



Transnational Institute



Progress Report

As a contribution to the Mid-term (2003) Review of UNGASS



April 2003

Measuring Progress: Global Supply of Illicit Drugs

At the 1998 United Nations General Assembly Special Session the year 2008 was set as a target date for “eliminating or reducing significantly the illicit cultivation of the coca bush, the cannabis plant and the opium poppy” as well as “eliminating or significantly reducing the illicit manufacture, marketing and trafficking of psychotropic substances, including synthetic drugs, and the diversion of precursors.”¹ In Vienna, on 16 and 17 April 2003, the UN Commission on Narcotic Drugs (CND) will devote a ministerial segment to “evaluate progress made and difficulties encountered” in drug control efforts over the past five years. What progress has been made over the last five years in reducing the supply of illicit drugs? In this context, the Executive Director of the United Nations Office on Drugs and Crime (UNODC), Mr. Antonio Maria Costa, in his report for the UNGASS Mid-term Review, states that there is “encouraging progress towards still distant goals”.²

This report provides an overview of cultivation/production/manufacturing trends of the main illicit drugs, using, comparing and contextualising data from official and other sources. The final conclusions cast doubt upon any claims of measurable and sustainable progress. The available evidence does not provide any ground for optimism and the “drugs-free world by 2008” pledge made at the UNGASS appears as unlikely now as it did five years ago.

Illicit Crop Monitoring

The illicit cultivation of opium poppy and coca bush, the plants from which heroin and cocaine are produced, primarily takes place in Asia and Latin America, often in inaccessible areas. It is estimated that well over 90 per cent of illicit opium and coca originate from six countries: Afghanistan, Laos and Burma in Asia; and Bolivia, Colombia and Peru in Latin America. Attempts to oversee the global illicit crop situation are made by the United States Department of State’s Bureau for International Narcotics and Law Enforcement Affairs (IN-LEA) each year and are reported in the annual International Narcotics Control Strategy Report (INCSR). For a decade and a half, the US Government has estimated the extent of illicit cultivation in a dozen nations.

What is now the United Nations Office on Drugs and Crime (UNODC) launched its own Illicit Crop Monitoring Programme (ICMP) in 1999 as a result of the elimination strategy adopted at the General Assembly Special Session on Drugs in 1998. The ICMP now covers six national monitoring projects (Afghanistan, Burma, Laos, Colombia, Peru, Bolivia) and one global project, which provides technical supervision and support to the six national projects. The support provided by UNODC to the national monitoring systems is tailored to the national specificities. The UN has published its own annual Global Illicit Drug Trends since 1999. In addition the Inter-American Drug Abuse Control Commission (CICAD) of the Organisation of American States (OAS) produces annual statistics for the Americas. Its Inter-American Observatory on Drugs publishes a Statistical Summary on Drugs. CICAD is basing its figures on national estimates provided by governments.

1. *Political Declaration*, General Assembly 20th Special Session, 9th Plenary Meeting, June 10, 1998 (A/RES/S-20/2), par. 19 and par. 14.

2. *Encouraging Progress towards still distant goals*, Progress Report by the Executive Director as a contribution to the Mid-term (2003) Review of UNGASS, UNODC, April 8, 2003 (UNODC/ED/2)

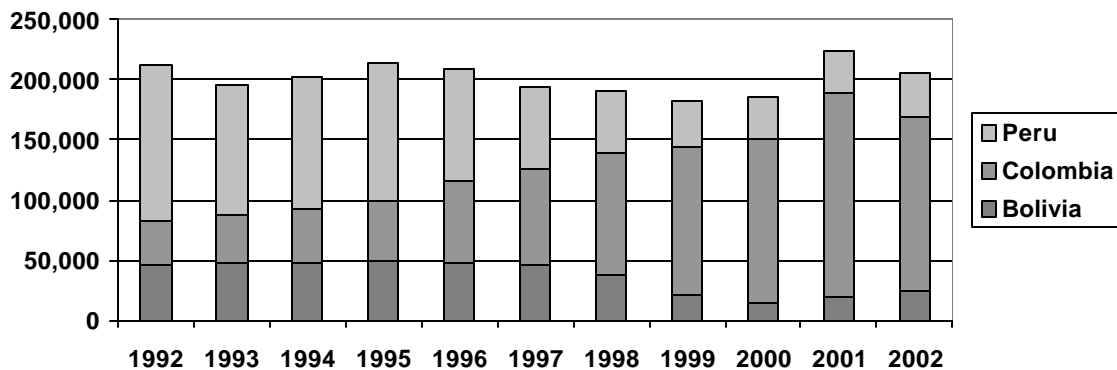
Attempts to assess the scale of illicit cultivation of coca bush and opium poppy are substantially dependent upon surveying methods that appear to yield differing conclusions and are incomplete in terms of reliability, particularly when security conditions prevent ground-level verification of findings of satellite or aerial surveys. The most reliable information there is on illicit crops is how many hectares are under cultivation during any given year. The picture is less clear where crop yields are concerned. How much of a finished product a given area will produce is difficult to estimate. Small changes in factors such as soil fertility, weather, farming techniques, and disease can produce widely varying results from year to year and place to place. Moreover, most illicit drug crop areas are not easily accessible, making scientific information difficult to obtain. Not all of these estimates allow for losses, which could represent up to a third or more of a crop in some areas for some harvests. Cultivation figures are relatively hard data. The data on crop production and drug yield estimates are much more softer as more variables come into play. Figures are best estimates, not final numbers.

Recent reports indicate that many coca bush growers in Colombia are now cultivating smaller plots that cannot be detected through satellite imagery or are increasingly growing coca bush amongst licit crops. In general, the probability is that all crop surveying methods result in underestimations, rather than overestimations, of the likely availability to illicit markets of cocaine and opiates. In the end, perhaps the best assessors of such availability are users who purchase their wares at street level, and the prices that heroin and cocaine have fetched at that level would appear to have reduced, rather than risen, over the period since 1998. Even when local reductions in use of a particular drug appear to be in evidence, this is often simply due to changes in the choice of drug, for example, from cocaine to crack cocaine, methamphetamine or ecstasy.

Coca

The world's coca is grown in three Andean countries – Bolivia, Colombia and Peru. According to the INCSR figures, over the last ten years the total area under illicit coca bush cultivation has been remarkably constant at around 200,000 hectares per year (see Chart 1). Some coca that is cultivated is, of course, used locally in the form of coca leaf –notably in Bolivia and Peru– and not proceed to the stage of cocaine. But this factor is undoubtedly massively offset by the substantial stocks of cocaine that are believed to be stockpiled, particularly in the Caribbean, awaiting release to global illicit markets.

Chart 1: Coca Cultivation in Hectares



Source: *International Narcotics Control Strategy Report 2002*

| Coca | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Bolivia | 45,500 | 47,200 | 48,100 | 48,600 | 48,100 | 45,800 | 38,000 | 21,800 | 14,600 | 19,900 | 24,400 |
| Colombia | 37,100 | 39,700 | 45,000 | 50,900 | 67,200 | 79,500 | 101,800 | 122,500 | 136,200 | 169,800 | 144,450 |
| Peru | 129,100 | 108,800 | 108,600 | 115,300 | 94,400 | 68,800 | 51,000 | 38,700 | 34,200 | 34,000 | 36,600 |
| Total | 211,700 | 195,700 | 201,700 | 214,800 | 209,700 | 194,100 | 190,800 | 183,000 | 185,000 | 223,700 | 205,450 |

The UN Illicit Crop Monitoring Programme covers all three of the producer States. Since 1999 the programme is working in Colombia, and only recently in Peru and Bolivia. The figures of the Government of Colombia (GOC) in cooperation with the UNODC Illicit Crop Monitoring Programme differ significantly of those of the US State Department:

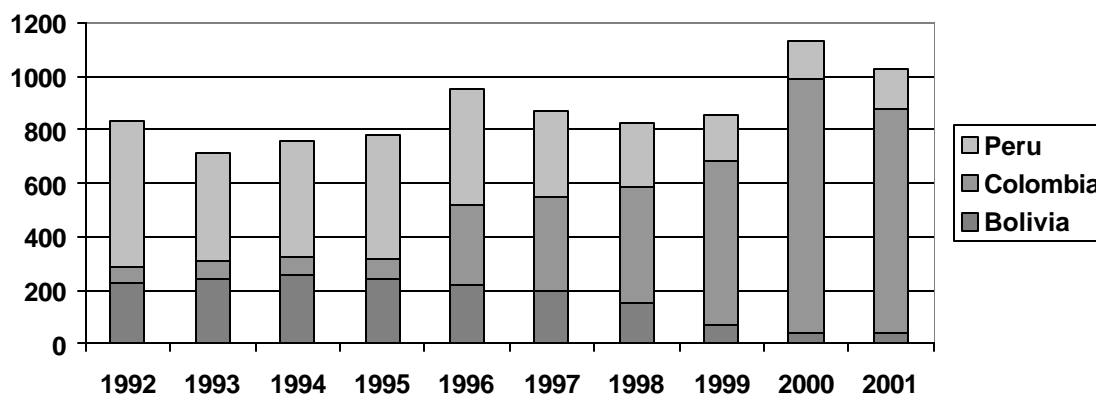
| <i>Coca in Colombia in he</i> | 2000 | 2001 | 2002 |
|-------------------------------|---------|---------|---------|
| US State Department | 136,200 | 169,800 | 144,450 |
| GOC \ UNODC | 163,200 | 144,800 | 102,000 |

Since the emergence of a competitor to the US for illicit crop monitoring there has been growing statistical confusion. The figures on coca cultivation for the Andean region as a whole have differed significantly since 1999, the comparative estimates of the US, CICAD and the UN being:

| <i>Coca cultivation in he</i> | 1999 | 2000 | 2001 |
|-------------------------------|---------|---------|---------|
| US State Department | 183,000 | 185,000 | 223,700 |
| CICAD | 220,600 | 212,000 | 194,600 |
| UN Global Trends | 220,519 | 221,294 | 210,939 |

However, assessing areas under illicit cultivation is not sufficient to measure the potential production of cocaine. In order to estimate cocaine production one has to take into account the yield of coca leaves per hectare. This variable yield in kilograms per year per hectare is determined by various factors, including soil fertility, plant type, climate, number of harvests (3 to 6 per year depending on the coca variety), fertilizer use and efficiency of production methods and chemical processing techniques. In addition, mature coca (two to six years old) is more productive than immature or aging coca. Variations such as these affect potential yield and production. Although the number of hectares under cultivation has remained constant over the last 10 years, according to CICAD, potential production increased by 23% during the same period (2001 figures) because of an increase in yield (see Chart 2).

