination between U.S. and foreign law enforcement officials.

Justification

The Regional Narcotics Law Enforcement Training program is designed to assist cooperating countries to create effective national organizations for investigating drug trafficking and interdicting illegal narcotics. It is important to note that additional funding for these activities comes from other program categories within the INL budget.

International counternarcotics training is managed and funded by INL and carried out by a variety of U.S. law enforcement agencies including DEA, FBI, DOJ Office of Prosecutorial Development Assistance and Training (OPDAT), U.S. Coast Guard, and U.S. Customs Service. Between fiscal years 1998 and 2001, INL funding has resulted in training for approximately 10,000 foreign officials. Generally, training programs in the U.S. are tailored to senior-level management and policy-level officials, while programs offered overseas are reserved for operational personnel.

Accomplishments

During the past year, the process for delivering INL-funded international counternarcotics training was significantly enhanced. Courses were targeted to the objectives outlined in each U.S. embassy Mission Program Plan (MPP) to increase the ability of each recipient country to develop self-sufficient counternarcotics institutions. This shift in training delivery focus also included the introduction of a needs assessment process to develop relevant course materials, the development of new courses targeted at the legal structures existing in each country, and the development of a program evaluation component.

The resulting training was tailored to the level of sophistication of the foreign law enforcement organizations receiving it, with emphasis placed on major producer and transit countries. Basic and advanced instruction programs were provided to the major drug producing and trafficking countries to

strengthen institutional capabilities. Regional training courses were frequently used to foster increased cooperation and coordination of law enforcement activities needed as a result of the increasing transnational nature of organized crime and narcotics trafficking.

FY 2003 Programs

Refining INL law enforcement training programs to meet the needs of recipient countries constitutes one of the best means of implementing the USG counternarcotics strategy for institution building and promotion of host nation self-sufficiency. USG counternarcotics efforts overseas will be evaluated in terms of what they have done to bring about the establishment of effective host country enforcement institutions, thereby taking drugs out of circulation before they start their journey toward the U.S.

INL-funded training will continue to support the major U.S. and international strategies for combating narcotics trafficking worldwide. INL will continue to furnish programs only to those countries considered high priority for U.S. counternarcotics interests. Major emphasis will be placed on coordination with other donors (e.g., UNDCP, OAS, the EU) to urge them to shoulder greater responsibility in providing training that serves their particular strategic interests. This coordination will also help avoid wasteful duplication of training efforts.

Due to the monetary linkage between narcotics production/trafficking and narcotics-terrorist organizations, programs dealing with financial crimes (i.e., methods of promoting asset seizure and combating money laundering) will continue to expand. To assist with counternarcotics law enforcement investigations of these organizations, more sophisticated training in the areas of border security, use of special enforcement teams, and counternarcotics security measures will be provided.

INL will maintain its role of coordinating the activities of Washington agencies in response to assistance requests from U.S. embassies. This will avoid duplication of effort, and ensure that presentations represent the full range of U.S. policies and priorities.

As in past years, the demand from foreign governments and U.S. embassies abroad has continued to exceed what can be provided with available resources. In addition to the resources provided through this account and other parts of the INL budget, SEED Act and FSA monies were used to fund counternarcotics training in Eastern Europe and the NIS. Continued funding will allow us to accommodate the growing emphasis on law enforcement training as a vehicle for achieving many of the basic objectives of USG counternarcotics policy.

Effectiveness Measurements

- Enhanced cooperation among regional counternarcotics law enforcement agencies;
- Improved communication of counternarcotics law enforcement officers within countries, regions and with U.S. law enforcement; and
- Increased number of narcotics traffickers successfully prosecuted.

Regional Narcotics Law Enforcement Training

INL Budget
(\$000)

	FY 2001	FY 2002	FY 2003
DEA Training	3,000	2,600	2,600
U.S. Customs Service Training	1,500	1,500	1,500
U.S. Coast Guard Training	600	600	600
Other Training Support	400	300	300
Total	5,500	5,000	5,000

RULE OF LAW

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
3,000	2,000	1,000

Objectives

- Assist countries to revise and update their current criminal statutes;
- Assist countries to introduce laws to combat such new crime threats as cyber crime, corruption, trafficking in persons, alien smuggling, and money laundering; and
- Train prosecutors and judges to implement these laws effectively.

