
United States Department of State

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

**Fiscal Year 2005 Budget
Congressional Justification**

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Program Overview And Budget Summary

Program Overview

Program Objectives

The fundamental mission of the Bureau of International Narcotics and Law Enforcement Affairs (INL) is to protect America's security by fighting international crime and drug trafficking and strengthening law enforcement overseas. Since the events of 9/11, INL has broadened its policy and program focus, emphasizing capacity building in key developing countries with weak justice sectors vulnerable to terrorist threats and areas critical to protecting our homeland security. INL programs produce:

Fewer illegal and dangerous drugs on America's streets, with higher prices and lower purities;

Greater host nation law enforcement capabilities to work jointly with U.S. agencies on counterterrorism operations;

Improved security and political stability in post-conflict situations;

Enhanced host nation capabilities to stem money laundering and interdict sources of terrorist financing; and

Greater host nation capacity to combat corruption and organized crime;

INL counterdrug and law enforcement country programs are the primary vehicles for the provision of bilateral assistance. Country programs:

Are developed on the basis of country strategies coordinated at post by the Country Teams and/or Law Enforcement Working Groups and host nation officials;

Are formalized through bilateral Letters of Agreement that set out key objectives, program priorities, performance targets, and funding levels;

Strengthen relationships with various host country ministries and law enforcement authorities;

Support operational law enforcement cooperation between the host governments and the FBI, DEA, and others by providing valuable training/equipment/technical assistance platforms;

Are coordinated at post by Narcotics/Law Enforcement Section Officers directly linked to INL;

Are supported in Washington by INL subject and country experts and policy apparatus;

Are implemented by a wide variety of U.S. law enforcement and regulatory agencies, international organizations, NGOs, and international assistance agencies.

INL's regional and global programs complement country programs in key areas:

Anticorruption programs create awareness and support for international standards in transparency and good governance;

Regional law enforcement training brings together professionals from neighboring countries and builds them into a network for future cooperation;

Demand reduction programs reach out to grass-roots constituencies with education and support, improving American's own image in the process;

Anti-money laundering/terrorist financing programs identify vulnerabilities in key countries and provide speedy assistance to create sound financial institutions;

Anti-alien smuggling and border security programs help extend our first line of defense against all forms of transnational crime;

Cybercrime, cybersecurity and intellectual property crime programs address the growing impact of criminal misuse of information technology.

International crime and terrorism remain serious threats to the United States and many close friends and allies. Both follow the path of least resistance; where laws and law enforcement are weak or compromised, those who thrive by preying on others move in.

Global recognition of the dangers of drugs and crime -- and the need for stronger international cooperation to fight those threats -- has steadily increased. The one-time divide between "producer" and "consumer" countries of illicit narcotics has vanished, replaced by understanding that all countries are vulnerable and that domestic drug problems are on the increase in drug producing and trafficking states around the world. Similarly, nations on all continents have begun to accept that corruption and money laundering associated with trafficking relentlessly undermine governments and national economies. U.S. leadership has galvanized support for new multilateral instruments, such as conventions against organized crime and corruption. Meanwhile, the international community continues to support strongly the ambitious antidrug commitments embodied in the three U.N. drug conventions.

Policy Goals

To meet these challenges, the President has placed the fight against terrorism, international narcotics, and transnational organized crime high on our national security and foreign policy agendas. The State Department and the Bureau of International Narcotics and Law Enforcement Affairs (INL) play a key role in carrying out the President's agenda by leading in the development and coordination of U.S. international drug and crime policies and programs. To deal with the increasing linkage and overlap among drug, crime, and terrorist

groups, INL has begun shifting from separate programs for counternarcotics and anticrime to a broader and more integrated law enforcement effort to combat the full range of criminal, drug, and terrorist threats. INL does this through a range of bilateral, regional, and global initiatives to build up the law enforcement capabilities of foreign governments so they can help stop these threats before they reach U.S. soil. This includes extending our first line of defense by strengthening border controls of other countries in addition to our own, ensuring that global criminals have no place to hide, attacking international financial and trade crimes, and responding to emerging crime challenges.

INL efforts center on two performance goals:

1. International trafficking in drugs, persons, and other illicit goods are disrupted and criminal organizations dismantled. For counternarcotics, this includes reducing drug crop cultivation through a combination of law enforcement, eradication, and alternative development programs in key source countries as well improving the capacity of host nation police and military forces to dismantle narcotics production and trafficking centers. It also includes strengthening the ability of both source and transit countries to investigate and prosecute major drug trafficking organizations and their leaders and to block and seize their assets.
2. States cooperate internationally to set and implement antidrug and anticrime standards, share financial and political burdens, and close off safe-havens through justice systems and related institution building. International cooperation is key for combating drugs and crime. The job is simply too large for one nation to handle alone. Such cooperation includes working directly with other governments on a bilateral basis as well as multilateral cooperation at the global, regional, and even sub-regional levels in order to set standards, monitor and assist in their implementation, and coordinate on collective actions. Since drug and crime groups tend to thrive best in developing nations where justice sector institutions are weak, institution building is a core ingredient of INL programs. To carry out our institutional development programs, INL works closely with, and draws on, the expertise of sixteen other USG agencies, including USAID, Justice, Treasury, Commerce, Homeland Security, Defense, DEA, FBI and the Coast

Program Performance

Although the FY 2004 INL counternarcotics budget represents only a small (five percent) part of the federal drug control budget, INL bilateral and multilateral programs and diplomatic initiatives are currently strengthening counternarcotics and law enforcement efforts in more than 150 countries around the world in support of the President's 2003 National Drug Control Strategy and other strategies aimed at fighting crime and protecting our national security interests. The focus of our programs, and our budget, remains countries of the Andean Ridge, the primary source of the cocaine and heroin entering the United States, and their immediate neighbors. INL is also targeting major transit states in South and Central America and the Caribbean, and Mexico, which is also a source country for heroin and marijuana. Finally, INL is also giving increased attention the entry of synthetic drugs via the Western Hemisphere into the United States.

CY 2003 posed many new challenges as INL focused on strengthening the counterterrorism elements of our program. It also presented new opportunities, including Iraq, where the U.S. and other coalition members are working to build stability, democracy, and economic progress in the post-conflict period. Highlights of INL programmatic and diplomatic accomplishments over the year include the following:

ACI: Eradicating Drugs in the Andes that Target U.S. Citizens

Colombia: Colombia is the source of more than 90 percent of the cocaine and most of the heroin entering the United States. In 2002, for the first time in ten years, the INL-supported aerial eradication program reduced coca cultivation by 15 percent and opium cultivation by 25 percent. In 2003, following another record-breaking year in terms of the number of hectares sprayed, coca cultivation declined by an additional 21 percent, for a total of 33 percent over the past two years. This represents a major breakthrough in terms of attacking cocaine production at the source. If INL continues to post gains of this magnitude, INL should be able to fundamentally reduce coca production to a de minimus level in Colombia within the next 18-24 months, assuming continued strong Colombian leadership. With U.S. support, the Uribe Administration has intensified its attack on narco-terrorism, extraditing more than 87 narco-terrorists to the U.S. over the past year. INL also helped fund Uribe's successful move to establish a police and security presence in all of the 158 municipalities located in conflict zones that had no such presence as recently as a year ago. To make more effective use of alternative development (AD) funds, USAID refocused its efforts in 2003 away from crop substitution in Putumayo and Caqueta, which had had limited success, toward infrastructure development and income-boosting private sector partnerships in nearby provinces where economic opportunities are better and where such programs have been more successful in the past. In FY 2003, AD programs aided more than 31,170 families. The resumption of the Colombian Air Bridge Denial Program adds a force multiplier to fight against drugs and its illicit proceeds.

Peru and Bolivia: INL led interagency efforts to bolster political will in Peru and Bolivia to consolidate the hard-won gains in recent years against coca cultivation and trafficking that ended their long reign as the primary source of the world's cocaine. Following a small rise in cultivation in 2002, eradication efforts in Peru in 2003 produced a 15 percent decline in coca cultivation, bringing Peru to its lowest level since the mid-1980s. To support region-wide efforts to interdict the aerial trafficking of drugs, INL has taken the USG policy lead to support Peruvian efforts to begin to track trafficking routes and link this information with more effective interdiction actions. Bolivia continued to make progress with its forced eradication program in the once infamous Chapare valley, where coca cultivation dropped by 15 percent in 2003. However, cultivation increased 26 percent in the Yungas region. Although some coca is grown legally in that region, illegal cocalers and other political activists have actively -- and in some cases violently -- opposed eradication and related alternative development programs. Despite the overall increase of 17 percent in coca cultivation countrywide in 2003, Bolivian levels remain well below the high point of the mid-1990s. Meanwhile, Bolivian interdiction forces enjoyed a banner year in 2003, seizing nearly 13 metric tons of cocaine.

Eradicating Opium Poppy in Asia: Quiet Success Stories

Thailand: Through U.S. assistance and consistent domestic effort, Thailand has fallen from the ranks of Major Producers of illicit opium. Thailand, once a major source of heroin into the U.S. and elsewhere, is now a net importer of heroin. Thailand's production has remained below the statutory level for inclusion in the Majors List (1000 hectares) for five consecutive years.

Pakistan: With U.S. support, Pakistan, also once a major producer of opium poppy, has reduced cultivation there to minimal levels over the past several years. Although cultivation has increased in the past two years along the western border due to the resurgence of the opium trade in neighboring Afghanistan, Pakistan remains a marginal producer of opium.

SE Asia: International diplomatic pressure and alternative development programs in Burma and Laos have helped bring about sharp reductions in opium poppy cultivation in those countries in recent years, a trend that is expected to continue.

Other Key Successes

Mexico: Protecting our Border and Partnering Against International Threats: Our law enforcement partnership with Mexico is critical to U.S. national security. Our shared 2,000-mile border with Mexico is the entry point into the U.S. of huge amounts of illicit drugs, including the majority of South American cocaine shipments as well as the overwhelming majority of illegal aliens, some with links to organized crime and terrorist groups. According to U.S. law enforcement, Mexican cartels now dominate 11 of the 13 major domestic drug distribution centers inside the U.S. Department programs to accelerate Mexico's steps to reform and modernize its justice sector are significantly improving U.S. and Mexican abilities to cooperate and coordinate at the operational level. Mexican law enforcement agencies and military personnel continued their successful targeting of major drug trafficking organizations and their leaders, arresting numerous major fugitives wanted on drug charges in the U.S. During 2003, the Government of Mexico extradited 35 fugitives (20 for counternarcotics offenses) to the United States. However, extradition levels continue to be low. Drug seizures increased substantially. Opium poppy cultivation, widely dispersed in small plots in isolated areas, continued to drop under Mexico's aggressive eradication program. Border security projects are ahead of schedule, with planned placements of non-intrusive inspection equipment at several main ports of entry near completion.

Afghanistan: The inability of the Afghan national government to establish an effective police and counternarcotics presence in the provinces led to a doubling of opium poppy cultivation during the 2002-2003 growing season, more than offsetting the significant drop in cultivation levels in SE Asia. Without an organized security force or rule of law, the drug trade and the revenues and criminal groups generated by it will continue to undermine the stability of both Afghanistan and the region. Working with Germany to help rebuild the national police force, the U.S. built new training facilities and graduated the first 2,000 lower-level police officers (out of 50,000 planned). They have now been deployed in regular police units.

Pakistan: Pakistan remains a key ally in the campaign against terrorist and drug trafficking in SW Asia but it has been hampered by the inaccessibility of large portions of its 1,500-mile border with Afghanistan, which have served as safe havens for fugitives and as the source of new plantings of opium poppy. INL assistance to border guard units, including much-needed helicopters, more than 1,000 vehicles, and associated training, are now beginning to provide some of the increased mobility needed to monitor the region and to carry out interdiction and other operations, with full operations expected in 2004. Cooperation on counternarcotics remains excellent. Pakistani police authorities have greatly increased their interdiction efforts and seizures of illicit drugs and should soon be able to increase eradication efforts in the border area.

Fighting Corruption and Setting International Standards Against Crime: Early in his Administration, President Bush identified the fight against corruption as a key foreign policy objective. In support of this objective, INL championed and delivered the first global instrument against corruption – the UN Convention Against Corruption - that commits governments to cooperate in combating corruption. The Department played a key role and provided important financial and political support during two years of negotiations leading to the completion of the convention, which was signed in December 2003, by the United States and nearly 100 other countries in Merida, Mexico. The Convention Against Corruption follows closely on the heels of the completion of the UN Convention Against Transnational Organized Crime (TOC) and the Supplementary Protocols on Trafficking in Persons and Migrant Smuggling in 2000, all of which recently entered into force, much sooner than expected. The TOC Convention and the Protocols now take on the force of international law. In 2003, INL advanced the notion of anti-corruption “compacts” in which the Bureau, using INCLE and other funds, would coordinate the development of comprehensive anti-corruption regimes in strategic countries that demonstrate a serious commitment to combating this threat. Work began on a pilot project in Nicaragua that will set the stage for a much broader effort to other countries in 2005.

Financial Crimes and Money Laundering: Terrorist groups, drug traffickers, and traditional transnational crime organizations share many traits, but none so compelling as the need to launder, hide, or secretly move their profits and operating funds. In the past two years, INL has implemented an aggressive program to combat international financial crime, with an increasing emphasis on terrorist financing. In FY 2003, INL funding provided multi-agency training for more than 35 countries. To promote global cooperation on anti-money laundering, INL provides support to the multilateral Financial Action Task Force (FATF), which has added a special set of anti-terrorist financing recommendations to both its general anti-money laundering and recently revised recommendations, and to five FATF-style regional bodies. Our programs helped “graduate” eight countries from FATF’s list of non-cooperating states and territories in 2002 and four in 2003 by improving their performance in combating money laundering. INL has also provided assistance to 16 of the 19 states identified by the USG and the FATF as most “at risk” for terrorist financing operations.

Establishing Rule of Law in Post Conflict Societies: To meet urgent needs in countries in the post-conflict period, INL is taking measures to enhance the USG capacity to identify, train, equip and deploy civilian police, law enforcement and justice advisors to participate in

multilateral peacekeeping and complex security operations. Using International Narcotics Control and Law Enforcement (INCLE), Iraq Relief and Reconstruction Fund (IRRF), Peace Keeping Operations (PKO), and Support for East European Democracy (SEED) money, INL currently deploys approximately 775 police advisors and justice experts in seven countries, including over 600 uniformed and armed U.S. police to conduct law enforcement operations in UN peacekeeping missions in Kosovo and East Timor, and unarmed missions in Liberia and Sierra Leone. To meet future needs, INL is preparing to build a “ready reserve” of up to 2,000 pre-screened and pre-trained civilian police, law enforcement, and justice advisors for rapid deployment in multilateral peacekeeping and complex security situations. INL continues to implement programs that have helped establish, train, and equip 6,200 members of the new Kosovo Police Service as well as provide training for the 3,000-member East Timor Police Service. In Iraq, INL is working with the Coalition Provisional Authority (CPA) to provide training for approximately 35,000 Iraqi police recruits over the next two years. This includes the first 1,000 police who have graduated from the training facility in Jordan that INL is building to support the program. INL is also implementing police, justice, and prison programs in Iraq, which involve over 500 U.S. trainers and advisors. In Afghanistan, INL is managing police and justice programs designed to stand up and train 50,000 police in regional training centers in Kabul and the provinces, as well as assist with reform of the Ministries of Interior and Justice.

Law Enforcement Training: To date, our four International Law Enforcement Academies (ILEAs) in Hungary, Thailand, Botswana and New Mexico have trained nearly 13,000 mid-level officials from over 50 countries, including 2,400 officials trained in 2003. The permanent “home” for the Botswana ILEA was completed in 2003 and completion of the permanent facility for ILEA-Bangkok is set for 2004. Revisions to the ILEA curricula in 2003 now include more courses on counter-terrorism and on combating trafficking in persons. In addition to the regionally based and focused training of the ILEAs, INL also delivered a broad range of specialized training tailored to the needs of individual countries. Beginning in 2003, such training became increasingly project-based, which helps focus resources and is more cost effective.

Trafficking in Persons: According to some experts, at least 800,000, and as many as 4 million people, primarily women and children are trafficked around the world each year, where they are subjected to economic and/or sexual exploitation. Using INL and other resource funding, the Department’s Office to Monitor and Combating Trafficking in Persons assessed the progress of 165 governments in addressing trafficking in 2003 and published the findings in the third annual Trafficking in Persons Report. The Office also funded over 65 programs benefiting approximately 50 countries around the world, including a sex tourism prevention program, research on best practices around the world to address the demand for sex trafficking, development of a global database on the number of victims, law enforcement training and sensitization, shelters for trafficking victims, equipment for anti-trafficking police and prosecutor teams, and assistance in drafting anti-trafficking laws. The Office also continued to engage in a strong outreach program aimed at governments, international and regional organizations, private groups and the media to increase awareness about trafficking and the contributing causes such as prostitution.

Cybercrime, Cybersecurity, and Intellectual Property Enforcement: The global spread of the Internet and networked information systems has brought significant economic and social benefits. However, the promise of e-commerce, e-government, and other beneficial uses of information technology (IT) are threatened by the encroachment of criminals. Cybercrime, whether crimes such as hacking or denial of service attacks, or the use of IT in traditional crime such as fraud and smuggling, is growing. Likewise, critical sectors of our nation such as electricity, water and transportation, are dependent on networked systems potentially vulnerable to cyber attack. Intellectual property (IP) theft causes tremendous losses annually to the most cutting-edge U.S. industries such as copyright and trademark (e.g., music, movies, computer software) with IT playing an increasing role (e.g., online music piracy). International law enforcement cooperation is an essential element in meeting the borderless threat of IT-enabled crime. To achieve this, the USG needs to assist its foreign partners in building the capacity to combat cybercrime, protect shared critical infrastructures and address IP piracy. INL plays a key role in providing cybercrime and IP enforcement training to foreign law enforcement and INL is doubling its FY 2004 resources devoted to this purpose.

Program Justification

The FY 2005 INL budget request of approximately \$1.90 billion is designed to support President Bush's comprehensive strategy for combating the global threat of narcotics, organized crime, and terrorism. It also reflects INL's shift away from separate programs for counternarcotics and anticrime to a broader and more integrated law enforcement approach. The request builds on and strengthens ongoing initiatives in the Andean region, South Asia, and international law enforcement training while continuing to place increased emphasis on border projects. While attacking the core targets in Latin America and Asia, the strategy focuses on strengthening host nation capabilities to fight international drugs and crime. It is a long-term approach to create competent and honest counternarcotics and anticrime forces in countries where laws and institutions are weak. The strategy also supports efforts by multilateral organizations to reduce drug crop production in those major growing areas where our access is limited, such as Burma. Finally, the budget places special attention on anti-corruption, money laundering and financial crimes.

The primary focus of the FY 2005 budget request remains our counternarcotics efforts in Latin America, the principal source of drugs for the United States; Afghanistan, the world's leading source of illicit opium, is also a high priority. The approach is regional, aimed at eliminating both the production and trafficking of cocaine, heroin, and marijuana from the Andean Ridge and Mexico. The budget will focus on enhanced interdiction efforts – including key transit zones of Central America and the Caribbean – as well as furnishing training and equipment to strengthen local law enforcement's ability to capture and prosecute drug traffickers and seize their assets. The program supports projects initiated under the FY 2000 Emergency (Plan Colombia) Supplemental and continued under the Andean Counterdrug Initiative. The request will continue to support key alternative development programs.

Country Programs – \$ 943.1

Andean Counterdrug Initiative (ACI) – \$ 731.0 million

Colombia (\$463.0 million): As the source of approximately 90 percent of the cocaine sold on American and European markets, Colombia continues to be the focus of our counternarcotics effort. FY 2005 programs will face major challenges in building upon the historic successes of 2002 and 2003 and to help President Uribe break the hold of narco-terrorism in the country. The increasingly successful aerial eradication, which is the centerpiece of our effort, will become more difficult, costly, and dangerous as growers disperse into smaller, more isolated fields and traffickers resort to greater violence to halt operations. In 2003, the number of ground-fire hits on aircraft carrying out eradication activities doubled over the previous year, to more than 300. At the same time, the air assets and the Colombian forces INL is training will be called on to more aggressively attack narco-terrorist assets, defend vital infrastructure, and support rescue operations. FY 2005 funding will support expected growth in missions, areas of operations, and the number of vetted units for counternarcotics police and military forces and includes new and upgraded aircraft for the Colombian National Police (CNP) as well as increased logistical and other support for the Colombian Army counterdrug Mobile Brigade. To help consolidate the government's security presence throughout the country to enhance the rule of law and protect local populations against drug traffickers, INL will help further expand the CNP presence in conflict zones by funding the organization, training, and equipping of municipal police and mobile "carabineros" (rural police) units and train police investigators and prosecutors to implement a range of new criminal code procedures. Using INL funding, USAID will continue to support alternative development projects both to transition coca growers into the legal economy and provide alternatives to drug production. USAID (and the Bureau for Population, Refugees and Migration) will provide support to displaced people and USAID as well as the Department of Justice will support a variety of projects – administration of justice, human rights, local governance, transparency and accountability – to build and strengthen democratic institutions.

Peru and Bolivia (\$203.0 million): INL programs in Peru and Bolivia are designed to continue the effective eradication programs that have reduced cultivation in both countries to a fraction of their highpoint in the 1990's, to increase seizures of drugs and prevent spillover of trafficking activities from neighboring Colombia. These programs complement and support specific host government initiatives and include aggressive eradication, interdiction, alternative development, and institution-building components. For Bolivia, this means forced eradication in the Chapare, where all coca is illegal, and enforcing a strategy to prevent excess illegal cultivation in Yungas, where Bolivian law allows up to 12,000 hectares of legal coca cultivation for traditional uses. FY 2005 funding will support the continued upgrade of the Peruvian counternarcotics air fleet to provide greater mobility for expanded and improved monitoring, eradication, and interdiction operations, an enhanced port interdiction program, alternative development and livelihood programs to move farmers away from coca farming, and institution-building to strengthen counternarcotics investigations and prosecution. FY 2005 funding will support Bolivian efforts to reduce the growth and export of coca, increase interdiction of essential chemicals and cocaine products,

foster alternative economic development, increase successful prosecutions of narcotics-related cases, and improve the quality of investigations into alleged human right violations.

Other ACI countries (\$44.0 million): In Ecuador, Brazil, Venezuela, and Panama the INL programs aim at disrupting trafficking organizations in these transit states and ensuring that traffickers and Colombian insurgents forced out of Colombia do not establish themselves in these countries. To help guard against this in Ecuador (\$26.0 million), INL will continue to assist National Police and military efforts to protect the northern border as well as air and sea ports of entry. The Northern Development Project will assist the government in strengthening state presence and community structures in the north, generally supporting and expanding licit social, economic and political activities. Increasingly successful counternarcotics efforts in Colombia, Peru, and Bolivia have aggravated the drug transit problem for neighboring Brazil. FY 2005 assistance to Brazil (\$9.0 million) will focus primarily on operations designed to secure the border with Colombia and the adjoining, largely unpopulated Amazonian basin against traffickers and other crime groups. INL will also support drug awareness/demand reduction programs in Brazil, which has become the world's second largest consumer of cocaine after the United States. Colombian traffickers heavily exploit neighboring Venezuela's location on the Caribbean to ship drugs to the U.S. To counter this, U.S. assistance to Venezuela (\$3.0 million) will provide training, equipment, and management support to improve detection, seizure, intelligence, and investigative capabilities of law enforcement bodies and support on-site advisory assistance by USG experts at land, air, and sea ports of entry. Funding will also support the creation of an intelligence fusion center to identify and track key criminal trafficking drugs in and through Venezuela. Training for additional public prosecutors is critical for continuing the transition for the traditional closed, inquisitorial justice system to the adversarial system put in place in 1999. INL assistance to Panama (\$6.0 million), Colombia's northern neighbor, will also focus on border control enhancement and will include training and equipment to both border and port security units. Counternarcotics and law enforcement assistance will strengthen GOP ability to interdict shipments of narcotics, arms, precursor chemicals, and stolen vehicles as well investigate contraband shipping as part of the Black Market Peso Exchange. Since Panama's dollar economy and relatively sophisticated banking system make it attractive for money laundering operations, our assistance also includes training for prosecutors and the Financial Investigation Unit to enable them to detect, investigate and successfully prosecute such operations.

The Airbridge Denial Program (\$21.0 million): Funding in FY 2005 will provide effective intelligence; surveillance for the Colombian ABD program that will lead to increased interdiction of illicit drug trafficking aircraft and provide a real deterrent to the narco-traffickers in the region. FY 2005 funding will establish additional forward operating locations to support an anticipated increase in the number of Colombia Air Force tracking operations into previously untracked air space. Funds will also support the training of additional pilots, technical operators, and maintenance personnel to support additional tracker aircraft entering into the program, and to focus on a future shift of more program and fiscal responsibility to Colombia.

Other Latin America – \$48.6 million

Mexico (\$40.0 million): Mexico is critical to U.S. security interests. It is the transit zone for most illicit drugs entering the U.S. and a source country for heroin and marijuana. Mexican criminal organizations now dominate the sale and distribution of illicit narcotics in the U.S. and engage in a broad array of other criminal activities. Mexico is also the overwhelming source of host country or transiting illegal aliens entering the U.S., some with links to terrorist organizations. Our main diplomatic and programmatic challenge has been to support the Fox Administration's criminal justice system reform effort. INL is also focused on homeland/border security, a high priority for the President. FY 2005 programs will focus on three areas: 1) criminal justice institution and sector development, 2) crime control and counternarcotics operational support, including operational support to specialized crime units and assistance to Mexico's three-pronged (air, land, sea) drug interdiction strategy, and 3) homeland security and border control, including enhanced screening at key ports of entry/exit and choke points in both the north and south of Mexico. The latter is designed to promote the efficient flow of goods, people and services across the U.S.-Mexican border -- including development of a fast-lane system to expedite crossing for low-risk vehicles and people -- while providing a broad-based screening system to protect U.S. national security. INL counterdrug assistance will focus primarily on modernizing the airwing of the counternarcotics unit. Assistance for the justice sector will focus on institutional development and rooting out corruption, including professionalization of police agents, prosecutors, and both state and federal judges. Assistance will also be directed at strengthening the specialized anti-money laundering units belonging to the Treasury Department and the Attorney General.

Other Western Hemisphere (\$8.6 million): Central American, Caribbean, and non-Andean South American countries represent critical transit corridors for the movement of drugs, precursor chemicals, illegal trafficking funds, weapons, and illegal aliens. In addition, these countries are important regional allies in the global fight against transnational crime and terrorism. Funding will be directed towards continued efforts in improving the interdiction capabilities of transit countries by modernizing enforcement, investigative, judicial and prosecutorial capabilities to battle corruption, money laundering and drug trafficking; upgrading intelligence; and modernize justice sector institutions and legal framework by providing training, technical assistance, equipment and operational support.

Africa – \$ 10.5 million

The Africa program is aimed at states in the region with a demonstrated commitment to good governance and democratic policing and/or states with the political will to achieve these goals. Much of the funding for FY 2005 will go to the law enforcement and criminal justice sectors of key states Nigeria and South Africa. FY 2005 funds will be used for programs designed to upgrade core policing skills through modernization of academies and teaching methodologies and to improve forensic capacity. Programs will improve the capacity of governments to combat trafficking in narcotics and other contraband, illegal migration, public corruption, and financial fraud.

Liberia (\$5.0 million): INL's FY 2005 funding will continue to support the broader USG efforts, which will begin in FY 2004, to build a stable and democratic society following years of dictatorship and civil war. INL crime control assistance includes support for up to 35 (down from a peak of 75) U.S. civilian police deployed as part of the UN Peacekeeping Mission in Liberia (UNMIL), which will help rebuild, train and equip (non-lethal) a new police force. Criminal justice assistance is designed to help reform, professionalize, and make more accountable a judicial system that has suffered from extensive corruption in the past. Funding will also help refurbish courts and provide legal materials and other basic supplies.

Afghanistan (\$90.0 million): Continued insecurity in Afghanistan over the past year has placed increasing demands on INL programs, requiring the acceleration and substantial expansion of the three main programs: law enforcement, counternarcotics, and judicial reform. INL law enforcement programs will continue to complement the German-led effort to rebuild the Afghan national police by providing basic, including human rights, training for up to 50,000 lower-level police, non-lethal personal equipment and communications equipment and other material and supplies. The U.S. will continue to support the UK lead on counternarcotics by providing enhanced assistance to eradication teams, continued support to sustainable alternative development, and expansion of specialized training and equipment of drug enforcement at the provincial level to enforce the poppy ban outside Kabul. Administration of justice assistance will continue to support Afghan and Italian-led efforts to rebuild and reform the domestic justice sector. This includes helping to rebuild the justice system infrastructure, training of justice system personnel in criminal procedure, human rights and basic skills, and working with the Judicial Commission to revise the current system of laws.

Pakistan (\$40.0 million): The events of September 11 shifted the focus of INL assistance to Pakistan from drug control and related programs to law enforcement, including security of the critical border with Afghanistan. The Border Security Program is designed to strengthen the capacity of law enforcement agencies in Pakistan to secure the western border against terrorists, criminal elements, and narcotics traffickers. With the delivery of needed aircraft and vehicles for the Border Security Program now complete, funding will shift to maintenance, support and operating expenses for the USG-established Ministry of Interior Air Wing. Funds will also be used to construct border security roads in the Federally Administered Tribal Areas as well as additional checkpoints at key roadway intersections. INL will also continue to support law enforcement and judicial development programs to help modernize Pakistan's antiquated justice sector. Counternarcotics funding will support crop control operations in areas of new or expanded opium cultivation in the border areas with Afghanistan.

Indonesia (\$10.0 million): The largest Muslim country in the world, Indonesia is an emerging democracy practicing a pragmatic form of Islam and poised for a leadership role in the Islamic world. INL's FY 2005 police assistance program has three components: transformation of the Indonesian National Police (POLRI) from a military-led to a civilian-led police force built on democratic principles and respect for human rights, support for modernizing the Marine Police, and assistance to POLRI's counterdrug unit. Earlier phases

of the POLRI program focused on developing leadership among high-ranking officers and providing specialized law enforcement training. FY 2005 funds will continue these efforts and will advance and institutionalize an on-going anti-corruption and police disciplinary system, and improve core police skills and expertise in specialized investigative areas, including cybercrime. Also included is support for the Police Media Relations Project, which includes community policing, operational transparency, and public awareness. Assistance to the Marine Police is part of a long-range modernization project to improve the effectiveness of the force charged with protecting Indonesia's maritime borders, which stretch across 17,000 islands and which are vulnerable to a range of criminal activities from narcotics trafficking to terrorism. INL assistance will also support the professionalization of the criminal justice system, which is rife with corruption and not reflective of Indonesia's move toward an open and democratic government.

Morocco (\$6.0 million): Due to its long and poorly controlled borders with Algeria, Mauritania, and the Spanish enclaves, its extensive coastline, and its proximity to Europe, Morocco has significant problems with illegal migration and human smuggling, narcotics production and trafficking, the movement of terrorists through its territory, and commercial smuggling. These criminal activities undermine the rule of law, foster public corruption, and weaken Moroccan institutions that assist the U.S. in the war on terrorism. Country-specific funding is requested for the first time in FY 2005, following emergency police assistance in the wake of a series of terrorist bombings in 2003. Funding will focus on border control, including extensive technical advice as well as some equipment. Funding will also go to community-policing projects designed to increase public confidence in law enforcement institutions. Finally, assistance will be used to improve Moroccan police capability to properly manage demonstrations and civil disorder.

Thailand (\$2.0 million): Thailand is a long-time U.S. ally, in the fight against drugs and host to one of our regional ILEAs. At one time a source country for heroin, Thailand's aggressive counternarcotics strategy kept opium poppy cultivation below 1000 hectares in 2003, for the fifth year in a row, and at the lowest level since the mid-1980s. Thailand also plays a leading regional role in combating illegal drugs and other transnational crime. Even so, Thailand serves as a transit zone for heroin and the sharp increase in methamphetamines coming out of Burma and other states in the region. At U.S. urging and with INL assistance, Thailand is in the process of amending virtually all of its basic narcotics laws and all substantive and procedural criminal laws, including those that pertain to money laundering. Our FY 2004 funding will continue to support this important and on-going effort.

Laos (\$2.0 million): Laos is one of the world's least developed countries and the third largest source – after Afghanistan and Burma – of opium poppy. In keeping with its stated goal of becoming opium-free by 2006, the total area under cultivation dropped by 20 percent in 2003. However, due to improved climatic conditions and consequently higher yields, potential production actually increased by about 10 percent. Laos is also a transit route for Burmese drugs going to China and other SE Asian states. INL development programs are aimed at stemming production and trafficking of illicit opium by providing market-based income alternatives for poppy farms and training and equipment for counternarcotics units.

Interregional Aviation Support (\$68.6 million): In FY 2005, the Interregional Aviation budget will continue to provide only core level services necessary to operate a fleet of over 160 fixed and rotary wing aircraft supporting aviation activities in Colombia, Bolivia, and Peru, border security operations in Pakistan, and, as needed, programs at other temporary deployment locations. This base of support is essential to logistically sustain depot-level maintenance and the safe and professional operational deployment of INL air assets. Funding from various country programs to support specific, local NAS and cooperating host government missions will augment this budget.

International Organizations (\$13.0 million). The International Organizations budget funds multilateral approaches to fighting crime and drugs, allows financial and political burden-sharing, and permits the United States to reach areas where U.S. influence is limited. For some lesser-developed countries, assistance from international organizations is often more palatable politically than direct bilateral assistance from developed nations. FY 2005 funds will support ongoing efforts by the UN Office for Drugs and Crime (UNODC) to implement the UN Convention Against Transnational Organized Crime and its supplemental protocols against human trafficking and migrant smuggling, all of which have now entered into force. Funding will also support ratification and implementation of the newly completed UN Convention Against Corruption. On the counternarcotics side, assistance to UNODC will support opium eradication through alternative development programs in Burma and Laos -- the second and third largest source of illicit heroin worldwide -- where opium poppy cultivation levels continue to decline. The development and maintenance of national data banks to track chemical precursors and to train law enforcement officials on the issue of chemical precursors; the global program against "traditional" forms of money laundering for countries not on the terrorism financing priority list; and the global legal advisory program, which focuses on implementation of the various international drug conventions. Funding for the OAS/Inter-American Drug Abuse Control Commission (CICAD) will allow key technical support and training to Latin American countries as they seek to enhance their ability to fight drugs and related crime, focusing in particular on shortcomings identified in the Mutual Evaluation Mechanism (MEM).