Chart 2: Potential Production of Cocaine in Metric Tons



Source: *Statistical Summary on Drugs, Draft Analysis 2002, CICDAT*

| <i>Cocaine</i> | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|----------------|------|------|------|------|------|------|------|------|------|------|
| Bolivia | 225 | 240 | 255 | 240 | 215 | 200 | 150 | 70 | 43 | 42 |
| Colombia | 60 | 65 | 70 | 80 | 300 | 350 | 435 | 612 | 947 | 839 |
| Peru | 550 | 410 | 435 | 460 | 435 | 325 | 240 | 175 | 145 | 146 |
| Total | 835 | 715 | 760 | 780 | 950 | 875 | 825 | 857 | 1135 | 1027 |

Average yield –measured in kilograms of cocaine that can be processed from one hectare of coca in one year– fluctuated between 3.6 and 4.5 from 1992 to 1999 in the Andean region. Subsequently, however, the average yield rose to 5.3 kg/he in 2001 due to increased production in Colombia. Colombia had become the main producer and was where more sophist-

icated production methods had been developed.³ The increase in yield resulted in a potential production level of 1027 metric tons in 2001, up from 825 metric tons in 1998, according to CICAD. The 1027 metric tons of potential cocaine production in the hemisphere is based on 194,600 hectares planted and the average per hectare yield in kilograms.

The yields are difficult to measure, since all agencies involved provide different estimates and the issue is surrounded by confusion. According to the CIA "depending on the country where grown, coca leaves from a 1 hectare field can be processed into 4.0 to 7.4 kilograms of cocaine".⁴ The UNODC did not specify a yield estimate in its 'Colombia Coca Survey for 2002' and now uses US estimates, currently at 4.7 kg/he.⁵ In their 2001 report the UN and GOC used an average yield of 6.4 kg/he (926 metric tons out of 144,807 hectares).⁶ Surprisingly, that estimate of Colombian potential cocaine production in 2001 (926 metric tons) is not the figure quoted in the UN 'Global Illicit Drug Trends 2002', which gives a global estimate of 827 metric tons for 2001 and 617 metric tons for Colombia alone.⁷ The sudden disappearance of 306 metric tons is an indication of the unclarity surrounding the issue and is tainting the reliability of these kinds of global estimates.

The UN Global Illicit Drug Trends has in fact quoted different figures since 1999 in comparison with the CICAD and US figures, resulting in a significant gap of 200 metric tons in 2001.

| <i>Cocaine in MT</i> | 1999 | 2000 | 2001 |
|----------------------|------|------|------|
| US State Department | 765 | 777 | 930 |
| CICAD | 857 | 1135 | 1027 |
| UN Global Trends | 925 | 879 | 827 |

With fewer hectares cultivated, CICAD calculates a higher potential cocaine production in 2001. In its Global Illicit Drug Trends, the UN apparently estimates the average yield per hectare at 3.9 kg/he (827 metric tons out of 210,939 hectares), while CICAD uses 5.3 kg/he. But if the estimate of 926 metric tons of the UN\GOC's own 2001 Colombia survey had been used (an extra 309 metric tons) the UN figure would then have amounted to 1,136 metric tons. If one would calculate the figures of the highest estimate of cultivated area (the US's figure of 223,700 ha) with the CICAD yield estimate, total potential production would then be 1,186 metric tons. The other way around (lowest estimate of CICAD of 194,600 hectares with 3.9 kg/he yield) would amount to 759 metric tons.

According to two 2002 surveys, one of the US State Department and another of the Government of Colombia (GOC) in cooperation with the UNODC,⁸ coca cultivation dropped significantly in 2002. The State Department recorded a decrease of 15%, from 169,800 hectares in 2001 to 144,450 in 2002. This reported drop, which followed steady increases every year since the early 1990s, was hailed by the US Office of National Drug Control Policy (ONDCP) as a turning point in the effort to stem the flow of cocaine from Colombia. In 2002, the UN\GOC national survey reported a significant decrease by almost 30% compared to 2001. As of December 2002 there were reported to be 102,000 hectares of coca under cultivation compared to 2001, when the estimate was 144,807 hectares, and the even higher figure of 163,200 hectares for 2000. The drop in coca cultivation in Colombia was attributed to intensification of the aggressive spraying campaign with chemical herbicides. In 2002 the Colombian Anti-Narcotics Police (DIRAN) fumigated 126,933 hectares, an increase of 45% compared to 2001.⁹

The drop in Colombia was claimed as a significant success by the UNODC. "For the first time in over a decade aggregate coca cultivation in the Andean region, the main producer in the world, declined to 173,000 hectares. This is a major achievement in the international fight

3. *Statistical Summary on Drugs, Draft Analysis 2002*, CICDAT (CICAD-OAS).

4. *Coca Fact Paper: A Primer*, Central Intelligence Agency (CIA) website: www.cia.gov/saynotodugs/cocaine.html

5. *Colombia Coca Survey for 2002 - Preliminary Report*, UNODC, March 2003.

6. *Colombia: Annual Coca Cultivation Survey 2001*, UNDCP, March 2002.

7. *Global Illicit Drug Trends 2002*, ODCCP, New York: 2002.

8. The coca survey in Colombia is produced annually by the Integrated Illicit Crop Monitoring System (SIMCI), a joint venture set up in 1999 by the Colombian Government and the UNODC.

9. *Colombia Coca Survey For 2002*.

against illicit drugs and related crime," said Mr. Antonio Maria Costa, the Executive Director of the UNODC. "The world production of coca has been persistently above 200,000 hectares: this decline will subtract over 100 tons of cocaine from world markets", Mr. Costa added.¹⁰ Mr. Costa's jubilation, however, needs to be tempered by closer consideration of the facts. First of all, the figures of the US State Department still report aggregate coca cultivation in the Andean region of 205,450 hectares in 2002. Second, the initial success may be offset by the so-called balloon effect: local squeezes simply moving the industry elsewhere, spreading violence and corruption as it goes, not only in Colombia itself but also to surrounding countries.

Klaus Nyholm, head of the UN Drug Control Program in Colombia, said coca is cultivated today in 23 regions out of 32, compared to 10 regions just five years ago. "The overall trend is that coca is decreasing but it's spreading to areas where it did not exist before," he said, adding that the more spread out coca is, the harder it is to combat.¹¹ Peasants have reacted to the fumigations by planting several varieties of coca with more yields, including the Peruvian 'Tingo Maria' and the Bolivian 'La Dulce'.¹² Nyholm said that another factor that may have contributed to the shrinking of the overall hecterage under coca cultivation was a drop in prices, especially since the prices of farm products like cocoa beans and sugar were rising at the same time, making coca less commercially attractive.¹³ According to the preliminary UN report 'Colombia Coca Survey for 2002' prices of coca paste in Colombia have declined from US\$ 900-850 per kilogram to around US\$ 750.

The governors of the Colombian departments Nariño, Parmenio Cuéllar, and Cauca, Floro Tunubalá, have expressed doubts about the US figures. According to Cuéllar (Nariño) it is clear that coca cultivation has decreased in the Putumayo because of the intense spraying, but that does not necessarily means that the production has been broken, because coca cultivation has moved to Nariño. Of the 64 municipalities in Nariño, 50 have coca fields.¹⁴ This shows that fumigation has shifted the problem from the Putumayo to Nariño and illustrates the possible deleterious consequences of the spraying strategy. Reports also indicate that coca cultivation is again rising in both Peru and Bolivia, and might yet spill over into Venezuela and Ecuador, which have to date been free of coca cultivation.¹⁵ When it comes to coca production, history has shown that cutting the snake into two parts merely creates two snakes, as was evidenced in the 1990s when the shoot-down policy in relation to coca paste being flown from Peru to Colombia resulted in the re-establishment of cocaine manufacturing in Peru and a massive increase in coca bush cultivation in Colombia.