Justification

There is growing realization in the post-Cold War era that many forms of transnational organized crime pose a serious threat to democracies generally and to the developing world and economies in transition in particular. To prevent and combat transnational organized crime more effectively, nations must improve their criminal law techniques and expand international cooperation. In cooperation with appropriate U.S. federal agencies, INL provides training and technical assistance programs in the criminal justice sector, especially for judges and prosecutors. The programs require sustained, multi-

year training efforts, in-country residency assistance, and temporary assignments, and focus on criminal legislation, code revisions and regulatory reform. Such assistance ensures that criminal investigations respect the rights of all citizens and that prosecutions flow from criminal investigations.

Rule of Law programs complement INL's international anticrime programs in two important aspects: legislation and prosecutions. For countries that lack the expertise to mount complex or sustained investigations against international criminals, the Rule of Law strategy calls for expanded training and technical assistance programs to turn foreign prosecutors and judges into more effective crime fighters. For countries where the basic institutions of justice are not adequate to meet the everyday challenges of common crime, let alone the sophistication of an ever expanding international crime threat, the INL program is a country-specific, flexible approach to fostering development of effective criminal justice institutions.

Efforts to combat international crime took a giant leap forward when the United Nations Transnational Organized Crime Convention was completed and opened for signature. The purpose of the convention is to prevent and combat transnational organized crime more effectively through international cooperation. It requires party states to have laws criminalizing the most prevalent types of criminal activities associated with organized crime groups, including obstruction of justice, money laundering, corruption of public officials, and conspiracy. The Convention will expand significantly the ability of the United States to work with countries around the globe on organized crime investigations, adoption or revision of their criminal laws, and prosecutions, particularly those countries with which we do not have mutual legal assistance treaties.

FY 2003 Programs

In FY 2003, INL proposes to continue the Resident Legal Advisor (RLA) program. The RLAs will work with foreign prosecutors, legislators, and judges to more effectively combat crime. Toward this end, they will also assist countries to improve their criminal legislation, codes, or regulations. INL instituted an exchange program that provides judges and prosecutors from Russia and the former Soviet Union states to work with United States jurists at the federal and state levels. In FY 2003, INL will institute a number of similar exchange projects with several Central American countries, South Africa, India, and Thailand. These programs will help foreign officials better understand the U.S. judicial system and how it deals with criminal proceedings. INL will continue its work with international organizations to improve independent civil courts, government transparency and integrity, and improve the administration of courts.

Effectiveness Measurements

- Stronger criminal statutes in nations targeted for assistance;
- Better-trained prosecutors and judges capable of adjudicating more complex cases, more expeditiously; and
- Greater appreciation by foreign jurists of the U.S. legal system, resulting in improved bilateral cooperation.

PROGRAM DEVELOPMENT & SUPPORT

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
1,400	1,505	1,625

Objectives

- Develop, manage and coordinate anticrime policies, programs and activities of the U.S. Department of State;
- Provide the infrastructure needed for the bureau to pursue policy objectives and effectively manage INL programs; and
- Provide program and administrative management oversight and direction to embassies worldwide to assure effective implementation of INL policies and projects.

Justification

Anticrime Program Development and Support (PD&S) funds cover domestic administrative operating costs of supporting the Washington-based crime staff. It should be noted that twelve positions in the INL Office of Anticrime Programs are funded from the Department of State D&CP account. Field travel for INL anticrime personnel based in Washington is a significant component of the Anticrime PD&S budget. PD&S funds are utilized for IT hardware and software, office equipment rentals, telephone basic and long distance service, courier, shipping and transportation costs, materials and supplies, miscellaneous contractual services and office furniture, furnishings and equipment.

FY 2003 Program

The PD&S budget request for FY 2003 includes a modest increase to cover higher costs for field travel, office equipment rentals, telephone expenses, miscellaneous contractual services, furniture and equipment.

Civilian Police Program

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
10,000	—	5,000

Objectives

- Maintain a roster of U.S. police officers that are trained and eligible for assignment overseas to an international civilian police or bilateral police assistance mission;
- Enhance U.S. capability to train and deploy police overseas;
- Increase U.S. participation in UN, OSCE, EU and other organizations to enhance the capacities of other nations to train and deploy CIVPOL; and
- Work with other countries to develop standardized CIVPOL training programs.