Drug Awareness/Demand Reduction (\$4.2 million): While INL programs focus primarily on reducing the supply of drugs entering the United States, our demand reduction programs have become increasingly important in recent years as both producing and transit countries suffer from increasing drug use. Sharing "best practices" increases prospects for success. INL has provided assistance to or has networking relationship with more than 7,000 public and grassroots organizations worldwide. In FY 2005, INL assistance will give particular attention to cocaine producing and transit countries in Latin America, address the recurring amphetamine-type stimulant (ATS) epidemic in Southeast Asia, and address the heroin threat from Asia and Colombia. An expanded area of focus will be the Middle East and South Asia where over 400 Muslim-based anti-drug programs are members of the global INL drug prevention network.

Trafficking in Persons (\$5.0 million): INCLE funds will be used to support the second year of activities of FY 2004 U.S. grant recipients. U.S. NGOs will conduct programs designed to address the priorities of the Trafficking in Persons Office to include: raising awareness of

law enforcement on the negative impact of trafficking and the importance of prosecuting traffickers and protecting victims; developing and enforcing new or existing laws; promoting multi-disciplinary (police, prosecutors, NGO service providers, for example) and coordinated approaches to addressing trafficking; collecting law enforcement data in a consistent and standardized manner; enhancing cross-border collaboration; building the capacity of foreign NGO partners; and rescuing and assisting victims. The proposed countries are India, Mexico, Ecuador, Uganda, Kenya, Tanzania, Burundi, Ethiopia, Mauritania, Liberia, Sierra Leone, Thailand and Burma. East Asia and the Southern African Development Community (SADC) countries are proposed targets for regional programs.

The Trafficking Office proposes to continue to support specialized anti-trafficking programs conducted at the International Law Enforcement Academies in Bangkok, Botswana and Budapest. Specifically, INL proposes to target local law enforcement officials and prosecutors working with U.S. grant recipients and their local NGO partners in East Asia, SADC countries, Estonia and Slovenia. These officials and prosecutors will receive technical training on investigative and prosecutorial techniques to combat trafficking in persons. The Department of Justice, Department of Homeland Security or an organization will be contracted to provide the training at the ILEAs.

INL Anticrime Programs (\$19.0 million): INL will continue to support a range of diplomatic and programmatic anti-crime initiatives, funded in part from the Anticrime account, but also from other INL budget line items, such as International Organizations and some country accounts. The most prominent programs will focus on money laundering, corruption, migrant smuggling, border security, and various intellectual property theft and cyber-related threats, but funds will also be used to meet a wide range of other law enforcement training needs in scores of countries around the world.

Migrant Smuggling: The smuggling of illegal migrants, which can serve as a vehicle for terrorist entry into the United States, is a major national security concern. Funds for this program will help support the newly created Human smuggling and Trafficking Center – a joint State/Justice/Homeland Security center that has begun to collect, analyze, and disseminate intelligence and other information to facilitate coordinated international law enforcement efforts against illegal migrant smuggling and trafficking in persons. INCLE funds will also be used to conduct assessments and create “vetted units” and provide other training and technical assistance.

Border Security: Porous borders greatly enhance the ability of international criminals, smugglers, and terrorists to expand their operations and avoid apprehension. However, as the first line of defense for many countries, stiff border controls can be a substantial deterrent to such activity and be a vehicle for gleaning useful information for identifying, investigating, and dismantling crime syndicates. INCLE border control funds will continue to be focused on strengthening and complementing several of the programs INL has underway in South and Central America that are needed to stop a rash of criminal activity including narcotics trafficking, alien smuggling, and money laundering in this region. Our focus will include the Argentina, Brazil, Paraguay tri-border area, where all three threats as well as terrorism merge.

Fighting Corruption: Any effective anti-crime/anti-terrorism program must also attack corruption. As part of the President's anticorruption initiative in the G-8 and other fora, INCLE funding will support several international mechanisms – at the U.N., Council of Europe, OAS, the OECD, and others – to monitor and assist in the implementation of anti-corruption commitments by more than 60 nations. Funding will also support creation of anti-corruption compacts – fully integrated, government-wide programs designed to attack corruption across multiple sectors -- as pilot projects in several countries.

Anti-Money Laundering/Terrorist Financing: INL will promote the use of legislative, enforcement and regulatory tools to deny criminals and terrorists access to financial institutions and markets. With Homeland Security, INL will fund initial training and equipment to set up Trade Transparency Units (TTUs) in selected countries to combat funds moved through alternative remittance systems and falsified trade data in South Asia and Latin America. INCLE funding will develop new regional technical assistance/training programs in Central America and the Pacific Island region, using the Caribbean Anti-money Laundering Program as a model. Regional programs are particularly cost effective because they provide training and assistance to several countries sharing similar terrorist financing and money laundering problems. Funding will also provide short and long-term advisers to selected countries to help strengthen their overall anti-money laundering/anti-terrorist financing regimes, including creating Financial Intelligence Units (FIU). INL programs will also continue to support multinational anti-money laundering organizations, such as the Financial Action Task Force and regional FATF-style bodies, as well as the creation of new regional bodies for Central Asia and the Middle East.

Cybercrime, Cybersecurity and IP Crime: INL fills a key role in the overall USG strategy to combat criminal misuse of information technology through our ability to provide capacity-building training to foreign law enforcement. Since many governments are just now beginning to write adequate laws on cybercrime and IP, INL supports DOJ legislative-drafting workshops, such as the ones held last year for APEC and OAS member states. As part of the USG inter-agency working group on critical infrastructure protection (CIP), INL provides policy support and training assistance to our foreign partners to help them address cyber security concerns. In FY 2004, INL will double its enforcement training budget to meet increased demand from developing nations for assistance in building specialized cybercrime and IP enforcement units, enable USG agencies to counsel foreign policy makers on writing effective cybercrime and IP laws, and provide support for the CIP goal of promoting a global culture of cyber security.

Civilian Police Program (\$2.7 million): FY 2005 funding will build on FY 2004 progress in establishing a cadre of civilian police, law enforcement and justice advisors. The FY 2004 goal is to identify, screen, equip and pre-train approximately 500 police who would be available for duty abroad on short notice to serve in international peacekeeping and complex security missions. Given the currently heavy demand for civilian police around the world, however, it will be difficult for the “ready reserve” to stay ahead of actual deployments.

Using INCLE, IRRF, and SEED funding, INL expects to manage post conflict operations in Iraq, Afghanistan, Kosovo, Macedonia, East Timor, Liberia, and Sierra Leone. These together will involve nearly 1,000 U.S. civilian police and criminal justice experts.

International Law Enforcement Academy (\$14.5 million). Our regional International Law Enforcement Academies (ILEAs) not only provide high-quality training and technical assistance to foreign law enforcement officials, they also encourage strong partnerships among participating regional countries, and foster relationships between U.S. trainer-agencies and their counterparts in the region. The ILEAs also develop an extensive network of alumni who become leaders and decision-makers in their respective countries and who are more likely to apply rational, democratic solutions to administrative and operational problems and challenges of law enforcement, according to extensive surveys of ILEA graduates. In FY 2005, INL will continue to support the work of established ILEAs in Bangkok, Budapest, Gaborone and Roswell, New Mexico. In addition, INL is still considering opening another ILEA in Latin America. Funding will also be used to continue upgrading and updating the core and specialized curriculum to reflect cutting-edge issues, such as terrorism and trafficking in persons.

Budget Summary

INL Budget by Program					
(\$000)					
	FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2004 Supp	FY2005 Request
ACI Country Programs					
Bolivia: Interdiction/Eradication	49,000	-	49,248	-	49,000
Alter. Dev./Inst. Building	41,727	-	41,752	-	42,000
Colombia: Interdiction/Eradication (A)	377,000	35,000	313,721	-	313,200
Alter. Dev./Inst. Building	149,200	19,000	149,279	-	149,800
Ecuador: Interdiction/Eradication	15,000	-	19,788	-	11,000
Alter.Dev./Inst. Building	15,896	-	15,212	-	15,000
Peru: Interdiction/Eradication	59,500	-	66,295	-	62,000
Alter.Dev./Inst.Building	68,552	-	49,705	-	50,000
Panama	4,500	-	6,487	-	6,000
Brazil	6,000	-	10,200	-	9,000
Venezuela	2,075	-	5,000	-	3,000
Air Bridge Denial Program	-	-	-	-	21,000
Statutory Reduction ACI (.59%)	C	-	C	-	-
Total ACI Country Programs	788,450	54,000	726,687	-	731,000
<i>Subtotal: Interdiction/Eradication</i>	<i>513,075</i>	<i>35,000</i>	<i>475,052</i>	<i>-</i>	<i>474,200</i>
<i>Subtotal: Alter.Dev./Inst.Bldg.</i>	<i>275,375</i>	<i>19,000</i>	<i>255,948</i>	<i>-</i>	<i>256,800</i>
INCLE COUNTRY PROGRAMS					
<u>Other Latin America</u>					
Bahamas	1,100	-	1,000	-	1,000
Guatemala	2,500	-	3,000	-	2,820
Jamaica	1,200	-	1,500	-	1,500
Mexico	12,000	-	37,000	-	40,000
Latin America Regional	6,500	B	4,850	-	3,250
Subtotal	23,300	-	47,350	-	48,570
<u>Africa</u>					
Liberia	-	-	B	-	5,000
Nigeria	1,760	-	2,250	-	2,250
South Africa	1,442	-	1,770	-	1,770
Africa Regional	3,498	-	2,830	-	1,480
East Africa Initiative	-	B	-	-	-
Subtotal	6,700	-	6,850	-	10,500

Fiscal Year 2005 Congressional Budget Justification

	FY2003 Actual	FY 2003 Supp	FY2004 Actual	FY 2004 Supp	FY2005 Request
Asia and the Middle East					
Afghanistan	-	-	-	170,000	90,000
Afghanistan (E)	-	-	-	50,000	
Indonesia	-	-	-	-	10,000
Iraq	17,000	-	-	-	-
Laos	2,500	-	2,000	-	2,000
Morocco	-	-	-	-	6,000
Pakistan	6,000	25,000	31,500	-	40,000
Philippines	-	-	2,000	-	2,000
Thailand	3,700	-	2,000	-	2,000
Asia/Middle East Regional	4,500	-	1,000	-	1,000
Subtotal	33,700	25,000	38,500	220,000	153,000
Total INCLE Country Programs	63,700	25,000	92,700	220,000	212,070
INCLE GLOBAL PROGRAMS					
Interregional Aviation Support	65,000	-	70,000	-	70,000
Systems Support & Upgrades	4,000	-	5,000	-	4,500
International Organizations	2,870	B	14,000	-	13,000
Demand Reduction/Drug Awareness	5,000	-	4,200	-	4,200
Trafficking in Persons	10,000	-	12,000	-	5,000
INL Anticrime Programs	12,300	-	11,324	-	19,000
Civilian Police Contingent	-	-	2,700	-	2,700
ILEA Operations	14,500	-	14,500	-	14,500
Regional Narcotics Training	4,500	-	-	-	-
Statutory Reduction INCLE	D	-	D	-	-
Total INCLE Global Programs	118,170	25,000	133,724	-	132,900
PROGRAM DEVELOPMENT & SUPPORT	13,850	-	13,850	-	13,850
TOTAL INCLE BUDGET	195,720	25,000	240,274	220,000	358,820
TOTAL ACI BUDGET	788,450	54,000	726,687	-	731,000
TOTAL INL PROGRAMS	984,170	79,000	966,961	220,000	1,089,820

A - The FY 2003 Actual includes \$93 million in FMF Program funds that were transferred from the FY 2003 FOAA to the ACI account to assist the Colombian Military defend the Cano-Limon Pipeline. The FY 2003 Supplemental includes \$20 million that was transferred from the FY 2003 Wartime Supplemental Appropriation's FMF program to the ACI account in support of the Intelligence, Surveillance and Reconnaissance program.

B - \$17.0 million was "borrowed" from the FY 2003 INCLE account to support the efforts in Iraq. An additional \$8.0 million was borrowed from FY 2001 funds for a total of \$ 25.0 million. A total of \$ 24.601 was replenished with FY 2004 and FY 2004 Supplemental IRRF funds to the following programs:
 Latin America Regional: \$3.0 million (FY 2003)
 East Africa Initiative : \$5.232 million (FY 2003)
 Liberia: \$7.438 million (FY 2004)
 International Organizations: \$8.931 million (FY 2003)

C - Statutory reduction ACI: \$4,313 and \$4,550 million, in FY 2004 and FY 2003 respectively.

D - Statutory reduction (INCLE) \$1,426 and \$1,280 million, in FY 2004 and FY 2003 respectively.

E - Transferred from the Emergency Response Fund pursuant to PL 107-38.

INL Budget by Function								
(\$000)								
	FY2003 Actual	FY 2003 Supp	%	FY2004 Actual	FY 2004 Supp	%	FY2005 Request	%
ACI Funds:								
<i>Eradication and Interdiction:</i>								
Narcotics Law Enforcement and Interdiction	362,779	20,000	34.1%	321,223	-	27.1%	302,579	27.8%
Eradication and Crop Control	132,104	15,000	13.8%	127,831	-	10.8%	148,597	13.6%
Drug Awareness/Demand Reduction	2,944	-	0.3%	2,630	-	0.2%	3,699	0.3%
Program Development and Support	14,821	-	1.4%	16,255	-	1.4%	18,115	1.7%
Sub-Total Eradication and Interdiction - ACI Funds	512,648	35,000	51.5%	467,939	-	39.4%	472,990	43.4%
<i>Alternative Development/Institution Building</i>								
Alternative Development	244,875	-	25.8%	224,772	-	18.9%	225,700	20.7%
Administration of Justice and Support for Democracy	30,927	19,000	4.7%	33,976	-	2.9%	32,310	3.0%
Sub-Total Alt. Dev./Inst. Bldg.	275,802	19,000	2.7%	258,748	-	21.8%	258,010	23.7%
TOTAL - ACI	788,450	54,000	79.2%	726,687	-	61.2%	731,000	67.1%
INCLE Funds								
<i>Eradication and Interdiction:</i>								
Narcotics Law Enforcement and Interdiction	21,480	-	2.0%	34,739	50,000	7.1%	56,993	5.2%
Eradication and Crop Control	61,608	-	5.8%	66,032	-	5.6%	64,315	5.9%
Drug Awareness/Demand Reduction	7,885	-	-	4,960	-	0.4%	4,905	0.5%
Sub-Total Eradication and Interdiction	90,973	-	8.6%	105,731	50,000	13.1%	126,213	11.6%
<i>Alternative Development/Institution Building</i>								
Alternative Development	1,884	-	0.2%	1,475	-	0.1%	1,437	0.1%
Administration of Justice and Support for Democracy	3,863	-	0.4%	2,872	10,000	1.1%	6,720	0.6%
Program Development and Support	24,179	-	2.3%	26,118	-	2.2%	30,340	2.8%
Border Control	4,328	21,000	2.4%	38,700	-	3.3%	49,130	4.5%
Anticrime Programs	27,220	4,000	2.9%	22,178	160,000	15.3%	90,780	8.3%
International Organizations	2,870	-	0.3%	14,000	-	1.2%	13,000	1.2%
Other Global Crime	-	-	-	-	-	-	19,000	1.7%
Regional Narcotics Training	4,500	-	0.4%	-	-	-	-	-
Civilian Police Program	11,403	-	1.1%	2,700	-	0.2%	2,700	0.2%
International Law Enforcement Academy	14,500	-	1.4%	14,500	-	1.2%	14,500	1.3%
Trafficking in Persons	10,000	-	0.9%	12,000	-	1.0%	5,000	0.5%
Sub-Total - Alt. Dev./Inst. Bldg.	104,747	25,000	12.2%	134,543	170,000	25.7%	232,607	21.3%
TOTAL -INCLE	195,720	25,000	20.8%	240,274	220,000	38.8%	358,820	32.9%
TOTAL - INL BUDGET	984,170	79,000	100.0%	966,961	220,000	100.0%	1,089,820	100.0%

Country Programs

Andean Counterdrug Initiative

Bolivia

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Estimated	FY 2005 Request
90,727	91,000	91,000

Program Objectives and Measures of Effectiveness

INTERDICTION/ERADICATION

The production and export of coca and cocaine products from Bolivia is significantly reduced through eradication of illicit coca, increased interdiction, and the more robust economic growth in the Chapare and the Yungas regions.

Steady support for and the build up of the number of personnel under the Vice Ministry for Social Defense will continue to ensure coca cultivation in the Chapare and prevent the zone from returning as a major drug producing area.

A bilateral strategy to reduce excess/illicit coca cultivation in the Yungas, and control the legal coca market through licensing and prevention of diversion to drug production, will be implemented through completion of the DIGECO project.

Conversion of UH-1H helicopters to Huey IIs will also increase the effectiveness of these aircraft, although with a temporary decrease in operating hours.

Infrastructure improvement for bases of operations, increased purchases of humvees for additional eradication and interdiction operations and improved inspection and detection will head off an increasing influx of drug and precursor chemical trafficking activity resulting from the implementation of Plan Colombia and changing smuggling routes.

Improved and enhanced GOB capabilities will result in an increase in the volume of seizures of illegal drugs, precursor, and assets of traffickers.

ECONOMIC AND SOCIAL DEVELOPMENT

In the face of opposition from entrenched cocaleros, programs are designed to establish strong economic and social systems that provide incentives and alternatives to the production and consumption of illicit drugs.

Through farming technology transfer, grants and training, viable, licit employment and income-earning alternatives will be created for approximately 30,000 families (5,000 additional families in FY 2005) that have previously grown coca in the Chapare. By the end of FY 2005, approximately 140,000-hectares will be planted with licit crops. Annual farm family income of USAID-supported families will have increased to US\$2,400 and crop yields will have increased about 25% in the last two years.

Improvements to the availability of water, sanitation, electricity, education, health care, and roads for those towns not planting coca will provide market access in the Yungas.

The awareness of the local populace to the dangers of drug abuse and trafficking to Bolivia's economy and society will be increased.

STABILIZATION

Establishing stronger democratic and governmental presence will promote democracy and the rule of law in remote areas.

Assistance to municipalities including planning advice, assistance for participatory democracy and a stronger judicial presence will strengthen the presence of local government in remote areas.

CRIMINAL JUSTICE

The Government of Bolivia (GOB) develops stronger, more effective democratic judicial and law enforcement institutions capable of disrupting criminal organizations and the narcotics production and trafficking in Bolivia.

Training will increase the efficiency of prosecutors in the field to implement the Code of Criminal Procedures resulting in increased arrests of major drug traffickers and other persons with controlled substances.

The number of cases completed in the criminal courts within the legally prescribed time periods will increase.

Establishment of a reformed Directorate of Professional Responsibility will enhance transparency in the judicial system for National Police Force.

Training and equipment will increase the effectiveness of the Financial Investigations Unit within the Superintendency of Banks resulting in less money laundering in the country.

Program Justification

Bolivia remains the world's third largest producer of cocaine. Although a continuing, strong, forced eradication program reduced the area of coca cultivation in the once infamous Chapare valley by 15% in 2003, there was an increase of 26% in Yungas plantings, which resulted in an increase of 17% in overall cultivation. Although only 4,050 hectares, this increase, left unchecked, could lead to Bolivia's return to the high levels of production that were the hallmark of the mid-1990s.

Recently, Bolivia has become an increasingly important transshipment zone for Peruvian cocaine en route to Brazil and other Southern Cone countries. Even with USG-supported enhancement and growth of the GOB's interdiction forces, large areas of the country, particularly in the Chapare, northern Beni-Pando region and along waterways and borders, are not sufficiently covered. Vital to the control of excess and illicit coca cultivation in the Yungas will be an enhanced interdiction capability and a total revamping of the General Directorate for the Legal Trade of Coca (DIGECO, the governing body charged with regulating the sale of licit coca used by the indigenous population).

In October 2003, the Carlos Mesa government was inaugurated following the resignation of President Sanchez de Lozada, which was provoked by massive social/political protests in Bolivia. It faces critical challenges from a strong, radical and often violent opposition, a portion of which is led by militant cocalero leader Evo Morales, who wants to stop coca eradication and alternative development projects. Although the new administration has remained committed to long-standing GOB CN policies, FY 2005 could bring significant reversals in Bolivia's counternarcotics achievements if the GOB yields to pressures to make major concessions to coca farmer organizations. The FY 2005 budget request reflects a level of support needed to strengthen counternarcotics operations in the Chapare and the Yungas regions and in the border areas that are the crossing points for smuggling drugs and precursor chemicals. Increased violence -- directed against eradication, interdiction, and alternative development personnel and projects in the Chapare and Yungas in 2003 -- highlights the need to increase manpower and resources in these volatile regions. The most urgent funding need is to upgrade Bolivia's aging 16 Huey 1H helicopters. 2005 country funding and airwing funding will not cover this need. This will necessitate reprogramming of funding for some long-standing NAS Bolivia programs in order to begin upgrading of at least three helicopters to ensure operational continuity and accident-prevention.

Bolivia remains one of the poorest countries in the hemisphere with a per capita GNP of less than \$1,000. Recent economic and fiscal reversals have left the government in one of its worst fiscal situations in recent years, with no viable options for improvement in the near to mid future. Without solid USG assistance, Bolivia will be unable to continue counternarcotics and alternative development programs.

Program Accomplishments

Bolivia continues to keep up an effective forced eradication program in the Chapare, and eliminated approximately 10,000 hectares of coca during 2003. The Special Drug Police (FELCN) and its operational units grew by 15% during 2003 (from 1,700 personnel in 2002

to 1,953 in 2003). FELCN continued its multi-year base construction plan, adding 3 large new bases in Guayaramerin, Riberalta and Yucumo, and expanding 10 other bases and offices throughout the country. Without counting Yucumo, NAS engineers completed a total of 32 construction projects during 2003. The two largest projects during 2004 will be a large CN police base in Locotal and expanded facilities at the Garras CN training school (both in Cochabamba department). During 2003, a major record-setting year, the GOB seized 101.5-metric tons (mt) of illicit coca leaf, 12.7-mt of cocaine (5.9-mt of HCl plus 6.8-mt of base), 8.5-mt of cannabis, 537,454 liters of liquid precursor chemicals and 536.8-mt of solid precursor chemicals, in addition to destroying 1,420 cocaine labs and making 3,823 drug arrests. These figures represent a 153 % increase in total cocaine seizures compared to 2002; a 259% increase in seizures of solid precursor chemicals; a 127 % increase in seizures of liquid precursors; a 25% increase in base labs destroyed; and an 18% increase in persons detained.

The Yungas is now the largest coca growing area in Bolivia, where topography and history argue against replicating the successful Chapare forced eradication strategy. The challenge will be to implement interdiction mechanisms to limit illicit coca cultivation in the Yungas and prevent traditional coca from diversion to cocaine production.

In response to increasing demands from Chapare farmers who had all of their coca eradicated, USAID accelerated alternative development activities -- to increase business and farmer investments, improve roads, increase technology transfer, strengthen local level organizations, privatize the production and marketing of planting material, and update state-owned research facilities. With steady progress, the licit crop cultivation in the Chapare has risen to over 129,000 hectares, and since 1998 over 26,000 Chapare families have received direct technical assistance. Annual family income from licit agricultural products in the Chapare increased from \$2,055 in 2001 to \$2,138 in 2002.

FY 2005 Program

In FY 2005, INL resources will support Bolivian efforts to reduce the growth and export of coca in Bolivia, increase interdiction of essential chemicals and cocaine products, foster alternative economic development, increase successful prosecutions of narcotics related cases, and improve the quality of investigations into alleged narco-related human rights violations. Counternarcotics alternative development support is conditioned on the elimination of illegal coca through forcible means (in the Chapare where all coca is illegal) and voluntary agreements (in the Yungas where Bolivian law allows up to 12,000 hectares of legal coca cultivation for traditional domestic use).

There are twenty-seven counternarcotics programs in Bolivia for which INL provides funding and support. These projects can be grouped into four areas: Narcotics Law Enforcement Interdiction /Eradication Operations; Alternative Development/Economic Incentives; Institution Building/Rule of Law; and Drug Awareness/Demand Reduction. In addition, funding will also be used for Program Development and Support costs.

INTERDICTION AND ERADICATION

Ground Operations Support: Ground Operations projects support all non-air interdiction efforts that operate under the direction of the Vice Ministry for Social Defense. In FY 2005, INL will need to continue to assume operational mission costs to maintain the high level of interdiction for FELCN, and its subunit UMOPAR, support other CN missions, plus support the costs of maintenance for the physical infrastructure growth that occurred in recent years. There will be continued steady personnel growth for all sub-units to allow for increased coca control and interdiction efforts in the Chapare, Yungas, border areas, and principal trafficking routes. The size and effectiveness of chemical and financial investigative units will be increased as they take on broader and more complex responsibilities. The Special Intelligence and Operations Group and K-9 programs will be completing their major growth plans, and will concentrate on enhancing capacities and increasing self-sufficiency. The Office of Professional Responsibility will grow in FY 2005 to address the high level of corruption in the GOB, renewed efforts by narcotraffickers to compromise counternarcotics forces, and any allegations of human rights abuses. It will also extend its mission to cover the larger National Police Force. A recommissioned vetted and effective Seized Assets office will be completed in FY 2005, with the office moving to provide resources for CN work. The Controlled Substance Prosecutors, a branch of the Attorney General's office that prosecutes drug crimes, will receive enhanced support in FY 2005 so more prosecutors can join counternarcotics police units in raids and arrests, as required by the new criminal procedure code.

Air Operations Support: The Red Devils Task Force is comprised of Bolivian Air Force personnel who provide general aviation support for eradication and interdiction with 16 aging UH-1H helicopters, and six light fixed wing aircraft. The Black Devils Task Force, also made up of Bolivian Air Force personnel, flies three C-130B aircraft in support of counternarcotics and eradication missions. Enhanced interdiction and eradication operations will necessitate additional funding for these units in FY 2005. However, the lack of additional INL Air Wing funding to begin the required conversion of the UH-1H helicopters to Huey IIs may require cuts in funding of the key long-standing NAS Bolivia programs. This is absolutely essential so that INL can begin the critical upgrades for the helicopters in FY 2005 – and for bare-bones maintenance of existing air assets.

Blue Devils Task Force: The Bolivian Navy Riverine unit patrols the country's extensive river system to interdict drug and precursor chemical trafficking, as well as to provide intelligence and logistical support to other counternarcotics units. The repair and expansion of aging land support bases (including the riverine training school), begun in FY 2004, will be completed in FY 2005 along with replacement of antiquated equipment and modest personnel increase.

Green Devils Task Force: This project provides logistical ground transportation support to Bolivia's eradication and interdiction forces through the transport of personnel, cargo, support equipment, fuel and rations. To accomplish these CN missions, FY 2005 funding will support 120 sophisticated, specialized vehicles, including 5,000 gallon fuel tankers, 5 ton tractors, 5 ton dump trucks, 2 1/2 ton trucks, 26 Homes, and an additional 20 trucks expected

to arrive in 2004. An additional 30 humvees will also be added in FY 2005 due to increased eradication and interdiction operations.

Eradication Operations: The Joint Eradication Task Force (JTF) consists of 1,625 military, police and civilian personnel; one-half of the force provides security for the other half, which engages in coca eradication operations. Support includes food, billeting, field equipment, transportation and fuel. The Ecological Police identify new coca and seedbeds as well as provide additional security for the JTF. The Office of Agricultural Reconversion and Coca Crop Substitution (DIRECO) have a staff of agronomists, surveyors and field agents who negotiate coca eradication agreements and supervise the destruction of coca fields. The General Directorate for the Legal Trade of Coca (DIGECO) controls the licensing, transportation, pricing and marketing for licit coca grown in the Yungas region, where the Bolivian law allows up to 12,000 hectares of coca cultivation. In FY 2005, INL expects to fund the restructuring of this previously corrupt and inefficient office, begun in FY 2002 by vetting new personnel, providing needed training and revising standard operating procedures.

Field Support and Infrastructure: The Field Support and Infrastructure project provides assistance for administrative requirements of the Vice Ministry for Social Defense (which implements all GOB counternarcotics policies and programs), and the Garras School (which is the principal training center for the FELCN and has become an international CN police training center for other Latin American countries.) The Garras School is key to the success of GOB counternarcotics operations. Bolivia's large and diverse geography requires decentralized operations. This project therefore provides operating expenses for all NAS facilities located outside of La Paz, including rents and utilities for NAS field offices, vehicles and vehicle maintenance facilities and warehouses in Santa Cruz, Cochabamba, Trinidad, Chimore, and Villa Tunari.

ALTERNATIVE DEVELOPMENT/ECONOMIC INCENTIVES

Alternative Development: In the Chapare, USAID will continue funding technology transfer, extension services, and grants coupled with extensive training to improve the competitiveness of fresh and processed licit products in domestic and export markets. In FY 2005, twenty associated producer organizations and businesses are expected to double their sales volume. USAID-financed local road maintenance associations will maintain a quarter of Chapare roads, critical to economic and social development. USAID will assist municipalities, strengthen participatory democracy and help ensure their annual plans respond to the needs of farm communities. At least three local producers' organizations will "graduate" from such GOB assistance. 10,000 land titles will be delivered to farmers, and a capacity to register and maintain cadastral information will be established in some municipalities. An integrated justice center will be established to improve citizen access to justice, law enforcement, and human rights.

In the Yungas USAID will fund improved infrastructure to communities that engage in coca reduction and pledge not to plant additional coca. The Yungas Development Initiative will continue efforts to increase participation. Endemic diseases like leishmaniasis and tuberculosis will be a primary focus of health activities. Continued support will be provided

to university scholarship students. USAID will increase production, sales and market access for selected licit crops, including trees. It also will support the adoption of improved harvest and post-harvest technologies for coffee and tea. Low-cost forestry and agro-forestry practices will improve soil fertility, increase crop yields and promote sustainable use of forest resources.

INSTITUTION BUILDING/RULE OF LAW

Administration of Justice: FY 2005 funds will provide assistance in three critical areas: consolidating the transition to the new Code of Criminal Procedures and strengthening the judicial sector; implementing programs to expand access to justice and promote dispute resolution in rural areas most affected by violence and social conflict; and implementing anti-corruption programs.

Prosecutors: This project will develop the ability of the Office of the Bolivian Attorney General to prosecute drug-related crimes successfully. Progress will be measured, for example, in terms of: increasing the number and efficiency of prosecutors working in the Controlled Substances Prosecutors program; and training prosecutors on the new Code of Criminal Procedures.

Law Enforcement Development Program: This training project will develop the ability of Bolivian police and prosecutors to investigate and prosecute narcotics-related and other major crimes, as well as to enhance the ability of the government to attain secure borders.

Office of Professional Responsibility: Here the aim is to build a robust capacity to investigate and sanction police misconduct and to promote a culture supporting ethical law enforcement and rule of law. FY 2005 funds will increase the number of investigations and formally establish a reformed Directorate of Professional Responsibility for National Police Force.

Secure Border: Funding for this project will help the GOB improve effectiveness of entities that are responsible for maintaining “secure borders,” including the Financial Investigations Unit within the Superintendency of Banks and the Directorate General for Migration. A special effort will be made with regard to trafficking in persons. FY 2005 funding will help the GOB develop a strategy and implementing tactics to address these inter-related issues.

DRUG AWARENESS/DEMAND REDUCTION

Bolivia has a relatively small problem with drug abuse, which can be attacked before it becomes a crisis. Drug Awareness and Demand Reduction projects will help prevent the local market from being further fed by Bolivian crack and cocaine, as well as help to boost the USG public image. This project will increase public understanding of domestic Bolivian drug abuse and its toll on society. The Mesa administration correctly wants to increase attention to what it accurately sees as a growing problem.

PROGRAM DEVELOPMENT AND SUPPORT (PD&S)

PD&S funds are used for the salaries, benefits, and allowances of direct hire and contract U.S. and foreign national personnel, residential leasing, field travel, International Cooperative Administrative Support Services (ICASS) costs, and other general administrative and operating expenses for counternarcotics and anticrime program planning, design, implementation, monitoring, and evaluation.

Bolivia					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement					
<i>Ground Operations Support</i> UMOPAR, GIOE, GISUQ, GIAF, K9, Garras Training Center, FELCN, OPR, Commo, LEDP, SecBorders, ROL/Anti-Corruption	12,890	-	12,890	-	13,743
<i>Air Operations Support</i> Black Devils, UH-IH Conversion	10,484	-	10,484	-	14,074
Blue Devils Task Force	1,587	-	1,587	-	989
Green Devils Task Force	1,762	-	1,762	-	1,803
Field Support and Infrastructure	4,555	-	4,555	-	3,460
Seized Assets	400	-	400	-	705
Controlled Substance Prosecutors	1,302	-	1,302	-	1,590
<i>Sub Total</i>	32,960	-	32,960	-	36,364
Eradication Operations					
DIEGO, DIRECO, Eco Police, JTF	12,017	-	12,008	-	8,112
Drug Awareness/Demand Reduction	830	-	830	-	1,224
Administration of Justice *	3,500	-	3,376	-	3,500
Alternative Development *	38,227	-	38,376	-	38,500
Program Development and Support					
U.S. Personnel	781	-	830	-	606
Non-U.S. Personnel	922	-	980	-	1,084
ICASS Costs	500	-	530	-	761
Program Support	990	-	1,110	-	849
<i>Sub-Total</i>	3,193	-	3,450	-	3,300
Total	90,727	-	91,000	-	91,000

* Funds are transferred to USAID who manages these programs.

Brazil

Budget Summary (\$000)

FY03 Actual	FY04 Estimate	FY05 Request
6,000	10,200	9,000

Program Objectives and Performance Indicators

Support to the Government of Brazil (GOB) will disrupt major trafficking organizations, increase interdiction activities and better control precursor chemicals by improving the capabilities of the Federal Police.

Training and equipment grants to Brazilian Federal Police will enhance port and airport security.

An increased and more effective GOB presence in the Amazon region will result in more riverine patrols and increased interdiction results.

Establishing and training a mobile fluvial counternarcotics center will support the Amazonian Surveillance System leading to increased successful interdiction operations.

The Government of Brazil (GOB) will disrupt several major trafficking organizations, increase interdiction activities and better control precursor chemicals by improving the capabilities of the various state police forces.

Better federal/state cooperation on anti-drug issues will produce increased combined operations and greater arrests.

The Brazilian criminal justice system will investigate and successfully prosecute significant drug traffickers and money launderers, reduce money laundering and dismantle international criminal organizations.

Strengthened communications improved counternarcotics skills and training in investigative techniques will increase arrests and prosecutions for money laundering crimes.

Improvements in the GOB's anti-money laundering regulatory apparatus will continue.

Increased public awareness of the dangers of drug trafficking and drug abuse will deter the rising problem of consumption of licit drugs.

Public support for law enforcement efforts increases as drug awareness programs deliver their message.

Support to local treatment and education facilities will result in a decline to rates of drug abuse.

Program Justification

Brazil shares its borders with Peru, Bolivia and Colombia, the three major drug source countries in the region. The sparsely populated Amazon region comprises more than one half of the country, which has long, porous borders. Brazil has a well-developed communications infrastructure and banking system that, together with major international airports and seaports, makes 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. The GOB has been particularly concerned about the security of the Amazon since the implementation of Plan Colombia.