In Peru prices of coca leaf and derivatives have been recovering since 1999, according to the UN. This situation, combined with a parallel fall of prices for legal products such as coffee, has been stimulating the rehabilitation of the coca plantations previously abandoned, as well as the use of chemical fertilizers to increase the yields. Results of UN coca cultivation surveys show that coca cultivation covered 46,700 hectares in 2002¹⁶ (36,600 according to the US State Department), 46,232 in 2001 (34,000), against 43,405 hectares in 2000 (34,200). This represents an increase of 3,295 hectares, or 7% over two years. There are serious doubts about the US and UN figures. The Peruvian coca expert Hugo Cabieses believes that coca cultivation is much higher than UN and US figures indicate. He estimates that the num-

10. *Colombian Coca Cultivation Falls by 30%*, UN Information Service, March 17, 2003.

11. *Colombia's New Coca Assault Hits Crops, Peasants*, Reuters, February 26, 2003.

12. *Statistical Summary on Drugs, Draft Analysis 2002*, CICDAT (CICAD-OAS).

13. *Aerial Spraying Remains Bone of Contention*, Inter Press Service, March 24, 2003

14. *Debate por informe de E.U.*, El Tiempo (Bogota - Colombia), March 1, 2003.

15. "A worrisome trend is the displacement of coca crops to countries that traditionally have not been producers, as reported by Ecuador and Venezuela", according to the CICAD *Hemispheric Report: Evaluation of Progress in Drug Control 2001-2002*. According to the 2002 INCSR: In Venezuela unknown quantities of coca and opium poppy are cultivated in the Serrania de Perija mountain range along the Colombian border. There were no eradication missions conducted in 2002 to confirm exact locations and quantities. In 2001, however, three cocaine base labs in this region were discovered for the first time ever in Venezuela, indicating what could be a troubling new trend in the Venezuelan territory adjacent to Colombia. Cultivation of coca fields, for the first time as large as eight hectares, was also reported in 2001. In Ecuador about 20 hectares of cultivated coca in scattered locations near the northern border in 2002 were destroyed (INCSR 2002). In March 2003, Ecuadorian marines destroyed 10 hectares of coca and a coca-paste laboratory near the Colombian border and expected to find more coca fields. See: *180 marinos destruyeron coca en dos poblaciones*, El Comercio (Quito - Ecuador), March 29, 2003.

16. *Bolivia: Coca Survey in the Yungas of La Paz in 2002*, UNODC, March 2003.

ber of hectares reached 51,000 in 1998, increased to 60,000 in 1999, and 65,000 in 2000. In the consecutive years 2001 and 2002 the number of hectares stayed at that latter level.¹⁷ Cabieses states that the satellite images used by the US to measure the extension of coca plantations are not exact because they covered only some coca-growing valleys and were not able to capture the complex and rapidly changing dynamic of crops and thus, he said, the numbers were more 'political' than technical.¹⁸

Between 1997 and 2001, the Bolivian government eradicated 40,000 hectares of coca. In the past two years, new planting has outstripped eradication. Increasing amounts of Peruvian semi-processed cocaine-base are now being smuggled through Bolivia to Brazil and thence onward to Europe. Cobija, a poor northern outpost, has acquired sudden wealth; locals report an influx of heavily laden, armed 'backpackers' from Peru on the logging trails in the surrounding forest.¹⁹ "Bolivia's prior success in eradicating huge swathes of coca cultivated in the Chapare is challenged by a 23% increase in coca cultivation as of June 2002," according to the 2002 INCSR. According to US figures coca cultivation in Bolivia is up from 14,600 hectares in 2000, to 19,900 hectares in 2001, and to 24,400 hectares in 2002. In the report, the State Department calculates that in mid-2002, there were 5,400 hectares in the Chapare, an increase of 1,200 hectares since 2001. It is unclear whether these figures are accurate, and nongovernmental experts state that there is probably closer to 10,000 hectares hidden in the Chapare underbrush.²⁰

Trafficking

The trends in cocaine seizures are also generally stable. According to the UN Global Illicit Drug Trends 2002, seizures between 1990 and 2000 oscillated between 300-350 metric tons per year.²¹ Global seizures reached their peak in 1998 with 382 metric tons and declined in the following years to 359 metric tons in 1999 (down 6%) and 335 metric tons in 2000 (down 6.6%), in which year 38% of the global cocaine production was intercepted (or 33% when compared with the CICAD figures of potential cocaine production). These figures should be treated with caution, the UN report warns, because cocaine seizures are not systematically tested for purity. This means that the total amount of pure cocaine seized is likely to be far below that reflected in the statistics. More than 90% of all the cocaine seized in the world in 2000 was the result of interdiction in the Americas, with 8% in Western Europe. According to CICAD, over 302 metric tons of cocaine were seized in the Americas in 2001, down 8.7% from 1999 and 8.5% from 2000.

Forced eradication: at what cost?

More disturbing than the perhaps somewhat premature claims of success by the UNODC Executive Director is the fact that with his words he implicitly supports the aggressive spraying campaign in Colombia that his own representative for that country has criticised. When President Alvaro Uribe took office in August 2002, he launched a new phase of Plan Colombia, intensifying spraying and recently increasing the concentration of glyphosate – a chemical herbicide produced by the US-based Monsanto Corporation. The new phase of Plan Colombia entailed much broader aerial spraying with glyphosate, even on coca farms of less than three hectares, which were previously by law excluded from spraying. Small farmers were instead to be given developmental incentives to help them switch to alternative livelihoods. The latest variants of such schemes, the so-called voluntary manual eradication pacts in southern Colombia had been such a failure²² that the US funding for the pacts, as well as

17. *Cocales crecieron durante la dictadura de Fujimori*, La Republica (Lima - Peru), February 21, 2003. Others estimate 60,000 ha, see: *The Push for Zero Coca: Democratic Transition and Counternarcotics Policy in Peru*, Drug War Monitor, Washington Office on Latin America (WOLA), Washington, February 2003.

18. Hugo Cabieses, *Perú: cultivos de coca, éxito virtual y mesa de donantes*, Lima, January 2000.

19. *The Andean Drug Industry: The Balloon Goes Up*, The Economist, March 6, 2003.

20. *Growers Pressure Government to Discuss Offer for Legal Coca: US Critiques Increase in Coca Production*, Andean Information Network, March 13, 2003.

21. Global Illicit Drug Trends 2002.

22. Acción Andina Colombia and TNI, with local authorities and communities in Southern Colombian, is currently finishing an evaluation of the failed pacts. For our critique on the terms of the agreements, see: *Alternative Development and Eradication: A Failed Balance*, Drugs & Conflict nr 4, TNI, March 2002.

the new Colombian government, simply decided to delete the distinction between small and large growers, forget about soft developmental approaches and spray everything in sight.

Governors Floro Tunubalá of Cauca and Parmenio Cuéllar of Nariño have protested against the use of more concentrated glyphosate, pointing out that they had received many complaints of skin and respiratory ailments from people living in areas sprayed with only the more diluted version. Since coca began to be sprayed in 1994, there have been many objections that the herbicide used also destroys subsistence crops, sickens domesticated animals, contaminates water supplies and harms the flora and fauna of Colombia, a country that contains 70% of the Earth's biodiversity. Government run offices to defend citizen's rights (ombudsman) around the country have received hundreds of complaints from peasant farmers of eye, respiratory, skin, and digestive problems, and of harm to legal crops, animals, and water supplies. The fumigations not only displace crops but also add thousands of people to the two million people already displaced in Colombia. After the massive spray campaign in 2002, US Drug Czar John Walters proudly presented as a measure of success the fact that about 10% of the population in the Putumayo had left the area because the coca economy could no longer sustain them.²³ The Putumayo is a stronghold of the left-wing insurgents of Revolutionary Armed Forces of Colombia (FARC), and the remarks of Walters fuel suspicions that fumigations are also intended to serve the additional purpose of counter-insurgency.

Aerial fumigation sets in motion a vicious circle of human, social and environmental destruction. The spraying causes pollution affecting humans, animals and vegetation, and destroys the livelihoods of peasant and indigenous communities forcing these groups to migrate deeper into the rainforest. This displacement accelerates the pace of deforestation where slash and burned plots are planted with illicit coca or poppy crops replacing those previously fumigated. The new plots are eventually fumigated and the cycle starts over again exacerbating the current armed conflict. In the course of the cycle human rights are violated, the legitimacy of the state is eroded, alternative development to substitute illicit with licit crops is aborted, peasant support for the guerrilla increases, the war extends to new areas, and the 'war on drugs' is entangled with counterinsurgency objectives.

In Peru and Bolivia forced eradication of coca has also caused civil conflict. In 1998, Bolivia announced its plan to eliminate coca cultivation by 2002. The Government has not succeeded in its attempt, but the coca-growing region of the Chapare has witnessed numerous road-blocks and violent dashes between cocaleros –coca growers– and police and special military forces. Complaints of human rights violations increased. This year, Bolivia's powerful coca growers' movement has drawn blood against a weak government. Evo Morales, the movement's leader, was emboldened by winning 21% of the vote in last year's presidential election, finishing just in second place. In January 2003, nine civilians, a police officer, and a soldier were killed in clashes between cocaleros and authorities in Bolivia. Caught between the farmers' ultimatums for partial coca legalisation and US insistence on continued eradication, the government appears to be looking for a way out. In recent weeks, authorities have hinted that they may be willing to bend to demands to allow cocaleros in Chapare to continue cultivating a limited amount of coca and regulate the production of coca. US officials say the plan could cause an explosion in cocaine production, and have hinted that Bolivia – the poorest country in South America– could lose part of its US\$ 50 million aid.