Justification

U.S. participation in international civilian police (CIVPOL) operations continued in 2001 with over 800 experienced police officers assigned to Bosnia, Croatia, Kosovo, Macedonia, Southern Serbia, and East Timor. The completion of a competitive solicitation process in FY 2002 to establish a 2,000-member CIVPOL roster and provide related training and advisory services will create a mechanism to further improve USG capacity to respond to requests from the UN and other organizations for U.S. participation in police components of peacekeeping operations.

International CIVPOL deployments can range from short-term training and advisory assignments requiring only a few weeks, to long-term assignment to CIVPOL missions for one year or more. To be prepared for such operations, members of the U.S. contingent require basic uniforms and personal equipment applicable to all deployments. Special equipment and materials needed for a particular operating environment are provided immediately prior to an actual deployment, and include communications equipment, special clothing and camping gear. Long-term operational support needed to maintain U.S. police in actual CIVPOL operations continues to be provided from other regional or special accounts, such as Support for Eastern European Democracy (SEED) Act or Peacekeeping Operations (PKO).

FY 2003 Program

The FY 2003 budget request will maintain a newly established voluntary reserve roster of 2,000 law enforcement personnel who will remain in their regular jobs until called for CIVPOL duty. The FY 2003 program will continue implementation of standardized organizational structures, operating procedures, and ethics standards and a code of conduct. Through this program, U.S. CIVPOL

personnel will have opportunities to participate in specialized law enforcement training developed in 2001 and 2002, both basic and advanced instruction that is unique to the organizational and operational challenges presented by international CIVPOL missions. The FY 2003 program will also sustain prior year efforts to identify a voluntary cadre of 400 police experts to respond to requests from the Organization for Security and Cooperation in Europe (OSCE) for U.S. contributions to operations in European regions that are emerging from conflict. Unique training and preparation will be required for U.S. police to work effectively with the OSCE.

The FY 2003 program will also sustain logistical capabilities to ensure timely U.S. response to calls from the UN or other organization to contribute American police on an expedited basis to address a special circumstance or participate in an international effort to assist a country emerging from a crisis situation. Key elements of this capacity will be contingencies for transporting personnel and equipment, providing emergency medical, administrative and logistical support in the field, and an operational communications system. The FY 2003 program will sustain an ability to provide for the evacuation of U.S. CIVPOL in the event that such action is required.

FY 2003 funds will also support continued outreach efforts to U.S. local, state, and federal law enforcement agencies and professional associations for the purpose of attracting and encouraging law enforcement interest and participation in CIVPOL or OSCE missions. In addition, we will engage in efforts to assist CIVPOL programs of other countries, as well as regional or international organizations. Administration of such a comprehensive CIVPOL program will continue to strengthen the capacity to assess requirements and to plan, implement, manage, and evaluate U.S. participation in international police missions.

Effectiveness Measurements

- Establishment of a select cadre of CIVPOL management;
- Delivery of comprehensive basic and specialized training programs;
- Provision of basic and specialized equipment to U.S. contingents;
- Establishment of a command structure, formal performance evaluation system and code of conduct and ethics for CIVPOL;
- Establishment of a logistical capability for rapid deployment of U.S. police; and
- Involvement of selected countries in the U.S. civilian police training program and related activities.

Africa Regional Anticrime Program

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
7,500	7,500	7,000

Objectives

- Strengthen host nation judicial and law enforcement institutions ability to deal with trafficking in narcotics and persons, smuggling of goods, illegal migration, money laundering and financial crimes, domestic violence, corruption and other crimes;
- Improve border security throughout the region; and
- Assist governmental and NGO entities in fighting drug abuse.

Justification

Africa, with its porous borders and poorly paid civil servants, is a transit region for heroin bound for the United States and Europe, and cocaine bound for Europe. African criminal organizations are major players in the international drug trade, moving a substantial amount of the world's heroin and cocaine. Neither growers nor street-level retailers, the African criminal groups are the intermediaries of the drug trade. Increasingly, major African cities are the destination for drug shipments as well as being transshipment hubs. The porous borders and lax controls that make trafficking in narcotics, persons, and goods possible and profitable, coupled with pockets of anti-U.S. extremists, also make Africa an inviting base of operations for terrorists.

Most of the limited anticrime funds spent in Africa have been focused on counternarcotics efforts in Nigeria and South Africa. African criminal groups that operate in these countries have spread throughout the region and increased their geographic diversification. Countries as disparate as Kenya, Togo and Ghana have become transit routes. Nigerian and South African criminal organizations have matured and become transnational concerns that exploit whatever weakness they can find or, with their growing sums of money, create. The law enforcement assault on these organizations must be region-wide and closely coordinated.