In response to these concerns, Brazil implemented Operation COBRA in 2000 and Operation PEBRA and VEBRA in 2003. This activity is part of an ambitious inter-agency effort that allocates greater resources to the Colombian, Peruvian, and Bolivian border area to enhance border security and illegal narcotics control. USG counternarcotics support to Brazil, which has more than doubled since FY 2000, is largely assistance for Operation COBRA/PEBRA/VEBRA and the Federal Police (PF).

Program Accomplishments

Recent USG counternarcotics efforts in Brazil have resulted in material improvement in the performance and operation of GOB counterdrug law enforcement agencies and the implementation of cooperative initiatives to reduce both the supply of, and the demand for, illicit drugs. In eight states of the Amazon region, the INL projects provided basic law enforcement equipment to state civil police, while continuing support for Operation COBRA, including the operation of nine forward operating bases. In addition, INL funding allowed for the start-up of Project PEBRA and Project VEBRA in September 2003. During 2003, all of Brazil's 26 states and one federal district joined the Unified Public Safety System (SUSP), a national system to integrate diverse state civil and militarized police forces. In future years SUSP, which through the National Public Safety Secretariat receives INL funding, will assist the GOB in ensuring a unified approach to law enforcement and statistical crime and narcotics seizures reporting. In addition, during 2003 INL financing enabled the National Public Safety Secretariat and the National Anti-drug Secretariat (SENAD) to expand Drug Abuse and Resistance Education (DARE) programs to all 26 states and the federal district. Finally, with INL funding, SENAD is operating a toll-free drug information number, which provides callers with needed facts about the consequences of illicit drug use.

FY 2005 Program

Increased resources requested for Brazil will support projects designed to combat the continuing threat of cross-border narcotics trafficking, particularly from Colombia, consistent with the Administration's objectives for the Andean Counter-drug Initiative. INL resources will also reinforce Brazilian efforts to combat money laundering and promote effective public awareness/demand reduction programs.

Narcotics Law Enforcement: Funding for this project will be used to provide operational support and equipment to the Brazilian Federal Police to conduct more effective investigations and interdiction operations against specific international narcotics cartel leaders and their associates. In addition, the project will continue to build on training already provided by INL and other USG agencies to enhance port and airport security, and to counter narcotics trafficking activities such as arms trafficking and money laundering. Progress toward achievement of the project's goal of enhancing operations and interdiction will be measured in terms of increased effectiveness of investigative techniques.

Northern Brazil Law Enforcement: This project will continue to provide operational support to Brazil's interagency Project COBRA, which is aimed at fortifying the northern border through riverine control linked to a tactical command center in Tabatinga. Progress towards achievement of the project's goal of drug interdiction will be measured in terms of the deployment of material and personnel resources to operating locations in the Amazon as well as the actual performance of both these operation locations and the command center.

State Security Law Enforcement: This project will assist the counternarcotics activities of the Brazilian National Public Safety Secretariat and promote improved coordination of counternarcotics activities within Brazil's law enforcement community by providing equipment and training to Brazilian state, civil and military police forces. The project may include counternarcotics training for community-oriented police forces, and assistance in the implementation of a witness protection program. The specific goal of the project will be to enhance the effectiveness of the Brazilian state civil and militarized police in the areas of investigation, interdiction, and anti-trafficking operations, as well as to implement a formal witness protection program. Progress toward achievement of the project's goal of enhancing operations and interdiction will be measured in terms of increased effectiveness of state police investigations.

Fluvial Counternarcotics Operation Center: This project will provide the Brazilian Federal Police with riverine and maritime platforms for counterdrug surveillance and interdiction that will be integrated into the Brazilian Amazonian Surveillance System network. The Project centers on constructing and equipping of a fluvial mobile Counternarcotics center and will also provide operational support and training. The specific goal of the project will be to interdict the trafficking of illicit drugs on Brazil's rivers and coastal waters. Progress toward that goal will be measured in terms of the number/frequency of successful interdiction operations.

Drug Awareness/Demand Reduction: 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 2004 the Drug Awareness/Demand Reduction project will continue support for demand reduction programs through SENAD, focusing on drug education. The goal of this project is to increase public awareness of the drug problem in Brazil and enhance the capacity of the GOB to reduce the demand for illegal drugs. INL will seek to 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. Progress will be measured in terms of the capacity of Brazilian organizations to provide effective demand reduction programs and any changes in the public's drug consumption patterns.

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

Brazil					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement					
Narcotics Law Enforcement	2,000	-	3,780	-	3,000
Northern Brazil Law Enforcement	2,080	-	4,500	-	2,500
State Security Law Enforcement	1,000	-	1,000	-	1,000
Fluvial Counternarcotics Operations Center	-	-	-	-	1,500
Sub Total	5,080		9,280		8,000
Drug Awareness/Demand Reduction Program Development and Support	500	-	500	-	500
U.S. Personnel	166	-	166	-	178
Non-U.S. Personnel	44	-	44	-	77
ICASS Costs	90	-	90	-	106
Program Support	120	-	120	-	139
Sub-Total	420	-	420	-	500
Total	6,000	-	10,200	-	9,000

Colombia

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
526,200¹	54,000²	463,000	463,000

Program Objectives and Performance Indicators

INTERDICTION/ERADICATION

The cultivation of coca leaf and opium poppy is reduced to a minimal level.

All remaining Colombian coca and opium poppy will be sprayed. Successful reduction of concentrated cultivation requires intensified spraying to counteract smaller, or more dispersed fields.

Manipulation of illicit crop growers' cost/benefit analysis through forced eradication and alternative development will restrain cultivation: replanting in traditional areas will decrease, as will the spread of cultivation into new zones.

The capability of the Government of Colombia to disrupt and dismantle major drug trafficking organizations and prevent their resurgence is strengthened.

INL-supported aircraft and units will be used to successfully capture and bring to justice high-level drug trafficking figures.

Despite an increasingly dangerous counternarcotics aviation environment, INL-supported COLAR and CNP aircraft will maintain mission capable rates.

The cocaine and heroin processing industries are disrupted and the diversion of licit chemicals into illicit channels is significantly reduced.

¹ Includes \$ 93.0 million in FY 2003 Foreign Military Financing (FMF) funds (FY 2003 FOAA, PL 108-7) transferred and merged in to the ACI account to help the Colombian Military defend the Cano-Limon pipeline against sabotage by illegal armed groups.

² Includes \$20.0 million from FY 2003 supplemental FMF funds (PL 108-11) transferred and merged in to the ACI account in support of Intelligence, Surveillance and Reconnaissance.

A mobile, active CD Brigade and support for increased DIRAN presence in remote Eastern, Southern and Western zones will increase range and effectiveness in destroying cocaine and heroin labs.

Support for CNP and COLMIL interdiction units and increased security presence at Colombian seaports, airports, and highways will support the continued high rates of interdiction of processed drugs and precursor chemicals.

STABILIZATION

The Government of Colombia capability to establish the rule of law throughout its territory, reducing the numbers of illegal armed groups, is greatly enhanced.

Construction of new police facilities, formation of additional carabinero and municipal units, and support for human rights investigative units will sustain presence of permanent police in municipalities where CNP presence was reestablished in 2003.

Additional legal assistance offices and oral trial courtrooms will be set up. An effective human rights early warning system will continue to monitor human rights and provide early warning of problems.

SOCIAL AND ECONOMIC DEVELOPMENT

Expanded alternative development projects and social and infrastructure projects increase legal economic opportunities to former small field coca growers and to vulnerable groups.

Alternative development projects will increase the number of families assisted, jobs created, and legal crops supported in areas that extend beyond southern Colombia, where appropriate.

Program Justification

Colombia continues to be the dominant supplier (some 90%) of cocaine sold in the U.S. and a leading supplier to European markets. Colombia is also a major source of heroin in the U.S., particularly in eastern cities. Besides being a producer of raw materials for cocaine and heroin, Colombia is a major manufacturer of refined drugs as well as the home and headquarters of major trafficking criminal and narco-terrorist organizations. INL funding supports Government of Colombia's (GOC's) continuing efforts to counter the huge illegal narcotics industry and the threat it poses to Colombia's democracy and its economy (as well as that of its neighbors), and to the security, health, and well being of U.S. citizens.

The funding requested in FY 2005 will build upon the successes of the Plan Colombia Supplemental of 2000 and subsequent Andean Counterdrug Initiative programs. Our specific goals are to pursue vigorous eradication and interdiction efforts that will disrupt and destroy the production and transport of drugs destined for U.S. and other markets; promote alternative development designed to provide legal, viable, economic options to farmers and

others in the illegal drug trade; reestablish government control and the rule of law in conflict areas; assist in the institutionalization and professionalization of Colombian counterdrug entities to improve their effectiveness and capabilities while enhancing the respect for basic human rights; and ameliorate the suffering of citizens adversely affected by violence associated with the illegal drug trade.

Program Accomplishments

In 2003, the aerial eradication program improved upon the record levels of spraying accomplished in 2002. The U.S. government estimates that spraying reduced the Colombian coca crop by 21 percent in 2003 to 113,850 hectares. This is the second straight year of a double-digit coca decline in Colombia and a 33 percent reduction from the peak growing year of 2001. Aircraft sprayed 127,000 hectares of coca through the year in the face of an increasingly hostile security environment (ground fire impacts doubled in 2003). In addition, 3,830 hectares of opium poppy were eradicated in 2003 (2,821 sprayed and 1,009 hectares manually eradicated). Opium eradication built on the 25 percent reduction during 2002 and further reduced the Colombian poppy crop by more than 10 percent in 2003 to an estimated total of 4,400 hectares.

Colombian interdiction programs continued to attack the heart of drug production. The Colombian Army (COLAR) Counterdrug (CD) Brigade destroyed 16 cocaine-processing laboratories and over 948 cocaine base laboratories while seizing 4.2 metric tons of cocaine. The CD Brigade also provided valuable mobile ground support for aerial eradication, an increasingly vital mission as sustained high spray levels are straining the drug industry. The Colombian National Police (CNP) Directorate of Anti-Narcotics (DIRAN) destroyed 86 cocaine-processing laboratories, over 300 cocaine base laboratories, and seized over 37 metric tons of cocaine and over 13 metric tons of coca-base.

In 2003, U.S. funds assisted over 1.2 million internally displaced persons (IDPs) and over 1,170 ex-combatant children. The Early Warning System, created in 2001 by Plan Colombia to prevent massacres and forced displacement, issued 234 alerts that resulted in over 177 GOC responses. Twenty-eight oral trial courtrooms have been constructed with U.S. financing to support the modernization of the justice system, increase access to legal services, and help Colombia's transition from an inquisitorial to an accusatorial system of justice. An additional eleven justice houses were completed in 2003 bringing the total number of justice houses established with USAID assistance to 33 as of September 30, 2003. These 33 justice houses have enabled the Colombian judicial system to handle an additional 1.9 million cases. Colombian extraditions to the U.S. increased 70 percent in 2003: the GOC extradited 68 fugitives (64 Colombian nationals and 4 others) to the U.S. in CY2003, compared with 40 fugitives (37 Colombian nationals and 3 others) extradited to the U.S. in CY2002.

USAID-supported expanded alternative development programs initially concentrated during 2001 in the southern departments of Putumayo and Caqueta into northern and western Colombia. As of September 30, 2003, cumulative results for the alternative development program reported that over 31,000 families had been assisted, and more than 38,500 hectares of licit crops had been established. In addition, USAID assisted local community groups with construction of 630 social and productive infrastructure projects. These results were

achieved in spite of formidable security threats and a lack of viable economic infrastructure in many areas. The GOC and USG plan to continue alternative development during FY 2004 and will expand upon successes achieved to date. The program will continue to work with communities to establish coca-free zones and require up-front, manual eradication of illicit crops (or agreement not to plant illicit crops) as a requirement for participation in the program. USAID assistance will support projects that create jobs for ex-coca producers and will focus on activities that increase family income, private sector partnerships, agribusiness promotion, and the development of relevant infrastructure. The program will continue to target areas both in and beyond southern Colombia where illicit crops are currently grown and where there is potential to increase legal economic activities.

Through another program, INL supported the reestablishment of a Colombian National Police presence in areas of conflict. With U.S. training and equipment, the CNP established a police presence in county seats of almost every one of the 158 municipalities that lacked any public security at the start of the year. This program directly helped to markedly reduce homicides, massacres, attacks on civilian populations, and internally displaced peoples in Colombia and is key to all of our institution building and alternative development programs.

FY 2005 Program

Our counternarcotics programs in Colombia will build upon the historic successes of 2003 and 2004 and help President Uribe break the back of narco-terrorism in FY 2005 and consolidate the gains his Administration has made in this area. Aviation costs associated with eradication and interdiction will increase as drug cultivation is dispersed into smaller, more isolated fields. Also current assets will be used to wage an intensified battle against narcotics trafficking and terrorism.

Interdiction and Eradication

Colombian Army Aviation Support: This funding provides fuel, spare parts, repair and maintenance costs for the current stock of 71 helicopters (32 UH-1N's, 14 UH-60's, and 25 Huey II's) that provide essential airlift capacity for operations against high value narco-terrorist targets. FY 2005 funds will also support helicopters in the infrastructure security project in Arauca. COLAR support includes training crews and providing aviation infrastructure support. The FY 2005 increase comes from the expected growth in missions, area of operations, and number of vetted units receiving U.S. support. The strategic focus will be to increase the COLAR's ability to target high-value narco-terrorist leadership by using aggressive, smaller, more mobile units. This shift will require sustained higher levels of helicopter airlift support.

Colombian Army (COLAR) Counterdrug (CD) Mobile Brigade: Funding for this project will provide ongoing logistical and operations support to the First COLAR CD Brigade in support of its mission to conduct interdiction operations against high-value narco-terrorist targets and support eradication missions. The CD Brigade was retrained and retooled so that it can expand its interdiction against high-value targets and its support of aerial eradication outside southern Colombia in 2003. That has required the purchase of additional military equipment

and ammunition, as well as contributions to upgrade selected forward operating locations, general maintenance, and repair costs for this vital unit.

Colombian National Police (CNP) Aviation Support: Funding for CNP Aviation Support assists CNP Air Service (ARAVI) helicopters, which serve as transport aircraft and eradication escorts, and ARAVI fixed-wing aircraft that move cargo and troops and conduct intelligence operations. It currently supports 59 rotary-wing and 23 fixed-wing ARAVI aircraft; by FY 2005 these numbers will increase to 62 and 24 respectively. Major purchases include: additional aircraft for support, transport, and intelligence gathering; operation and maintenance costs; training for CNP personnel; and upgrading existing aircraft. Funding will also be used to purchase spare parts, tools, maintenance labor, ammunition, training, communications support and aviation-related infrastructure costs. Aggressive spraying in 2003 and 2004 should offset replanting and new cultivation, and by 2005 the program should be entering a “maintenance spraying” phase. Nonetheless, field dispersal, smaller fields, and aircraft range limitations will diminish efficiency and keep eradication flight hours high.

CNP Support for Eradication: Funding will provide for operations and maintenance for the current stock of eradication aircraft: spray aircraft, escort helicopters, imagery gathering aircraft, and heavy transport aircraft. These funds will purchase additional Forward Looking InfraRed (FLIR) and camera platform aircraft, and will also be used to buy the glyphosate and surfactant used for eradication. INL expects more dispersed cultivation, as noted above, which will raise transport costs for both fuel and herbicide.

CNP Support for Interdiction: These funds support non-aviation CNP anti-narcotics directorate (DIRAN) activities, including training and equipping DIRAN's 20 operational companies and three airmobile interdiction companies (Junglas). Equipment and training will also support road interdiction operations. Funding will cover all DIRAN training costs in Colombia and in U.S. Military and commercial training institutions. It will also upgrade existing DIRAN interdiction facilities and construct new transitory facilities, especially along Colombia's eastern, southern and western zones so that DIRAN can project force into those remote, but critical areas. For the Port Security program, funding will provide equipment and training for port and police personnel plus polygraph testing. For the Airport Security program, INL will: purchase small equipment; fund operational expenses and machine maintenance costs; training costs of new anti-narcotics police assigned to the airports, and re-certification costs of canines and handlers.

CNP Administrative Support: The focus here will be on new base construction, munitions and arms, upgrading of security and equipment, and establishment of interoperable communications and information systems.

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

Alternative Development and Institution Building

The first three programs, Support for Democracy, Alternative Development, and Support to Vulnerable Groups, are carried out by USAID. Programs under the “Public Security Assistance” heading are carried out by INL and the U.S Department of Justice.

Support for Democracy (USAID): These are divided into five interrelated components: protecting and promoting human rights; modernizing the criminal justice system; strengthening local governance; increasing government transparency and accountability; and supporting public and private sector peace initiatives. Project activities in 2005 will assist the GOC to establish the last two Justice Houses and the last two Oral Trial courtrooms envisioned under Plan Colombia in 2000. The Justice Houses are expected to resolve an additional 695,000 cases in 2005. Assistance will be given to offices of an additional 20 human rights or labor organizations that are targets for potential human rights abuses, and to an additional 1,000 threatened individuals. USAID will continue strengthening the Early Warning System to prevent massacres and forced displacements while promoting respect for human rights. The Peace Activities Program will continue to support the High Peace Commissioner’s office in negotiations related to potential peace settlements and, if approved, help in the reintegration of ex-combatants.

Alternative Development (USAID): These funds will be used to increase legal economic opportunities for small producers of coca and poppy as an alternative to illicit cultivation. The funding will support four principal activities: licit employment and economic opportunities; private and public national and local institutions; rural infrastructure; and the management of natural resources and the environment. Projects include: introducing and promoting alternative legal crops and other economic activity in areas of illicit cultivation, developing local and international markets for these products, providing technical assistance and training to improve economic capabilities and efficiency, and building or rehabilitating roads, bridges, electric power grids, schools, health clinics, potable water and sewage systems in remote regions of the country to generate new jobs and improve access to basic services.

Support to Vulnerable Groups (AID): These funds will support programs that provide economic and social opportunities to vulnerable groups, particularly internally displaced persons (IDP). USAID will assist no less than 170,000 IDPs in areas of credit, micro-enterprise, vocational training, job placement, health care, social and psychological counseling, shelter and housing, income generation, increased access to education and improved/expanded basic community infrastructure (such as water and sewage systems, centers for conflict resolution, etc.) and institutional strengthening. By providing viable employment options and improved living conditions, the program discourages families from taking up cultivation of illicit crops. Working with a municipal focus, the program runs more than 400 projects in 27 departments and 200 municipalities throughout the country. USAID will provide technical assistance to serve at least 350 former child combatants and other vulnerable children. The program is prepared to serve a vastly expanded number of children in the event there is a mass demobilization of illegal armed groups.

USAID Operating Expenses: This is the annual operating expense budget for USAID/Colombia. It covers ICASS costs, general administrative and operating expenses as well as salaries, benefits and allowances for Foreign Service National (FSN) and contract employees that manage or support alternative development and related USAID activities.

Promote the Rule of Law (INL AND DOJ). These funds will enhance the GOC capacity to address crime and to institutionalize the rule of law throughout its territory. The Reestablish Public Security in Conflict Zones program will expand the CNP presence in conflict zones so that the GOC can provide the social and economic benefits of democracy to all Colombians. Funds will be used to organize, train and equip follow-on municipal police units to be stationed in new areas. Funding will also be used to organize, train and equip 150-man, mobile “Carabineros” (rural police) squadrons. Equipment purchases will include field equipment, weapons and munitions, communications/command and control systems, medical supplies, force protection upgrades, vehicles, and operational logistics support. U.S. funds will also be used to construct hardened police stations in the larger municipalities to provide cover for reinserted units in particularly conflicted areas. Other rule of law programs will train and equip CNP bomb squads; assist in prison reform; support GOC counternarcotics organizations. Support for the Culture of Lawfulness program will promote long-term change in societal attitudes towards the law through school-based programs in Bogotá and Medellin and expand these programs into police and military academies. U.S. DOJ Judicial Reform Programs include support for Human Rights Units to provide training, equipment, and operational funds for existing and projected human rights investigative units as well as maintenance and expansion of the forensic system; Prosecutor/Investigator Training and Technical Assistance to train and assist Colombian prosecutors and police investigators to implement the new criminal procedure code. Asset Forfeiture and Money Laundering projects will enhance asset management and tracking; and Code Reform projects will prepare officials for implementation of the new criminal procedure code and development of GOC justice sector organizations.

Colombia					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Support to the Colombia Military					
Army Counterdrug Mobile Brigade	6,300	-	5,000	-	5,000
Army Aviation Support	128,750	-	147,304	-	149,485
Air Bridge Denial Program	8,000	-	7,121	-	-
Navy Maritime Interdiction Support	1,000	-	-	-	-
Intelligence, Surveillance and Recon.	-	20,000	-	-	-
Cano-Limon Pipeline	93,000	-	-	-	-
Sub-Total	144,050	20,000	159,425	-	154,485
Support to Colombian National Police					
Aviation Support	62,260	-	60,338	-	80,500
Support for Eradication	48,727	15,000	44,185	-	47,515
Support for Interdiction	20,963	-	40,973	-	22,000
Administrative Support	2,000	-	2,000	-	1,500
Sub-Total	133,950	15,000	147,496	-	151,515
Support to PRM					
Support to Population, Refugees, and migration groups/IDPs	3,500	-	5,000	-	-
Sub-Total	3,500	-	5,000	-	-
Promote Social & Economic Progress					
Support for Democracy *	24,000	-	24,000	-	24,000
Alternative Development *	60,200	-	59,845	-	60,200
Support for Vulnerable Groups/IDP *	38,000	-	37,634	-	38,000
Sub Total	122,200	-	121,479	-	122,200
Promote the Rule of Law					
Special Financial Investigations Unit	500	-	-	-	-
Bomb Squad/Explosive Database Center	1,000	7,000	500	-	800
Prison Security/Drug Rehabilitation Training		-	500	-	-
Ministry of Defense Human Rights Reform	1,000	-	-	-	-
Treasury Program Support	2,000	-	-	-	-
Judicial Reforms Program	7,500	-	7,500	-	6,000
Drug Awareness/Demand Reduction	500	-	250	-	200
Culture of Lawfulness Program	500	-	250	-	400
Presidential Security		7,000	-	-	-
Reestablish Public Security in Conflict Zones	10,500	5,000	13,800	-	20,400
Sub-Total	23,500	19,000	22,800	-	27,800
Program Development and Support					
U.S. Personnel	1,825	-	2,000	-	2,200
Non-U.S. Personnel	1,464	-	1,500	-	1,500
ICASS Costs	805	-	1,000	-	1,000
Program Support	1,906	-	2,300	-	2,300
Sub-Total	6,000	-	6,800	-	7,000
Total	526,200	54,000	463,000	-	463,000

A \$93.0 million of FMF program funds appropriated under the FY 2003 FOAA (PL 108-7) was transferred and merged in to the ACI account
\$20.0 million of FMF funds appropriated under the FY 2003 Wartime Supplemental Act (PL 108-111) was transferred and merged in to the ACI account.

* Funds are transferred to USAID who manages these programs.

Ecuador

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
30,896	35,000	26,000

Program Objectives and Performance Indicators

INTERDICTION

Enhanced Ecuadorian National Police, criminal justice system and military forces efforts and improving cooperation disrupt the transiting of drugs through Ecuador from neighboring countries.

Additional counternarcotics police along frequently used or newly emergent trafficking routes create choke points and improve interdiction results.

Provision of additional coastal surveillance equipment, communications gear and training improve interdiction operations by the Ecuadorian navy in the country's coastal waters.

International trafficking in drugs, persons, and other illicit goods are disrupted and criminal organizations dismantled.

Improvements in mobility, communications and technical operations will enable increased drug seizures by the counternarcotics Police Directorate Port and Canine Operations.

STABILIZATION

Government presence along Ecuador's northern border is enhanced such that incursions from Colombia's narcoterrorists diminish.

CRIMINAL JUSTICE DEVELOPMENT

Improvement in law enforcement and judicial capabilities will upgrade government institutions in order for them to better combat drug and other organized crime.

Training of police units and new counternarcotics personnel in advanced interdiction methods, conduct of joint operations and maximization of intelligence will increase interdictions and arrests.

Additional police personnel will be hired and trained.

Judicial sector training will maximize the implementation of money laundering and precursor chemical controls resulting in increased prosecutions for violations.

ECONOMIC AND SOCIAL SECTOR DEVELOPMENT

Improvement in economic/social infrastructure will decrease demand for illicit drugs in Ecuador.

Support to the demand reduction programs of the GOE will increase their use and improve their results.

Public education campaigns will promote the war on drugs among the Ecuadorian people resulting in stronger feelings against illicit drug crops and lessened resistance to US policies.

Public infrastructure improvements will increase access to markets for licit crops and improve competitiveness of indigenous industries.

Program Justification

Ecuador is a major transit country for drugs and precursor chemicals. Armed violence on the Colombian side of Ecuador's northern border renders interdiction especially difficult on the Ecuadorian side. As drug eradication and interdiction programs in neighboring Colombia continue to expand, insurgent groups that control the Colombian drug crop cultivation regions increasingly affect Ecuador. The security situation along Ecuador's northern border, most notably in Sucumbios province where most of Ecuador's oil wealth is located, has continued to deteriorate due to increased Colombian guerrilla, paramilitary and criminal activity, as well as increasing social unrest fueled by chronic and increasingly high levels of poverty. Cocaine and heroin enter and transit the country primarily by land, but exit the country via commercial containers. Ecuadorian counternarcotics police, with help from the USG, continue efforts to enhance port inspection facilities and to improve drug-detecting technology in ports and airports. Cocaine seizures in 2003 were approximately six metric tons, compared to approximately nine metric tons in 2002. Similarly, heroin seizures decreased from approximately 334 kilograms in 2002 to 270 kilograms in 2003. Joint police/military operations located and destroyed about 5,400 cultivated coca plants in scattered locations along the northern border in 2003. The new Code of Criminal Procedures, promulgated in 2001, has caused confusion as police, prosecutors and judges struggle to agree on how it should be implemented. The USG and other donors are working closely with Ecuadorian law enforcement and judicial authorities to clarify the situation.

When fully implemented, this code will strengthen the criminal justice system and speed up the process by converting to oral trial procedures.

Ecuadorian alternative development efforts are focused on economic and social development programs along the northern border that are “preventative” rather than “alternative” development, since illicit crop cultivation is not currently significant in the area, but is a major problem in the adjacent coca-cultivating Putumayo region of Colombia. Attention to alternative development will assist the vulnerable population in the northern border areas by strengthening its licit economic base and community infrastructure, thereby building public support for local democratic institutions and enabling the community to better resist the pressures of criminal elements and the illicit coca/cocaine economy.

Program Accomplishments

In 2003, Ecuadorian army units along the northern border were provided with tactical radio communications, computers, field supplies and ground vehicles, including 100 Humvees and 51 heavy trucks. Resources were provided to the Ecuadorian Navy for expanded patrol and interdiction operations on Ecuador’s northwestern coast. Support to Ecuador’s army and navy is strengthening Ecuador’s northern border and its ability to control of movement of goods and persons through ports. Military-police cooperation in joint missions on the northern border continued to improve. Army and police forces in the northern border area interdicted a large volume of illicit precursor chemicals en route to Colombia. Drug seizures have not increased, but the presence and increasing mobility of Government of Ecuador (GOE) military and police has presented a strong deterrent to any further criminal expansion. A major police counternarcotics base in Sucumbios Province (northeastern Ecuador) was completed in April, with another under construction in San Lorenzo, Esmeraldas Province (northwestern Ecuador). Having police bases in these locations makes it possible to maintain police presence and counternarcotics operations in vulnerable areas on sites significant to the movement of drugs. Two additional bases, in north-central and southwestern Ecuador, were in the design phase. Facilities for the police’s intelligence unit were expanded. Port cargo inspection facilities in Guayaquil were renovated and new facilities in Manta are nearing completion. Guayaquil and Manta, in that order, are the two busiest ports in Ecuador, through which most shipping, licit and illicit, takes place. Well-functioning cargo facilities serve to strengthen control of the movement of goods and persons through ports, although drug seizures have remained small. A port cargo inspection facility was being designed for Puerto Bolivia, Machala, in southern Ecuador.

Program security assistance has provided training to improve military and police professionalism and capabilities while reinforcing the principles of civilian rule and human rights. The Port Security project’s U.S. Customs (DHS/ICE) advisor in Guayaquil continued to improve the police’s investigative and search techniques, and kept the police coastal units attentive to law enforcement priorities. This activity has made some advances in police professionalization, although much more needs to be done.

The northern border area alternative development projects progressed rapidly. Among the most notable achievements to date have been the construction of over 30 potable water systems; the provision of water systems in two temporary shelters for displaced Colombians;

construction of several sewer systems to northern border localities; significant land titling initiatives for farmers; and sustained support for Afro-Ecuadorian and indigenous communities along the northern border.

FY 2005 Program

Interdiction and Eradication

Police Operations: Funds will support the Counternarcotics Police Directorate (DNA) port and canine operations; acquisition of law enforcement and communications equipment; vehicle acquisition, maintenance, repair and operational costs; and the cost of providing a port advisor from the U.S. Customs Service (DHS/ICE).

Military Coastal Control: Continuation and expansion of the coastal control project is intended to further develop a national coastal surveillance system and provide additional interdiction capability in the form of surveillance, communications and interdiction equipment and training, which will enable the Ecuadorian Navy to observe and analyze coastal maritime activity to detect vessels engaged in illicit activities, and to more effectively patrol coasts and estuaries with limited vessels as a deterrent to illicit activities.

Police Facilities Construction: Funding will support expansion of police presence and counternarcotics operations in sensitive locations inadequately protected against narcotics trafficking. The FY 2005 project will continue the expansion of interdiction facilities with an integrated checkpoint and possibly a helicopter facility at Santo Domingo de los Colorados, and will renovate Ecuador's largest and most active counternarcotics police provincial headquarters, in Pichincha. The project is intended to increase the numbers of counternarcotics police stationed in the target areas, to continually maintain 30- to 40-member units at key interdiction points, including remote outlying sites.

Police and Judicial Training: With 150 new DNA personnel annually being added through 2006, the need for basic and advanced training continues, emphasizing ground and airborne field operations, intelligence methods, and cargo and personnel inspection techniques, with military co-trained with police where appropriate. The project will also extend and refine training in implementation of the new Code of Criminal Procedures, working particularly with the National Commission on Judicial Reform, established in 2003.

Money Laundering and Chemical Control: Ecuador is a major drug transit country with a dollar based economy and weak banking controls; the country also produces chemical precursors and is a transit corridor for diverted chemicals. In FY 2005, the project will provide training and equipment to assist the GOE as it establishes new financial investigation and chemical control units and the enforcement units that will form from these.

Drug Awareness/Public Diplomacy: This project will counter misunderstandings and disinformation in the Ecuadorian public regarding USG policies and activities and the true nature of the drug, terrorism and other transnational challenges by providing informational materials, sponsoring travel to view USG counternarcotics projects and activities, and

funding guest speakers. The project will also give direct support to drug awareness projects operated by the GOE.

Program Development and Support: PD&S funds are used for the salaries, benefits, allowances and travel of direct hire and contract U.S. and foreign national personnel, residential leasing, ICASS costs and other general administrative and operating expenses for counternarcotics and anti-crime program planning, design, implementation, monitoring and evaluation.

Alternative Development and Institution Building

Northern Border Development: The goal of this project, administered by USAID, is to constrain the spread of the illegal narcotics activities into Ecuador by assisting the GOE to strengthen state presence and community structures in the North, generally supporting and expanding licit social, economic and political activities. FY 2005 will focus on increasing the program's geographic reach, while expanding infrastructure, local government institutional support and community strengthening. Over the remaining life of the project, currently due to end in FY 2006, the project will also continue to increase jobs and incomes in the North by supporting the competitiveness of existing rural enterprises. Activities will include capital investment and complementary technical assistance to help local governments build and sustain social and productive infrastructure; technical assistance and training to municipal governments and local communities to identify and resolve local development problems democratically; support for small farmers to legalize land holdings; and support to strengthen the competitiveness of existing agricultural and related enterprises in the North.

Ecuador					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement					
Police Operations	4,325	-	8,188	-	3,725
Police Facilities Construction	2,700	-	3,565	-	2,000
Police and Judicial Training	1,000	-	1,000	-	950
Money Laundering and Chemical Control	150	-	150	-	300
Sub-Total	8,175	-	12,903	-	6,975
Military Border and Coastal Control	6,000	-	6,000	-	3,000
Drug Awareness/Public Diplomacy	125	-	150	-	75
Alternative Development *	15,896	-	14,912	-	15,000
Cacao Project	-	-	300	-	-
Program Development and Support					
U.S. Personnel	208	-	210	-	400
Non-U.S. Personnel	76	-	85	-	90
ICASS Costs	228	-	240	-	255
Program Support	188	-	200	-	205
Sub-Total	700	-	735	-	950
Total	30,896	-	35,000	-	26,000

* Funds are transferred to USAID who manages these programs.

Panama

Budget Summary (\$000)

FY 2003 Actual	FY 2002 Supp	FY 2004 Estimate	FY 2005 Request
4,500	—	6,487	6,000

Program Objectives and Performance Indicators

INTERDICTION

The Government of Panama (GOP) combats its geographic fate as a crossroads for narco trafficking by significantly improving its ability to interdict land and maritime shipments of illicit drugs, chemicals, weapons, and people, and enhances control of its borders, airports, and seaports.

Training and equipment provided to DHS's Container Security Initiative in Panama would make the program fully functional, resulting in an increased number of seizures of shipment of illicit goods.

Further training of specialized Panamanian National Police units in the Darien region and focused support to the Mobile Interdiction Units along the Eastern border will slow the transshipment of drugs across its border with Colombia.

Training on long-term maintenance of new aircraft will increase the capabilities of the National Air Service (SAN) while making the organization more self-sufficient.

CRIMINAL JUSTICE DEVELOPMENT

Panama becomes a less attractive haven for transnational organized crime by increasing its institutional capabilities to investigate and prosecute criminal activities, cooperate with other nations including USG law enforcement, seize and forfeit assets, and cripple criminal organizations engaged in such crimes as drug and arms trafficking, alien smuggling, money laundering and terrorism.

Further advanced training curricula emphasizing the use of technology and better program planning help the GOP modernize its criminal justice system.

Building on the 2004 arrest and deportation to the U.S. of top Colombian drug lord Henao Montoya, accomplished by two INL-funded police organizations with cooperation from USG law enforcement authorities, there will be an increase in the number and importance of traffickers arrested and successfully prosecuted, deported, or extradited as a result of GOP investigations and cooperative bilateral or regional law enforcement efforts.

As a regional financial center and focus of money laundering for narcoterrorist dollars, increasing the GOP's ability to combat money laundering, terrorist financing, and other financial crimes, particularly in the Colon Free Trade Zone, and to coordinate effectively with international partners is paramount.