In Peru, too, forced eradication of coca has led to violent conflicts. Worried about the backflow from Plan Colombia, US officials have stepped up aid to Peru, while also pressing for a tougher policy. In September 2002, the government said it would begin forcible eradication in hardcore coca areas, a policy Peru steered clear of in the late-1980s, after Shining Path rebels exploited discontent over it. The response was a wave of violent unrest in traditional coca-growing areas. More than 70 people were injured in an 11-day strike in February 2003; in Aguaytia, protestors smashed up the government's anti-drug office, burning equipment. For the first time, the cocaleros may have a political leader in the form of Nelson Palomino.

23. *Overview of U.S. Policy Toward the Western Hemisphere*, Testimony of John P. Walters, Director of National Drug Control Strategy Before the House Committee on International Relations Subcommittee on the Western Hemisphere, February 27, 2003.

Although he does not yet have the clout of Evo Morales in Bolivia, Palomino was recently arrested on charges of supporting the (almost disappeared but recently re-emerging) Shining Path, something he denies. His arrest was greeted with a protest by thousands of coca farmers in Ayacucho, the Shining Path's birthplace. Such protests are a novelty for Peru. The farmers have now called a 'truce': they want the government to agree to end forced eradication and spend more money for alternative development schemes.

Conclusion

According to the Mid-term Review Report of the UNODC, coca cultivation is declining, thereby reducing the quantity of available cocaine. Is this true? This review estimates that, despite the confusion over the figures, the argument that trends in the cultivation of coca and the supply of cocaine indicate a sustainable decline does not yet hold water. Increased fumigations in Colombia will have an impact (the US and GOC are planning to spray 200,000 hectares in 2003), but there are no signs of a shortage of supply for the global illicit markets. The coca industry has shown an amazing adaptability over the past decade. Shifts in where production is concentrated inside Colombia and across the region have occurred before. We may well witness similar changes in the market requiring some time to re-establish the balance.

The error margins of the figures are huge, especially in relation to yield estimates, which is an issue that could and should be addressed in a more scientific manner. Absolute precision will never come to pass in this field, and we have to accept that we are in fact dealing with 'best guesstimates'. Still, discrepancies like the one between the UN ICMP estimate of Colombian potential cocaine production in 2001 of 926 metric tons and the figure taken over in the UN Global Illicit Drug Trends 2002, which estimates for the same year 617 metric tons, resulting in a sudden disappearance of over 300 metric tons, can be avoided or at least need to be explained.

Finally, progress cannot be measured in terms of counting hectares alone. The social consequences and collateral damage of the means applied in attempts to reduce supply have to be taken into account. Forced eradication of coca has resulted in a grave increase in social conflicts in all three Andean countries over the past years. The UNGASS Action Plan already warned explicitly about the risk of counterproductivity of such measures in areas where alternative livelihoods were not yet secured. In the special case of Colombia, with its controversial spraying programme, even its own governmental agencies have denounced the environmental and social costs. The UN, from its high position, should be more circumspect about praising claimed reductions in hectares if these have come about at the cost of destruction of livelihoods, endangerment to UNODC's own alternative development efforts, internal displacement, environmental degradation, violations of human rights and health hazards for the population.

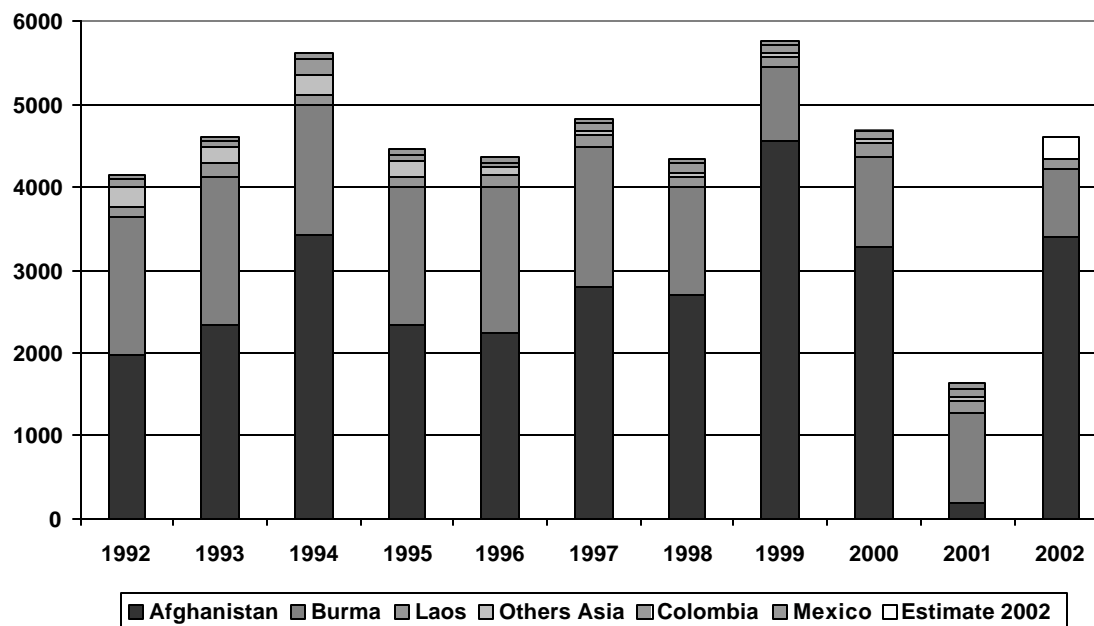
Opium

With regard to global opium and heroin production, the UNODC estimates indicate a more fluctuating but still relatively stable trend with an average of 4,500 metric tons of raw opium for the past decade, with 1994 and 1999 showing peaks and 2001 showing an abrupt decline due to that year's bottom harvest in Afghanistan caused by the Taliban opium ban, drought and rock-bottom prices due to overproduction the previous year.²⁴ Afghan production quickly recovered from these setbacks and in 2002 worldwide illicit production of opium was slightly in excess of the average of 4,457 metric tons over the past decade.²⁵ The ban imposed by the Taliban regime in Afghanistan led to a dramatic decrease in opium production, resulting in a drop to 1,626 metric tons in that year. Figures for 2002 show a recovery to 'normal' levels of production, with 4,600 metric tons estimated for 2002. Although the number of hectares under cultivation has dropped over the past four years, levels of production of raw opium and heroin have remained relatively stable.

24. Due to the differences in yield per hectare the figures of raw opium production give a better indication of potential worldwide production than the area under cultivation.

25. *The Opium Economy in Afghanistan: An International Problem*, UN Office on Drugs and Crime (ODC), 2003.

Chart 3: Raw Opium Production in Metric Tons



Sources: UNODC Global Illicit Drug Trends 2002; Afghanistan Opium Poppy Survey 2002; Myanmar Opium Survey 2002; Lao PDK Opium Survey 2002

| Opium | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|
| SOUTH-WEST ASIA | | | | | | | | | | | |
| Afghanistan | 1970 | 2330 | 3416 | 2335 | 2248 | 2804 | 2693 | 4565 | 3276 | 185 | 3400 |
| Pakistan | 181 | 161 | 128 | 112 | 24 | 24 | 26 | 9 | 8 | 5 | |
| Subtotal | 2151 | 2491 | 3544 | 2447 | 2272 | 2828 | 2719 | 4574 | 3284 | 190 | |
| SOUTH-EAST ASIA | | | | | | | | | | | |
| Burma | 1660 | 1791 | 1583 | 1664 | 1760 | 1676 | 1303 | 895 | 1087 | 1097 | 828 |
| Lao PDR | 127 | 169 | 120 | 128 | 140 | 147 | 124 | 124 | 167 | 134 | 112 |
| Thailand | 14 | 17 | 3 | 2 | 5 | 4 | 8 | 8 | 6 | 6 | |
| Vietnam | 61 | 21 | 15 | 9 | 9 | 2 | 2 | 2 | | | |
| Subtotal | 1862 | 1998 | 1721 | 1803 | 1914 | 1829 | 1437 | 1029 | 1260 | 1237 | |
| OTHERS ASIA | | | | | | | | | | | |
| Combined | | 4 | 90 | 78 | 48 | 30 | 30 | 30 | 38 | 40 | |
| Total Asia | 4013 | 4493 | 5355 | 4328 | 4234 | 4687 | 4186 | 5633 | 4582 | 1467 | |
| LATIN AMERICA | | | | | | | | | | | |
| Colombia | 90 | 68 | 205 | 71 | 67 | 90 | 100 | 88 | 88 | 88 | |
| Mexico | 40 | 49 | 60 | 53 | 54 | 46 | 60 | 43 | 21 | 71 | |
| Total LA | 130 | 117 | 265 | 124 | 121 | 136 | 160 | 131 | 109 | 159 | |
| GRAND TOTAL | 4143 | 4610 | 5620 | 4452 | 4355 | 4823 | 4346 | 5764 | 4691 | 1626 | 4600 |