The U.S. must dedicate more funds to fight this growing regional problem. While programs will continue to concentrate on Nigeria and Southern Africa, additional funding in FY 2003 is also essential to provide assistance to other governments and regional organizations so that crime will be reduced and eventually eliminated, not just displaced to other countries in the region.

Assistance will be delivered in the form of projects that include training, technical assistance, and appropriate material assistance. Project designs will include measures of effectiveness and provisions

for sustainability. Customs training, police science training, training for specialized units (counternarcotics, antitrafficking in persons, money laundering and financial crimes, customs and border control), demand reduction programs, technical assistance, and public education campaigns will account for the majority of Africa regional funding. Material assistance will consist of communications equipment, vehicles, computer databases and other equipment. Assistance will be directed to police organizations that work closely with U.S. law enforcement on transnational crimes that affect the U.S. Material and technical assistance will be essential for those countries participating in training at ILEA Gaborone to give the trainees the tools they need to effectively apply in the field what they have learned in the classroom. Assistance to the police should be complemented with public education and community policing efforts designed to build public confidence in law enforcement and judicial institutions. Assistance will be provided bilaterally and through regional programs, regional organizations and non-governmental and international organizations.

South Africa

South Africa is the economic and political driving force of southern Africa, both in its own right and as the most powerful member of the Southern African Development Community (SADC). With its robust democracy, developed economy, and sophisticated financial system, South Africa offers both a major area of opportunity for organized crime and the potential means to successfully combat it, domestically and regionally. In spite of having the most developed crime-fighting infrastructure on the continent, violent street crime rates are among the world's highest, sapping resources and confidence. South Africa's murder rate is eight times higher than that of the U.S., and extremist Islamic terrorism is a growing threat. The national police force, the South African Police Service (SAPS), is an organization still in painful transition; its legacy as an instrument of the apartheid regime still evokes public hostility and funding cuts have eroded morale and its ability to fight ever-stronger criminal elements.

The U.S and South Africa have identified the following priorities for U.S. assistance: border controls, counternarcotics, youth and domestic violence, sex crimes, organized crimes, major case management, law enforcement train-the-trainer and curriculum development, corruption and money laundering. In all of these areas, the goal of U.S. assistance is building South African judicial and law enforcement capacity to deal effectively with its very serious crime problems. Additional assistance will be provided to expand existing forensic and investigative capabilities, particularly with regard to financial crime and counterfeiting, which have a direct impact on U.S. citizens and businesses.

In addition to such specialized assistance, programs designed to bring people and police together will be essential in restoring law and order. The SAPS needs to be encouraged and supported in implementing a community-policing model and putting more police on the streets. Such support for the fledgling Johannesburg Municipal Police (JMP) will address a critical need for more focus on street crime by putting local police on the streets and in contact with their communities. A successful municipal police force model would allow the SAPS to put more emphasis on investigations and prosecutions of organized crime, in addition to strengthening democratic policing. Finally, drug demand reduction and prevention programs are necessary to address the conditions underlying much of the violent street crime

Southern Africa (excluding South Africa)

Crime is a growing menace throughout the southern Africa region (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Zambia, Zimbabwe). To address partially the challenge, judicial and law enforcement personnel from the region will receive training at the International Law Enforcement Academy (ILEA) in Gaborone, Botswana. (Currently Zimbabwe is not participating in ILEA training.) To make the ILEA training effective, it is essential to complement its program with robust bilateral technical and material assistance and specialized training tailored to the individual requirements of the resource-starved and overburdened judicial and law enforcement institutions in the region. Border control programs including professional training, infrastructure upgrades, and technical assistance, are necessary to stop trafficking in persons, smuggling of narcotics and other contraband, and movement of criminals at sea, land and air ports of entry throughout the region. Such programs can be undertaken with the cooperation of regional and international organizations.

Nigeria

Nigeria is the key to crime control efforts in West Africa. Nigerian organized crime syndicates are major players in worldwide narcotics trafficking and financial crimes and, as such, have a direct impact on U.S. citizens and businesses. Organized crime, coupled with decades of corrupt military rule, has undermined Nigeria's relatively advanced institutional development.