Having trained the Financial Analysis Unit (FAU) of the Presidency, the NAS will focus on strengthening the capacity in Panama City of the Financial Investigation Units (FIU) of the Technical Judicial Police and expanding to two new cities through training and equipment.

The FIU units will increase the number of investigations of financial information requested by other countries and cases of suspicious financial transactions, particularly black market peso exchange, resulting in an increase in successful prosecution of money laundering cases.

Panamanian Customs Service will be provided with training to improve skills for investigations into black market Peso exchange, money laundering and infringements of intellectual property rights.

Corruption which has undermined GOP efforts against narcotraffickers and organized crime is identified as a significant problem and combated through a successful strategy supporting and modernizing its specialized law enforcement units and holding the PNP accountable.

The FAU and the FIU begin to investigate allegations of government corruption and new anti-corruption units are created in the PTJ. Offenders are prosecuted and incarcerated. Illegally obtained funds are returned to government coffers.

Public trust in criminal justice institutions and personnel, particularly the National Police, increases with a performance measurement and evaluation system, and improved transparency.

Program Justification

As law enforcement activities in Colombia become more effective, Panama will be under increasing pressure as a haven for illegal activity and a crossroads for the transshipment of narcotics and other illicit goods. Despite excellent bilateral law enforcement cooperation, international drug shipments continue to be trafficked through Panama destined for the U.S. and Europe because of the country's strategic position and developed infrastructure. 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 trafficking, alien smuggling and other illicit activities. The steady flow of illicit drugs has taken a toll on Panamanian society by increasing domestic drug abuse and undermining key institutions.

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) 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 and material support to enhance its efforts to implement and enforce the new legislation and to dismantle criminal and terrorist groups engaged in money laundering, particularly in the Colon Free Trade Zone.

Program Accomplishments

Law enforcement cooperation between the U.S. and Panama is outstanding, as demonstrated by the 2004 capture and deportation to the United States of Colombia drug lord Henao Montoya. In 2003, INL funds were used to support programs and activities critical to GOP and USG shared law enforcement objectives. Technical assistance and equipment provided by INL to law enforcement agencies at the border, on key transit routes, and in airports has increased the GOP's capacity to interdict drugs and secure its borders. Furthermore, INL has supported interdiction efforts through assistance to the Joint Information Coordination Center that has led to enhance 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 that have recapitalized the SMN's small boat fleet. INL support has further enhanced GOP capability to investigate narcotics cases through the training and equipping of the Public Ministry/Technical Judicial Police (PTJ) vetted unit in 2003. Furthermore, the ability of the GOP to interdict drugs along its land routes has increased through the successful deployment of the Panama National Police (PNP) Mobile Inspection Unit. An International Airport Drug Task Force has increased seizures at Panama's International Airport. Law enforcement cooperation between Panama and other Central American countries has been exceptional. In Nicaragua, for example, the cooperation of Panamanian authorities was invaluable in the corruption convictions of several high-level government officials. In addition, although the United States is the primary provider of assistance to the SMN, other regional navies, in particular Chile and Colombia have provided training and participate in exercises.

In FY 2005, INL will develop a project to assist the GOP to investigate and prosecute cases of corruption, in particular by strengthening the anti-corruption prosecutor's office. Support to law enforcement agencies will continue with the provision of commodities and training to support the PNP, the SMN, and the National Air Service (SAN). The NAS will launch a police modernization project that will focus on community policing and enhanced use of technology as a management tool for police officials. INL will provide infrastructure

support, 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.

Further support to improve the capability of Panamanian law enforcement agencies will be provided to the Joint Information Coordination Center (JICC), the National Criminal Statistics and Analysis Agency (CONADEC) to enhance GOP intelligence infrastructure, enabling the security forces to better investigate narcotics trafficking activities. Training and commodities will be provided to the Public Ministry's Elite Vetted Unit, the PTJ and the PNP. Having trained the Financial Analysis Unit (FAU) of the Presidency, the NAS will focus on strengthening the capacity of the Financial Investigation Unit (FIU) of the Technical Judicial Police through training and equipment to detect, investigate, and prosecute sophisticated money-laundering cases. In cooperation with the SMN, the NAS will develop a port security project to increase the interdiction of illegal goods passing through the Colon Free Zone and Panama's other ports of entry in conjunction with the implementation of the Container Security Initiative.

FY 2005 Program

National Police: Due to its geographical location, Panama is a primary trafficking route and transshipment point for Colombian narcotics moving northward toward the U.S. The PNP is on the front line of efforts to stop this flow of drugs as near to the source as possible and to control land trafficking routes. This is the third year of a five-year program to train and equip select small units of the PNP. In all, the project will train approximately 375 individuals. This year, the NAS will emphasize the training of units in the Darien region of the Panama-Colombia border. As in previous years, training will largely be through Mobile Training Teams and other "train the trainer" programs.

National Air Service: Because of the shared border with Colombia, the flow of drugs through Panamanian air space is a significant concern. Funding will be provided to the SAN to increase air mobility capabilities and internal management structures. This year, assistance will seek to maximize the effectiveness, through long-term training on preventative maintenance procedures and operations, of new aircraft introduced into the SAN fleet in 2003 and 2004.

Border Enhancement: Effective control of Panama's land, sea, and air ports is vital to controlling the illicit flow of narcotics and other crime. Assistance will be provided to the Mobile Interdiction Unit for the operation of border and interior checkpoints, with a focus in 2005 on checkpoints on the eastern provinces of the country, to deter trafficking in arms, narcotics and aliens through the country. This project will continue to provide resources to support the Tocumen Airport Task Force and joint USG/GOP law enforcement interdiction operations in interior provinces and along the Costa Rican border.

National Maritime Service: GOP narcotics interdiction capabilities will be further enhanced through continued support for the professionalization of the SMN and with equipment and training provided by the U.S. Coast Guard. In 2005, assistance will seek to ensure the continued operability of Panama's small and medium boat fleets, which were built up in 2003 and 2004 with USG assistance. In addition, Panama will benefit from increased

maritime patrol and port security enhancements, thereby providing an additional deterrent to migrant smuggling and trafficking in other contraband.

Port Security: In FY 2005, training and operational assistance will be provided for the Port Security System project. This multi-year project will complement the 2004 deployment of the Container Security and Proliferation Security Initiatives and will be expanded to provide all remaining ports with communications links to the Tocumen International Airport and the Colon Free Zone. In 2005, the SMN will take a more active role in inspecting vessels visiting and transiting Panama's territorial waters. This project will enhance the ability of the GOP to secure its borders and increase both land and sea interdiction capabilities.

Public Ministry Special Investigations Unit: Funding will be provided to the Public Ministry for training, commodities and operational support to the Vetted Special Investigations Unit (SIU). Funding will support a technological modernization of the unit, in particular with regard to surveillance equipment. This will build on the successes of the program and will contribute to the eventual assumption of all costs by the GOP.

Panamanian Customs Service: Operational assistance and training will be provided to Panamanian Customs officials for cargo inspections, investigations into black market peso exchange, money laundering and infringements of intellectual property rights. An effort will also be made to professionalize the Customs Service by developing technical training programs to improve the integrity of higher-level officials.

Technical Judicial Police: Having provided training and commodities to the counternarcotics unit and the central and regional forensics laboratories of the PTJ, the NAS will focus on developing the sex crimes unit of the PTJ. Funds will also be used to upgrade the PTJ vehicle fleet.

Financial Investigations Unit: Training will be provided to prosecutors and the FIU to improve investigative skills and enable the prosecution of increasingly sophisticated money-laundering cases, in particular those linked to the Colon Free Trade Zone. The NAS will help double the size of the FIU in Panama City and will attempt to set up additional units in two other major cities.

Anti-Corruption Program: This project is intended to improve the capabilities of investigators from the PTJ and prosecutors from the Anti-Corruption Prosecutor's Office to successfully investigate and prosecute cases involving misuse of public funds. The program will be closely coordinated with efforts of US Law Enforcement Agencies and USAID's governance project, which will assist civil society groups involved in anti-corruption efforts. In 2005, the NAS will establish a specialized anti-corruption unit within the PTJ.

Law Enforcement Modernization: Short, medium, and long-term training strategies and programs to increase the use of technology developed by a law-enforcement training advisor will be presented to GOP law enforcement institutions for implementation.

Program Development & Support (PD&S): PD&S funds will be used to pay salaries, benefits and allowances for U.S. and foreign national direct hire and contract personnel, field travel, International Cooperative Administrative Support Service (ICASS) costs, and general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Panama					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Border Control Enhancement					
National Police	567	-	750	-	750
National Air Service	500	-	487	-	500
Border Enhancement	875	-	750	-	500
National Maritime Service	900	-	1,000	-	750
Port Security	150	-	300	-	250
Sub-Total	2,992	-	3,287	-	2,750
Law Enforcement Enhancement					
Public Ministry Special Investigations Unit	-	-	-	-	500
Panamian Customs Service	-	-	300	-	200
Technical Judicial Police	425	-	500	-	500
Financial Investigations Unit	175	-	250	-	200
Law Enforcement Modernization	-	-	650	-	500
Sub-Total	600	-	1,700	-	1,900
Anti-Corruption Initiatives	100	-	600	-	450
Drug Awareness/Demand Reduction	100	-	100	-	100
Program Development and Support					
U.S. Personnel	311	-	330	-	350
Non-U.S. Personnel	48	-	50	-	50
ICASS Costs	254	-	320	-	300
Program Support	95	-	100	-	100
Sub-Total	708	-	800	-	800
Total	4,500	-	6,487	-	6,000

Peru

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
128,052	116,000	112,000

Program Objectives and Performance Indicators

The Government of Peru (GOP) institutionalizes policy-making and coordination and begins to take over management of certain counternarcotics programs.

The maintenance and operation of Peruvian National Police air wing is performed 100 percent by Peruvian nationals.

Completion of ongoing upgrades in the INL helicopters operated by the police aviation unit allows the extension of counternarcotics-related law enforcement efforts to remote areas of Peru.

Capability of, and coordination among, those Peruvian agencies involved in counter-narcotics law enforcement improves, leads to more effective action against illicit drug trafficking east of the Andes.

Multi-agency anti-narcotics coordination center is established in Pucallpa to disseminate and exploit information about drug trafficking Peru, including in its airspace east of the Andes, on its waters, and on the ground.

Planning begins on a comprehensive maritime and port interdiction program to thwart exploitation of Peru's northern ports by narco-traffickers.

Improvements in the efficiency of the Peruvian judicial sector allow it to effectively process drug cases.

Continuing USG support for special narcotics prosecutors and support for judicial personnel in regions with heavy narcotics caseloads results in an increase in the number of arrests/prosecutions of major criminals and narcotics traffickers and a decrease in time suspects are held in jail pending trial.

The illegal cultivation of coca and opium poppy is reduced and eventually eliminated, along with illicit drug trafficking through and from Peru.

Coca cultivation will be reduced through forced and voluntary eradication by an additional 12,000 hectares in CY 2005.

The GOP, with the help of the USG, develops a reconnaissance capability to identify and eradicate opium poppy cultivations.

Licit Peruvian coca fields are recorded and tracked better.

The number of port and road counternarcotics interdiction checkpoints east of the Peruvian Andes are increased by ten percent in 2005 resulting in a ten percent increase in the number and amount of cocaine seizures.

Continued project efforts to upgrade DIRANDRO operations at Peru's airports leads to an increase in drug seizures from commercial planes and passengers.

New equipment for FIU's make the units more effective and increase the number of drug-related money laundering arrests and prosecutions by 10 percent a year.

Viable alternatives to the illegal coca economy provide incentives to decrease illicit coca cultivation.

Provision of economically viable alternative development benefits in and outside of the coca-growing areas allows farmers to pursue alternatives to coca.

Implementation of comprehensive macroeconomic policy reforms expands the licit economy.

An increased awareness of the dangers of drug trafficking and drug abuse leads to a reduction in the demand for illicit drugs.

Assistance to Ministry of Education and surveys to better identify vulnerable groups for assistance focuses public awareness campaign more effectively.

Both public support and GOP political will for law enforcement efforts against illegal drug cultivation and trafficking increases.

Both survey results and GOP actions indicate that Peruvians will no longer tolerate illegal drug cultivation and trafficking.

Program Justification

Peru is the second largest cocaine producing country in the world and a major exporter of high purity cocaine and cocaine base to markets in South America, Mexico, the United States, and Europe. The country's cultivation decreased 15 percent in 2003 and is 84,000 hectares below the 1995 level. Peru legally produces cocaine base and coca leaf for medical and commercial consumption in the U.S. and Europe.

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 Counterdrug Initiative, 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. The means to achieve this goal is firmly rooted in implementing complementary programs of eradication, interdiction, and alternative development in the drug cultivation source valleys and to intercept coca movement throughout Peru.

To decrease coca cultivation, funding is required to support airlift for drug crop eradication and law enforcement interdiction in outlying areas, to gather and process intelligence needed to support air, ground and water-based law enforcement endgames, to support USAID-implemented voluntary coca eradication efforts, and to strengthen alternative development in and outside of drug cultivation areas. Of immediate concern in areas subject to eradication is near-term alternative development emergency assistance to help meet nutritional and health needs, generate family income lost to eradication of coca fields, and long-term alternative development to sustain the development of licit economies.

President Toledo and his Administration have shown the political will to confront drug issues. Shortly after taking office, Toledo followed through on his promise to appoint the first ever Drug Czar for Peru with cabinet level authority. However, the GOP lacks the financial resources and equipment to adequately address drugs in the midst of double-digit unemployment and a stagnant economic growth. These problems are exacerbated by ongoing riots and strikes by several sectors of the national economy, a resurgence of terrorism, and continued corruption.

Anticipated European assistance pledged during donor conferences to support GOP alternative development efforts has not materialized in the amounts anticipated.

Program Accomplishments

GOP eradication efforts resulted in a decline in the number of hectares under coca cultivation from 36,600 in 2002 to 31,150 in CY 2003, the lowest level of coca cultivation in Peru since 1986. In terms of absolute numbers, the GOP eradicated over 11,000 hectares of coca in CY 2003, well exceeding its goal of 8,000 hectares. This 11,000 total represents the GOP's best performance on eradication since 1999. In 2003, INL supported the initiation of a pilot program of voluntary coca eradication, implemented by USAID and the GOP. This program supports communities and local municipalities in return for verified elimination of coca cultivation. In 2003, it accounted for the elimination of approximately 5,445 hectares of coca in Peru. Under this program, communities that have eliminated coca are eligible for employment-generating public works for short-term assistance and longer-term alternative development.

While the police were able to take some actions to eliminate opium poppy, overall eradication totals were small as limited intelligence, the remoteness of the growing areas, and heavy cloud cover made such activity difficult. Police units did, however, step up foot patrols in suspected poppy-growing areas in an effort to locate more fields.

During 2003, the Peruvian National Police Narcotics Directorate (DIRANDRO) conducted well-coordinated operations in the Monzon Valley, a notorious lawless area where large-scale coca cultivation and processing is rampant. An extensive five-day operation in November resulted in the destruction of maceration pits and rustic labs and the confiscation of over 400 kilos of coca base and large amounts of precursor chemicals. A follow-up operation in December 2003 netted lesser results, but still contributed to the GOP's efforts to reestablish the rule of law in that area. Similar operations in the Apurimac-Ene Valley region encountered success as well.

DIRANDRO also continued its campaign of truck and vehicle inspections of suspected drug and chemical smugglers using the roads and highways throughout Peru. The PNP Road Unit conducted weekly road operations using trained K-9 drug dogs on the major highways exiting the coca producing jungle region heading west to the coastal areas, on major roads entering Lima, and throughout key Departments in Peru. In cooperation with U.S. law enforcement agencies, private shipping companies improved their abilities to monitor sea cargo containers. They provided DIRANDRO and Peruvian Customs with information to support investigations of major Peruvian and other international trafficking organizations utilizing sea cargo containers to transport large shipments of cocaine to the U.S., Mexico and Europe.

The GOP established a Financial Investigations Unit (FIU) and named a director and staff. The Peruvian Congress passed legislation in mid-2003 placing the FIU under the Prime Minister's office and provided it with initial funding. Senior FIU leadership have made clear their intent to have the Peruvian FIU join the Egmont Group of international FIUs as soon as possible. Peru's FIU began accepting suspicious activity reports from banks on September 1, 2003.

Discussions began between the USG and the GOP on establishing an Anti-Narcotics Coordination Center (ANCC), which will gather, process and disseminate actionable intelligence so that Peruvian law enforcement and military units could undertake air, ground, and water-based end games against trafficking targets.

Recent opinion polls reflect that 90% of urban Peruvians recognize the link between coca leaf cultivation and narco-trafficking, and that the majority of Peruvians view cocalero groups as unreasonable in their demands and favor GOP action to address the illegal coca problem. A nationwide political stakeholder analysis revealed that key players see coca cultivation and narco-trafficking as important problems in Peru, and that they are willing to act on these issues given institutional leadership on the issue.

In the Alternative Development program, key results in 2003 included:

- 459 communities (about 19,000 families) will voluntary subscribe in the community development/auto-eradication program.

- The inclusion of more than 11,000 families in programs designed to produce licit crops and the improvement of 1,251 kilometers of roads, 18 bridges, 124 potable

water systems, 7 electricity systems, 4 irrigation systems, and 157 schools/health posts.

The generation of 33,820 full-time equivalent jobs and more than \$22 million in new sales, including \$9.7 million in exports.

Technical assistance to micro-finance institutions, thereby allowing these entities to serve more than 80,000 clients

FY 2005 Program

Interdiction and Eradication

Law Enforcement Support: A wider range of law enforcement operations is planned for FY 2005, with activities envisioned not just in the major coca-growing valleys and the transit zones, but in those areas that have been traditionally hard to penetrate as well. As in the past, the operations will include air, land and riverine operations, road stops and the use of canines. FY 2005 plans include providing additional training and field exercises to enhance the capabilities of DIRANDRO to conduct advanced road and riverine exercises, as well as to provide greater security for eradication teams in outlying areas. These enhanced law enforcement efforts will require additional vehicles, communications, field gear, emergency/safety reaction gear, and drug detector canines. Progress will be measured in terms of the amount/frequency of seizures and arrests, and the increase in the interdiction and enforcement capability of DIRANDRO units. Progress will be measured in terms of the number of seizures and arrests as well as increases in the effectiveness of DIRANDRO operations.

Aviation Support: Aviation support is an ongoing project that funds pilots, aircrews, and support personnel for 24 USG-owned UH-1H helicopters, two INL-owned fixed wing aircraft, and 4 Peruvian Mi-17 helicopters, which support coca eradication and law enforcement actions in the field. FY 2005 funds will also cover fuel, maintenance, hangars and warehousing, aircraft rental when needed, and operational support for DIRAVPOL personnel.

Eradication and interdiction missions are becoming more difficult and dangerous, because of the need to access illicit crops (particularly opium poppy) at higher altitudes in more rugged terrain and because of the growing potential for narco-trafficker inspired violence. To help protect both program assets and personnel, funds will be used to acquire a second C-208 aircraft that can carry imaging acquisition and other sensor equipment, thus allowing law enforcement efforts to take place in a more secure environment. Progress will be measured in terms of eradication/interdiction figures and the extent to which the GOP personnel can take further responsibility for program repair and maintenance functions.

Riverine Support: FY 2005 funding will focus on readying Peru to conduct wide-ranging and effective counter-drug enforcement operations on the rivers in, and flowing out of, the major coca-growing regions. The principal goal of our efforts will be to consolidate the GOP's capability to maintain an effective riverine drug interdiction program through

infrastructure development, facilities improvements, equipment acquisitions, training, and operational planning and execution. All this will pave the way for transfer of the program to full GOP management and control. Progress will be measured in terms of the number of riverine drug seizures as well as improvements in the GOP's effective riverine capabilities and its ability to respond to actionable intelligence about the movement of suspected coca products on Peru's rivers.

Coca and Opium Poppy Eradication: In 2005, coca eradication will be more difficult now that the areas of less resistance have been cleared of coca, and more established cultivation areas are being targeted. The GOP will continue its two-track approach of voluntary eradication in selected communities and involuntary eradication in national forests, new growth areas and around drug-processing facilities. By covering logistical and transportation costs, the FY 2005 budget will support eradication efforts by the GOP's Coca Reduction Agency (CORAH) at a wider array of sites. Eradication efforts will likely be concentrated on three kinds of targets: a) remaining hard-core trafficker dominated areas such as the Monzon and Apurimac-Ene Valleys, b) other zones where coca has increased in recent years, such as the Puno and Quillabamba areas, and c) continual monitoring and mop-up of new coca. There are indications that drug traffickers are trying to jump-start an opium poppy-growing industry in Peru by providing seeds to farmers to grow in high-altitude, difficult-to-reach locations. The FY 2005 budget will also strengthen PNP efforts to eradicate opium poppies wherever detected. The ongoing conversion of the UH-1H helicopters in the INL fleet to Huey IIs will enhance ability of the GOP to get at illegal poppy cultivation. Progress will be measured in terms of the number of hectares of coca/opium eradication and the change in the number of hectares under coca cultivation.

Support to the Armed Forces: The USG and the GOP are currently working to establish an Anti-Narcotics Coordination Center (ANCC), aimed at improving the capacity of the Peruvian military and police to effect air, ground, and riverine end games based upon actionable intelligence. Support costs for this program will likely include facility renovation and improvement, aircraft modification, fuel facilities and training. Separately, in 2001, a USG maritime assessment team validated reports that traffickers were exploiting ports on the northern coast of Peru. Accordingly, funds will also be used to begin planning for a comprehensive port and maritime interdiction program, designed to detect and seize illicit drugs passing through Peru's ports and offshore waters. Such an effort will require extensive cooperation on the part of the Peruvian Navy, the Coast Guard, police, and Customs as well as significant expenditures for the purchase of equipment (boats, x-rays, detection aircraft) in subsequent fiscal years.

Customs Interdiction: The Peruvian Customs Service is responsible for inspecting arriving and departing passengers and cargo at Lima's air and maritime terminals, at other air and maritime ports of entry, and at land border checkpoints. The Service's customs drug enforcement section specifically concentrates on interdicting narcotics, principally at the country's airports and ports. In FY 2005, funds will provide increased training and items such as X-ray equipment, thus expanding our cooperative relationship with the drug enforcement section, while, at the same time, encouraging increased DIRANDRO focus on this area. Continued funding will not only allow the drug enforcement section and

DIRANDRO to bolster their ongoing programs at the country's principal airport and port, but other smaller installations as well. Progress will be measured in terms of the number of cocaine and opium poppy derivatives seized.

Narcotics Prosecution: In FY 2005, funding will continue to support a cadre of GOP prosecutors assigned to oversee police and military drug enforcement operations, interrogate suspects and witnesses, secure evidence, supervise the destruction of illegal facilities such as laboratories or airstrips, and prepare cases for trial. Additional funding will permit the USG to provide higher-level training to prosecutors already in the program and entry-level training to those that have just come on-board. In addition, funding will allow selected jurisdictions with currently inadequate resources to better handle heavy narcotics caseloads. Progress will be measured in terms of the number of arrests/prosecutions of major criminals and narcotics traffickers and any decrease in time suspects are held in jail pending trial.

Counternarcotics Policy Development: Under Peruvian law, only the official government agency set up to control all legal coca cultivation and purchases (ENACO) can legally purchase and sell coca leaves. Legal uses include pharmaceuticals and local consumption in the form of chewing and teas. As ENACO has too few resources and is poorly managed, INL seeks to improve its effectiveness in controlling the legal coca market in Peru. INL funding will help ENACO identify what coca fields are legally registered and create an updated database to track purchases and sales. Progress will be measured by: a) the extent to which ENACO begins to register purchases and sales of coca leaf, and b) completion of a full study on the legitimate market for coca leaves.

Drug Awareness/Demand Reduction: This project 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. Progress will be measured in terms of public awareness of the illegal drug problem and changes in public drug consumption patterns.

Crop Monitoring and Research: 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 FY 2005, this project will expand efforts to verify licit crop development in coca growing areas in conjunction with forced and voluntary eradication efforts. The CORAH civil construction unit will provide 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. Progress will be measured in terms of the degree to which CADA can provide support for

specific activities like verification of coca eradication and construction of needed counter-drug facilities.

In addition, a joint USG/OAS/CICAD Alternative Crop Research and Extension project complements the bilateral alternative development program. This project will continue to perform field research into coffee and cacao diseases, with a focus on finding ways to increase production yields in alternative development areas and developing 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. FY 2005 funding will support the dissemination of the practical research results to alternative development farmers throughout the region.

Public Relations and Media Engagement: Among some sectors in Peruvian society, the prevailing attitude is that coca cultivation is an innocent activity that does not affect Peru. Too few public figures speak out against coca cultivation in the local media. This situation hinders the ability of the GOP to carry out its anti-drug program. To remedy this problem, INL will fund a campaign undertaken by NGO partners to better inform the Peruvian public of the dangers the illegal drug trade poses to the country. Progress will be measured in terms of changes in the public's attitudes towards efforts to control the cultivation, production, and trafficking of illicit drugs.

Money Laundering Support: Although Peru continues to suffer from narcotics-related money laundering and other financial crimes, the GOP lacks both the resources and the expertise to address this problem in a comprehensive manner. This project will provide the GOP with badly needed resources and greatly enhance its technical capability to combat money laundering, thus furthering USG efforts to disrupt international criminal organizations and activities in Peru. Specifically, the project will fund the second year of a two-year technical assistance program and will provide direct support (i.e., procurement of computers, maintenance of databases, and administrative costs) for the Financial Intelligence Unit's operations. Progress will be measured in terms of the number of money laundering cases successfully prosecuted and the money laundering training provided to judicial, police, and banking officials.

Chemical Control: The GOP urgently needs to devise a national plan to control the commerce of precursor chemicals and to dispose of seized illicit chemicals. Discussions between the USG and the GOP have identified initiatives addressing chemical importation, illicit diversion, environmental safety, and proper disposal of chemicals and hazardous materials used in the production of cocaine. FY 2005 funds will be used to establish a training program for police in the legal, technical, and enforcement aspects of chemical control. The project will also provide resources to the PNP for the establishment of a chemical controls program at checkpoints on the major roads connecting Lima to the source zones. Progress will be measured in terms of the amount of precursor and essential chemicals seized, tracked, and disposed.

Program Development & Support (PD&S): PD&S funds will be used to pay salaries, benefits, and allowances for U.S. and foreign national direct hire and contract personnel,

field travel, International Cooperative Administrative Support Service (ICASS) costs, and general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Alternative Development and Institution Building

In FY 2005, INL will fund, and USAID will implement, an integrated development approach that will create jobs in coca-growing regions, strengthen local institutions and reduce coca cultivation. The program consists of the following components:

Increasing Competitiveness: To remove barriers to development and increase the economic competitiveness of coca-growing areas, FY 2005 assistance will fund road rehabilitation and maintenance, electrification and other infrastructure activities, particularly in support of the ongoing voluntary coca eradication program. Funding will also directly support producers who have identified business deals, thus helping participants improve the quality, quantity and timing of their production as well as utilize productive chains to ensure it generates income and employment. FY 2005 monies will provide technical assistance to institutions that provide credit mechanisms and land titles to rural residents, thereby enabling producers and businesses access to financing to respond to markets. Finally, our funding will support outreach efforts to build awareness and acceptance that coca impedes economic development and to help convince communities to accept voluntary eradication.

Reducing Conflict: To reduce conflict associated with the narcotics business as well as erode a base of potential support and financing for terrorist organizations, the USG's voluntary eradication program seeks to promote community participation in public decisions. FY 2005 funding will support an alternative development communications and outreach program designed to persuade the public that coca and the narcotics industry is a threat to their well being as individuals and as a society. If successful, this campaign will bring about behavior change on the part of those participating in coca cultivation, thus leading to increased social stability and decreased violence associated with the business. Progress is to be measured, inter alia, in terms of the degree to which these efforts promote voluntary eradication, thereby enabling communities involved in coca cultivation to establish legal lifestyles and break relations with narco-traffickers -- who routinely use physical intimidation and threats to maintain production.

Reducing Corruption: Narcotics production and trafficking thrive on corruption. Accordingly, FY 2005 funding will support values-based communications efforts in the mass media designed to expose corrupt practices and change the social norms within the geographic focus of the program. Our goal will be to increase transparency in all programs: interactions, agreements and citizen involvement in oversight of program interventions, thus setting a standard for accountability that should carry over to oversight of public funds. Democratically elected community oversight committees will serve as the watchdog for program implementation and will be asked to report questionable transactions.

Peru					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement					
Law Enforcement Support	9,400	-	11,000	-	18,550
Aviation Support	31,800	-	35,635	-	17,545
Riverine Support	1,000	-	2,000	-	1,000
Sub-Total	42,000	-	48,635	-	37,095
Coca and Opium Poppy Eradication	6,000	-	7,000	-	7,700
Support to the Armed Forces	3,500	-	1,000	-	2,160
Peruvian Customs	-	-	50	-	1,500
Administration of Justice/Prosecutors	300	-	700	-	1,700
Institutional Development	300	-	400	-	250
Drug Awareness/Demand Reduction	800	-	1,000	-	1,600
Money Laundering Support	-	-	-	-	500
Crop Monitoring and Research	3,600	-	4,300	-	4,005
Public Relations and Media	-	-	-	-	640
Chemical Control					125
Alternative Development*	68,552	-	49,705	-	50,000
Program Development and Support					
U.S. Personnel	819	-	875	-	875
Non-U.S. Personnel	862	-	925	-	929
ICASS Costs	659	-	705	-	805
Program Support	660	-	705	-	2,116
Sub-Total	3,000	-	3,210	-	4,725
Total	128,052	-	116,000	-	112,000

* Funds are transferred to USAID who manages these programs.

Venezuela

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
2,075	—	5,000	3,000

Program Objectives and Performance Indicators

INTERDICTION

Venezuela's tradition as a conduit for drug trafficking, because of its geographic proximity to major illicit narcotics production centers, will be combated by disrupting the transshipment of drugs over its border and through its ports.

Improvements in airport cargo inspection technology and advanced training of immigration and customs personnel will increase the number of seizures of cocaine, heroin, weapons, and other contraband.

New detection equipment at land entry ports, better communications ability and support for expanded canine operations will facilitate investigation of shipments and bills of lading and other documents to detect and trace contraband shipments. Computers will assist in analysis of shipments to better profile suspicious commodities.

CRIMINAL JUSTICE DEVELOPMENT

Strengthened Venezuelan government institutions will more effectively combat drug cartels and organized crime entities dissuading them from using the country as a base of operations.

A national drug intelligence network and database will be designed and functioning within 12 to 24 months to identify organized crime operations, organizations and personnel. Interdiction and prosecution rates will increase for first 18 months of operation.

Additional training for 1200 current public prosecutors and future funding for an added 1500 prosecutors will improve their effectiveness in the new oral adversary justice system and increase prosecution rates.

Construction of forensic laboratories and evidence vaults and the creation of special task forces will identify and bring to trial international organized crime members and others who threaten the US.

An increase in money laundering investigations and prosecutions will be fostered by additional computer enhancements to the FIUs and further training.

Program Justification

Venezuela is a significant conduit for narcotics trafficked to the United States, with an estimated 150 metric tons of cocaine transiting its territory. Venezuela shares a poorly controlled 2,100-kilometer border with Colombia. Venezuela's ill-secured seaports also serve as embarkation points for multi-ton loads of cocaine secreted in hundreds of thousands of cargo shipping containers that go to the U.S. and other countries each year. The significant level of uncontrolled commercial shipping activity also provides opportunities for smuggling weapons and other contraband into the United States.

Program Accomplishments

Cocaine seizures increased dramatically in 2003 to more than 27 metric tons – 60 percent higher than 2002 record seizures. Heroin seizures remained on a par with 2002 elevated rate and led those throughout South America for a fourth straight year. Large seizures of MDMA (Ecstasy) continued for the second year in a row. State of the art X-ray machines installed at two airports contributed to the increase in drug seizures, and work began on a model cargo inspection facility at Venezuela's primary container port at Maracaibo.

Despite these successes, continuing turmoil in Venezuela, highlighted by a two-month national strike, virtually shut down the country at the beginning of the year and distracted the GOV from important law enforcement tasks: passing needed legislation against organized crime, enhancing Venezuela's chemical control regulations, and fulfilling requirements of the U.N. International Convention for the Repression of Terrorism Financing (2000) and the U.N. International Convention Against Transnational Crime (the Palermo Convention – 2000).

In late December, GOV troops destroyed ten hectares of coca fields and several cocaine labs on the Colombian border in two operations. This was the first GOV eradication of coca that had taken place since 2001; for the second year in a row, no opium poppy eradication was reported.

FY 2005 Program

Port Security and Border Point of Entry Security: Each of Venezuela's commercial seaports and major land points of entry will be surveyed to identify weaknesses in physical, document and personnel security, and corrective measures recommended. Funding in FY 2005 will be used for the procurement, maintenance and recalibration of search and inspection equipment (including ion scanners, X-ray machines, and density sensors); automated data processing and communications equipment; vehicles; and training and operations support for the canine program. Funding will also support on-site advisory assistance by USG experts. Emphasis

placed upon analysis of bills of lading and other shipping documentation that will help to detect suspicious shipments and identify the origin of contraband shipments will improve the GOV's ability to further increase drug seizures, and enhance the GOV's ability to conduct controlled deliveries – which will enable the GOV to collect intelligence on smuggling patterns and narcotrafficking organizations and members.

Airport Security: Airport cargo inspection and immigration control efforts will be enhanced by procurement and maintenance of improved document and cargo inspection equipment (such as ion scanners and X-ray equipment) to detect the presence of narcotics and explosives. Operator training and immigration control advisory assistance will improve the GOV's ability to detect narcotics and contraband shipments, deter trafficking in persons, and collect intelligence about possible movement of narcotraffickers using commercial aviation and enhance the GOV's ability to identify and interdict weapons and dangerous persons from boarding planes bound for the U.S.

Intelligence Fusion and Analysis: FY 2005 funding will support the design, procurement and installation of an automated wide-area network to connect intelligence field offices to a national level database to facilitate assembly, collation and analysis of trafficking trends, methods and organizational structures. Intelligence analysis training and advisory support are components of this project. Progress on detection, disruption and dismantling of narcotrafficking organizations depends on strategic intelligence developed from a comprehensive and coordinated analysis system. Within 12 to 24 months, the intelligence fusion and analysis program should enable the GOV to identify the majority of key criminals trafficking drugs in and through Venezuela, as well as to provide detailed information on their organizational structures and methods of operation. During the first 18 months of this project, noticeable increases in drug seizures should occur, followed by a reduction in drugs transiting Venezuela as traffickers shift to less difficult routes.