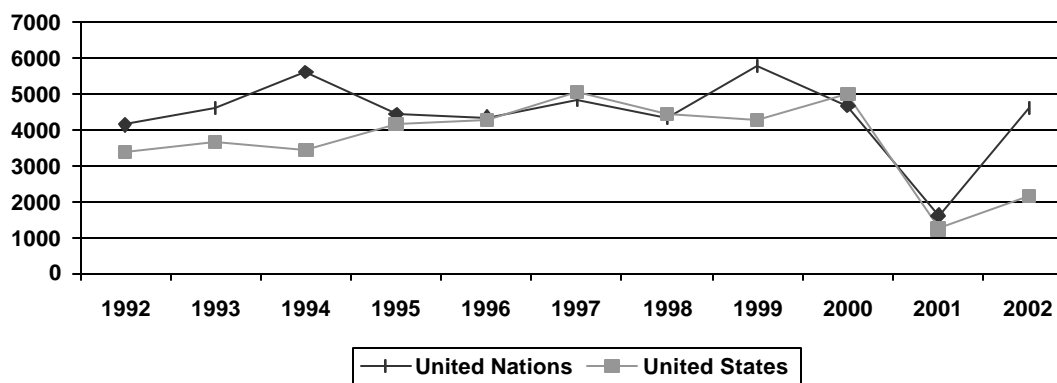
UNODC data show that opium production increased dramatically over the 1980s and early 1990s but then appear to have stabilised between 1993/4 and 2000, with considerable year-on-year fluctuation, but no discernible movement up or down.²⁶ In 1986 it is estimated that 1,821 metric tons of opium was produced; by 1993 this figure was 4,610 and then fluctuated between 4,346 and 5,765 over the rest of the decade. US estimates show a fairly similar

26. Global Illicit Drug Trends 1999 and 2002.

story – although they show an increasing area under opium cultivation over the period 1993 to 2000, and a decline over the last two years.²⁷ (See Chart 3)

The UN has more experience of monitoring opium estimates than those in respect of coca. Below is a comparison between UN and US estimates (see Chart 4). There is a significant difference in the 2002 estimates, due to the different figures for Afghanistan (UN estimates 3,400 metric tons, the US 1,278). But the UN figures for Afghanistan are more recent, and over the years the UN monitoring programme in Afghanistan has developed into a more reliable source.

Chart 4: UN and US Figures on Worldwide Opium Production in Metric Tons



| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|-------|------|------|------|------|------|------|------|------|------|------|------|
| UNODC | 4143 | 4610 | 5620 | 4452 | 4355 | 4823 | 4346 | 5764 | 4691 | 1626 | 4600 |
| INCSR | 3389 | 3675 | 3417 | 4165 | 4285 | 5056 | 4453 | 4263 | 5004 | 1236 | 2159 |

Sources: *International Narcotics Control Strategy Report 2002* and previously mentioned UN sources

In Afghanistan, the world's main opium producer, the general trend that seems to emerge from the UN Afghanistan Opium Rapid Assessment²⁸ in 2003 is that farmers tend to cultivate opium poppy in increasingly remote and inaccessible areas, due to eradication campaigns of the new Karzai Government. As a result, opium poppy cultivation was reported in several districts for the first time.²⁸ Opium farmgate prices increased almost 10-fold (US\$ 300 per kg) at harvest time in 2001 compared to a year earlier as a consequence of the Taliban opium ban, and some 20-fold (US\$ 700 kg) prior to September 11. Despite a good harvest in 2002 – opium prices still amounted to around US\$350 at harvest time in 2002, and were about US\$450 at the end of the year. World Bank president James Wolfensohn recently warned that opium was a bigger earner for the Afghan economy than overseas aid.²⁹ Wolfensohn said his officials now reckoned that drugs were back up to very close to the peak production under the Taliban. The US\$1.4 billion proceeds from the industry in Afghanistan last year compared with the US\$1.2 billion international aid that flowed into the country.

While coca production is confined to the Andean sub-region, there is much more fluctuation regarding the countries where opium is cultivated. While illicit cultivation is down or has even disappeared in Iran, Turkey, India, Pakistan, Lebanon, Thailand and Vietnam, other countries have appeared as opium producers. Afghanistan's opium production of 3,400 tons last year represented an increased of more than 15-fold since 1979, the year of the Soviet

27. *International Narcotics Control Strategy Report 2002*, United States Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INLEA), March 2003.

28. *Afghanistan Opium Rapid Assessment Survey*, UN Office on Drugs and Crime (ODC), March 2003.

29. *World Bank chief issues opium alert*, *The Observer* (UK), March 16, 2003.

invasion, according to the UNODC.³⁰ Since 1991, Colombia has emerged as an opium producer, and there are recent reports of small-scale opium poppy cultivation in Peru (former Peruvian drug czar Vega Llonca has mentioned a figure of 1,000 hectares).³¹ According to the 2002 INCSR, a steady rise in opium latex seizures by the Peruvian National Police in 2002 confirmed the expansion of poppy cultivation and opium trafficking in Peru. The UN-ICMP fully acknowledges that their monitoring methodology is inadequate to measure opium poppy cultivation in the Andean region.

Although Lebanon disappeared from the worldwide statistics, cultivation still continues. In 2002, Lebanese security forces aimed at destroying 500 hectares of poppy fields.³² In Nepal there is small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. In India there is a growing diversion of opium from licit production allowed under the UN Conventions to secure global opiate supplies for medical purposes. To meet anticipated world demand for licit opium and rebuild depleted domestic stockpiles toward an INCB-recommended level of approximately 750 metric tons, the Government of India licensed a larger number of farmers and increased the area for poppy cultivation during 1998-99 and 1999-2000. Estimates of suspected diversion from the 1998-99 opium harvest ranged from 170 metric tons to as high as 300 metric tons, which would represent between 15 to 25% of the entire crop.³³ These figures are not mentioned in the UN and US statistics of worldwide illicit opium production, yet they would raise the global estimates with three to six percent.

In Russia, there are small, illicit opium poppy fields ranging in size from one to two hectares. This year more poppies were discovered than in previous years. Although there are no official statistics on the extent of opium cultivation in Russia, the INCSR has no evidence to suggest that more than 1,000 hectares of opium are cultivated. Typically the opium fields are small backyard plots or are located in the countryside concealed by other crops. In Siberia, in the Central Asian border region, and in the Omsk-Novosibirsk-Tomsk region along the border with Kazakhstan, opium poppies are widely cultivated. According to Russian authorities, this year more cannabis and poppy plants were cultivated on larger areas of land, and wild harvests of these plants expanded throughout Russia. In the first nine months of 2002, Russian authorities eradicated 4,721,470 square meters of wild poppy and 157,018 square meters of cultivated poppy. The amount of wild poppy plants eradicated in 2002 represents a significant increase from previous year amounts.³⁴ In the former Soviet republics in Central Asia a similar picture emerged.

Trafficking in opiates

According to the UN Global Illicit Drug Trends 2002, global seizures of heroin and morphine increased between 1999 and 2000, from 61 metric tons to 75 metric tons, up from 15% to 21% (see Chart 5 and 6).³⁵ Nevertheless, average availability remained rather stable at 366 metric tons of heroin equivalent. Global seizures of opium declined over the same period. These figures must be interpreted with caution: "it is not a direct indicator of the effectiveness of enforcement activity in a particular year, because what is seized in that year could well have been produced in the previous year. Thus, the higher interception rate of 21% for 2000 reflects not only Afghanistan's bumper harvest of 1999, but also the smaller harvest of 2000. Some of the seizures made in 2000 could well have been stocks that were kept aside from the 1999 harvest." Heroin purity and street prices in Europe are generally stable or decreasing, according to the EMCDDA,³⁶ indicating that there is no shortage or major disruption in supply.

30. *UN Agency Reports High Opium Production, Suggests Action*, UN Wire, February 4, 2003

31. *Vega Llonca: en el Perú no estamos ganando la guerra contra las drogas*, Gestión (Lima – Peru), January 2, 2002. Quoted in: *The Push for Zero Coca*.

32. *Security Forces Raze Poppy Fields as Part of Nationwide Drug Crackdown*, Daily Star (Lebanon), February 27, 2002.

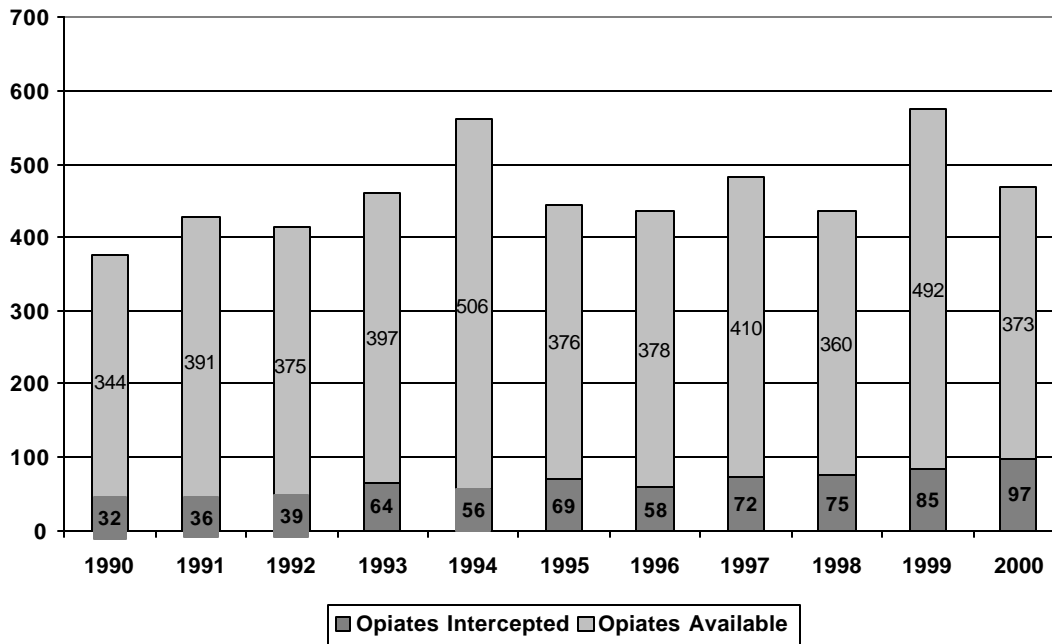
33. International Narcotics Control Strategy Report 2002.