U.S. assistance will be directed, first of all, to law enforcement and judicial organizations that work with U.S. law enforcement on transnational criminal activities that affect the U.S. Those organizations include specialized units in the police and judiciary dealing with narcotics trafficking, financial crime and counterfeiting, trafficking in persons, and extradition. Other assistance will be directed at critical interventions in the on-going effort to modernize the Nigerian police. Assistance will include long-term advisors to the police at various levels, including headquarters and academies, and specialized assistance in the areas of maintaining a criminal database, personnel management, and forensic laboratory development. Support for anticorruption efforts is an essential complement to all efforts to promote reform and modernization.

West Africa

In addition to homegrown crime problems, the small states in West Africa (Benin, Burkina Faso, Guinea, Cote d'Ivoire, Mali, Mauritania, Niger, Senegal, Togo, Cape Verde, The Gambia, Ghana, Guinea-Bissau, Liberia, Sierra Leone) also suffer from Nigerian organized crime, including trafficking in narcotics and persons and financial crimes and counterfeiting, all of which have a direct impact on the U.S. The spillover is likely to increase as Nigeria becomes increasingly successful in its efforts to clamp down on these types of crimes.

U.S. assistance will be directed at states in the region with a demonstrated commitment to good governance and democratic policing and/or the political will to achieve these goals. Strengthening border controls and interdiction efforts at sea, land, and air ports of entry is a top priority. Also important are programs to develop the capacity of the judicial and law enforcement institutions to deal with a range of criminal problems, and to build support for these institutions with the general public.

East Africa

East Africa (Ethiopia, Eritrea, Somalia, Djibouti, Kenya, Tanzania, Uganda, Mauritius, Madagascar, Sudan) is a transit hub for African and Asian criminal activities, including trafficking in narcotics and persons, alien smuggling, money laundering, and financial crimes. Major East African cities, such as Nairobi, Mombassa and Addis Ababa, are transit points for heroin headed for the U.S. and Europe from Asia. The will to fight narcotics trafficking exists in East Africa. Kenyan authorities, for example, have participated in European and UN counternarcotics programs as well as U.S.-funded programs.

U.S. assistance will be directed to states in the sub-region with a demonstrated commitment to good governance and democratic policing and/or the political will to achieve these goals. Strengthening border controls and interdiction efforts at sea, land, and air ports of entry is a top priority. Also important are programs to develop the capacity of the judicial and law enforcement institutions to deal with a range of criminal problems, and build support for these institutions with the general public.

Program Development and Support

Program Development and Support funds are used to pay the salaries and benefits for two permanently-assigned U.S. direct-hire positions in Pretoria and Lagos, local American and foreign national staff and contractor personnel, short term TDY assistance and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Effectiveness Measurements

- Increased national political and financial commitment to combat crime and illegal narcotics trafficking;
- Increased institutional capacities of judicial and law-enforcement institutions in the region measured by quantities of drugs interdicted, arrests and successful prosecutions of major criminals and disruption of trafficking networks;
- Increased control over international borders, as measured by a reduction in the volumes of narcotics, persons, and contraband circulating illegally in the region;
- Adoption of effective legislation in the areas of counternarcotics, money laundering and financial crimes, trafficking in persons, alien smuggling and anticorruption;
- Effective use of counternarcotics legislation, including conspiracy and asset forfeiture statutes;
- Improved police-community relations and increased public support for judicial and law enforcement institutions; and
- Increased public awareness of the dangers of drug abuse, decreased levels of drug abuse, and increased resources committed to the problem by host governments.

***Africa Regional Anticrime
INL Budget***

(\$000)

	FY 2001	FY 2002	FY 2003
Commodities	840	1,500	1,000
Vehicles, Information Systems, Communications, Investigative and Other Equipment			
Other Costs	6,110	5,300	5,300
Training and Technical Assistance			
Program Development and Support			
U.S. Personnel	250	250	250
Non-U.S. Personnel	5	10	10
ICASS Costs	132	220	220
Program Support	163	220	220
Subtotal	550	700	700
Total	7,500	7,500	7,000

International Law Enforcement Academies

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
7,300	14,500	14,500

Objectives

- Support regional and national criminal justice institution building;
- Strengthen national law enforcement capabilities;
- Assist foreign law enforcement entities in professionalizing their forces;
- Foster cooperation and improve regional coordination of law enforcement activities;
- Build stronger linkages between U.S. law enforcement entities and foreign law enforcement authorities and future criminal justice leaders; and
- Strengthen partnerships among countries in regions served by ILEAs aimed at addressing problems of drugs and crime.