Money Laundering Control: Improved monitoring procedures for Venezuelan financial institutions and for the investigation and reporting of suspicious financial transactions is key to giving GOV financial crime enforcement agencies the ability to gather evidence that will lead to the prosecution and sentencing of organized crime and narcotrafficking members. FY 2005 funding will provide ADP upgrades to FIU entities that incorporate into the National Anti-Money Laundering Network and support training and attendance at international conferences by selected FIU officials. Seminars will keep positive debate alive during the development and progress of legislation on financial crime, and promote understanding of the new laws once enacted.

Administration of Justice: This project will continue to train Venezuela's 1,200 public prosecutors through the Department of Justice's Overseas Prosecutorial Development, Assistance and Training Program (OPDAT), the American Bar Association (ABA) and commercial training. The GOV will need training for the an additional 1,500 public prosecutors it plans to add, and will also need training for several thousand criminal investigators working in direct support of the prosecutors. This program has been critical to the transition by the prosecutors from the old, closed, inquisitorial justice system, to the new oral adversarial system put in place in 1999. FY 2005 funding will enable prosecutors and

criminal investigators to improve their ability to gather and preserve evidence, build and manage cases, and effectively prosecute crimes under this new, transparent and expeditious system of justice. Funding will enhance forensic laboratories, evidence storage vault facilities, and assist in the creation of a special task force similar to the successful Prosecutors Drug Task Force, capable of identifying organizations that threaten U.S. security and arresting members of those organizations and bringing them to trial.

Program Development and Support: PD&S funds are used for the salaries, benefits, allowances and travel of the direct hire and contract U.S. and foreign national personnel, residential housing, ICASS costs and other general administrative and operating expenses for counternarcotics and anticrime program planning, design, implementation, monitoring and evaluation.

Venezuela					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement					
Port Security	235	-	750	-	500
Border Security	235	-	750	-	500
Mobile Inspection	205	-	60	-	-
Intelligence Fusion and Analysis	45	-	250	-	200
Precursor Chemical Control	50	-	50	-	-
Money Laundering Control	89	-	50	-	200
Sub-Total	859	-	1,910	-	1,400
Administration of Justice					
Prosecutor Training	160	-	900	-	500
Prosecutor's Drug task Force	87	-	1,000	-	160
MOJ Infrastructure Development	80	-	300	-	100
Sub-Total	327	-	2,200	-	760
Drug Awareness/Demand Reduction	89	-	50	-	-
Program Development and Support					
U.S. Personnel	281	-	295	-	295
Non-U.S. Personnel	31	-	33	-	33
ICASS Costs	240	-	252	-	252
Program Support	248	-	260	-	260
Sub-Total	800	-	840	-	840
Total	2,075	-	5,000	-	3,000

Airbridge Denial Program

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
-	-	-	21,000

Program Objectives and Performance Indicators

INTERDICTION

The Airbridge Denial Program (ABD) will provide effective intelligence; surveillance that will lead to increased interdiction of illicit drug trafficking aircraft and provide a real deterrent to the narco-traffickers in the region.

Establishment of additional forward operating locations will support the increase of Colombian Air Force tracking operations into previously untracked air space. The number of successful interdictions of Unidentified Assumed Suspect (UAS) air tracks will increase.

Training of pilots, technical operators, and maintenance personnel will keep the air fleet at high readiness and begin to focus on a future shift of more program and fiscal responsibility to Colombia.

Establishment and support for the Pucallpa Anti-Narcotics Coordination Center (ANCC) will enhance active surveillance of illicit aerial drug trafficking in Peru, provide better intelligence in air space east of the Andes used by drug traffickers, and will establish the threat level of aerial drug trafficking to the national security of the Government of Peru.

Regional illicit aerial drug trafficking flight patterns will be established and the number of aerial interdictions will increase.

Program Justification

The ABD Program is a new program that has been created at the direction of the President to support the Governments of Colombia and Peru in their fight against narcotics trafficking. The goal of the ABD Program in Colombia is to deter aerial trafficking of drugs and drug-related material into and within Colombia airspace. Under the Program's concept of operations, non-commercial aircraft flying in specifically designated and publicly declared

areas of Colombia could be subject to special scrutiny by ground and aerial detection assets to determine whether the aircraft is reasonably suspected to be primarily engaged in illicit drug trafficking. Safety procedures have been established for intercepting and interdicting such aircraft. The goal of the program in Peru is initially to: a) enhance the GOP's capability to gather, analyze, and exploit information about illicit drug trafficking that may be occurring in Peru, including in its airspace east of the Andes, on its waters, and on the ground; and b) establish the law enforcement infrastructure necessary to combat such trafficking, consistent with the domestic legal requirements of the GOP.

INL has contracted for engineering, maintenance of equipment, training and safety oversight of this program in both Colombia and Peru. Cessna Citation 560 and C-26 aircraft have been specifically modified to provide the host countries with the necessary aircraft to support aerial surveillance and interdiction. To ensure effective utilization of these powerful resources, host countries will be trained in the tactics, techniques, and related doctrine that will lead to a systems approach in their counternarcotics surveillance and interdiction efforts. Additional USG contractor personnel along with Joint Interagency Task Force South (JIATF-S) will provide safety oversight of the program in accordance with agreed upon safety procedures and checklists.

Program Accomplishments

Colombia

The ABD program in Colombia began in August 2003. This Program has given the GOC the ability to monitor, detect, sort and interdict unidentified assumed suspect flights. GOC inputs to the program consist of personnel salaries, travel and deployment costs, interceptor aircraft, maintenance, spare parts, weapons and ammunition. The USG support consists of contractor logistical support for USG supplied aircraft (Cessna Citation 560 and C-26 aircraft), contractor safety oversight personnel, communications equipment, infrastructure support and fuel.

The results for CY2003 are as follows:

Total number of Unidentified Assumed Suspect (UAS) Flights: 197

- Total number of these flights sorted as friendly: 45
- Total number of these flights where no action was taken: 69
- Total number of these flights where action was taken: 76
- Total number of UAS aircraft forced down: 6
- Total number of UAS aircraft destroyed: 4
- Total number of drugs seized: 4.0 K of cocaine

The overall goal is to deter drug traffickers from using Colombian airspace to transport illegal drugs or the proceeds from those drugs.

Peru

The program has not been initiated in Peru. Negotiations between the GOP and the USG will begin in April 2004. Program expected to be functioning by FY 2005.

FY 2005 Program

Colombia

In FY 2005, the ABD Program budget will support the Colombian ABD Program. This support will include Contractor Logistical Support (CLS) including maintenance of aircraft, spare parts, and training and USG safety monitor oversight. Additionally, this funding will support up to three additional forward operating locations in order for the Colombian Air Force to conduct ABD operational missions in different parts of Colombia.

Our primary emphasis will be to continue training Colombian pilots and sensor operators for the Cessna Citation 560 and C-26 aircraft and to ensure that the aircraft are maintained properly while supporting fully operational ABD interdiction missions. Colombian self-sufficiency of the ABD program remains an important goal and INL will begin to explore ways to increase the level of host nation funding and involvement in order to decrease USG contributions.

Peru

In FY 2005, the ABD Program budget will also support the Peruvian Program. USG assistance will provide some assistance to setting up the ANCC at Pucallpa (infrastructure, communications improvements and command and control equipment) with emphasis on certain components to include: Contractor Logistical Support (CLS) including maintenance of aircraft, spare parts, and training and USG safety monitor oversight.

INL will continue training pilots and sensor operators for the Cessna Citation 560 and C-26 aircraft to gather intelligence and will ensure that the aircraft are maintained properly while supporting missions of detection, monitoring and surveillance.

Other Latin America

The Bahamas

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
1,100	—	1,000	1,000

Program Objectives and Performance Indicators

Operation Bahamas and Turks and Caicos (OPBAT) impede the movement of illicit drugs through Bahamian territory to the U.S.

The number and amount of seizures of cocaine and marijuana will increase, along with the number of arrests of narcotics traffickers.

Bahamian law enforcement, with U.S. assistance, conducts sophisticated criminal and financial investigations and effective maritime interdiction operations that will result in a reduction in narcotics trafficking activity.

Cooperation and coordination with U.S. law enforcement will increase and several major Bahamian drug trafficking organizations will be dismantled.

The number of narcotics trafficking and money laundering cases successfully prosecuted will increase.

Judicial institutions are modernized so that drug traffickers and money launderers are successfully prosecuted in an expeditious manner and their assets seized and forfeited.

The value of assets seized and forfeited will increase significantly and the government will respond expeditiously to U.S. extradition requests.

The Government of the Commonwealth of The Bahamas (GCOB) reaches Bahamian youth – including remote islands - with effective drug-use prevention programs.

Local surveys will show a decline in drug use.

Program Justification

An estimated 12 percent of the cocaine from South America destined for the United States passes through the Jamaica-Cuba-Bahamas sector. Bahamian drug trafficking organizations prefer to 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 2003, law enforcement officials documented sightings of go-fast type vessels every 3.5 days on average. Since its inception in 1982, the Bahamian and U.S. governments have cooperated closely in OPBAT to interdict the flow of drugs through The Bahamas. OPBAT has access to seven helicopters and other USG surveillance aircraft. It coordinates with Bahamian interceptor boats to detect and interdict drug smuggling go-fast boats operating in Bahamian waters. Detection of go-fast boats is difficult from the air as is the pursuit and arrest of smugglers who, once sighted and pursued by OPBAT, typically dump their contraband in the sea and abandon their boats on the beach. The key to countering this threat in an area similar in size to the state of California is accurate intelligence and effective communication to facilitate coordinated deployment of OPBAT's air, sea and land assets. INL assistance is directed toward improving the capacity of Bahamian law enforcement to effectively participate in joint interdiction efforts.

The Bahamas is a major offshore financial center. 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 "non-cooperating" 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. In June 2001, FATF recognized these improvements by removing The Bahamas from the list of "non-cooperating" jurisdictions. Nevertheless, FATF continues to monitor The Bahamas to ensure compliance with international standards and the development of legal and financial expertise to effectively detect and prosecute financial crimes.

Program Accomplishments

OPBAT is an important USG drug interdiction effort in the Caribbean and a model for regional cooperation. As in past years, project funding will support maintenance and operating costs of three OPBAT helicopter bases and additional training for the Bahamian Drug Enforcement Unit training. In FY 2001-2002, INL provided go-fast interceptor boats to the Bahamian police to permit the pursuit and arrest of drug smugglers. Additional refurbished seized go-fast interceptors will be provided to the police in FY 2005. Total cocaine seizures by OPBAT and Bahamian police during FY 2003 increased to 7 MTs from 5.3 MTs in FY 2002. At the same time, marijuana seizures declined to 12 MTs from 14 MTs. Bahamian police seized an estimated \$2.8 million in assets. In FY 2001 - FY 2002, joint Bahamas-U.S. investigations resulted in the takedown of two major Bahamian drug trafficking organizations. The ringleaders of these organizations are currently appealing their extradition to the U.S. The Bahamas Customs Department created a canine drug detector unit in FY 2002 to prevent the exploitation of the Freeport Container Port by drug smugglers.

FY 2005 Program

Law Enforcement Investigations: This project works to increase the efficiency of the Royal Bahamian Police Force, and Customs Department to detect, investigate, and prosecute drug smugglers. It will fund training, technical assistance and vehicles as well as the expansion of the Customs drug interdiction initiatives in its vulnerable port facility.

Operation Bahamas Turks and Caicos (OPBAT): This project will provide support to maintain OPBAT bases, repair and replace communications equipment, and refurbish seized go-fast interceptors for the Bahamian police, and provide interdiction operations training to promote more effective joint interdiction efforts.

Drug Awareness/Demand Reduction: This project will continue to provide funding to the National Drug Council to promote drug public awareness activities to foster support for the interdiction programs.

Program Development and Support (PD&S): PD&S funding will be used to cover the cost of salaries, benefits, and allowances of U.S. direct hire personnel, field travel, International Cooperative Administrative Support Service (ICASS) costs, and general administrative and operational expenses for program planning, design, implementation, monitoring, and evaluation.

The Bahamas					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement					
Law Enforcement Investigations	167	-	320	-	240
OPBAT	156	-	318	-	285
Fast Response Boats	397	-	-	-	-
Sub-Total	720	-	638	-	525
Drug Awareness/Demand Reduction Program Development and Support	50	-	50	-	50
U.S. Personnel	155	-	147	-	200
Non-U.S. Personnel	-	-	-	-	-
ICASS Costs	106	-	99	-	135
Program Support	69	-	66	-	90
Sub-Total	330	-	312	-	425
Total	1,100	-	1,000	-	1,000

Guatemala

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
2,500	—	3,000	2,820

Program Objectives and Performance Indicators

The Government of Guatemala (GOG) maintains their status as a “certified” nation and continues to work to achieve an effective program to interdict illicit drugs transiting the region en route to the United States.

The amount of drugs seized continues to increase. Increase number of arrests and prosecutions by emphasizing institution building and cooperation between government agencies (police, military, and prosecutors).

The GOG makes progress in the international arena to actively pursue narcotraffickers and money laundering.

The GOG moves forward with implementation of the new Maritime Agreement and the new precursor chemical law. Asset forfeiture legislation and/or procedures are adopted. The GOG is removed from the FATF NCCT list by pursuing legislation and licensing of offshore banks to bring Guatemala into compliance with international standards.

The GOG maintains the capability to perform professional and effective investigations that lead to the successful prosecution and conviction of narcotraffickers.

The GOG continues to streamline narcotics-related arrests and move forward on pending extradition cases.

The GOG maintains an effective and well-publicized demand reduction program.

Survey results show that drug use decreases.

Program Justification

Guatemala is a significant 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 is transshipped annually through Guatemala. Small amounts of opium

poppy and marijuana are cultivated for domestic consumption. Diversion of precursor chemicals is a serious concern.

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 narcotics control police carry out manual eradication, limited air-mobile interdiction (with INL assistance), port control operations, narcotics investigations, and road interdiction and inspection functions.

Program Accomplishments

After the February 2003 finding that the GOG had “failed demonstrably” in its counternarcotics efforts, it began to work - with NAS support - to strengthen its drug enforcement capability. A new counternarcotics investigation unit, the SAIA, had already been established in October 2002. The GOG put strict measures (random drug testing and polygraphs) into force to ensure the integrity of the SAIA. 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 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.

The GOG signed and ratified a Maritime Interdiction Agreement with the U.S.; the Guatemalan Congress passed an asset forfeiture law; and the courts accelerated the sale of seized assets. Seized drugs are being burned in a timely fashion and strict procedures are in place to ensure the testing of and accountability for the drugs. In addition, cocaine seizures have increased significantly – from approximately 2.4 tons in 2002 to about 8.7 tons in 2003. Assets including boats, aircraft, vehicles, guns, grenades, gold and cash (almost \$22 million dollars, Quetzals and other foreign currency) have been seized. Regulations controlling precursor chemicals have been officially published.

FY 2005 Program

The INL program for FY 2005 will permit continuation (but not expansion) of ongoing programs/projects.

The Narcotics and Law Enforcement Project will focus on developing the capacity of the GOG’s anti-drug police (SAIA), a specialized division of the National Civil Police. It will strengthen Guatemala’s enforcement capability by: providing training, and equipment; supporting 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; supporting an eradication and interdiction project to deter transshipment of cocaine and continue the eradication of opium poppy and marijuana plants;

and providing operational training to support Mayan Jaguar and other USG regional eradication and interdiction efforts, including Regional Aerial Reconnaissance and Eradication (RARE) and Central Skies regional deployments. The overall goal for this project is to support the GOG's narcotics enforcement institutions, so that they can effectively disrupt drug trafficking and illicit crop production in Guatemala.

The Narcotics Prosecutor Assistance Project will provide funding for the special narcotics prosecutors unit of the Attorney General's office (Public Ministry). This project will 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.

This project will also give continued support to the anti-corruption and anti-money laundering prosecutors units in the Public Ministry. These prosecutors are part of a Guatemalan Supreme Court initiative, which establishes "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. Already the GOG has adopted a "task force" method by appointing 10 police officers to help as investigators in the anti-narcotics prosecutors unit in Guatemala City. This group will serve as a model for anti-corruption and anti-money laundering units as well. Project provided training and technical assistance would also encourage the adoption of asset forfeiture laws and narcotics-related legal reforms.

The Demand Reduction and Public Awareness 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. The project will also develop specific advertising and public information programs, including videos addressing the dangers of drug use by youth.

Program Development and Support funds will provide for salaries, benefits and allowances 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.

Guatemala					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement					
Narcotics Interdiction	246	-	220	-	200
Eradication	109	-	110	-	100
Institutional Development	986	-	1,486	-	1,170
Sub-Total	1,341	-	1,816	-	1,470
Administration of Justice	500	-	500	-	500
Drug Awareness/Demand Reduction	150	-	225	-	225
Program Development and Support					
U.S. Personnel	180	-	167	-	228
Non-U.S. Personnel	77	-	73	-	99
ICASS Costs	143	-	136	-	185
Program Support	109	-	83	-	113
Sub-Total	509	-	459	-	625
Total	2,500	-	3,000	-	2,820

Jamaica

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
1,200	—	1,500	1,500

Program Objectives and Performance Indicators

The capability of the Government of Jamaica (GOJ) to take effective action to disrupt, and ultimately deter, drug trafficking and other transnational criminal activities will be strengthened through the development of strong, effective, corruption-free law enforcement institutions.

The number of successful maritime interdictions of vessels transporting drugs will be increased.

The GOJ's ability to detect drugs, precursor chemicals and other contraband transiting Jamaica via commercial means will be improved, resulting in increased seizures and arrests.

Intensified law enforcement operations will result in an increase in the amount of marijuana cultivation eradicated and increased marijuana seizures.

The GOJ will investigate, arrest and prosecute public officials for corruption.

The GOJ's ability to identify, investigate, and arrest major drug traffickers and dismantle transnational drug trafficking organizations operating in Jamaica will be improved.

The GOJ will have an improved capability to collect, analyze and disseminate intelligence for effective law enforcement action.

The adoption of modern law enforcement investigative tools will enable Jamaican law enforcement to conduct sophisticated investigations, resulting in the arrest of major drug traffickers and members of their organizations.

Jamaica's criminal justice system will be strengthened and reformed, thereby improving the capacity for investigating and prosecuting drug traffickers and other criminals.

The enactment of modern anti-crime legislation, including an effective asset forfeiture law, will enable the GOJ to arrest and successfully prosecute major drug traffickers and other transnational criminals and seize and forfeit the proceeds of their criminal activities.

The GOJ will respond more quickly to U.S. requests under the bilateral extradition and mutual legal assistance treaties.

The domestic consumption of drugs in Jamaica is reduced.

Support for GOJ and NGO demand reduction efforts will increase the number of people who benefit from the anti-drug message, thereby reducing domestic consumption.

Program Justification

Jamaica is a major transit point for South American cocaine en route to the U.S. (an estimated 10 percent) and the largest Caribbean producer and exporter of marijuana for U.S. markets. Traffickers use Jamaica's offshore waters, ports and airstrips to move drugs to the U.S. Jamaican ports are vulnerable to the illegal diversion of precursor and essential chemicals used in the production of illicit drugs. Corruption continues to undermine law enforcement and judicial efforts against drug-related crime in Jamaica. Jamaica is not a significant regional financial center, tax haven, or offshore banking center. However, the U.S. is concerned about the increase in money laundering in the Caribbean, including Jamaica.

The GOJ is publicly committed to combating illegal drugs and drug-related crimes. The GOJ, however, operates under severe resource constraints, with over sixty percent of its national budget going to debt servicing. Therefore, U.S. and other donor assistance are essential to help the GOJ develop and sustain an effective counterdrug/crime capability.

Counternarcotics assistance for Jamaica seeks, through the provision of equipment, technical assistance and training, to help the Jamaica Constabulary Force (JCF), the Jamaica Defense Force (JDF), Jamaica Customs, and other GOJ agencies carry out effective counterdrug and anticrime law enforcement investigations and operations. This will result in the dismantling of drug trafficking and other international criminal organizations, a reduction in the amount of drugs transiting Jamaica destined for the U.S., increased seizures of precursor and essential chemicals being diverted for the manufacture of drugs, and the extradition to the U.S. of fugitives from U.S. justice. The program also provides assistance to strengthen the GOJ's ability to counter public corruption as well as limited funding for demand reduction programs in Jamaica.

Program Accomplishments

The GOJ continues to support existing counternarcotics law enforcement and interdiction programs and is taking steps to strengthen its counterdrug law enforcement capability, with the support and direction of the political leadership. Despite severe resource constraints, the

GOJ spends substantial amounts to maintain an interdiction capability consisting of helicopters and patrol vessels. To augment its limited maritime interdiction resources, in 2003, program funding was used to purchase for the JDF Coast Guard (JDFCG) three go-fast interceptor boats, contracted maintenance, equipment, and training. The JDFCG worked with the USG's Joint Inter-Agency Task Force/South throughout the year to successfully disrupt a number of planned drug deliveries via go-fast vessels. In July 2003, the U.S. and GOJ negotiated a protocol that will strengthen operations under the 1998 bilateral maritime counternarcotics cooperation agreement.

In 2003, the Port Authority of Jamaica (PAJ) procured closed-circuit television systems and non-intrusive inspection equipment to improve security at Jamaica's seaports. The PAJ hired an expert to provide technical assistance in port security as well as additional personnel to operate the security equipment. The GOJ continues to implement its Customs modernization program and, in late 2003, hired 21 new officers for the Contraband Enforcement Team (CET). The JCF Narcotics Division is undergoing a multi-year restructuring and expansion program, which will increase its staffing to 250 officers over the medium term. The JCF special vetted unit continues to work with DEA on intelligence-driven investigations targeting major drug trafficking organizations, but the GOJ has yet to arrest a major drug trafficker. In September 2003, with technical assistance provided by a program-funded advisor, the GOJ established a new National Intelligence Bureau (NIB) to serve as a central coordination point for the police intelligence function.

The GOJ continues to provide resources for the Fugitive Apprehension Team (JFAT), which locates and arrests persons subject to U.S. extradition requests. In 2003, the GOJ extradited ten fugitives to the U.S. The GOJ continued its marijuana crop eradication program, although the amount eradicated in 2003 fell far short of the declared target. Significantly, though, the GOJ destroyed over 3 million cannabis seedlings at 252 nurseries during the year.

Program funds have been used to provide equipment, training, vehicles and operational support for the CET, the JCF's special vetted unit, Narcotics Division and JFAT. Program funds were also used to procure computers/software and office equipment for the new NIB. An additional \$2.2 million was provided for a border control project, currently being implemented by the International Organization for Migration, that will dramatically improve Jamaica's border management capabilities through the use of computers and new technology at Jamaica's international airports and seaports, along with technical assistance and training in risk profiling, document fraud prevention, and criminal intelligence.

FY 2005 Program

All aspects of the counternarcotics program are focused on Jamaican implementation of the 1988 UN Convention Against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances. The program also provides resources to enable the GOJ to counter public corruption in compliance with the Inter-American Convention Against Corruption. To this end, the requested funding level for FY 2005 will permit the GOJ to undertake an integrated set of counterdrug, anti-money laundering and anti-corruption efforts.

Narcotics Law Enforcement: This project is designed to strengthen the GOJ's capability to identify, investigate and prosecute drug traffickers, money launderers and other international criminals and dismantle their criminal organizations; apprehend fugitives from justice; detect diversion of essential and precursor chemicals; eradicate marijuana cultivation; and counter public corruption. Requested funding will be used for equipment, training, operational support and replacement vehicles for the JCF's special vetted unit, JFAT, Narcotics Division and NIB. Funding will also support an anti-corruption project.

Border Control and Port Security: This project is designed to improve the GOJ's capability to disrupt the movement of drugs and other contraband via commercial cargo and conveyances at air and seaports and free trade zones. Requested funding will be used to train and equip newly-hired CET personnel, purchase an additional vehicle to transport members of the expanded CET between duty stations at the airports and seaports, and support a multi-agency airport interdiction task force to be set up by the GOJ.

Maritime Interdiction: This project supports the U.S.-Jamaica maritime counternarcotics cooperation agreement by strengthening the GOJ's ability to successfully interdict vessels transporting drugs. In the past, the USG provided two 82-foot cutters and refurbished several boats for the JDFCG. As these boats lack the speed necessary to counter the threat of go-fast vessels transporting drugs, the U.S., as noted, has provided three go-fast interceptor boats to the JDFCG. Requested funding will be used for the procurement of an additional go-fast interceptor boat, training and equipment to establish a vessel maintenance program, and continued support for GOJ efforts to establish forward positioning sites that will enable the rapid deployment of boats for maritime drug interdiction operations.

Drug Awareness/Demand Reduction: The INL program also provides limited assistance for demand reduction activities, the majority of which are supported by the GOJ, NGOs, and other donors. The requested funding for this project will enable the U.S. to continue support for existing demand reduction programs and organizations.

Program Development and Support (PD&S): PD&S funds cover the cost of salaries, benefits, and allowances of U.S. and foreign national direct hire personnel, field travel, International Cooperative Administrative Support Services (ICASS) costs, and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Jamaica					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement	439	-	282		400
Border Control and Port Security	160	-	200	-	75
Maritime Interdiction	261	-	700	-	615
Drug Awareness/Demand Reduction	32	-	35	-	30
Program Development and Support					
U.S. Personnel	116	-	116	-	158
Non-U.S. Personnel	21	-	21	-	50
ICASS Costs	77	-	75	-	107
Program Support	94	-	71	-	65
<i>Sub-Total</i>	308	-	283	-	380
<i>Total</i>	1,200	-	1,500	-	1,500

Mexico

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
12,000	37,000	40,000

Program Objectives and Performance Indicators

INTERDICTION

Strengthen Mexico's ability to control its borders, territorial waters and airspace, preventing criminal groups from smuggling drugs, weapons or other contraband into Mexico or through Mexico to the United States.

Through support to Mexican border control agencies, including high-tech screening equipment and training, improve their ability to find contraband in cargo crossing land borders or entering/leaving the country via maritime and air ports.

Provide training, equipment and other assistance to enhance law enforcement capability and capacity to control border areas and combat trans-border criminal activity.

Improve law enforcement efficiency at ports of entry through programs such as SENTRI and Border Wizard. Mexico will receive assistance to enhance screening of northbound overland traffic from Central America for illicit drugs and other contraband.

Strengthen bilateral cooperation to reduce the flow of drugs, weapons and other trafficked items between Mexico and the United States.

Through support to Mexico's air, land and maritime interdiction programs, enhance the GOM's ability to identify, track and intercept suspect aircraft, vessels and vehicles, and thereby to increase seizures of illicit drugs and other contraband.

Dismantle transnational organized crime groups; disrupt their criminal activities; arrest and successfully prosecute major criminals, notably key narcotraffickers.

Through operational support to specialized investigative and prosecutorial units, increase the number of significant drug traffickers and other organized crime figures investigated, indicted, arrested, prosecuted and convicted.

ERADICATION

Reduce and ultimately eliminate illicit drug crop cultivation (opium poppy and marijuana) and production of methamphetamines and other synthetic drugs.

Increase scale and effectiveness of drug crop eradication efforts; through sustained enforcement, further reduce area under cultivation.

Technical support to the eradication program will improve GOM's ability to track changes in cultivation, evaluate the impact of its eradication efforts, and to improve its ability to plan eradication deployments.

Through support to chemical diversion control programs and specialized chemical units, prevent the diversion of precursor and essential chemicals into criminal hands, and safely destroy clandestine laboratories.

JUSTICE SECTOR DEVELOPMENT

Promote criminal justice sector modernization and reform to strengthen the criminal justice system's ability to investigate and prosecute transnational organized crime (notably drug trafficking, money laundering and other crimes affecting the U.S.).

Through training and technical assistance and material support to prosecutorial and investigative units, to key management offices, and to the federal training academies, improve the overall efficiency and effectiveness of the Mexican criminal justice system.

Improvements to personnel system, e.g., should lead to increased personnel retention and increased professionalism.

Enhance anti-corruption institutions and mechanisms, including internal affairs to investigate and prosecute public corruption cases.

Through technical advice, improve the internal affairs component of the PGR and other agencies to improve screening of new/existing personnel, and provide a credible ongoing deterrent to future corruption or other abuses of authority.

Prevent the laundering of drug trafficking or other criminal proceeds detect/deter terrorist financing:

Through training and technical assistance, computers and software, improve the ability of Mexican treasury personnel to detect and freeze criminal proceeds or terrorist financing; likewise, to enhance the justice ministry's ability to prosecute such cases and forfeit the assets.

SOCIAL SECTOR SUPPORT

Reduce drug abuse and promote community mobilization against illegal drugs.

Support epidemiological surveys and social/economic studies to understand the nature of drug abuse in Mexico. Conduct public education campaigns and school-based initiatives to reduce drug abuse, mobilize communities, and promote a culture of lawfulness aimed at enhancing government drug, crime and corruption prevention efforts.

Program Justification

With over 2000 miles of shared border and the expanding effect of Mexico-based criminal organizations on the United States, the bilateral law enforcement partnership is vital to U.S. national security. Mexico is not only a major drug trafficking and producing country, but hosts a wide array of other transnational crimes, including weapons smuggling, trafficking in persons, and money laundering.

Mexican drug trafficking cartels organize the movement of 60-70% of the cocaine entering the U.S. and produce huge quantities of marijuana, heroin and methamphetamines. Mexico-based trans-border criminal organizations constitute the most serious foreign criminal threat inside the U.S. According to DEA, Mexican cartels now dominate 11 of the 13 major domestic drug distribution centers inside the United States.

The Government of Mexico (GOM) recognizes organized drug trafficking as the nation's major national security threat, and has developed an ambitious national plan to combat it. In addition, each ministry has developed reform and modernization plans. Mexico has achieved significant success in its comprehensive, long-term strategy against illegal drug abuse, trafficking and production. Its criminal laws have been updated to respond to modern transnational organized crime, but its criminal justice institutions, and regulatory and investigative capabilities are inadequate to respond effectively to transnational and organized crime in the 21st century, and the corrosive problem of public corruption further seriously impairs those institutions. Therefore, Mexico's justice sector reform and border security efforts are important for both U.S. and Mexican security. In 2005, the penultimate year of the Fox Administration, increased U.S. assistance is needed to institutionalize the criminal justice sector reforms undertaken by President Fox.

While Mexico's effort to reduce and eliminate opium poppy and marijuana cultivation and heroin production has been effective, it remains a significant source country for heroin (30-40% of total consumed in the U.S.) and the principal foreign supplier (up to 80%) of marijuana consumed in the U.S. Mexican groups now supply up to 80% of the U.S. methamphetamines consumed in the U.S., much of it produced in U.S.-based "super labs."

Mexico is now experiencing a rapid rise in abuse of illicit drugs and concomitant increase in violence. Mexico is a leader in programs for prevention and treatment of drug abuse in the

Americas, and has been active bilaterally and through the OAS and UN drug programs, in sharing its technical expertise.

Corruption remains the major impediment to effective criminal justice. The Fox Administration's anti-corruption and police modernization efforts enjoy widespread popular support, but mid-term election results indicated that the public is becoming impatient. Also, little has been accomplished at the state and local levels, ensuring that criminals continue to enjoy an unacceptable level of impunity. Low salaries, lack of benefits and job security increase the temptations facing law enforcement personnel to engage in corrupt practices.

The U.S. remains vulnerable to foreign terrorists who could use existing drug- and people-smuggling networks in Mexico to enter the United States. At this time, INL has a historic, window of opportunity to promote vital U.S. national security interests in Mexico. A major infusion of resources will help to dry up the drug flow, dismantle drug- and people-smuggling networks, weaken drug distribution, and create professional police institutions that will survive changes in Mexican political leadership.

Program Accomplishments

INL enjoys unparalleled cooperation with its Mexican counterparts in combating transnational crime: Mexican officials have arrested numerous drug kingpins, seized tons of drugs, eradicated thousands of marijuana and opium poppy fields, handed over record numbers of fugitives, and reduced corruption in federal police agencies.

INCLE programs in Mexico have successfully focused on strengthening criminal justice and security sector institutions to be able to dismantle the major trans-border drug trafficking groups and to confront other criminal threats. INCLE funding has been used to promote the modernization of police and prosecutorial units – notably the Federal Investigations Agency (AFI) and the counternarcotics and anti-crime intelligence center (CENAPI). INCLE funding has contributed to the increasing professionalism of Mexican personnel, and the operational readiness of key units. Given Mexico's size and the difficult terrain in the key drug producing and trafficking regions, air mobility is essential to both interdiction and eradication. INCLE funding is being used to assist the Office of the Attorney General to modernize its air fleet and improve maintenance and safety, as well as to continue support to the Mexican Air Force's C-26 program.

INCLE funding advanced implementing the U.S.-Mexico Border Security Accord, signed following September 11, 2001. INCLE funding supported customs and other border agency efforts to enhance security and enforcement capacity at Mexico's borders, seaports, and airports, including the delivery of three mobile x-ray units to boost GOM land interdiction capabilities.

INCLE-funded programs promote a wide range of activities, including: participation by INCLE-supported units in operations against major drug cartels; providing computer support to CENAPI to process warehoused documentation for future prosecutions; and assistance in refurbishing PGR helicopters for sustained surveillance and interdiction capabilities throughout the country.

FY 2005 Program

The FY 2005 program has five general programs: 1) homeland security and border control; 2) significantly reduce illicit drug crop cultivation (opium poppy and marijuana) and production of methamphetamines and other synthetic drugs; 3) criminal justice sector development and institution building; 4) crime control and counternarcotics operational support; and 5) demand reduction. INL seeks a balanced approach that achieves both short-term operational objectives -- such as increased seizures and arrests -- as well as long-term institutional objectives aimed at improving the effectiveness and integrity of the enforcement, investigative, prosecutorial and judicial entities. Border control and homeland security activities complement both the operational and institution-building programs by strengthening Mexico's ability to control the movement of goods, people, and services through its territory, particularly along the shared border with the United States. U.S. enforcement agencies have stressed the importance of assisting Mexico in enhancing its overland controls in the southern part of the country to intercept drug and other clandestine shipments heading north from Central America.

Border Control/Homeland Security

This funding will be used to assist Mexico in establishing checkpoints at strategic locations in southern Mexico to counter the steady northern flow of drugs, arms, undocumented aliens and other clandestine movements.

Enhanced Inspection - Funding will be used to procure and install up to ten additional Non-Intrusive Inspection units to:

Improve capabilities at selected northern ports of entry.

Enhance coverage at a selected seaport and a commercial air cargo facility.

Establish interior transportation choke points (mobile units) and

Establish screening capacity at 1-2 key chokepoints in southern Mexico.

Enhanced Traffic Flow - Funds will assist Mexico develop and install automated systems to better document, monitor and efficiently control the flow of commercial cargo, private vehicles, and pedestrians across our common border. By expediting transit of registered, frequent travelers through the FAST, NEXUS, or SENTRI programs, law enforcement can focus increased inspection resources on suspicious targets. Funding will be used to develop systems on the Mexican side of the border to complement the SENTRI lane construction on the U.S. side. Public information efforts will promote enrollment of Mexican businesses and frequent travelers in the SENTRI program. "Border Wizard" modeling programs will be installed to enhance operation of ports of entry.