34. International Narcotics Control Strategy Report 2002.

35. The UN estimates that for 1 kilogram of heroin, 10 kilograms of opium are used.

36. *2002 Annual Report on the State of the Drugs Problem in the European Union and Norway*, European Monitoring Centre for Drugs and Drug Addiction (EMCDDA): Lisbon 2002.

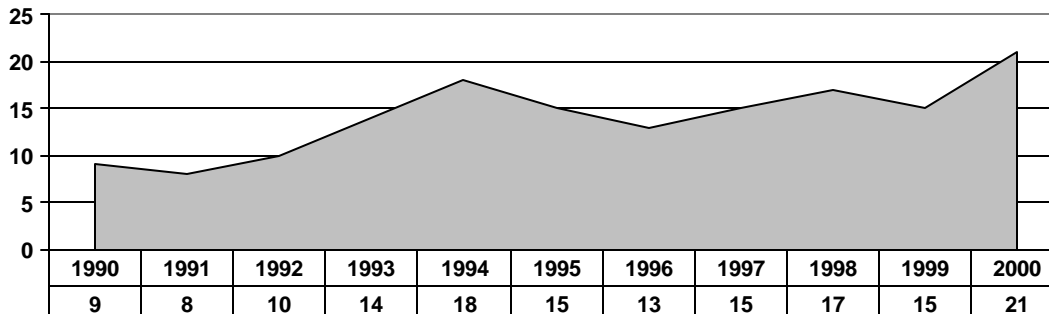
**Chart 5: Global Illicit Supply of Opiates 1990-2000
in metric tons of heroin equivalent**



Source: UN Global Illicit Drug Trends 2002

More than one-third of all the heroin and morphine seized in the world is in Iran, followed by Pakistan and Turkey, each with more than one-tenth. In terms of opium, more than 80% of world seizures took place in Iran.

Chart 6: Global Opiates Interception in percentage



Forced eradication: at what cost?

In February 1998, the UNODC signed a \$650,000 contract with the Institute of Genetics in Tashkent, Uzbekistan, for a 3.5 year research programme to develop “an effective, reliable and environmentally safe agent for the eradication of opium poppy”. A pathogenic plant fungus, *Pleospora papaveracea*, was identified capable of infecting and killing opium poppy. The project was funded by the US and UK governments. The research phase of the programme has recently been concluded, after laboratory testing and field experiments that started in 2000 in Tajikistan, Kyrgyzstan and Uzbekistan with the fungus. The next step is to install

a scientific panel to review its results, evaluating potential risks for environment, legal crops and human health.³⁷

Taking into account the conclusions of the review panel, UNODC and the project donors will decide whether or not to proceed to the next stage: the deployment of the fungus in Central Asia to destroy poppy fields by triggering an epidemic of the fungal disease and making the soil unfit for poppy planting for many years. Given the renewed increase in opium production in Afghanistan and the difficulties to control the process might improve conditions for the protagonists of the now ready-to-use fungus to pursue their agenda. Spraying *Pleospora* spores from high altitudes might be presented as an effective weapon to counter the resurgence of opium poppy cultivation in Afghanistan, depriving the local warlords that oppose the central Karzai Government and control significant parts of the country of a potential source of income.

Conclusion

According to the Mid-term Review Report of the UNODC, opium cultivation is declining, but the total output volume of raw opium remains stable. The production of opium is about the same as in 1998. Is this true? Indeed, despite the fluctuations, global production of opium has been rather stable at an average of approximately 4,500 metric tons. Although seizures of heroin and morphine have increased, availability did not really decline over the years with an average availability of 366 metric tons of heroin equivalent. The main problem is the situation in Afghanistan, whose high productivity fields have kept the level of world output stable. The risk is that implementing unsound forced eradication strategies, including a repressive ban and risky biological eradication methods, may well deteriorate the crisis in Afghanistan even further. Reconstruction of the country and prevention of recurring armed conflict will have to be accompanied by considerate policy approaches towards the reality of the opium economy as a component of livelihood strategies.

Cannabis

Cannabis is certainly the most widely grown drug and the least recorded in terms of cultivation. It is grown in large areas of the world – in Asia, Africa, Latin America, North America and, increasingly, in Europe. As the first Global Illicit Drug Trends report in 1999 pointed out, “estimates of the extent of illicit cannabis cultivation, production and trafficking are more difficult to gauge than those relating to other plant-based drugs because of the significant amounts of wild growth, the more dispersed nature of cultivation and the sheer magnitude of trafficking”.³⁸ While in the first Global Illicit Drug Trends report an effort was made to outline trends in cultivation, this approach was abandoned in later reports that focused solely on seizures. Given the absence of monitoring systems no reliable production estimates are available.

Cannabis is the most widely consumed drug worldwide. The UN estimates that 147 million people or 3.5% of the global population (age 15 and above) used cannabis in the late 1990s. Between 1999 and 2000, there was a significant increase in cannabis herb trafficking worldwide, according to the 2002 Global Illicit Drug Trends. This corresponded with the global increase in cannabis use. In 2000, about 4,500 metric tons of cannabis herb were seized, a substantial increase from the approximately 4,000 metric tons seized in 1999. Within the general global trend of increasing cannabis herb trafficking, there were seizure declines recorded in the US and West Europe. Since levels of consumption increased in West Europe, the decline in seizures is probably a reflection of less rigorous enforcement of penalties for cannabis offences.

There is a shift from traditional cultivation in southern, more underdeveloped part of the world, to the North. Homegrown cannabis in West Europe and North America has significantly increased. New research suggests an increasing proportion of cannabis in the UK is cultivated by users for personal consumption or use by friends. The majority of cannabis now

37. Vicious Circle: The Chemical and Biological War on Drugs, TNI, March 2001.

38. Global Illicit Drug Trends 1999.

consumed in England and Wales has not been smuggled in but is actually grown within those countries.³⁹ Domestically cultivated cannabis has overtaken Moroccan hash or resin as the major product in the British cannabis market. This trend has also been seen on the European mainland, in states like Switzerland and the Netherlands, which pioneered the approach of distinguishing between 'soft', non-addictive drugs from 'hard', addictive ones. In the Netherlands the local product 'nederwiet' has replaced import from hashish and marijuana from the traditional producers in the South. About 75% of the Dutch cannabis market is Dutch-grown marijuana. Recent research indicates that a significant amount of the commercial production in the Netherlands is exported as well, although there are no concrete figures.⁴⁰

Cannabis cultivation, because of its profitability and the relatively low risk involved, has become a thriving industry in Canada, according to the International Narcotics Control Strategy Report of 2002. The Royal Canadian Mounted Police (RCMP) estimates that 800 tons of cannabis is produced annually. Indoor growing operations have generally replaced outdoor cultivation, allowing production to continue year round. As a result, growing operations are becoming larger and more sophisticated. For instance, Canadian law enforcement authorities estimate cannabis cultivation in British Columbia alone represents a US\$1 billion a year growth industry with a sizable amount of the harvest being smuggled in to the US. It is estimated that cannabis production Canada-wide earns some US\$4 billion annually.

Conclusion

According to the Mid-term Review Report of the UNODC, rising levels of seizures and evidence of increasing consumption suggest that output is also increasing. That conclusion seems to be right. Although reliable figures on worldwide cannabis cultivation and production are not available, consumption trends suggest that the global cannabis market is still expanding. Production is increasingly shifting to the main consumption market in West Europe and North America. The main trend nowadays is that governments start to question the conventional wisdom of cannabis prohibition. In spite of considerable national differences, the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) sees a trend across Europe in the direction of more pragmatic policies and "to reduce or remove penalties for personal use or possession of cannabis."⁴¹ More and more national governments are preparing to follow the example of the Netherlands, which effectively decriminalised personal cannabis use in the mid 1970s. Switzerland's parliament is currently studying a bill to decriminalise cannabis use as well as the cultivation, manufacture, purchase and possession of cannabis for personal consumption. The UK Government reclassified cannabis possession to the lowest category.