Justification

International Law Enforcement Academies (ILEAs) advance U.S. interests in international cooperation while promoting social, political and economic stability by combating crime. INL funding has established ILEAs in Budapest, Hungary (1995), Bangkok, Thailand (1999), Gaborone, Botswana (2001) and Roswell, N.M. (2001). Since it opened, ILEA Budapest has provided training to over 5,900 officials from 25 countries. ILEA Bangkok has provided training to over 1800 officials from 10 countries.

The Department of State works with the Departments of Justice and Treasury and with foreign governments to implement the ILEA programs. INL's primary role is to provide foreign policy guidance to the ILEA Directors, ensure availability of adequate funding to support ILEA operations, and provide oversight that will ensure that U.S. foreign policy objectives are achieved.

Several examples demonstrate the success of the ILEA concept. Extensive surveys showed that criminal investigators adopted more rational, democratic solutions to administrative and operational challenges after graduating from ILEAs. Participation in ILEAs is associated with an increased willingness to share information with U.S. police. Surveys of a large pool of students showed that former ILEA participants are more likely than any other police to exchange information with foreign police.

Building on this success, we have opened a graduate-style ILEA at the De Bremmond Training Center in Roswell, New Mexico. The first courses began in late 2001. We are also considering a future ILEA for Latin America.

FY 2003 Programs

INL will continue to support the work of the established ILEAs in Budapest, Bangkok and Gaborone, and complete renovation of the facility at Roswell, New Mexico. Following an area survey of available locations and identification of a host country, INL may begin to establish a new ILEA in Latin America. Meanwhile, for all ILEAs, INL will introduce new training initiatives on areas of international criminal activity. This will include expanding core curriculum and specialized training in subjects such as hazardous waste dumping, smuggling hazardous material, and trafficking in protected natural resources and endangered species. INL will also place added emphasis at the ILEAs on fighting trafficking in persons, especially women and children.

Effectiveness Measurements

- Provide advanced training to 400 more students using the new ILEA Roswell;
- Ensure that recently opened academies double the yearly student output worldwide;
- Expand regional coverage by opening a new ILEA in Latin America;
- Assist more ILEA graduates in applying the methods and technologies learned at the academies to criminal investigations in their own nations;
- Encourage ILEA alumni to become actively engaged in training others, either at their national academies or on-the-job; and
- Complete an impact evaluation of the effectiveness of the ILEA in Bangkok, Thailand.

Trafficking in Persons

Budget Summary (\$000)

FY 2001 Actual	FY 2002 Estimated	FY 2003 Request
3,250	7,670	10,000

Objectives

- Interdict trafficking in persons as far from our borders as possible;
- Support the efforts of the Office to Monitor and Combat Trafficking in Persons to assist countries in meeting the minimum standards for the elimination of trafficking specified in the Victims of Trafficking and Violence Protection Act of 2000;
- Encourage source, transit, and destination countries in developing national plans of action to combat trafficking in persons;
- Strengthen the capacity of foreign law enforcement to adequately investigate and prosecute cases of trafficking in persons and violence against women and children;
- Facilitate cooperation between law enforcement and immigration officials and NGO service providers to assist victims of trafficking and other forms of violence against women and children; and
- Improve the capacity of governments and NGOs to provide protection and assistance for victim witnesses.

Justification

Trafficking in persons violates the dignity of men, women and children. Well over 700,000 people, especially women and children, are trafficked every year around the world for sexual exploitation, sweatshop labor, domestic servitude and other forms of forced labor. The United States is a destination for an estimated 50,000 trafficked women and children every year. Trafficking networks exploit the vulnerability of persons who desire a better life or who are victims of war. Victims of trafficking are seen as cheap and reusable commodities. The profit derived from trafficking in persons is believed to support other illicit activities of organized criminal groups.

Like trafficking, domestic violence is a hidden crime because many societies perceive domestic violence as a family matter. A 1999 report from Johns Hopkins University's Population Information program estimated that on average one in three women around the world has experienced violence in an intimate relationship. To a limited extent, domestic violence encourages flight and contributes to the pool of trafficking victims. Trafficked victims who return to their homes often are isolated by their

families and so traumatized by their experience that they may then become victims of domestic violence. According to a 1997 World Health Organization report, at least one in five women suffer rape or attempted rape in their lifetime. In a relatively affluent country in Africa, there were close to 32,000 reported cases of rape or attempted rape of children between January 2000 and June 2001. Rape or sexual assault is often used as a tool by traffickers to make victims more compliant for prostitution or labor purposes.