Institution Building for Border Security Agencies: Funding will be used to provide training, technical assistance and commodities needed by Mexican law enforcement, security and intelligence services to better secure Mexico's borders, investigate criminal

activities and prevent terrorist breaches. Resources will fund enhanced command and control and communications systems, and the creation of an intelligence center. Agencies will also be provided training and equipment to enhance border safety, e.g., emergency response and safety training.

Port Security: Maritime trafficking is the primary transportation mode for bringing illicit drugs weapons and other contraband into Mexico. FY 2005 funding will be used to initiate port security projects to one additional maritime port to assist authorities to improve the capacity to detect suspicious shipments and to investigate criminal activities, e.g., x-ray equipment, inspection and analytical training, small patrol craft, drug detection equipment, and computers. It will also be used to expand the public-private sector Business Anti-Smuggling Coalition (BASC). The extension of a DHS advisor will sustain the momentum.

Enhance law enforcement capabilities and inter-agency cooperation: Funding will be utilized to enhance law enforcement capacity to control border areas and combat trans-border criminal activity through providing training and technology, including the deployment of an inter-agency National Criminal Data Base (initiated in FY 2004) and improved reconnaissance and surveillance capabilities on the United States border.

Strengthening Controls in Southern Mexico: Funding will assist Mexican agencies to improve their ability to control the flow of drugs, people, vehicles and goods entering Mexico from the south. The pilot activity will focus on the natural chokepoint at the Gulf of Tehuantepec, where there are only two major northbound highways. In addition, funds will be used to promote cross-border cooperation between Mexico and its southern neighbors, Belize and Guatemala, such as joint training and planning exercises, compatible communications equipment, integration of the Central American Containerized Freight Tracking System (CFTS) into Mexican tracking systems.

Counternarcotics Institutions /Criminal Justice Sector Institution Building:

Projects in this area will strengthen criminal justice sector institutions.

Training and Professionalization: Longer-term projects will include technical assistance in (1) modernizing the training facilities, curriculum and teaching methods for federal training academies for investigators, technicians and prosecutors; (2) improving human and financial system management in justice sector entities; (3) providing infrastructure and technical support for antidrug and anti-organized crime units, as well as investigative and prosecutorial training, professional development, and anti-corruption programs; (4) developing a national criminal data base installing an encrypted radio network equipment; and (5) supporting the National Judicial Council, law faculties and non-governmental organizations (NGOs) – primarily with training. Continuation of a criminal justice advisor will be an essential component of the program.

Law Enforcement Institutions: Funding for infrastructure support of key federal law enforcement agencies. The project will support the Office of the Mexican Attorney General

(PGR), and improve the ability of the Federal Agency for Investigation (AFI), the Organized Crime Unit and other specialized units to investigate and prosecute federal crimes such as drug trafficking, operating clandestine laboratories, arms trafficking, kidnapping, and terrorism and will include the purchase of investigative equipment, secure communications, computers, analytical software, and vehicles. (Note: In 2003, Mexico's anti-drug intelligence center was expanded to encompass all organized crime, and became a regional fusion center serving the Central American region.) Funding will be used to upgrade computer and communications equipment.

Anti-Corruption: Funding will be specifically directed to enhance the ability of the PGR's internal affairs unit (the Confidence Control Center) to investigate/combat/deter corruption, including training in anti-corruption investigation techniques, information management, computers, lie detector equipment (maintenance and operation). It will also support seminars, professional exchanges, and other activities to assist in enhancing the judiciary's ability to bring criminal organizations to justice. The program will expand support for the Culture of Lawfulness Project -- an anti-crime initiative that mobilizes teenagers and communities to improve their system of government, fight corruption, and to resist the lure of youth gangs.

Organized Crime and Counternarcotics Enforcement

Law Enforcement Operations: Funding for enforcement activities will include operational support to specialized crime/narcotics units, including such things as vehicles and tactical training. The project will assist the Federal Agency for Investigation (AFI), the Organized Crime Unit, and other specialized investigative units to participate more effectively in cooperative law enforcement investigations and actions with U.S. counterpart agencies, such as in efforts to dismantle drug cartels, locate and dismantle clandestine laboratories or runways, detect/prevent diversion of arms or chemicals, and to respond to emergent situations involving kidnappings or terrorism.

Counternarcotics Aviation, Interdiction and Eradication: Mexico's three-pronged drug interdiction strategy includes coordinated air, maritime, and overland interdiction involving federal police, Army and Navy elements. Aviation plays a key role in air and overland interdiction and a supporting role in maritime interdiction. The Office of the Mexican Attorney General (PGR) operates a large air fleet that includes fixed- and rotary-wing aircraft for tracking and interception as well as for aerial eradication. The workhorse of the interdiction air fleet is the UH-1H transport helicopter. The 24 UH-1Hs require refurbishment to perform their missions effectively; INL plans to assist in refurbishments of at least ten aircraft. Continuation of a contract with a U.S.-based aviation company will assist the PGR in improving fleet management. Funding will also be directed to provide pilot/mechanic training, support an interagency interdiction Command/Control Center, repair sensors on the PGR's tracker aircraft, continue support for the Air Force's C-26 surveillance aircraft, provide other interdiction-related training and equipment, and continue to employ a contract aviation advisor. This will result in increased mobility and air readiness in support of interdiction and eradication missions. In addition, the program will seek to assist the PGR

and the Mexican Army to enhance their robust drug crop eradication programs through technical assistance.

Money Laundering: Mexico is the primary placement point for drug and organized crime proceeds from the U.S. into the international financial system. Controlling this activity is vital not only to combating crime and corruption, but terrorist financing as well. This program will enhance the capacity of the treasury ministry (Hacienda) – in partnership with the banking industry – to detect suspicious transactions and to enhance the ability of the PGR to investigate and prosecute such offenses. Funding will be used not only to provide training, computers and analytical support to GOM agencies, but also to promote an effective partnership between these agencies and Mexican financial institutions, and with international partners (such as the U.S.). In addition, the project will assist the PGR in pursuing asset forfeiture and managing seized/forfeited assets, through training in legal forfeiture, asset management, accountability, and implementing anti-corruption measures.

Demand Reduction/Drug Awareness/Alternative Development

Drug abuse in Mexico is soaring. This program will include support to the National Council on Addictions (CONADIC) in conducting epidemiological surveillance and establishing a telecommunications network. It will also provide funding to various governmental entities and NGOs in drug abuse awareness, prevention, and treatment, and rehabilitation. Another sub-project will promote drug awareness and alternative economic development in communities in drug-producing regions to discourage involvement in drug production, trafficking and abuse. This program will fund public awareness campaigns, training for community leaders, and promoting alternative economic development in drug-growing regions. In combination with intensive eradication efforts, these activities should help to curb the expansion of drug crop cultivation.

Program Development and Support

Funds will be used for the salaries, benefits, allowances and travel of direct hire and contract U.S. and foreign national personnel, residential leasing, ICASS costs and other administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

Mexico							
INL BUDGET							
(\$000)							
			FY 2003	FY 2004			
			FY 2003	FY 2004			
			Supp	Supp			
				FY 2005			
Homeland Security/Border Control			500	-	15,000	-	15,000
Narcotics and Crime Law Enforcement							
	Institutional Support						
		Office of the Attorney General	913	-	1,500	-	1,500
		Professionalization and Training	2,500	-	2,500	-	2,500
		Anti-Corruption	450	-	500	-	500
		Equipment and Infrastructure	1,187	-	1,000	-	1,000
		Anti-Money Laundering	200	-	500	-	1,000
		Sub-Total	5,250	-	6,000	-	6,500
	Counter-narcotics/Organized Crime Support			-	1,000	-	1,000
	Drug Interdiction & Crop Eradication Support		286	-	3,278	-	5,167
	Aviation Support		3,928	-	10,017	-	10,333
		Sub-Total	4,214	-	14,295	-	16,500
	Total -Operational Support		9,664	-	20,295	-	23,000
Drug Awareness/Demand Reduction/Community Outreach			658	-	250	-	250
Program Development and Support							
	U.S. Personnel		339	-	358	-	455
	Non-U.S. Personnel		178	-	190	-	259
	ICASS Costs		335	-	324	-	442
	Program Support		526	-	583	-	594
		Sub-Total	1,378	-	1,455	-	1,750
	Total		12,200	-	37,000	-	40,000

Latin America Regional

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Actual	FY 2005 Request
6,500³	4,850	3,250

Program Objectives and Performance Indicators

Law enforcement has an enhanced ability to investigate, prosecute, seize and forfeit assets, interdict drug and chemical shipments and control money laundering.

The number of arrests and successful prosecutions of drug traffickers and money launderers will increase significantly, as will the number of drug seizures, the amount and value of drugs and assets seized, and the number of smuggling attempts deterred.

Criminal justice institutions are better able to respond effectively to threats of drug trafficking, narcotics-related crime and corruption.

Effective statutes against narcotics trafficking, money laundering, and corruption will be adopted and implemented and the number of successful investigations and prosecutions will increase.

Bilateral and multilateral mutual legal assistance and extradition cooperation are expanded.

The response time for responding to MLAT requests will improve while the number of successful extraditions will increase.

As nations enter into cooperative agreements and receive training, materiel and support for combined operations, the number of successful drug interdictions will increase.

Hemispheric and sub-regional institutions that promote intergovernmental initiatives against drug abuse and drug-related crime are fortified.

Regional bodies will undertake new antidrug initiatives that will result in a decrease in the level of drug abuse registered.

³ \$ 3.0 million was loaned to support the Iraq program. This amount was returned under the IRRF supplemental appropriation.

Program Justification

The countries covered by the Latin America Regional Account are important drug transit countries for South American drugs headed to the U.S. These include Argentina, Aruba, Belize, Chile, Costa Rica, Dominican Republic, Eastern Caribbean islands, El Salvador, Guyana, Haiti, Honduras, Nicaragua, Panama, Paraguay, Suriname, Trinidad and Tobago, Turks and Caicos, and Uruguay. Many of these transit zone countries have weak institutions and few resources to fight trafficker violence, corruption, and drug abuse. For these countries to become effective partners in our efforts to disrupt the drug trade, they desperately need assistance to strengthen their law enforcement institutions and their capacity to interdict drug shipments. They also have a strong need for drug abuse prevention/treatment programs to protect their societies from the corrupting influences of the narcotics trade.

Program Accomplishments

Cooperative arrangements, bilateral and multilateral, have been negotiated to increase the ability of governments to detect and interdict illicit drugs headed to the U.S. To date, Nicaragua, Panama, Costa Rica, Honduras, Guatemala, El Salvador and Belize have concluded Maritime Agreements. Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Mexico have signed Stolen Vehicle Treaties with the United States. During 2002, the U.S. participated in successful negotiations co-chaired by Costa Rica, the Netherlands and CARICOM on a Caribbean Regional Maritime Counternarcotics Cooperation Agreement designed to foster cooperation and coordination in the carrying out of maritime law enforcement operations. The initial signing ceremony was held in April 2003, and as of December 2003, 10 nations (Costa Rica, the Dominican Republic, France, Guatemala, Haiti, Honduras, Jamaica, the Netherlands, Nicaragua and the United States) had signed it.

Financial crime is a major problem in numerous jurisdictions in Latin America and the Caribbean even though most have adopted appropriate anti-money laundering regimes. During a June 2003 review, the Financial Action Task Force (FATF) updated its list of non-cooperating countries and jurisdictions in relation to anti-money laundering by removing Grenada and St. Vincent and the Grenadines and naming Guatemala as the sole remaining country in the region that needs to take steps to address the issue. Paraguay drafted a new anti-money laundering law in 2003 that will improve the effectiveness of prosecutions and establish a single functional Financial Intelligence Unit.

Attention to border security was increased during 2003 - 2004 through a series of programs. Belize and Honduras continue with machine-readable passport programs, with Belize incorporating the first biometric security feature in the hemisphere. Inspection stations in the Container Freight Tracking System (CFTS) have been completed and will ultimately link together the Pan-American Highway countries (Panama through Mexico) to allow for the collection and sharing of inspection information. The region has placed a high priority on programs relating to port and airport security and compliance with U.S. standards for security in the Hemisphere.

Cooperation among countries at the sub-regional level is yielding positive results. The countries of Central America, through the Central American Permanent Commission Against Drug Trafficking and Abuse (CCP), have developed a Regional Action Plan to guide collaborative actions. The countries of the Caribbean continue to pursue program initiatives developed under the Barbados Plan of Action as well. Both receive support from the U.S., UNDCP and OAS/CICAD. Coordinated activities multiply the impact of our investment, and promote common approaches among neighboring countries.

FY 2005 Program

Caribbean Country Assistance: An estimated 30% of the drug flow to the U.S. transits the Caribbean. The U.S. will continue to provide assistance to upgrade Caribbean capabilities in interdiction, law enforcement and administration of justice. Assistance in asset forfeiture and the development of Financial Intelligence Unites (FIUs) will be funded in part under the INL Regional Training and Anticrime programs. Country program funds will be used to improve the ability of law enforcement to interdict maritime drug shipments through training and the provision of go-fast interceptor boats and communications equipment. SOUTHCOM's Joint Inter-Agency Task Force (JIATF-S) will coordinate the distribution of cueing information from maritime and air detection platforms and operational taskings of the Regional Security System (RSS) – a treaty-based organization consisting of the seven Eastern Caribbean islands - and Trinidad & Tobago C-26 programs through negotiated agreements on standard operating procedures. Funds will provide limited support for drug demand reduction activities.

Central America Country Assistance: An estimated 70 % of the drug flow to the U.S. transits the Central American land/sea corridor. Funding will be used to continue to support important efforts to stop the flow of drugs and help justice sector institutions prosecute 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 being developed throughout Central America and which became operational earlier, will also be supported. The U.S. will also support sub-regional initiatives aimed at cross-border cooperation on drug interdiction efforts, harmonization of legislation, and improved information sharing.

South America Country Assistance: Paraguay, Chile, Uruguay and Argentina are used by traffickers as transit routes for cocaine originating in Andean source countries as well as to launder money and obtain precursor chemicals. In Chile, the focus will be on anti-money laundering training, while in Paraguay, INL will continue to provide training and technical assistance to the Anti-Narcotics Secretariat to enhance their investigative and operational capacity to prosecute major traffickers and money launderers. This funding will complement INL Crime and S/CT projects in the Tri-Border area-targeting terrorist financing and intellectual property rights violations. INL is also supporting President Duarte's efforts against corruption, such as the establishment of an internal affairs unit in its Anti-Narcotics Secretariat, SENAD. In Uruguay, the focus will be on border controls and equipment and training will be provided to mobile law enforcement units operating against drug traffickers

and smugglers. In Argentina, funding will support task forces along the northern border to prosecute traffickers and smugglers.

Regional Programs: The Caribbean Support Tender (CST) -- an INL, U.S. Southern Command, and U.S. Coast Guard cooperative initiative to help regional coast guards and navies interdict drugs-- will continue to receive support, although at a reduced level. The CST is a U.S. Coast Guard buoy tender whose mission is to foster international cooperation and operational readiness through formal and on-the-job training to personnel from participating countries as it deploys throughout the Caribbean. During 2003, the two C-26 surveillance aircraft the USG provided to Trinidad & Tobago became operational, joining the RSS C-26 program in providing airborne surveillance of the eastern Caribbean drug trafficking corridor. In 2004, the RSS and Trinidad & Tobago will begin phased-in cost sharing of C-26 program expenses.

Program Development and Support (PD&S): PD&S funds will be used to pay salaries, allowances, and benefits of U.S. and foreign national direct hire employees and contract personnel working in Narcotics Affairs Sections or Offices in the region. In addition, funds pay for International Cooperative Administrative Support Services (ICASS) costs and other general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Latin America Regional					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Caribbean Country Assistance	1,600	*	1,076	-	455
Central America Country Assistance	750	**	1,076	-	455
South America Country Assistance	755	-	567	-	223
Regional Programs	1,700	-	810	-	317
Program Development and Support					
US Personnel	700		500		700
Non-US Personnel	400		400		400
ICASS Costs	350		200		400
Program Support	245		221		300
<i>Sub-Total</i>	1,695	-	1,321	-	1,800
<i>Total</i>	6,500	-	4,850	-	3,250

* \$ 1.0 million was "borrowed" from this account to support the efforts in Iraq.
This amount was replenished with FY 2003 IRRF funds from the Supplemental Appropriation.

** \$ 2.0 million was "borrowed" from this account to support the efforts in Iraq.
This amount was replenished with FY 2003 IRRF funds from the Supplemental Appropriation.

Africa

Liberia

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Est.	FY 2004 Supp.	FY 2005 Request
—	—	—*	5,000

Program Objectives and Performance Indicators

International Civilian Police (CIVPOL) will be deployed to Liberia under the auspices of the UN Peacekeeping Mission in Liberia (UNMIL), helping to maintain law and order, and training, vetting, restructuring, and monitoring a new Liberian National Police force.

UN International Civilian Police continue to monitor, advise and train the new Liberian force. As citizens begin to have confidence in the police as an institution, reporting of crime will increase. Internal affairs function will be established, as will other anti-corruption measures. Insecurity on the street will be reduced, as measured by people's willingness to return to normal business and commerce and the marketplace. The number of civilian police deployed will decrease as the numbers of Liberian police officers trained and vetted increase.

The Liberian National Police continue to be strengthened and reformed to develop capacity to provide basic law enforcement that respects human rights, thereby promoting regional stability, supporting the UN peacekeeping mission and the ongoing peace process. Internal and regional stability significantly reduces the ability of criminals to traffic diamonds, timber and humans (including children) to promote conflict and terrorism.

Liberian National Police will continue to be vetted, trained and deployed according to human rights standards to form the corps of a credible, competent police force. A border police will be established and trained, helping Liberia to provide for her own security. Liberian police will be able to respond to reports of crime in a timely manner, conduct effective patrols, and conduct real investigations, with crime reducing over time. Incidences of human rights abuses by police will decrease.

Judicial institutions that can adjudicate cases will continue to be reestablished in the post-conflict environment. Standards to promote accountability and ethics of personnel in the

* In FY 2004, \$8.156 million was provided to fund the US contribution of police officers to the UNMIL CIVPOL operation in Liberia. This amount was funded by the IRRF supplemental (\$7.4 million) and by reprogramming FY 2001 INCLE funds (\$0.71million).

legal system will be established to reduce corruption and increase confidence in the legal system.

Delivery of training, new or amended criminal laws passed and distributed, and trials will begin. Prosecutors will receive training to increase the number of cases successfully and fairly prosecuted. The system will become more transparent, and ethics will be stressed for judicial and prosecutorial personnel.

Program Justification

After corrupt and brutal dictatorships and years of civil war, Liberia has the opportunity to begin the process of rebuilding its country toward a stable, peaceful and democratic future. Criminal activity played a key role in the conflict in Liberia. The conflict in Liberia has been fueled by the illegal sale and smuggling of timber and diamonds. Evidence suggests that al' Queda bought diamonds in Liberia as a way of laundering money and hiding resources. The Charles Taylor government forces used children for soldiers, smuggling them across borders.

Strengthening Liberian's anti-terrorist and law enforcement capacity is a key US priority. INL wants to ensure civil order and reduce the potential for terrorists to threaten Liberia's fragile peace by taking advantage of Liberia as a haven for money laundering, arms smuggling and other activities supporting terrorism. Hizballah maintains strong sub-regional financial interests, which INL does not want to see expand into Liberia's Muslim community. After more than two decades of conflict and instability, Liberia has only the barest law enforcement infrastructure and little capacity to control its borders or enforce customs and other laws. Its diamond fields and forests have attracted significant illicit commercial activity. When there has been a war, there is a tendency to replace combat with crime, allowing criminal elements to flourish. Enhancing the ability of law enforcement to deal with these and other law enforcement challenges is therefore a priority.

Building lasting peace in Liberia will also contribute to security throughout the sub-region. To achieve this, INL will continue to support peacekeeping operations, including the provision of US police to the civilian police operation of UNMIL. Following the October installation of the National Transitional Government of Liberia (NTGL) and the deployment of UN peacekeepers, key next steps are the disarmament, demobilization and reintegration of former combatants, and the restructuring and training of new police and security forces.

Critical as well is the establishment of a police and criminal justice system that is transparent, respects human rights and discourages corruption. Building the rule of law is a critical foundation for all reconstruction efforts in Liberia, as it supports foreign and local investment, expatriate and internally displaced persons return, and NGO efforts. The Secretary General in his report to the Security Council stated, "The Liberian national police is said to have functioned more as an instrument of repression than as an enforcer of law and order." The Accra peace accord, signed August 18, 2003 called upon the UN to assist with training and restructuring the Liberian National Police force.

Liberia is hampered in its ability to implement police and judicial reform due to tremendous lack of resources, and to some extent, lack of expertise. Almost everything had been looted,

there had been no formal training for police, and the culture of police was to serve the government, as opposed to the people. INL programs will continue to support functioning judicial institutions, police development and reform, and anti-corruption measures.

Program Accomplishments

In coordination with the UN and the National Transitional Government of Liberia, INL has identified four areas for police reform and development. The four areas are infrastructure development, training, capitol development and equipment.

US civilian police have deployed to the UNMIL mission, joining police from at least 12 other nations. It is planned that up to seventy-six US officers will deploy. The UNMIL police commissioner is an American, Mark Kroeker. This is the first time an American has held the commissioner position within a UN mission.

Creation of a credible, competent, and democratic police force is essential to public order and public confidence in the new government. The new Liberian police force will require extensive vetting and training. The UN is in the process of establishing an interim police force of vetted officers to begin patrols immediately, and will soon be starting a complete recruitment and training process for the new Liberian police force. They are anticipating a three-month training program that includes basic police skills and emphasizes human rights, and a six-month field-training program. The US will help to provide curricula developers, trainers, equipment, and other non-lethal support for the establishment of a new police force.

The judicial system also requires significant assistance and reform, both in terms of ethics and anti-corruption measures, and training on the current laws, constitution and criminal procedure. In addition, the courts have been thoroughly looted, and law books and supplies are required for court functioning. INL has begun a program to assist in these areas.

FY 2005 Program

The FY 2005 program is divided in two general categories. Two projects, civilian police and police development and reform, comprise the *crime control assistance* program. These began in 2003 and 2004, respectively. Two projects, judicial reform and anti-corruption measures, comprise the *criminal justice assistance* program. Judicial Reform program was begun in 2004, and the anti-corruption program is new in 2005. These projects are all proceeding in cooperation with the Liberian Government, the UN mission, and other donors.

Crime Control Assistance

Civilian Police: The US will continue to provide US police officers to the UNMIL peacekeeping mission. US officers will continue to work alongside officers from at least 12 other nations, providing expertise in the areas of academy training, field training, patrols, community policing, investigations, traffic, crime analysis, forensics, police management, supervisory skills, police administration, and other specialized skills. US CIVPOL officers will continue to monitor the new Liberian police to discourage and report human rights

violations. They will also continue to co-locate with Liberian officers in their stations and engage in joint patrols, to increase public confidence in the police.

Police Development and Reform: The UN and the NTGL plan to establish a police force that is 3,500 persons strong – 3,000 National Police and 500 Border and Port Police to start. To do so, the US will continue to provide non-lethal assistance to reestablish a national police force. The project will continue to provide police training, including development of a modern police training capacity at the police academy for recruits and an in-service training program for serving officers. Technical assistance will be provided to develop an effective organization structure with required legal authorities, including an appropriate rank structure and position descriptions and will help develop organizational capacity at the command, mid-level and first line supervisory levels. Funds will continue to provide non-lethal personal equipment, communication and management systems, and enhancements to police physical plant and infrastructure.

Criminal Justice Assistance

Criminal Justice Sector Development: The courts in Liberia have been subject to extensive executive branch interference and many judges are thought to be corrupt. The US will continue to support judicial reform, including providing technical assistance to the Ministry of Justice in establishing systems, transparency measures and training to discourage corruption and encourage professional standards for judicial and prosecutorial appointments. Funds will continue to be used to refurbish courts, provide copies of laws and case law and provide basic court supplies. Training will continue to be conducted with a view toward long-term sustainability, encouraging legal personnel to become trainers themselves.

Anti-Corruption Measures: Funds will be used to work with police management and judicial institutions to institute anti-corruption measures, increase transparency and citizen access to police and justice officials.

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

Liberia					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Crime Control					
Civilian Police	-	-	-	A	3,280
Police Development and Reform	-	-	-	-	1,000
Criminal Justice Development					
Judicial Reform	-	-	-	-	400
Anti-Corruption					100
<i>Sub-Total</i>	-	-	-	-	500
Program Development and Support					
U.S. Personnel	-	-	-	-	140
Non-U.S. Personnel	-	-	-	-	-
ICASS Costs	-	-	-	-	70
Program Support	-	-	-	-	10
<i>Sub-Total</i>	-	-	-	-	220
Total	-	-	-	-	5,000

A - \$7.4million was provided through the FY 2004 Supplemental Appropriations Act (IRRF).

Nigeria

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
1,760	—	2,250	2,250

Program Objectives and Performance Indicators

Nigerian law enforcement's capacity to deter, prevent and investigate trafficking in narcotics and financial fraud will be strengthened.

Training delivered leading to improved investigative and interdiction skills, and resulting in an increased ability to stop the flow of drugs through international airports, seaports and border entry points; increased investigations, arrests and prosecutions of major Nigeria-based drug traffickers; and increased investigations, arrests and prosecutions of money laundering and other financial crime cases.

Nigerian drug enforcement authorities become effective and reliable partners with U.S. and other West African law enforcement agencies.

Counternarcotics training facilities upgraded and expanded to accommodate regional participants; joint training delivered; new channels for communication and cooperation result in increased transnational collaboration on investigations and prosecutions of cases with West African and other countries.

Organization, policies and procedures of the Nigerian Police Force are improved.

Police Act and Force Orders updated; strategy for improving personnel actions, such as hiring, promoting, disciplining, developed by the Police Service Commission; progress towards the institutionalization of model police training curricula and adult teaching methodologies at the police recruit training facility in Kaduna.

Cooperation among prosecutors, judges and the police, especially in the prosecution of corruption cases, is strengthened.

Assessment conducted and strategy for improving cooperation developed; evidence collection and preservation techniques improved; joint training of law enforcement and criminal justice personnel leads to improved collaboration on corruption cases.

Program Justification

INL programs in Nigeria are designed to achieve key United States foreign policy objectives of strengthening democratic institutions and protecting the U.S. against international crime by improving the performance of the criminal justice sector.

Nigerian organized crime groups dominate the African narcotics trade, transporting narcotics to markets in the United States, Europe, Asia and Africa. Some of these criminal organizations are engaged in advance-fee fraud and other forms of financial crime that defraud U.S. citizens and businesses. Years of military rule and economic decline contributed to the expansion of narcotics trafficking and criminality in Nigeria. Severe unemployment and widespread corruption provided both an incentive and the means for Nigerian criminal organizations to make Nigeria a major transit point in the international narcotics trade. Southeast and Southwest Asian heroin smuggled through Nigeria amounts to a significant portion of the heroin smuggled into the United States, resulting in Nigeria being placed on the U.S. list of major drug producing and drug-transit countries.

Since the end of military rule and dictatorship in 1999, the Nigeria Police Force (NPF) has made efforts to adopt modern and effective techniques appropriate for policing in a democracy. As the police become more professional it is crucial to build bridges between the police and the judiciary in order to improve the rate of criminal convictions. Success in this effort is critical to strengthening democratic institutions in Nigeria.

Program Accomplishments

Since its return to democratic government, Nigeria has demonstrated its commitment to cooperating with the U.S. in combating international crime emanating from Nigeria, including narcotics trafficking and financial fraud; and in combating public corruption. In January 2003, the instruments of ratification of the U.S.-Nigerian Mutual Legal Assistance Treaty were exchanged and the Treaty entered formally into force. Nigeria earned full certification in 2001, 2002 and 2003 for its counternarcotics efforts, including successful prosecutions of smugglers arising from the 2001 seizure of 60 kilograms of cocaine in Lagos, and initiating the prosecution of five banks suspected of violating money laundering legislation passed in late 2002. The Economic and Financial Crimes Commission (EFCC), newly established in 2002, and fully constituted in April 2003, has been credited with the arrest of two advanced-fraud “kingpins” and a newly elected member of the National Assembly as well as the recovery or seizure of more than \$200,000,000 in assets obtained through fraudulent means. In addition, the Independent Corrupt Practices and Other Related Offences Commission (ICPC), which has received U.S. assistance, is currently conducting investigations involving 14 governors, several National Assembly members and at least three current and former cabinet ministers.

Counternarcotics: Counternarcotics assistance has been focused on the Nigerian National Drug Law Enforcement Agency (NDLEA), which has sole responsibility for combating narcotics trafficking and abuse and which cooperates with U.S. counterpart law enforcement agencies. During 2003, NDLEA created “State Commands” to ensure a comprehensive nationwide presence of the Agency. NDLEA now has 37 State Commands in addition to its National Headquarters and nine Special Area Commands. Between January and October 2003, NDLEA seized 68 kilograms of heroin, 131 kilograms of cocaine, 70 kilograms of heroin, 530,430 kilograms of cannabis, 937 kilograms of psychotropic substances. Over 2300 persons were arrested and 841 prosecuted. In addition, the Agency located and destroyed 159,202 hectares of cannabis throughout the country.

U.S.-provided equipment and training have assisted the NDLEA in detecting and deterring narcotics trafficking from Lagos’ Murtala Mohammed International Airport (MMIA). In September 2003 INL provided a modern, digital x-ray machine for the NDLEA at MMIA. The old x-ray equipment will be moved to the international airport in Abuja where NDLEA has had great success in interdicting couriers destined for Europe and the U.S. Traffickers are increasingly avoiding MMIA illustrating both NDLEA’s effectiveness and the need to increase interdiction capacities elsewhere in Nigeria and West Africa.

NDLEA has been included in all INL-funded training courses dealing with cyber crime and computer forensics that have been offered by the USSS and FBI. NDLEA also participated in a three-part ATF/Customs training program dealing with small arms trafficking through the ports and land borders. NDLEA’s inclusion in this training with its Customs and Immigration counterparts contributed to successful collaborations in the inspection of containers and also in identifying contraband other than drugs.

Financial Fraud: U.S. intervention was instrumental in 2002 in the Obasanjo Administration pushing through legislation on money laundering and the creation of an Anti-Terrorism, Economic and Financial Crimes Commission (EFCC) that responded to Financial Action Task Force (FATF) standards. In 2003, NDLEA and the new Economic and Financial Crimes Commission (EFCC), which will receive U.S. assistance beginning in FY 2004, began vigorously enforcing the provisions of the Money Laundering Act. Several banks were charged with violating the provisions of the Act. If convicted, these banks could be put out of business. Further, two judges from the High Court in Lagos and two from the High Court in Abuja have been designated to hear all cases brought by the EFCC.

The EFCC recently set up a Financial Intelligence Unit (FIU) and since May 2003, has recovered or seized assets of financial crime valued over U.S. 219 million dollars from various fraudsters inside and outside of Nigeria and more than the equivalent of U.S. 7 million dollars from a syndicate that included highly placed government officials defrauding the Federal Inland Revenue Service (FIRS). NDLEA, in collaboration with the U.S. Federal Bureau of Investigations, helped intercept over \$3,000,000 worth of fraudulent checks and in cooperation with Federal Express, recovered over \$200,000 in merchandise that was purchased with stolen credit cards.

Initially, the NDLEA's anti-money laundering activities were limited to general investigations. Currently, NDLEA's financial investigation capacity has been improved by upgrading the financial investigative unit to a full-fledged Directorate. Other concrete steps include establishing an inter-ministerial committee headed by the Permanent Secretary to the President; engaging in constructive dialogue and correspondence with FATF on how to meet FATF goals; and amending the Money Laundering Act to reflect FATF standards.

Police Modernization: A DOJ/ICITAP Police Advisor/Program Manager was assigned in August 2002 to assist the NPF with modernization and reform efforts. Additional long-term technical advisors were deployed to different police training academies to work with senior police officials in the development of a modern police academy curriculum and to train trainers and new recruits. More than 100 trainers have been trained to teach several different disciplines, including civil disorder management, election security and community policing. The first class of 500 recruits using the new curriculum graduated in December 2003 and will be assigned to the Kaduna metropolitan area.

U.S.-provided training in election security, civil disorder management (CDM) and community policing was tested during the national elections held in April 2003 in which fewer incidents of violence were reported than in any other election previously held in Nigeria. Reports from international observers, NGOs monitoring the elections and the Police Service Commission charged with investigating incidents involving police misconduct have shown a marked decrease in violence since training was conducted. President Obasanjo was so impressed with the newly trained personnel that he dismissed his normal security apparatus (MOPOL) and designated the CDM trained personnel to handle security on his visits around the country.

The Police Service Commission, a civilian oversight body that was inaugurated in November 2001, has the authority to discipline, appoint and promote all police personnel except the Inspector General of Police. Technical assistance has been provided to the PSC to help it fulfill its mandate to develop transparent disciplinary systems and transparent procedures for hiring and promoting personnel. The Police Advisor and NLEO have been working with the PSC on organization and requirements to ensure that the maximum benefit is attained when the long-term Technical Advisor arrives in early 2004. INL assisted the PSC in developing its program for monitoring the performance of the police during the elections of April 2003.

Judicial Sector Reform: INL programs in Nigeria have to date targeted police institutions. However, the need for better communication, coordination and integration of efforts among the police, prosecutors and judges has become evident. Therefore, FY 2005 programs will include a greater focus on prosecutorial training and the relationship of the judiciary with the police.

FY 2005 Program

Nigerian criminal organizations are international in scope and have a direct impact on the U.S. FY 2005 funds will be used to continue to build strong counterpart agencies for U.S. law enforcement in three critical areas: counternarcotics, financial fraud, and the judicial sector. FY 2005 funding will also continue support for modernization of the NPF.

Counternarcotics Support. FY 2005 funds will be used to continue interdiction training (through DEA) at the NDLEA academy in Jos on targeting, profiling and concealment methods. Funds will also provide for modest infrastructure upgrades to the Jos Academy including improved classroom facilities to support regional training courses as well as equipment for NDLEA units in Abuja and Kano. Facilities at the NDLEA Academy will accommodate at least 100 students per class. Additional support for NDLEA's Joint Task Force will be essential in order to continue regional efforts initiated through the West Africa Joint Operations (WAJO). Improved logistics, intelligence gathering and communications capability will be vital to the successful coordination and interdiction of major traffickers in the sub-region.

Financial Fraud: FY 2005 funds will be used to provide advisory technical services to the fledgling Economic and Financial Crimes Commission (EFCC) to improve its capacity to deter, investigate and prosecute advance fee fraud and other financial crimes. Funds will also be used to procure equipment for training purposes and administration of the Financial Intelligence Unit (FIU) to combat cross-border financial crime.