Canada and Jamaica as well are reconsidering their policies. In December 2002, Minister of Justice Martin Cauchon announced that Canada might soon do away with criminal penalties for the possession of small amounts of marijuana for personal use. Days later, a special report of the House of Commons recommended "a comprehensive strategy for decriminalising the possession and cultivation of not more than thirty grams of cannabis for personal use." After two years research, a report issued by the Canadian Senate's Special Committee on Illegal Drugs went even further. It recommended "that the Government of Canada amend the Controlled Drugs and Substances Act to create a criminal exemption scheme. This legislation should stipulate the conditions for obtaining licences as well as for producing and selling cannabis." In Jamaica, the National Commission of Ganja is recommending the decriminalisation of marijuana for personal, private use by adults and for use as a sacrament for religious purposes.

Ecstasy and Amphetamine Type Stimulants (ATS)

The data on manufacture, trafficking and use of amphetamine type stimulants (ATS), which include methamphetamine and ecstasy, is still full of gaps. Demand for ATS has shot up both in the industrialised nations and in most countries of the developing world. Methampheta-

39. *Home-grown reform*, The Guardian (UK), March 18, 2003; and *Home-grown cannabis outstrips imports from Morocco*, The Guardian (UK), March 17, 2003.

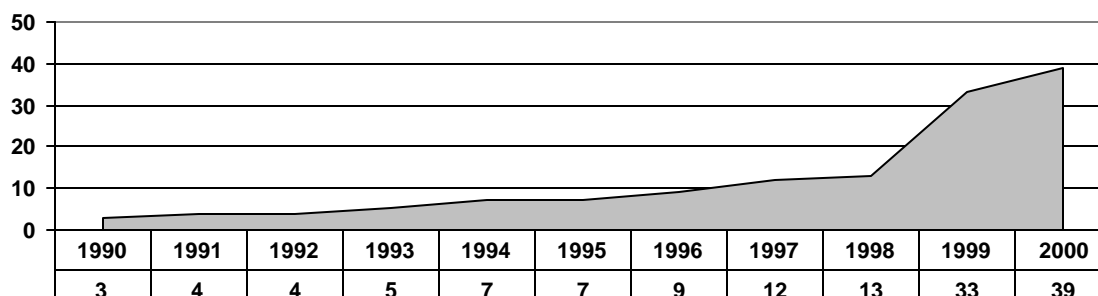
40. F. Bovenkerk & W.I.M. Hogewind, *Hennepeteelt in Nederland*, Politie & Wetenschap: Apeldoorn, 2003.

41. 2002 Annual Report on the State of the Drugs Problem in the European Union and Norway.

mine now competes with cocaine as the stimulant of choice in many parts of the globe. In South-East Asia, methamphetamine competes with heroin as the principal illegal drug for consumption and export. In Burma, the world's second biggest illicit producer of opium, methamphetamine has become a major source of income for the drug trade. According to the UNODC about 0.8% of the global population, some 33.4 million people (age 15 and above, annual prevalence) consume (meth)amphetamines. That is nearly five times more than global ecstasy consumption.⁴² About 0.2% of the global population, some seven million people (age 15 and above, annual prevalence) consume ecstasy. West Europe and North America together account for almost 85% of global ecstasy consumption, but use seems to be slowing down. Use of ecstasy, however, is increasingly spreading to East Europe as well as developing countries, notably in the Americas, southern Africa, and the Near and Middle East as well as South-East Asia.

Two-thirds of (meth)amphetamine consumption is in Asia (22.3 million), mostly in East and South East Asia (mainly Thailand, the Philippines, Japan, Korea and Taiwan). Methamphetamines are produced mainly in Burma and Laos, as well as Mexico, the United States and Canada. Both Canada and the US have a considerable domestic market of 2.8 million. In 2000, approximately 6,700 clandestine methamphetamine laboratory sites were seized in the US by the Drug Enforcement Administration (DEA) and state/local law enforcement, compared to 6,782 seized in 1999. The majority of these laboratories, approximately 95%, are considered 'mom and pop' operations capable of producing quantities only by the ounce. The remaining five percent are considered 'superlabs', capable of producing five or more kilos of methamphetamine in a single processing operation.⁴³ In 2001, approximately 8,000 clandestine methamphetamine laboratories were seized and reported to the National Clandestine Laboratory Database at the El Paso Intelligence Center (EPIC). In 2001, 298 seized super labs were reported to EPIC. This represents a rise in the number of superlabs from 2000, in which the number of superlabs totalled 168.⁴⁴

**Chart 7: Global Seizures of ATS in Metric Tons 1990-2000
(excluding ecstasy)**



Source: *Global Illicit Drug Trends 2002*

Asia is the world's largest (meth)amphetamine consumption and production region. Interpol reported that in 2000 "more than 22 tons of methamphetamine in crystal form and more than 100 million ecstasy tablets were seized in the region. Interpol has identified Asian crime syndicates that are exporting heroin to Europe which is then exchanged for ecstasy tablets that are taken back to Asia by the same couriers."⁴⁵ The production capacity of the 40-50

42. *Global Illicit Drug Trends 2002*.

43. According to the El Paso Intelligence Center's (EPIC) National Clandestine Laboratory Seizure System (NCLSS). The majority of the 'superlabs' are believed to be tied to Mexican criminal groups and are located primarily in the State of California. Most methamphetamine labs are kitchen-type labs. Ecstasy production requires more know-how, and more centralized manufacture for a larger regional market is very common. See: *Drug Trafficking in the United States*, Domestic Strategic Intelligence Unit (NDAS) of the Office of Domestic Intelligence, Drug Enforcement Administration (DEA), Arlington: September 2001.

44. *Drug Trafficking in the United States*, DEA Fact Sheet on the internet.

45. *Asian crime problems in focus at Interpol conference in Bangkok*, Interpol Press Release, February 19, 2001; *Opening address by Ronald K. Noble*, Secretary General of Interpol at the 16th Asian Regional Conference, Bangkok, February 20-22, 2001.

methamphetamine factories in Burma and between 20-30 plants in Laos would total 800 million tablets or more each year.⁴⁶ The major amphetamine producers in Europe are Poland, the Czech Republic and Slovakia, Russia, Germany, the UK, the Netherlands and Belgium.

Seizures of ATS (excluding ecstasy) are booming, from 3 metric tons in 1990 to 39 metric tons in 2000, according to the UN Global Illicit Drug Trends 2002 (see Chart 7). The increase in seizures is an indication of the increase of the market, rather than a measure of success for law enforcement. The vast majority of seizures (81%) are in East and South-East Asia.

Ecstasy

Most, if not all, law enforcement and international drug control agencies consider the Netherlands the world's major production and trafficking centre for synthetic drugs. Whether or not the Netherlands is the largest ecstasy producer is, however, difficult to say. An overview of worldwide ecstasy production facilities is impossible to achieve because no comparable data are available. Statistics rely on fragmentary information based on seizures and police operations against specific trafficking and production organisations, while the situation in the booming market and potential production areas of South East Asia and East Europe is largely ignored. The dismantling of two major ecstasy laboratories in Indonesia in April 2002 indicates that production centres are being set up anywhere in the world.⁴⁷

As a centre of the international chemical industry, the Netherlands is an attractive location for criminals to obtain the precursor chemicals used to manufacture ecstasy and other synthetic drugs, and the country's modern transportation infrastructure and busy ocean ports and airport offer ideal transit routes for traffickers moving the illicit drugs. According to the DEA "80% of the world's ecstasy is produced in clandestine laboratories in the Netherlands and, to a lesser extent, Belgium."⁴⁸ In 2001, more than 25.6 million ecstasy pills that could be linked with the Netherlands were seized throughout the world. Coupled with Interpol figures on world seizures of Ecstasy for that year (over 37 millions), this amounts to approximately 68%, according to the International Narcotics Control Strategy Report of 2002. However, these are very unreliable figures due to the lack of trustworthy data.

Increased and improved law enforcement in the Netherlands is causing displacement of production. More and more labs are being discovered in other countries. According to the specialised Netherlands law enforcement task force, the Unit Synthetic Drugs (USD), established in 1997 to combat synthetic drug production and trafficking, "more and more signals indicate the Netherlands can no longer be labelled as the exclusive producer of synthetic drugs." According to the USD and Europol, Belgium, Germany and increasingly Poland are becoming more important production countries. According to the secretary of the INCB, H. Schaepe, Asian countries are gradually taking over ecstasy production from the Netherlands due to increased law enforcement.⁴⁹

Depending on how the market develops, Eastern Europe and East and South East Asia could become major ecstasy producers. China and Eastern Europe are the main producers of the most important precursors for ecstasy and amphetamines, PMK and BMK. Because of increased precursor controls in North America and Europe, future ecstasy production might be expected closer to or in countries where PMK is produced, and law enforcement is generally less effective. Poland and Hungary are both growing in pill production. Recent years have witnessed a dramatic increase in production in Poland. Some European law enforcement

46. According to Pitthaya Jinawat, director of the northern drug suppression centre of Thailand. See: *Speed Smuggled To Thailand In Masses*, The Bangkok Post (Thailand), August 24, 2002.

47. The first plant was built in 1998 and the second in 1999. The main suspect held both a Dutch passport and an Indonesian identification card. 700 kg PMK was found. The suspect imported five tons of liquid PMK from China, which could produce 2.5 ton ECSTASY. He confessed to have produced about 1.2 ton ECSTASY flakes which can produce 10 till 11 million ecstasy tablets. See: *Huge Ecstasy Bust*, Associated Press, April 9, 2002; *Police seize 8,400 ecstasy pills*, The Jakarta Post, April 9, 2002; *BBN raids another drug lab in Tangerang*, The Jakarta Post, April 11, 2002; *Biggest Ecstasy Plant Found in Karawachi*, Kompas (Jakarta), April 11, 2002.