In October 2000, the Victims of Trafficking and Violence Protection Act (the Act) became law. The Office to Monitor and Combat Trafficking in Persons was established in October 2001 and reports directly to the Under Secretary for Global Affairs. This office serves as secretariat to a Cabinet-level task force, chaired by the Secretary of State, to implement the provisions of the Act through policy and programmatic coordination of domestic and international USG efforts. INL now provides its antitrafficking programmatic resources to the Trafficking Office to implement some of the programmatic provisions listed in the Act.

The Trafficking Office is responsible for preparing the annual Trafficking in Persons Report on countries' efforts to meet the minimum standards as outlined in the Act. This report places countries in one of three tiers. Countries in Tier 3 may be subject to sanctions after the 2003 report.

INL, together with the Trafficking Office, continues to work with foreign governments to get them to sign and ratify the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime. As of November 2001, 100 countries have signed the Trafficking Protocol. This protocol provides a framework for concerned governments to address trafficking based on prevention, prosecution of traffickers and protection for victims.

FY 2003 Programs:

INL Trafficking in Persons program resources will be targeted at countries in Tier 3 or Tier 2 whose governments have expressed a willingness to address trafficking and are eligible to receive USG assistance. The Trafficking Office will ensure that INL programs complement those of other State Department bureaus, the Department of Labor and USAID.

Assistance programs for antitrafficking and domestic violence/sexual assault will include the following activities: provide guidance in drafting antitrafficking laws; provide training for multi-disciplinary teams of government officials, medical personnel and NGOs; set up specialized police units; establish child-friendly interview rooms; develop police academy training curriculums; and, provide forensic rape kits.

NGOs play an important role in helping victims and are a means by which INL has assisted countries' counternarcotics and anticrime efforts. INL funds will continue to support efforts to protect and assist victims of trafficking and victims of other forms of violence against women and children who may be witnesses against their perpetrators. NGOs will also be included in programs to train law enforcement and immigration officials on proper interview techniques and appropriate protection measures for victims. The Trafficking Office will also encourage governments to provide some resources in conjunction with INL assistance for NGO service providers.

Effectiveness Measurements

- Fewer countries listed in Tier 3 of the 2003 Trafficking in Persons Report;
- Increased number of countries receiving INL assistance to draft laws prohibiting and punishing acts of trafficking; investigate and prosecute traffickers and other offenders; and, provide services and protections for victims;
- Greater number of countries with comprehensive national plans of action to combat trafficking in persons with strategies that include coordination, prevention, protection, and prosecution; and
- Increased number of countries where there is collaboration between NGOs and government officials.

Anticrime Programs

INL Budget

(\$000)

	FY 2001	FY 2002	FY 2003
INL Anticrime Programs			
Alien Smuggling	800	700	400
Anticorruption	3,950	3,500	1,800
Border Controls	200	1,000	600
Critical Infrastructure Protection, Cyber Crime & Intellectual Property Rights	600	300	250
Financial Crime and Money Laundering	3,500	3,225	1,725
Firearms and Small Arms Trafficking	100	—	—
Law Enforcement and Police Science	3,350	3,000	1,600
Regional Narcotics Law Enforcement Training ¹	5,500	5,000	5,000
Rule of Law	3,000	2,000	1,000
Stolen Vehicles	50	100	—
Program Development & Support	1,400	1,505	1,625
Subtotal	22,450	20,330	14,000
Civilian Police Program	10,000	—	5,000
Africa Regional Anticrime Program	7,500	7,500	7,000
International Law Enforcement Academies	7,300	14,500	14,500
Trafficking in Persons	3,250	7,670	10,000
Total²	50,500	50,000	50,500

¹ Regional Law Enforcement Training funding was moved to the INL Anticrime Program account in FY 2002. FY 2001 has been adjusted accordingly.

² The FY 2001 budget total does not reflect \$13 million in FREEDOM of Support Act (FSA) and \$97.3 million in Support for Eastern European Democracy (SEED) Act funds transfers or \$15.5 million in Peacekeeping Operations (PKO) fund allocations. Similarly, the FY 2002 and 2003 budgets do not reflect FSA and SEED Act or PKO funding.