Police Modernization: The objective of this project is to contribute to the professionalization of the NPF by institutionalizing a model training curriculum and adult teaching methodologies at the Police College in Kaduna in order to create a "model region" emphasizing police-community relations in the Kaduna region. The model curriculum will incorporate training in modern police techniques and respect for human rights; and will be used to train police instructors and new recruits in civil disorder management, community policing, and criminal intelligence gathering. INL will seek out-year funding to expand the Kaduna model to police colleges in other regions of Nigeria.

FY 2005 funds will also be used to continue advisory technical services to senior police managers and to the Police Service Commission to monitor progress, develop long-term strategies and ensure the sustainability of the changes made during the previous two to three years, including the implementation of the new curriculum at the Police College in Kaduna and the revision of the Police Act and Force Orders. The planned program also calls for training of investigators, equipment and assistance in establishing offices around the country. Modest equipment will be provided for training purposes and donated when training ends. Technical advisors will evaluate the implementation of the new curricula and new training methodologies and assess the impact of community policing strategies on the target area of Kaduna. An overall assessment of the program's impact on the police force will be conducted.

Judicial Sector Reform: FY 2005 funds will provide for an assessment of the relationship between the police and the judicial sector in Nigeria. Funds will also provide for training and technical assistance for prosecutors and investigators working jointly within the Independent Corrupt Practices Commission (ICPC) to improve their ability to investigate and prosecute corruption cases. Approximately five 5-week courses will be conducted for investigators, prosecutors, judges, public defenders and possibly members of community groups working on anti-corruption issues.

Program Development and Support (PD&S): These funds will provide resources 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, travel, TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation of the narcotics and law enforcement affairs programs.

Nigeria					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Law Enforcement Support					
Counternarcotics Support	150	-	646	-	550
Police Modernization	1,162	-	800	-	700
Illegal Migration	-	-	200	-	-
Financial Fraud	-	-	200	-	200
Judicial Sector Reform/Anti Corruption	-	-	-	-	220
<i>Sub-Total</i>	1,312	-	1,846	-	1,670
Program Development and Support					
U.S. Personnel	135	-	130	-	177
Non-U.S. Personnel	50	-	48	-	65
ICASS Costs	121	-	116	-	188
Program Support	143	-	110	-	150
<i>Sub-Total</i>	448	-	404	-	580
Total	1,760	-	2,250	-	2,250

South Africa

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
1,442	—	1,770	1,770

Program Objectives and Performance Indicators

The Government of South Africa's capacity to detect, deter and prosecute complex crime is improved.

Training, technical assistance and equipment delivered and effectively utilized by law enforcement results in disruption of criminal syndicates and investigation of financial and organized crimes, drug trafficking, counterfeiting, trafficking in persons, and migrant smuggling cases; increased numbers of arrests and prosecutions and increased seizures of contraband at points of entry recorded.

South African trained and effectively operating against national and transnational crime.

Effective implementation by the Johannesburg Metropolitan Police Department (JMPD) of U.S. operational, management and training recommendations; JMPD training facility upgraded; increased number of JMPD and other South African police trained at the JMPD academy; improved communication and coordination between the JMPD and other police forces enhances regional efforts against transnational criminal organizations.

The Department of Correctional Services' ability to reduce recidivism is improved.

Training and technical assistance delivered; increased capacity to manage prisoner caseload, introduce rehabilitation programs and use long-term prisoners as in-house counselors; reduced numbers of prisoners awaiting trial, increased access to rehabilitation and peer drug counseling programs.

Program Justification

South Africa is an anchor for stability and prosperity in the Southern African region. It plays a key leadership role in the region by encouraging other countries to address crime, terrorism and immigration threats, under the umbrellas of the Southern African Development Community, the New Partnership for Africa's Development and the Southern African

Regional Police Chiefs Cooperation Organization. Assisting South Africa on law enforcement and judicial issues directly addresses INL's twin goals of international crime and drugs while serving as a platform for the broader U.S. goals of supporting a stable and prosperous South Africa, fighting transnational security threats and creating a favorable climate for investment in the region.

Organized and complex crimes continue to vex the South African Police Service (SAPS), which faces widespread street crime and among the highest rates of murder and rape in the world. When the walls of apartheid crumbled, transnational organized crime syndicates entered South Africa and set up business, taking advantage of established smuggling routes, a world-class transportation system and sophisticated financial institutions. Providing technical assistance, training and select material to the South African law enforcement sector for detecting, investigating, and prosecuting complex and organized crime--including transnational crime--will help address a key impediment to economic development, support South Africa's still-fragile democracy, and enhance security and stability in the region.

Democracy and the rule of law cannot flourish without a well functioning judicial sector. South Africa recognizes that its criminal justice system is not performing at its optimal capacity. In 2000, the police recorded approximately 2.58 million crimes. Of these, approximately 610,000 went to court and the prosecution service took on only 271,000 of these cases. Out of the initial 2.58 million cases slightly more than 210,000 (or 10.5%) ended in conviction. For some serious crimes the number of convictions as a proportion of reported cases was even lower: for car hijacking it was 2.3%, aggravated robbery 2.8%, and rape 8%.

South Africa's porous land and sea borders make it extremely difficult for South African authorities to identify and track illegal immigration and trafficking of drugs, contraband and persons—including potential terrorists. There is no effective system in place that links immigration, customs, and border control functions at this time. The Immigration Act of 2002 has newly vested all responsibility for border control with the Department of Home Affairs, which has requested U.S. assistance.

In order to provide better security for its citizens, give police responsibility for distinct geographic areas, and improve the capacity of the SAPS to deter crime, the South African Government has begun to establish municipal police forces. These forces have limited powers, and are meant to assist the SAPS through more visible policing and by spearheading the initial investigations of many less complex and serious crimes. In assisting the municipal police force in South Africa, INL is also providing much-needed stability in areas where established businesses are fleeing and new investors fear to tread due to rampant crime. The Johannesburg Metropolitan Police Department has existed for about three years and needs continued technical support, direction and management advice. The JMPD also needs an upgraded training facility to train its personnel and other South African police forces. The relationships developed at the facility will enhance channels of communication and improve coordination across jurisdictional grounds.

Improved South African policing has had the negative effect of creating backlogs in the courts and packing the prisons. Prisons in South Africa are overcrowded, under-resourced, and have become training grounds in illegal activities for young criminals. Numbers of prisoners awaiting trial in South Africa rank among the highest in the world according to the Office of the Inspecting Judge of Prison; 41% of such prisoners remain incarcerated because they cannot minimal fines. The recidivism rate in South Africa stands at approximately 80%, according to South Africa's Institute for Security Studies, and prison personnel are unable to conduct programs that will both reduce the numbers of criminals in prison and rehabilitate those who are open to changing their lives. Working with the Department of Correctional Services in pilot projects has paid large dividends in rehabilitating and reintegrating juvenile offenders into the community and turning them into productive members of society. These programs have also assisted in decreasing the numbers of juveniles in prison through diversion programs, and have reduced sentences for prisoners completing rehabilitation programs. These programs will need to continue in the near term before the problem of overcrowding can be addressed.

Program Accomplishments

Law enforcement training programs for South Africa have traditionally focused on the SAPS as the premier law enforcement agency in the country. In recent years, the program has expanded to include the National Prosecuting Authority and their investigative wing the Directorate for Special Operations (DSO), the South African Revenue Service, the Special Investigating Unit and the Johannesburg Municipal Police Department (JMPD). Past programs have assisted the SAPS, DSO, and other law enforcement officers through specialized training in a wide range of courses including financial crimes, computer crimes, counterfeiting detection, interviewing techniques, border and port control, drug detection, counter terrorism and street safety. Relevant parts of these courses have been integrated into the SAPS', DSO's and JMPD's training curriculum. An additional benefit of the training courses has been the enhanced cooperation with U.S. law enforcement agencies stemming from personal relationships formed with their South African counterparts.

Equipment donated to the police over the past three years has also proved invaluable to the SAPS. U.S.-donated Analyst Notebook software helped the SAPS organized crime units better coordinate their work, detect overlaps in different cases, and follow complex evidence chains. The software has been used in numerous investigations on narcotics, criminal gangs, and the South African terrorist group, People Against Gangsters and Drugs and the right-wing Boermag. Equipment purchased for the SAPS' forensics lab has helped the SAPS and U.S. Secret Service agents detect several million dollars worth of counterfeit U.S. currency and fraudulent documents originating in South Africa and other African countries. Computer forensics reference material purchased for the commercial crimes section of the SAPS has complemented training provided by U.S. law enforcement agencies, resulting in increased and better investigations and court cases.

The South African Government recognizes that one of the biggest threats to its democracy is the criminal capacity to undermine the economy and financial sector. South African law enforcement and prosecutorial sectors lack enough trained and experienced officials who can follow the path of illicitly gained profits although progress is being made on this front.

These skills are needed for a wide array of investigations such as public corruption, drug trafficking and human smuggling and to identify profits in asset forfeiture cases, which are increasing in importance in South Africa. This year the U.S. conducted numerous training seminars for both prosecutors and investigators on financial crimes, conducted an exchange program with U.S. attorneys to give greater exposure to South Africa attorneys working on financial crime cases, and provided hands-on mentoring for prosecutors developing financial crime cases. As a result there are now about 30 financial crime and money-laundering cases in various stages of development throughout South Africa and prosecutors are working closely with SAPS and DSO investigators. The U.S. is also supporting the Special Investigating Unit develop financial investigation skills and investigate corruption throughout South Africa.

For the past two years, the U.S. has employed an Assistant United States Attorney through the Overseas Prosecutor Development, Assistance and Training (OPDAT) program as a Resident Legal Advisor (RLA) to work inside the National Prosecuting Authority (NPA) with senior management of the organization. The RLA has acted as a legal consultant, given advice on specific cases, spearheaded the effort to educate and prosecute money laundering and financial crimes, designed strategies to combat specialized crimes, especially organized crime, and introduced the South Africans to innovative law enforcement techniques. The RLA brought a prosecutor from the U.S., a specialist in the U.S. Organized Crime (RICO) statute, to help South Africa set up a national organized crime desk function, conduct training courses for South African prosecutors on South Africa's organized crime act, and provide mentoring on specific cases. A result of this six-month program is a national desk clearing process for organized crime cases that currently includes approximately 15 additional organized crime cases in development. Until FY 2004, the U.S. Agency for International Development was funding and managing the costs associated with the RLA program with Economic Support Funds (ESF), while INL provided funding for training and technical assistance activities. ESF for Africa was severely cut in FY 2003 and USAID can no longer afford the RLA position costs. INL assumed funding for this position in FY 2004 because of its centrality to effective criminal justice and law enforcement reform programs.

In FY 2003, INL began to support the Johannesburg Metropolitan Police Department (JMPD), one of the largest and newest municipal forces in South Africa, by providing an advisor from the Los Angeles Police Department to work on management, organization and training issues, among other topics. The advisor assisted JMPD develop a strategic plan for implementing recommendations made during a 2001 assessment. Funding was also provided to upgrade the infrastructure of the JMPD training facility. Organizational and leadership changes have been made in accordance with the recommendations by the U.S. advisor and plans are in place to further refine processes, and existing management structures.

In FY 2002, INL funded a pilot drug-counseling program for inmates in a maximum-security prison in Johannesburg. This program won an award in the Department of Correctional Services for its innovation and success, and has generated much enthusiasm within the Department for its continued development. Training was provided to young inmates serving long-term sentences (15-20 years) who in turn would provide peer drug counseling to

compensate for a lack of available social workers and counselors. These inmates have become leaders within the prison system, counseling gang members and other inmates on drug abuse, HIV/AIDS and other issues.

In FY 2003 INL funded a rehabilitation project for inmates who are preparing for release back into South African society. The rehabilitation sessions include training in crucial life skills designed to keep ex-offenders from returning to a life of crime and lowering the recidivism rate in South Africa. Training sessions also included a train-the-trainer component for correctional services personnel. Inmates who participate in these rehabilitation sessions will be more likely to effectively integrate into and become productive, law-abiding members of South African society.

FY 2005 Program

The FY 2005 program will build upon efforts undertaken in previous years in the law enforcement, judicial and corrections systems and initiate new assistance projects for the Department of Home Affairs and the judiciary.

Intermittent Legal Advisor/Financial Advisor (ILA): Funds will continue to support the ILA position. Funding will provide for travel and living expenses for the ILA as well as a modest amount of funds for training and equipment suggested by the ILA in consultation with Pretoria's Regional Narcotics and Law Enforcement Affairs (RNLEA) Officer and the NPA. The program will continue to focus on prosecuting complex crimes such as organized and financial crimes and will take on a greater mentoring role, through exchange programs with U.S. and on-the-job consultations on complex cases.

Financial Crimes Investigations: Funds will provide for one advisor to travel to South Africa for six months to one year to continue mentoring the law enforcement and justice sectors on preventing, detecting and combating the financial components of serious crimes. The advisor will primarily work with the South African Police Service (SAPS), the South African Revenue Service (SARS), the Directorate of Special Operations (DSO/Scorpions) and the SIU on case management and investigations. Essential equipment, such as computer hardware, software, and surveillance gear will be donated to improve South Africa's capacity to investigate and prosecute complex financial crime.

Immigration and Border Control: Funds will provide for a long-term, intermittent advisor for the Department of Home Affairs (DHA) for one year. The advisor will work closely with the Minister, Director General, and others in the upper echelons of the Department to 1) complete an assessment of the organization as it currently stands; 2) craft long- and short-term plans of action to improve the Department's management, personnel, and enforcement capacities; and 3) assist the Department with revenue generation from the South African Government and international donors to implement the plans of action. Funds will also provide for an independent evaluator to travel to South Africa within one year after the completion of the project to measure the effectiveness of the changes proposed by the U.S. advisor and implemented by DHA.

Judicial Administration: In FY 2005, funds will provide for a comprehensive study and assessment of South Africa's judicial sector in terms of efficiency, corruption, and the relationship between the police and the judiciary, as requested by the South African National Directorate of Public Prosecutions (NDPP). From this study, the assessment team (composed of U.S. judges, prosecutors, and court managers) will develop a series of recommendations and an implementation strategy for improving caseload management, case processing, and institutionalizing internal controls. Out-year funding will be requested to assist the South African government with implementation of the strategy.

Johannesburg Metropolitan Police: In FY 2005, INL funds will provide for the return of an advisor to work closely with the JMPD for six months to a year on the implementation of recommendations previously. The advisor will also work closely with the JMPD on improvements to the training curriculum and facility upgrades begun in FY 2003 and the extension of the training venue's facilities to the SAPs and other municipal police services by. Funds will also be used for an independent consultant to evaluate the training facility and implementation of suggested changes made by the JMPD since the program's initiation. FY 2005 funds will also provide limited commodity assistance to the JMPD.

Correctional Systems Development: Funds will provide for a continuation and expansion of the rehabilitation project funded initially in FY 2003. Funding will cover the costs of experts and training materials to begin rehabilitation training in an additional three to five prisons within South Africa. This includes training correctional services personnel to facilitate future sessions. Funds will also provide for a comparative study to assess the success of the rehabilitation project.

Program Development and Support (PD&S): These funds will provide resources 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.

South Africa					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Administration of Justice					
Intermittent Legal Advisor/Financial Advisor	-	-	472	-	400
Financial Crimes	747	-	350	-	200
Immigration/Border Control	-	-	200	-	200
Judicial Administration	-	-	-	-	200
Johannesburg Metropolitan Police	-	-	300	-	300
Correctional Systems Development	490	-	250	-	120
Sub-Total	1,237	-	1,572	-	1,420
Program Development and Support					
U.S. Personnel	124	-	120	-	183
Non-U.S. Personnel	10	-	10	-	34
ICASS Costs	40	-	38	-	72
Program Support	32	-	31	-	61
Sub-Total	205	-	198	-	350
Total	1,442	-	1,770	-	1,770

Africa Regional

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Actual	FY 2005 Request
3,498	—	2,830	1,480

Program Objectives and Performance Indicators

The capacity of the criminal justice sector within targeted Sub-Saharan African nations to detect, investigate and prosecute crimes of concern to the U.S. (including illegal immigration and terrorism) will be strengthened.

Technical assistance, training and equipment delivered to and effectively utilized by recipients; improved inspection routines at select ports-of-entry; increased evidence collection and analysis; increased numbers of criminal investigations conducted by police; improved quality of evidence used in criminal court cases; and improved bilateral law enforcement cooperation and information sharing.

Sustainable improvements in policing in select Sub-Saharan African countries will continue through the modernization and professionalization of select law enforcement groups within the region.

Increased numbers of recruits, officers, and instructors trained at select police training facilities; development and implementation of modern curricula and adult teaching methodologies in select police training facilities; development of strategic plans for improving law enforcement training; improved forensic facilities; and improved bilateral law enforcement cooperation result in more effective law enforcement institutions.

Program Justification

Criminal activities throughout the African continent corrupt and weaken governments, undermine progress towards the establishment of democratic institutions, hinder economic growth and foreign investment, and create an attractive environment for terrorism and other transnational crime. Police professionalization and institutional development of the criminal justice sectors are keys to supporting democracy.

East and Southern Africa (Tanzania, Uganda, and Mozambique) comprise a transit route for African and Asian criminal activities including trafficking in narcotics, persons, and other contraband; alien smuggling; money laundering; financial crime, and terrorist attacks.

West Africa is a major transit hub for narcotics trafficking, trafficking of persons, small arms, financial fraud, and fraudulent documents directly affecting U.S. citizens. Weak criminal justice institutions across Africa have made the continent a safe haven for organized crime groups, including terrorist cells. Since September 11 and the crackdown on traditional transshipment routes for drugs and arms, Africa has become a convenient alternative route for illegal contraband heading for the U.S. and Europe.

INL crime and drug programs in African countries support the development of professional and sustainable law enforcement institutions capable of detecting and deterring criminals operating in their territories. By making African countries less attractive to criminal elements, INL programs foster the rule of law that forms the bedrock upon which the USG's broader goals of democracy and prosperity goals must rest.

Program Accomplishments

Programs aimed at institutional law enforcement development in Sub-Saharan Africa have met with success despite limited funding and brief histories. In 2002, a civil disorder management program initiated for the Tanzanian Police Force (TPF) included the development of a riot deployment strategy designed by command-level officers with the assistance of a U.S. advisor. In 2003, civil disorder management training was presented to 150 command and line officers employing the riot deployment strategy. The training incorporated \$70,000 in riot equipment such as helmets, shields, batons, Red Man suits, gas masks, first-aid kits, and megaphones that were donated to the TPF at the conclusion of the course. The Field Force Unit (FFU) that received training has been successfully deployed on several occasions beginning with an anti-U.S. demonstration that was proceeding to the Embassy in Dar es Salaam. The Field Force Unit deployed forces to channel and control the demonstration, which was allowed to proceed and disburse in an orderly manner. The FFU also successfully prevented one group's attempt to break away from the main demonstration and reach the embassy grounds without an escalation in violence. Several months later the FFU was sent to Zanzibar during by-elections and proved equally successful in controlling several small demonstrations. Most recently, the FFU deployed during demonstrations against the municipal government in Dar es Salaam, where the unit ensured that the demonstrations were conducted peacefully. Violence was avoided in each of these situations, due in large part to the civil disorder management program that gave the officers and their senior commanders the confidence, skills, and equipment needed to control civil disorder in a professional and constructive manner.

Similar successes have been achieved on projects designed to modernize curricula and teaching methodologies in a select number of police colleges and academies in Africa. In August and September 2003, an Instructor and Curriculum Development Course was presented at the Sendafa Police Training College to 60 Ethiopian instructors in preparation for a basic training program using skills-based adult learning methodologies. Adult learning methodologies are being substituted for the traditional academic teaching model presently used in most African nations.

In Mozambique, INL funded a technical advisor at the National Police Sciences Academy (ACIPOL), which trains all new recruits and veteran police. The advisor developed a

strategic plan and implementation strategy to optimize ACIPOL's effectiveness. The advisor coordinated his work with Spanish and Portuguese police assigned to ACIPOL to capitalize on the expertise and investment of other donors and prevent duplication of efforts. A long-range training plan for continued USG involvement with ACIPOL was developed. In mid-2003, Police First Responder Courses (FPR) and Basic Criminal Investigation (BCI) courses were given to 340 police cadets and 8 prosecutors. The BCI training included seven days of classroom work with practical exercises and three days of a comprehensive criminal investigation simulation culminating in a mock trial. The participation of Mozambican prosecutors highlighted the need for greater cooperation between police and prosecutors in winning a conviction. Also in November ICITAP instructors presented a Sex Crimes Investigation Course to 33 ACIPOL cadets.

A law enforcement development project for the Criminal Investigation Division (CID) of the Ugandan Police Force (UPF) was implemented in November 2003. ICITAP provided practical training to approximately 550 members of the UPF in instructor and curriculum development; and a forensic overview. The training included a criminal investigation simulation and mock trial. An INL-funded ICITAP advisor assisted the Government of Uganda develop and purchase equipment for a criminal information database that has the potential to link with similar systems in Kenya and Tanzania. The Ugandan government supplemented this project by purchasing additional computer equipment.

In Benin, six iterations of a Police First Responder Course were provided to police and gendarmes. This two-day, 16-hour course, taught basic crime scene management, drug crime investigation, and interview techniques at air ports of entry. Thirteen senior police officials received a criminal investigations development course that focused on dealing with major crimes and public order events and provided a general overview of transnational crime.

INL assistance in forensic lab development has continued with excellent results. Government of Tanzania cooperation has been exceptional, resulting in host government-funded upgrades to existing lab space completed ahead of schedule. In 2003 INL funded a senior forensic technical advisor to the Tanzania Police Force (TPF) to develop a forensic laboratory. The advisor worked with TPF laboratory personnel to institute standard operating procedures, management controls, and training schedules for the laboratory. From February-March 2003 basic and advanced fingerprint training was provided to approximately 60 fingerprint examiners at the TPF laboratory. Five iterations of the Police First Responder course were given to approximately 287 TPF students. Training was also provided on Basic Crime Scene Investigation, and Basic Crime Scene Photography. Equipment, such as loop magnifiers, fingerprint identification cards and filing cabinets were donated and more complex equipment is on order.

Assistance continues as well for the national drug lab in Senegal, where work is underway to expand the facility into a regional lab for use by other Francophone countries in West Africa. An advanced Drug Standards Training course for the 3 technicians at the drug laboratory was conducted in Dakar by a DEA chemist. Portable drug analysis kits were donated to the Senegalese at the conclusion of the course.

Assistance for judicial reform and the fight against corruption has produced notable success for a relatively young program. In 2003, an Intermittent Legal Advisor (ILA) assisted the Government of Mozambique prepare a complete curriculum for an in-service training program targeting provincial prosecutors and judges in the areas of anti-corruption, money laundering and organized crime. ILA-recommended changes to the anti-corruption law designed to strengthen prosecutorial authorities was passed by parliament in October 2003. A case management system for the Anti-Corruption Unit (ACU) within the Attorney General's Office was developed to assist the ACU with case tracking. In June 2003 a team of FBI and Treasury trainers conducted a financial crimes course for prosecutors specializing in these crimes. Attendees included the small group of anti-corruption prosecutors assigned to Maputo and a chief prosecutor.

FY 2005 Program

INL funds will be used to continue sustainable improvements in the capacity of select African law enforcement institutions in the areas of police professionalization and forensic laboratory development. U.S. assistance for border security for Mozambique will also continue. Funding will be targeted towards states in the region with a demonstrated commitment to good governance and democratic policing and with a record of having used prior-year U.S. assistance effectively.

Law Enforcement Development: FY 2005 funding will be used to continue and expand police academy development programs in Tanzania and Uganda. The emphasis will be on "training the trainer," developing in-service training programs, and institutionalizing community policing precepts. Funds will also be used to train Tanzanian police on election security in preparation for upcoming national elections.

Forensic Laboratory Development: Lab development programs initiated in Tanzania, Senegal and Uganda with prior-year funding will continue to receive training, equipment, and resource upgrades for additional specializations in areas such as improving the laboratories' ballistic and drug identification units.

Border Security: FY 2005 funds will be used to continue a comprehensive border security program for Mozambique begun in 2004. Funding will provide for training and equipment pursuant to recommendations received from an assessment completed in 2004.

Africa Regional					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Law Enforcement Development	1,682		1,290		450
Forensic Labotary Development	897	-	540	-	830
Border Security	669	-	500	-	200
Judicial Reform/Anti-Corruption	250	-	500	-	-
<i>Total</i>	3,498	-	2,830	-	1,480

Asia and the Middle East

Afghanistan

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Actual	FY 2004 Supp.	FY 2005 Request
—	—	220,000 ⁴	90,000

Program Objectives and Performance Indicators

The overall INL program objective is to work with the Government of Afghanistan (GOA) and the international community to improve law enforcement capabilities, reduce poppy cultivation, and reform the Afghan judicial system in order to enhance public security, strengthen the rule of law, and attack illegal drug production and trafficking. INL program objectives in Afghanistan are consistent with the USG longer-term goal to create stability so as to prevent Afghanistan from again becoming a haven for terrorists and criminal activities. The following programs are based upon an integrated approach. All of these objectives must be pursued simultaneously on a holistic basis to achieve success.

Civilian Law Enforcement: Under German leadership, Afghan police (including border police and specialist units such as a highway patrol) will be reformed and upgraded through training, technical assistance, and institutional capacity building in order to directly enhance security throughout Afghanistan.

Construction of the seven Regional Training Centers (RTC) used to bring police training to the provinces will be completed. Each finished RTC will have a capacity of 750-900 students with housing, classroom, and office facilities included on site.

By the end of December 2005, training for a total of 50,000 combined national police, border police, and highway patrol officers will be completed.

Upon completion of training, law enforcement personnel will continue to receive new uniforms and basic police equipment.

Afghan trainers will be added to the cadre of international trainers through the programs “train-the-trainer” approach.

Training efforts will be reinforced with a broad reform program at the Ministry of Interior that utilizes embedded, international police experts who can mentor and

⁴ \$50.0 million of Emergency Response Funds reallocated and transferred from the Department of Defense pursuant to P.L. 108-38 and \$170.0 million provided under the “Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

monitor performance in Kabul and regional capitol areas. Basic office supplies, equipment, and infrastructure support will be provided to police stations throughout Afghanistan, including border posts and crossing points.

An INL-developed identification card system linked to a personnel database to register police will be expanded, thus assuring accuracy of muster and payrolls.

The program will maintain and expand an INL-established HF radio communication system that links the Ministry of the Interior with police headquarters in each of the 32 provinces of Afghanistan. The Ministry of Interior will develop a telecommunications maintenance and repair facility to ensure an ongoing capability to keep its radio systems functioning. As police are deployed from the provincial training centers, communications and basic non-lethal equipment will be provided for district police organizations.

Administration of Justice: INL rule of law programs in Afghanistan will support the Italian leadership, the Afghan Judicial Commission, the Ministry of Justice, and related offices to establish a functioning justice system based on the rule of law that meets internationally accepted human rights standards.

Under the auspices of the Ministry of Justice, the Judicial Reform Commission, and other Afghan elements supporting the justice infrastructure, a coordinated approach will be taken to justice reform and the development and implementation of a unified framework to guide reform of the Afghan justice system while respecting the traditions of Afghanistan.

INL will continue to work with the GOA to identify necessary legal changes and draft appropriate laws, focusing specifically on the criminal justice system.

INL will support the GOA and other international donors in rehabilitating and constructing judicial facilities.

INL will focus on provincial and district courthouses and support the extension of the formal justice system into the provinces by developing infrastructure and supplying courts with necessary office supplies and equipment.

INL will provide training for judges, prosecutors, and defense counsel in basic administrative and legal skills.

INL will support programs that promote public access to justice and civil society awareness of the justice system. These include establishment of legal aid clinics; reintegration of women jurists and attorneys; and development of a national bar association.

Support will be provided to the University of Kabul law school through faculty training, curriculum development, infrastructure enhancement, and student and faculty exchanges with United States counterparts.

Counternarcotics Support: INL programs will seek to reduce poppy cultivation, strengthen counternarcotics law enforcement efforts, and increase Afghan government coordination and oversight of national drug control policy and programs. Working with the British who are the designated international lead on Afghan Narcotics assistance, INL will reduce opium poppy cultivation, trade and abuse by providing drug law enforcement assistance including a manual eradication program, alternative livelihoods programs, an anti-drug campaign and demand reduction projects. Greater European involvement in these counternarcotics efforts in Afghanistan will occur as a result of the strong U.S./INL initiative.

Afghan authorities will conduct nation-wide eradication and will take responsibility for assessing the extent of cultivation, eradication and areas where alternative development assistance is available.

Rural development assistance will continue to support eradication programs by focusing on medium- and long-term projects that bring sustainable alternative livelihoods to poppy growing areas.

Net poppy cultivation will fall by one-quarter in comparison to FY 2003.

Drug intelligence, investigation and law enforcement and interdiction units will expand operations focusing on major cities in Afghanistan; British/U.S. trained interdiction units will be replicated in the provinces, providing interdiction operations across the country.

The Ministry of the Interior will have a staffed and equipped counternarcotics department, in accordance with the German plan to reform the MOI. Procedures for securing, testing, and destroying seized drugs will be developed.

The Ministry of Interior will develop a system for centralized reporting on drug arrests and seizures, as well as plans, procedures and records for prosecution of drug crimes.

Afghanistan's National Security Council's Counternarcotics Directorate (CND) will have staffed and equipped regional offices established across the country.

A centralized statistical reporting system will begin to track areas of poppy cultivation, eradication and where alternative development assistance exists.

The CND will conduct a nation-wide, comprehensive anti-drug public affairs campaign aimed at reducing: cultivation, trade and drug abuse and assume a greater working role in the annual opium survey.

Working with the Ministries of Public Health, Information and Culture, Education, and Telecommunications, the CND will coordinate a national drug abuse prevention and treatment program.

A law providing for asset forfeiture in drugs and money laundering crimes will be enacted.

Program Justification

The FY 2005 INL program in Afghanistan will have three main components that build on efforts begun with 2002 supplemental funding and continued with FY 2004 supplemental funding police training and reform, justice sector reform, and counternarcotics activities.

The breadth of INL programs in Afghanistan reflects the country's importance as the epicenter of the Global War on Terrorism. INL programs in Afghanistan support USG counterterrorism, counterdrug and anticrime goals. INL programs are coordinated closely with U.S. coalition partners to complement the respective leading roles played by the United Kingdom on counternarcotics, Germany on police, and Italy on judicial reform. Improved internal security will be required to support and facilitate the reconstruction and other development programs in Afghanistan.

A functioning National Police, Highway Patrol, and Border Police are vital to a safe and secure Afghanistan. The Afghan National Police are being looked upon to perform a host of activities beyond traditional policing including providing support for election security and facilitating customs collection at border posts. While efforts to train, equip, and professionalize the Afghan National Police in Kabul have been ongoing since 2002, much remains to be accomplished throughout the rest of the country. The Ministry of Interior continues to struggle to identify and exert control over police in the provinces. The new Afghan Border Police and Highway Patrol elements must be recruited, trained, organized, and equipped to address the continued threat of illegal trafficking.

The rule of law is a fundamental building block to securing a strong, democratic Afghanistan. A transparent and fair justice system is critical to ensuring that the people of Afghanistan respect the authority and decision-making of the central government. In addition, a functioning judicial system provides a peaceful means of dispute resolution and a sense of redress for ordinary citizens. In particular, a criminal defense system that affords due process and respects international human rights standards is a cornerstone of a society functioning under the rule of law. This is imperative given the critical nexus of Afghanistan and the Global War on Terror. U.S. law enforcement must have the ability to work with Afghanistan in the future on crucial law enforcement issues. Despite Afghan progress on a Constitution and the development of governmental mechanisms and agencies that support justice reform, much work is needed. The infrastructure of the Afghan justice system is near complete collapse. Judicial facilities and courthouses must continue to be rebuilt or newly constructed. Basic supplies are still sorely needed in many courtrooms and law libraries are scarce. Although training has begun, most personnel are untrained in the law and in administrative skills. Finally, Afghanistan is amidst a continuing effort to update and modernize laws and implement international treaty obligations affecting due process and human rights.

Poppy cultivation resumed in Afghanistan after Operation Enduring Freedom began in late 2001. Afghanistan resumed its place as the world's largest producer of opium in 2002 and has maintained this lead with an even larger crop in 2003. The U.S. estimates the extent of poppy cultivation in 2003 to be 61,000 hectares, up from 30,750 in 2002. Although President Karzai has issued decrees outlawing the production, trafficking, and use of illegal drugs, the central government's ability to enforce the decrees is minimal. Without an organized security force or rule of law, the drug trade and crime will undermine efforts to create a stable recovery in Afghanistan. There is limited Afghan capability to estimate illegal drug cultivation and destroy illegal drug crops, and there is no integrated drug intelligence, investigation, and interdiction capability within the Afghan National Police. Drug arrests, seizures, testing, and destruction are haphazard, and drugs confiscated by the authorities are sometimes stolen and/or resold. There is urgent need to help the Afghans pursue licit crop cultivation and enforce their ban on poppy cultivation and the opiate trade.

Program Accomplishments

INL signed a Letter of Agreement with the government of Afghanistan in 2003 for \$60 million to provide justice, law enforcement and counternarcotics program assistance. This agreement is being amended to include programs underway using \$50 million of FY 2003 reallocated Emergency Response Funds and \$170 million of FY 2004 supplemental funds, a total of \$220 million, all of which was received in FY 2004.

Civilian Law Enforcement: INL established a training center in Kabul that has produced over 1600 graduates since training began on May 18, 2003. Courses offered at the training center include basic 8-week courses for new police officers, 3-week courses for members of the "train-the-trainer" program and 2-week refresher courses for current police officers. INL established a communications system linking all 32 provinces to the Ministry of Interior in Kabul, established an ID card system and personnel database and provided personal equipment, and the material for uniforms. INL also provided salary support through contributions to the UNDP Law and Order Trust Fund for Afghanistan (LOTFA).

INL completed site surveys for the first four RTCs and began construction on the first two. INL deployed 15 additional US-police trainers/advisors to supplement on-going police training efforts and prepare for expansion to the provinces. Construction is almost complete at RTC Gardez, and training of small classes has begun with 25 trainees already graduated.

Administration of Justice: The Afghan government has successfully begun the process of drafting a Constitution that respects human rights, the rights of women, and adheres to due process standards. INL is involved in a number of working groups in Afghanistan that include high-ranking GOA officials who meet regularly to coordinate justice reform efforts. With the assistance of the international community, the Ministry of Justice and the Judicial Reform Commission are redrafting and modernizing critical laws such as the criminal code and criminal procedure law.

An overall strategy for court rehabilitation and refurbishment has been identified and the GOA is committed to extending and supporting the formal justice system outside of Kabul.

Trainings of senior level judges have begun in Kabul and key judicial facilities, such as the Ministry of Justice and the Prosecutors office, have been rehabilitated.