48. *Ecstasy: Rolling Across Europe*, Office of International Intelligence, Drug Enforcement Administration (DEA), Arlington: August 2001.

49. *Zorgen VN over Nederlands drugsbeleid*, Trouw (Amsterdam – Netherlands), February 23, 2001.

agencies estimate that Polish-produced ecstasy now accounts for a significant share of the market for the drug in North and East Europe. In Southeast Asia, there is some evidence that ethnic-based insurgent groups operating in Burmese territory have begun to manufacture ecstasy in limited amounts in the country, as well as in Thailand.

A similar development had taken place earlier with amphetamine production. Until the early 1990s, the supply of amphetamines in North-West Europe was largely in the hands of a few Dutch criminal groups. After the fall of the Berlin wall and political changes in Eastern Europe, the market changed and the Poles proved to be skilled competitors. Their share of the market in Germany and Scandinavia rose from less than 10% to between 20% and 26%.⁵⁰ This pattern may repeat itself in the ecstasy industry. Eastern European groups have the advantage that precursors needed to produce ecstasy are more readily available. Increased precursor control measures in Western Europe caused a shift to the importation of precursors from chemical producers in China and Eastern Europe where controls are less intense.

Ecstasy production has also been reported in the United States and Canada. During 2000, the DEA seized six ecstasy laboratories and state/local authorities seized two compared to 1999 when the DEA reported 13 ecstasy laboratory seizures and state/local authorities reported six. In 2001, 17 laboratories were dismantled in the United States. In Canada, eight clandestine labs were involved in ecstasy production in 2000 and the trend toward larger, more sophisticated ecstasy and MDA lab operations continued to be observed in 2001.⁵¹ The manufacture of ecstasy is relatively uncomplicated and clandestine laboratories for synthetic drugs already abound in the United States. For those reasons, it is likely the illicit manufacture of ecstasy will emerge in that country as a result of the increase in the domestic demand for that substance. This is also true for countries like Australia and South Africa where an increase in ecstasy manufacturing has also been detected.⁵²

Conclusion

Recent research seems to indicate a saturation of the ecstasy market in the Netherlands.⁵³ Supply at stable purity levels is overwhelming while demand is stabilising. The wholesale and mid-level supply market has changed from a *sellers market* into a *buyers market*, and in ten years time the price at the mid-level market has dropped 900%. In the rest of Europe prices are also going down. In Belgium and Germany prices are approaching Dutch market levels. The goal set to eliminate or significantly reduce the illicit manufacture, marketing and trafficking of synthetic drugs worldwide seems to be no closer to fulfilment than it was in 1998.

Increased awareness and law enforcement action against the supply of synthetic drugs have had limited impact. The market is still expanding. Not restricted to specific geographical areas as is the case with plant-based drugs like cocaine and heroin, the manufacture of synthetic drugs can easily occur close to the place of final consumption, reducing the risk of detection, for example, at border crossings and because it enables trafficking in smaller quantities. Clandestine labs are easy to set up and recipes readily available, which reduces the impact of increased law enforcement action and results in a continuing spread of production worldwide.

50. *Report on the Organised Crime Situation in Council of Europe Member States 1998*, Committee of experts on criminal law and criminological aspects of organised crime (PC-CO), European Committee on Crime Problems (CDPC), Council of Europe, PC-CO (1999) 17, Strasbourg; December 1999; P. van Duyne, 'The Phantom and Threat of Organised Crime', *Crime, Law and Social Change*, 24 (1996).

51. *Chemical Diversion and Synthetic Drug Manufacture*, joint report of the Office of International Intelligence, Drug Enforcement Administration (DEA) and Drug Analysis Section, Criminal Analysis Branch, Criminal Intelligence Directorate, Royal Canadian Mounted Police (RCMP), Arlington\Ottawa: January 2002. In December 2002 a secret underground lab buried in a mountainside near Allentown (PA) was discovered capable of producing million-tablet batches of ecstasy that had been operating for or at least two years; and in October 2001 police raided a lab near San Diego (CA) that they said was capable of making between 1 million and 1.5 million tablets of ecstasy a month. *Lab Mass-Produced Ecstasy, Agents Say*, The Philadelphia Inquirer, December 19, 2002.

52. *Report of the International Narcotics Control Board for 2000* (E/INCB/2000/1), Vienna: United Nations Publications, 2001.

53. *Synthetic Drugs Trafficking in Three European Cities: the Major Trends and the Involvement of Organised Crime*, Narcomafie, Turin: March 2003.

Overall Conclusion

The Executive Director of the UNODC, Mr. Antonio Maria Costa, in his report for the UNGASS Mid-term Review, has referred to "encouraging progress towards still distant goals" in respect of the 2008 target of eliminating or reducing significantly the illicit cultivation of the coca bush, the cannabis plant and the opium poppy, as well as the illicit manufacture, marketing and trafficking of synthetic drugs. The optimism of Mr. Costa is questionable. While one might agree that the goals are still distant, the conclusion that there is encouraging progress cannot be substantiated on the basis of available evidence. Levels of cultivation of coca and opium poppy as well as the supply of cocaine and heroin have shown fluctuations but the trend seems to be relatively stable. No indications point at any sustainable decline. The situation regarding the supply of cannabis and synthetic drugs has even deteriorated.

Rather than plough on towards what is likely to be failure and humiliation in 2008, the Commission on Narcotic Drugs, during the course of this Mid-term Review, might be better advised to reconsider zero-option deadline thinking and start to acknowledge that international drug policy should shift its focus to reducing the harm of drugs for users and society as a whole.

References and Useful Websites

www.unodc.org

Website of the UN Office on Drugs and Crime (UNODC). It includes statistical data and full on-line versions of the Global Illicit Drug Trend annual reports. First released in 1999, the Global Illicit Drug Trend report is now prepared annually by the UNODC Research Section. The report takes a statistical approach to assessing the status of the world supply of and demand for illicit drugs. Based on data and estimates collected or prepared by governments, UNODC and other international institutions, it attempts to identify trends in the evolution of global illicit drug markets.

The data of the UNODC Illicit Crop Monitoring Programme (ICMP) are also available on the UNODC site. The ICMP is currently composed of six national monitoring projects (Afghanistan, Burma, Laos, Colombia, Peru, Bolivia) and one global project, which provides technical supervision and support to the six national projects. Country reports are available on-line.

www.state.gov/g/inl/

The Bureau for International Narcotics and Law Enforcement Affairs (INLEA) advises the President, Secretary of State, other bureaus in the Department of State, and other departments and agencies within the US Government on the development of policies and programs to combat international narcotics and crime. The site offers full on-line versions of the International Narcotics Control Strategy Report (INCSR), the Department of State's annual report on illicit drug control and money laundering activities in more than 140 countries.

www.whitehousedrugpolicy.gov/

The Office of National Drug Control Policy (ONDCP) is a component of the Executive Office of the President of the US. The principal purpose of ONDCP is to establish policies, priorities, and objectives for the US drug control program. The site offers a lot of statistics and other information on the domestic US drug situation. Each year the ONDCP releases a National Drug Control Strategy Report.

www.oas.org/cicad

The Inter-American Drug Abuse Control Commission (CICAD) of the Organisation of American States (OAS) produces annual statistics for the Americas. Its Inter-American Observatory on Drugs publishes a Statistical Summary on Drugs. CICAD is basing its figures on national estimates provided by governments. Available at this website is statistical information of all countries on the Western Hemisphere. The Observatory provides technical, material and financial support for the systematic gathering, analysis and reporting of drug-related statistics: CICDAT, for reporting statistics on the supply and control of illicit drugs, and SIDUC, the Inter-American Uniform Drug Use Data System, for surveys on drug use. It includes the *Hemispheric Report - Evaluation of Progress in Drug Control 2001-2002*, for the Multilateral Evaluation Mechanism (MEM) that was established in 1998.

www.emcdd.org

The European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) offers in its website a complete overview of European drug policies, researches and studies on drugs and drug policies in Europe, criteria to evaluate the EU policies and the Commission's mid-term evaluation of the EU Action plan on drugs (2000-2004). The mission of the EMCDDA is to provide the Community and its Member States with objective, reliable and comparable information at European level concerning drugs and drug addiction and their consequences. The EMCDDA publishes an *Annual Report on the State of Drugs Problem in the European Union*.

Transnational Institute

Founded in 1974, TNI is an international network of activist-scholars committed to critical analyses of the global problems of today and tomorrow. It aims to provide intellectual support to those movements concerned to steer the world in a democratic, equitable and environmentally sustainable direction.

Since 1996, the TNI Drugs & Democracy programme has been analysing trends in the illegal drugs economy and in drug policies globally, their causes and their effects on economy, peace and democracy.

The Drugs & Democracy programme conducts field investigations, engages policy debates, briefs journalists and officials, coordinates international campaigns and conferences, produces articles, publications and briefing documents, and maintains a daily electronic news service on drugs-related issues.

The aim of the project is to stimulate a re-assessment of conventional prohibitive and repressive policy approaches and to argue for policies based on principles consistent with a commitment to harm reduction, fair trade, development, democracy, human rights, environmental and health protection, and conflict prevention.



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