INL, in coordination with AID, is supporting the construction and equipment of provincial and district courthouses. Reconstructed courthouses receive judicial supply packages that contain basic office equipment and support items needed to properly administer a court. Training programs continue to be developed that are sensitive to both the Afghan traditional context and GOA efforts to modernize the justice system. For example, the Afghans have identified the right to defense counsel as a fundamental right but have minimal institutional knowledge or resources to devote to the implementation of that right. To address this, INL is supporting the training of defense counsel and the establishment of legal aid clinics.

INL has funded Dari and Pashtu translations and distribution of pre-Soviet basic legal codes, the 1964 Constitution, and the Bonn Agreement. INL funds also supported a United States Institute of Peace conference in early February 2003, which brought together Afghan legal professionals, legal activists, members of the Bonn Commissions, and international experts to discuss approaches to criminal justice and the development of an independent and fair system of justice. Discussions that began in Washington continued in Kabul with an INL funded series of workshops.

Additionally, through consultations with the Kabul University Law School and the Ministry of Education, INL is focusing on the needs of the law school and helping to restock law libraries, support curriculum development, and harmonize the civil and Islamic law faculties.

Counternarcotics Support: With significant U.S., UK and UN pressure and substantial assistance, the government of Afghanistan took important steps to curb poppy cultivation and trade in Afghanistan. In accordance with the UK plan, President Karzai decreed a ban on opium poppy in 2002, and created the Counternarcotics Directorate (CND) as the central drug policy-making body for the government. In 2003, provincial governors, under Karzai's direction, undertook eradication efforts in some traditional poppy provinces, which the U.S. supported with significant assistance for alternative livelihoods programs in those areas. Despite the increase of the poppy crop, cultivation estimates for 2003 did reflect a decline in areas where eradication took place.

The CND, with a fully staffed office in Kabul, drafted a National Drug Control Strategy, with extensive assistance from UNODC, the U.S. and the UK. The Strategy was ratified by the cabinet in June 2003 and established five drug sub-sector working groups, alternative livelihoods, demand reduction, law enforcement, judicial reform and coordination activities, to implement counterdrug programs as directed by the CND. The Ministry of Rural Rehabilitation and Development (MRRD) and the Ministry of Interior (MOI) began efforts to include counternarcotics goals in the alternative development and law enforcement sectors. The MOI began staffing a new national Counternarcotics Department, and the MRRD used USG funds to begin targeting alternative development programs. The Ministry of Justice drafted a new drug law as well.

The Afghan Drug Strategy also directed the CND to conduct a major anti-drug public affairs program aimed at reducing poppy cultivation, trade, use and abuse across the country. In

August, INL placed an American contractor to serve as a public affairs advisor to the Counternarcotics Directorate. A comprehensive public affairs strategy was created and will be put into action using INL funds in the coming months.

USAID and INL provided more than \$135 million in humanitarian, health, and rural livelihood assistance to principal poppy-producing provinces – \$22.8 million was directed specifically towards reducing poppy cultivation. Of these funds, \$4.0 million in INL funds was funneled directly through the Afghan government to support alternative development programs in poppy areas as part the Afghan national reconstruction plan. This unique program aimed to build a stronger counternarcotics component into Afghanistan’s reconstruction plans and built the Afghan government’s capacity to manage such programs.

INL established an office in the U.S. Embassy in Kabul and assigned two full-time American officers and one Foreign Service National to manage its police and counternarcotics programs. In addition to this office, funds were contributed to the UNODC to build and staff a field office in Kabul, which was the recipient of \$2.8 million in INL funds to support counternarcotics capacity building and enforcement programs in Afghanistan.

In the law enforcement sector, the Germans have established and continue to professionalize a drug intelligence unit, while a British-trained investigative unit for a regional office in Kandahar began conducting operations in 2003. The British also established an interdiction unit in Kabul, which began a “City Gates” project aimed at interdicting drugs being trafficked through Kabul. INL is funding the training and equipping of an additional interdiction unit under the auspices of the UNODC, which should be operational by the end of 2004.

Lastly, the Afghan government tabled a proposal to conduct a national poppy eradication campaign against the 2003-2004 crop. The campaign would be administered by the central government and supported by provincial governors. INL began working with the Afghans and the UK to finalize details of the plan and, if an acceptable and workable proposal is developed, intends to provide substantial funding received in the FY 2004 supplemental for counternarcotics programs to support this plan.

FY 2005 Program

Continued insecurity in Afghanistan over the last year has placed increasing demands on the INL programs, requiring the acceleration and substantial expansion of the three main programs, law enforcement, counternarcotics and judicial reform. The FY 2005 request provides the necessary funding to maintain these larger and more robust programs. INL will utilize \$90 million in FY 2005 funds to support programs to continue to improve national law enforcement capabilities to strengthen the rule of law and enhance public security including disruption of drug trafficking and associated criminal activity throughout the country. INL programs in FY 2005 will also continue programs aimed at reducing large-scale poppy cultivation, strengthening drug enforcement capabilities, and increasing Afghan government coordination and oversight of national drug control policy and programs.

Civilian Law Enforcement

Assistance to train and equip police in FY 2005 will continue to complement the German-led efforts to re-establish law enforcement functions. The program will build on an effort that enhanced police capabilities in Kabul; contributed non-lethal personal equipment, materials, and supplies; provided an identity card system with personnel database, and established a country-wide chiefs of police communications network. U.S. assistance will continue to support Afghan training activities at the police school in Kabul as well as support training activities at each of the seven RTCs. Funds will be used to assist Afghan trainers to deliver basic skills curricula for lower-level police and to provide training in the principles of supervision, management and human rights protection for all levels of the police organization. Funds will also be used to provide personal police equipment. U.S. assistance will also expand the police identification card system and communications system and enhance the police physical plant and infrastructure in the provinces. During FY 2005 INL will continue to expand training of police including police from throughout Afghanistan.

INL will work with the Afghan government and major donors to establish the Afghanistan National Border Police (ANBP) to strengthen control of Afghanistan's border. Elements of this program will include personnel support (salaries), support for fixed crossing point infrastructure, a system for monitoring immigration procedures and controls, establishing and maintaining airport watch lists, and developing a capacity to conduct interdiction operations; investigating crimes along the border, and border police support for customs functions. INL funds will support refurbishment and construction of barracks and checkpoints and a provision of equipment and training. Program objectives include the recruitment and training of ANBP officers; refurbishment/construction, equipping, and manning of border checkpoints; and the beginning of ANBP carrying out basic enforcement duties. The ANBP's duties will be gradually expand to counternarcotics, immigration, and customs roles, as overseen by the Government of Afghanistan.

Administration of Justice

Assistance in the justice sector will continue to support Afghan and Italian-led efforts to rebuild and reform the domestic justice sector. Efforts will focus on establishing the rule of law through assisting the Afghans in rebuilding justice system infrastructure; supplying courthouses with judicial supply packages; training justice sector personnel; and assisting with the development and implementation of professional standards and courthouse procedures.

Training centers and courthouses will be co-located with regional police training centers in the provinces. Curricula will be developed with an emphasis on human rights, modern law enforcement, criminal procedure, and basic legal and administrative skills. INL will assist in providing the judicial sector with secure habitable courthouses and continue to work with international partners on developing strategies to enhance the criminal justice system, promote institutional coordination, and promote public access to justice.

FY 2005 programs will also support the establishment of legal aid clinics and assistance to the Kabul University Law School. In addition, INL will maintain support to the Ministry of

Justice and the work of the judicial commission in its efforts to reform the justice sector, streamline laws, and development institutionally.

Counternarcotics

INL funding for counternarcotics (CN) in FY 2005 will continue to support the international efforts on CN activities in Afghanistan lead by the UK. With a strong emphasis on building the Afghan government's capacity to manage drug control programs, INL programs will consist of crop control through eradication and rural livelihood programs, drug enforcement and drug control institution building, including public affairs and demand reduction. These funds will be dedicated to the evolving containment theory of stopping heroin from transiting across the borders of Afghanistan. These monies will be expended in a way that promotes greater coordination between counternarcotics and counterterrorism activities.

Crop Control/Eradication: This program is aimed at reducing large-scale poppy cultivation through a central government controlled national manual eradication program begun in FY 2004. Funds will support an expansion of the program by establishing additional eradication teams and sustaining their activities throughout the growing/harvest season. Funds will be provided for salaries for eradicators and force protection teams, supplies, equipment, transportation, training and support evaluation and monitoring of the program.

Sustainable Alternative Development: The INL alternative development program in FY 2005 will continue to support eradication efforts by providing high priority assistance in major poppy growing areas experiencing eradication in order to provide sustainable, alternative crops and income opportunities. These programs will be conducted in conjunction with drug enforcement programs and will include agricultural inputs and training for farmers, marketing support for legal produce, and vocational training to generate income for other vulnerable populations such as women and itinerant labor, who are usually employed to harvest poppy. The success of these programs will be evaluated based on the level of poppy cultivation in areas where these alternative livelihoods programs exist.

Drug Enforcement: This program is aimed at disrupting drug trafficking and associated criminal activity within Afghanistan and along its border with an eye towards containment - stopping heroin from transiting across the borders of Afghanistan. This program will support programs to enable enforcement of drug laws and prosecution of drug offenders. INL will support the expansion of specialized training and equipping of drug enforcement forces at the provincial level to enforce the poppy ban, take down drug processing labs and bazaars, interdict drug caches and shipments, pursue drug traffickers and dismantle drug trafficking organizations outside of Kabul. Programs will also expand and improve the Ministry of Interior's Counternarcotics Department. Part of the FY 2005 program will include a program to reform the penal code to enable law enforcement to investigate and pursue drug offenders. Assistance will be provided through training and educational exchange programs, equipment and some infrastructure and use of international advisors. These efforts will reduce poppy cultivation and increase arrest and prosecution of poppy producers and traffickers.

Drug Control Capacity Building: In less than two years, the Afghan government made great strides in building institutional infrastructure to support a national drug control policy. This program will strengthen these efforts by providing primary support to the Afghan national drug control office, the CND and the MOI in the areas of institutional capacity-building, public affairs and demand reduction programs. The capacity-building program will provide technical advisors to various agencies including the CND and MOI to help build a national drug control tracking system. Using statistical data collected by law enforcement, drug interdiction and intelligence units and the CND satellite offices, the system would track the extent of poppy cultivation, eradication and areas where alternative development assistance is available. A similar system would track CN operations including drug seizures and arrests to evaluate and improve drug enforcement efforts. Funds will continue to support the CND in Kabul, and help establish satellite offices in the provinces. These offices will promote the central government's anti-drug policies with a comprehensive public affairs program to discourage cultivation, trafficking and use. INL funds would cover provision of technical advisors and financial assistance to publicize these messages through print media, radio, television, and public events. Funds will also support establishment of a national drug use survey and public opinion sampling surveys. INL will also help fund community-based demand reduction programs aimed at rehabilitation, and anti-drug education programs for youth and rural communities through school curriculum and other community activities.

Program Development and Support (PD&S): PD&S funds are used for the salaries, benefits, allowances, and travel of direct hire and contract U.S. and foreign national personnel, ICASS costs and other general administrative and operating expenses for counternarcotics and anticrime program planning, design, implementation, monitoring and evaluation.

Afghanistan					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Counternarcotics Support					
Crop Control/Eradication	-	-	-	40,000	10,000
Sustainable Alternative Development	-	-	-	5,000	4,000
Drug Enforcement	-	-	-	3,500	7,000
Drug Control capacity Building	-	-	-	1,500	1,000
Sub Total (A)	-	-	-	50,000	22,000
Civilian Law Enforcement					
Training of Afghan Police	-	-	-	74,675	38,000
Equipment, Communications Support	-	-	-	85,325	27,000
Sub Total (B)	-	-	-	160,000	65,000
Administration of Justice					
Justice Sector Training Program	-	-	-	2,500	1,000
Justice Sector Reform & Infrastructure	-	-	-	7,500	1,000
Sub Total (B)	-	-	-	10,000	2,000
Program Development and Support					
U.S. Personnel	-	-	-	-	500
Non-U.S. Personnel	-	-	-	-	100
ICASS Costs	-	-	-	-	150
Program Support	-	-	-	-	250
Sub-Total	-	-	-	-	1,000
Total	-	-	-	220,000	90,000

A - \$50 million of ERF funds transferred to the INCLE account from the Department of Defence pursuant to PL 107-38.

B - \$170.0 million provided by the Emergency Supplemental Appropriations Act for Defence and for the reconstruction of Iraq and Afghanistan, 2004.

Indonesia

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
—	—	—	10,000

Program Objectives and Performance Indicators

The transformation of the Indonesian National Police (POLRI) into an effective, democratic, civilian-led police force that is based on principles of community policing and respects the rule of law and human rights will be advanced.

Progress towards professionalization of POLRI through institutionalization of anti-corruption practices and an internal disciplinary system; progress towards strengthened police enforcement and investigative skills through a series of basic and advanced training activities and technical forensic assistance that lead to successful prosecutions; functioning forensic and investigative facilities to support criminal investigations will be established and equipped; citizen confidence in POLRI's ability to uphold the law in service to the public will increase.

The POLRI Marine Police Directorate will be modernized.

Appropriate training, technical assistance, and equipment will be effectively utilized to enable the organization to fulfill its mission of patrolling ports and waterways and combating a range of domestic and transnational criminal activities.

Combating corruption and undertaking reform within the criminal justice sectors will advance professionalism and case management among prosecutors and judges.

An assessment and follow-on program targeting corruption within the criminal justice system and prosecutorial and judicial skill development will result in effective case management, successful prosecutions, and timely and fair trials; public confidence in the criminal justice system will be strengthened.

The skills and professional conduct of the Indonesian National Police Drug Enforcement Unit and the National Narcotics Board will be strengthened to combat domestic production of illicit narcotics and transnational drug trafficking.

Training and technical assistance will enable counternarcotics officers to investigate and prosecute drug production and trafficking; new technology and equipment will enhance the investigators' abilities to advance cases by applying forensic techniques to drug investigations.

Program Justification

Indonesia is the largest Muslim country in the world. It is an emerging democracy practicing a pragmatic form of Islam, making Indonesia a key nation in providing leadership to the Islamic world. Indonesia is also a center of transnational criminal activity, such as cyber crime, illegal migration and piracy, and home to terrorist groups, including Jemaah Islamiyah. In its transition to democracy, the Government of Indonesia has recognized the need for institutional reform of its police organizations and within its criminal justice system.

For thirty-three years during the reign of authoritarian President Suharto and for two years under the leadership of President Habibie, the Indonesian National Police was a part of the armed forces of Indonesia. During those thirty-five years, the police definition of domestic security was, "Protection for the State (elite) from its citizens." Until the democratic election of President Abdurahman Wahid in 2000, all but the most routine domestic security/public safety tasks were conducted by the Indonesian military (TNI) or the police paramilitary Mobile Brigade (Brimob), which is trained to use military tactics to preserve law and order.

In 2000, President Wahid sought assistance from several international donors, among them the United States, Britain, Japan, Australia and the Netherlands, to support Justice Sector reform, including police reform. The USG was willing to participate and provide substantial resources, but not until the police were formally separated from the Indonesian Armed Forces. After receiving formal overtures from the Wahid government that the separation would take place, the USG deployed a Program Manager from the Department of Justice, International Criminal Justice Training Assistance Program (ICITAP) to begin program design and development for an assistance initiative that would help POLRI transition from a military to a civilian-led law enforcement agency. On July 1, 2000, President Wahid signed Presidential Decree 02/00, formally separating POLRI from the TNI. USG assistance to support the decree commenced in August 2000.

Reorganizing and reorienting POLRI is a substantial undertaking, requiring a change in the structure, culture, management style, and training of the entire 250,000 member national police force. The Police Assistance Program began by implementing programs to address management issues at the highest level. In FY 2003 and FY 2004, INL worked with the POLRI Chief and officials at national and regional levels to develop and implement management plans that incorporate principles of leadership and management into the operation and administration of POLRI throughout the country. Further, the program is developing managerial skills for mid-level officers. The program includes a media outreach project to share information with the public and build confidence in the police within the populace.

Corruption is endemic in Indonesia, including within POLRI. The Police Assistance program seeks to establish mechanisms to root out corruption by developing a code of conduct and internal disciplinary system.

While undergoing structural reform, POLRI must fulfill its law enforcement functions. Indonesia experiences a wide range of domestic and transnational crimes that must be addressed. Indonesia is a center of cyber crime, and its social development is hindered by the prevalence of gang-related violence. Low confidence in police responsiveness and skill level has spurred citizens to take the law in their own hands, creating a major problem with vigilantism. International narcotics' trafficking is a serious and growing problem in Indonesia. Syndicated drug traffickers from countries in and beyond the region have targeted operations in Indonesia. Domestic availability and use of illicit narcotics are escalating. In addition, Indonesia is home to terrorist groups and has been the target of several deadly terrorist bombings. The skill level of POLRI must be enhanced to address effectively both criminal and terrorist activities and demonstrate its abilities to the public. In conjunction with the State Department Bureau of Diplomatic Security's Anti-terrorism Training Assistance Program, the ICITAP Police Assistance Program includes training and technical assistance projects to give POLRI officers and units the technical and investigative capabilities needed to address specialized crimes and terrorist activities. It also provides forensics training and equipment, enabling both enhanced investigations and successful prosecutions. Drug enforcement training and drug forensic training and equipment are also contained within the program to ensure counternarcotics units can recognize illicit narcotics and discover and dismantle illicit drug labs.

Compounding the difficulties faced by POLRI is the fact that Indonesia's maritime borders, which stretch across 17,000 islands, are largely unprotected and undefended, leaving the country vulnerable to a range of criminal activities from narcotics smuggling to terrorist infiltration. The POLRI Marine Police Directorate is in desperate need of organizational and technical assistance and equipment to adequately perform its mission.

In addition, criminal justice sector reform is crucial to effective democratic reform and goes hand-in-hand with police reform. Creating an effective, well-trained police force based on democratic principles, community policing, and respect for rule of law and individual rights must be complemented by prosecutorial and judicial reform. Effective law enforcement efforts must culminate in bringing criminals to justice. When cases are developed, prosecutors must be skilled in using evidence to try cases successfully, defense attorneys must know how to protect the rights of the accused, and judges must be personally above reproach and ensure a fair trial. Corruption must be rooted out at all levels of the system. If the judicial system is not reformed, police soon become demoralized, and the public loses confidence in the system.

To ensure that Indonesia's transition to democracy is meaningful and takes root within its institutions, the democratization and professionalization of all levels and units of POLRI as well as the prosecutorial and judicial sectors must be realized. The Police Assistance Program, Marine Police development program, counternarcotics assistance, and criminal justice sector reform programs are designed to achieve those objectives.

Program Accomplishments

The police/military separation and POLRI's transition to a civilian-controlled, democratic police force is a work-in-progress; yet, since the implementation of the Police Assistance Program in mid-2000, significant successes have been realized.

A key initial component of the program targeted developing and implementing an entirely new curriculum for use in POLRI Police Training Academies. The new curriculum incorporates democratic and community-policing principles combined with basic police skills training. The program developed a cadre of highly skilled POLRI trainers to implement the new curriculum throughout Indonesia. By November 2003 there were 15,050 Field Training Officers (FTO) trained with FY 2002 Supplemental funds. Following the training, the U.S. instructors will fan out across Indonesia and monitor the performance of the newly minted FTOs. A new curriculum is being completed for the FTO program, new leaders are being assigned, and the training establishment is receiving much needed attention after being neglected for years.

The Civil Disturbance Management training program, which ended in October 2003, has been a major success. The program taught POLRI personnel techniques of crowd control to maintain order and prevent violence. As a result of the training, POLRI personnel have effectively controlled large demonstrations and defused emotional situations to resolve conflicts peacefully. The Indonesian government, the general public, and the NGO community have recognized the success of the program. The program has made a major impact on POLRI leaders and police in improving their relations with the public. Prior to the training, POLRI had limited understanding of the concept of conflict avoidance or the continuum of force options.

The structural reform efforts have been conducted largely through seminars at the national and regional levels, with senior officers writing a plan for change and an action plan to implement the plan. Delegation of authority to police officers and problem solving has been emphasized.

POLRI reform and training have enhanced police investigative skills. Police counternarcotics training and technical assistance has resulted in several seizures of illicit narcotics and the closing of two synthetic-drug production labs within Indonesia.

FY 2005 Program

The FY 2005 Police Assistance Program for Indonesia has three components—transformation of the Indonesian National Police (POLRI) as an institution, support for modernizing the Marine Police, and assistance to POLRI's drug enforcement units. These are ongoing programs designed to create effective, democratic, and skilled law enforcement institutions in Indonesia. A new Criminal Justice Sector Reform Program will be implemented in FY 2005 to address the prosecutorial and judicial side of law enforcement democratization and reform.

Police Assistance Program

Indonesian National Police Assistance Program: Currently in its third year, the Indonesian National Police Assistance Program advances the transformation of POLRI from a military-controlled to a civilian-led police agency built on the principles of democratic policing and protection of human rights. Earlier phases of the program focused on developing leadership skills among high-ranking police officials, developing curricula for application in POLRI training academies, training instructors, and providing specialized law-enforcement training. Continuation of the program will ensure the expansion and intensification of structural reform by supporting training and technical assistance for POLRI mid-level managers to build a professional leadership cadre. FY 2005 program funds will advance and institutionalize an ongoing anti-corruption project and police disciplinary system and improve core police skills and expertise in specialized investigative areas through targeted training courses. The program will assess ongoing police survival skills training and expand remedial training in this important area. The program will expand a modest Cyber Crimes Investigations Project begun in 2003 to assist POLRI's Special Investigations Units and the High-Tech Crime Unit combat computer-based crimes. The program will also continue building POLRI's capacity to combat gang-related crimes and vigilantism, both of which are serious problems throughout Indonesia, as well as advance the Police Media Relations Project, which supports community policing, operational transparency, and public awareness of police activities. It will also expand a pilot Forensic Assistance Project begun in Surabaya in 2004 to ensure that Indonesia's five forensic labs are sufficiently equipped and their staffs are fully trained to enable an effective response to local criminal activities.

Marine Police Development Program: This project will continue a program begun with ESF funding to modernize the Marine Police Directorate to create an efficient and effective organization capable of combating a wide range of criminal activities. Indonesia's maritime borders, which stretch across 17,000 islands, are largely unprotected and undefended, leaving the country vulnerable to a range of criminal activities from narcotics smuggling to terrorist infiltration. Since POLRI was separated from the TNI in mid-2000, the Marine Police Directorate has lacked the training, equipment, and leadership to perform enforcement duties efficiently. The Marine Police will need to be modernized over the next several years. The Marine Police need a new strategic plan and modernization of current operational units. Marine Police personnel will require training as well as equipment and technical assistance to patrol ports and waterways effectively and to combat numerous forms of local and transnational crimes. Using \$1 million in FY 2002 ESF funds, a comprehensive assessment of Marine Police capabilities and needs will be conducted in January 2004. Training, technical assistance, and equipment programs developed from the assessment will begin in 2004 using ESF funding and continue until the Directorate has the capacity to effectively fulfill its mission.

Counternarcotics Assistance Program: This program complements and expands counternarcotics training and assistance offered in past years to halt the flow of illegal drugs into Indonesia and to prevent the manufacture of synthetic drugs within Indonesia. The POLRI Drug Enforcement Unit (Narkoba) and the National Narcotics Board (BNN) lack

training and equipment and are beset by corruption, preventing them from effectively interdicting illicit narcotics, investigating drug cases, and prosecuting narcotics traffickers. Assistance provided in the past three years has laid the foundation for more effective counternarcotics enforcement efforts. The FY 2005 program will continue to provide counternarcotics training and technical assistance so that the Narkoba and the BNN can effectively investigate and prosecute crimes involving illicit narcotics trafficking and production. The program will also provide new technology and equipment to enhance Narkoba's ability to advance cases by applying forensic techniques to drug investigations.

Criminal Justice Reform

Criminal Justice Sector Reform Program: Indonesia's criminal justice system is rife with corruption and in need of reform to promote democratization by strengthening the rule of law, advancing respect for democratic principles and human rights, and eliminating corruption. The Criminal Justice Sector Reform Program will advance those objectives and complement the ongoing Police Assistance Program by focusing on the prosecutorial and court systems and their ability to prosecute criminal cases. The Criminal Justice Sector Reform Program targets institutional development with a focus on structural and procedural aspects of the Indonesian criminal justice system. It will begin with an assessment of the criminal justice system followed by programs to instill integrity and professionalism within the prosecutorial and judicial sectors. Once the foundations have been laid, the program will expand in future years to include a Resident Legal Advisor to provide assistance and expertise to Indonesian judicial officers and parliamentarians initiating and instituting legal reform. To enhance public trust in the courts and the judiciary, the program will also provide technical assistance and training to combat corruption. This new program is the first phase of what is expected to be a multiphase program.

Indonesia					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Police Assistance Programs	-	-	-	-	7,000
Marine Police Program	-	-	-	-	1,500
Criminal Justice Reform Program	-	-	-	-	1,000
Drug Law Enforcement	-	-	-	-	500
Program Development and Support					
U.S. Personnel	-	-	-	-	-
Non-U.S. Personnel	-	-	-	-	-
ICASS Costs	-	-	-	-	-
Program Support	-	-	-	-	-
<i>Sub-Total</i>	-	-	-	-	-
<i>Total</i>	-	-	-	-	10,000

Laos

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
2,500	—	2,000	2,000

Program Objectives and Performance Indicators

Alternative development, crop eradication and demand reduction programs will be strengthened.

Road construction in Luang Prabang province will continue; access to markets, government services, food production and alternative income activities will be expanded; eradication efforts in Phongsali, Luang Prabang and other poppy-growing provinces will increase.

Drug addiction and abuse levels will be reduced.

Treatment centers will be constructed and staffed; demand reduction education and treatment programs at national- and municipal-level drug counseling centers will increase; drug use rates will decline and drug users receiving treatment will increase.

Counternarcotics law enforcement capabilities and effective interaction between Lao law enforcement agencies and the international community will be strengthened.

Training delivered; and effective utilization of donated equipment by the INL-supported counternarcotics units (CNU), Customs Department and Commission for Drug Control and Supervision will result in increased arrest and seizure rates in target areas; and improved cooperation with U.S. and international narcotics law enforcement agencies as measured by access to investigators, reports, suspects and samples, will become evident.

Program Justification

Despite continued progress toward the goal of becoming opium-free by 2006, Laos remained the world's third largest producer of illicit opium in 2003. According to U.S. estimates, total area under poppy cultivation decreased 20 percent to 18,900 hectares. However, due to improved climatic conditions and consequent higher yield per hectare, potential opium production increased ten percent, to around 200 metric tons. Laos is landlocked and about 80

percent mountainous. 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 least developed countries, with an almost total lack of infrastructure such as roads and rail that isolates rural villages from the market economy and most government services and influence. The few government services available in market centers are rudimentary by any standard. Human resource capacity is severely limited in all fields, including law enforcement. In recent years, the Government of Laos (GOL) has demonstrated a newfound seriousness toward the threat of illegal drugs. Laos has the second highest opium addiction rate in the world and much of the opium poppy grown is consumed in Laos. Previously, the GOL had taken a relatively lax attitude toward opium cultivation and production, as it affected mostly hill-tribe minorities in remote regions. Increasingly sensitive to the stigma of being a global leader in opium production, and deeply concerned by the regional explosion of amphetamine-type stimulants in recent years that affects all segments of Lao society, the GOL declared counternarcotics to be a national priority in 2000. Since then, it has adopted stricter drug control policies, including tough new measures for eliminating opium production, imposing the death penalty for certain drug-related crimes, and organizing a national campaign to address the growing problem of methamphetamine abuse among Lao youth. In 2001 the GOL pledged to eliminate opium production altogether after the 2005 growing season.

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 who can easily exploit the countries' vulnerabilities. Law enforcement capabilities in Laos are both sub-standard and under-funded: more training and better coordination – as well as increased GOL support and international cooperation – are required to be effective against the major trafficking organizations active in Laos. The addict population supports the Lao opium production and increases the difficulties of eradication and crop substitution. There is still little conception in Lao society of the complexity and pathology of drug addiction.

INL development projects are aimed at stemming production and trafficking of illicit opium, providing market-based income alternatives for opium poppy farmers, and raising awareness of and treatment for drug addiction.

The alternative development and crop substitution project will support a wide range of activities aimed at providing former poppy farmers with alternative crops and access to markets to replace income from opium cultivation. The crop substitution areas funded by the U.S. Government consistently show lower levels of opium cultivation.

The law enforcement project will support specialized counternarcotics units with training and equipment. It will also support Lao Customs and the Commission for Drug Control and Supervision. The project has suspended plans to expand to all 18 provinces in Laos in order to concentrate on strengthening the effectiveness of those already in place.

The demand reduction project will support Lao demand reduction and drug abuse education efforts through the United Nations Office of Drugs and Crime (UNODC) and several NGOs in cooperation with the GOL.

Program Accomplishments

The U.S. conducted its own opium yield survey in 2003 and supported UNODC's field-based opium survey, which covered 460 villages and interviewed over 1000 farmers and GOL officials. Widening discrepancies in the results of the two surveys led the U.S. to propose changes in the format of the UN survey, which beginning in 2004 will supplement the interview process with commercially available satellite imagery. The GOL claimed 4000 hectares of opium poppy were eradicated and six districts became "opium-free." While the scale of eradication could not be confirmed, 2003 marks the first time the GOL engaged in a comprehensive, sustained eradication campaign.

A major part of the Phongsaly Province portion of the alternative development project successfully concluded in 2003 with the official completion and handover of the last, seventy-two (72) kilometer segment of road to the GOL. Two clinics were constructed, along with water supplies and schools benefiting hundreds of villagers in this poppy-growing area. The Luang Prabang portion of the project advanced in 2003 with the start of a new phase of road construction and introduction of substitute crops. With U.S. support, new detoxification and drug treatment centers were opened in Vientiane, Udomxai and Champassak.

Also in 2003, U.S.-funded drug detection X-ray machines were installed at the main post office and international airport in Vientiane and had an immediate deterrent effect: DEA sources report that at the main postal facility in Oakland, California, which handles all inbound packages from Laos, there have been almost no drug seizures from parcels originating in Laos in the months immediately following installation.

Results from the INL-supported counternarcotics units (CNUs), now in ten provinces, were modest, and included one significant buy-bust operation in Champassak province, as well as "improved" information and sample sharing with DEA. Counternarcotics police have improved data collection and entry for arrests and other relevant information, and several CNUs have contributed to effective interdiction efforts. Overall, however, results have been less than expected, and plans to expand the project to all 18 provinces are on hold until performance in existing CNUs improves. Opium and heroin seizures increased significantly in 2003, but drug arrests declined. In the first ten months of 2003, CNUs reported 141 cases resulting in the arrests of 273 suspects. Drugs, vehicles, weapons and cash were confiscated in some cases. Despite some improvements, CNU cooperation with U.S. law enforcement remains hampered by restricted access and cumbersome regulations on contacts and training. DEA reports improved cooperation with Lao Customs, which made several significant seizures in 2003 and promptly shared information with U.S. agencies. Almost 400 officials from the CNUs, Customs, and other agencies have received basic officer training and specialized training at ILEA Bangkok.

FY 2005 Program

The FY 2005 program has three major components that build on efforts undertaken in previous years.

Alternative Development/Crop Control: FY 2005 funds will be used to continue the alternative development project begun in FY 2002 in Luang Prabang province, one of the major poppy-growing provinces. Funds will be used to construct roads to provide access to markets and government services; improve food production through provision of agricultural inputs and training; deliver medical and educational programs that target villages in poppy-growing provinces; and maintain advisors in the field to manage and oversee the project. Funds will also be used to develop and market alternative crops and for general community development projects, such as building schools and clinics. This project is expected to last three years, during which time opium poppy production will be reduced in target areas by at least 20 percent per year.

Drug Awareness/Demand Reduction: FY 2005 funds will be used for construction of treatment clinics for drug abusers and support for drug abuse and awareness programs aimed at increasing education and treatment. The treatment center to be constructed in Savannakhet will complement a similar center being built by the Royal Thai Government in a neighboring province. Financial support will be provided to the Demand Reduction Training Center operated by the NGO Consortium. Funds will also be provided to assist the National Center for Demand Reduction in Vientiane and drug counseling centers. This project is expected to continue through at least 2008. Clinics will be constructed and will treat increasing numbers of addicts while reducing the rate of recidivism; drug abuse awareness programs will reduce the number of Lao drug addicts as measured by UN surveys. The new Lao-American Project in Luang Prabang will provide opium detoxification services to 23 target villages on a community-based basis. In addition the project will establish two centers within district hospitals to treat opium addicts who also have other diseases.

Narcotics Law Enforcement: FY 2005 funds will be used to improve Lao counternarcotics law enforcement capabilities and promote effective interaction with law enforcement agencies in the international community. This project will fund training and executive observation trips for GOL counternarcotics law enforcement personnel, and provide equipment and commodities such as radios, motorcycles and x-ray machines for Lao Customs and the GOL narcotics police. Funding for provincial counternarcotics units (CNU's) – including training, equipment and office refurbishing – will be limited to those that have demonstrated good performance. Assistance will also continue to the Lao Customs Department and National Commission for Drug Control and Supervision, which oversees all Government of Laos counternarcotics activities. Depending on results, this project is expected to continue for four years, during which time CNU's will arrest at least one significant drug trafficker annually; CNU's will annually increase the number of cases in which information, leads and samples are shared with DEA.

Program Development and Support (PD&S). PD&S funds will cover the 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.

Laos					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement	50	-	100	-	50
Crop Control/Alternative Development	1,624	-	1,261	-	1,187
Drug Awareness/Demand Reduction	300	-	200	-	150
Program Development and Support					
U.S. Personnel	210	-	206	-	300
Non-U.S. Personnel	23	-	22	-	30
ICASS Costs	87	-	82	-	112
Program Support	206	-	129	-	171
<i>Sub-Total</i>	526	-	439	-	613
<i>Total</i>	2,500	-	2,000	-	2,000

Morocco

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Supp	FY 2004 Estimate	FY 2005 Request
—	—	—	6,000

Program Objectives and Performance Indicators

The Government of Morocco’s control over its borders will be strengthened.

A strategic plan for improving Morocco’s controls its borders developed; training and technical assistance provided; donated border control equipment and new skills and techniques, including risk analysis and targeting systems, used effectively; cooperation and intelligence sharing among law enforcement agencies (police, customs, port, and immigration authorities) improved; accountability measures instituted, corruption reduced, government customs revenue increased; seizures of narcotics and other contraband increased; number of illegal migrants leaving Morocco decreased; processing time for travelers and international shipments reduced; cadre of instructors developed; revised curricula and adult teaching methodologies adopted and replicated throughout the border control agencies at entry and in-service levels.

Public confidence in law enforcement institutions increases.

Concept of community-policing accepted by Moroccan official and community leaders, strategic plan for introducing a community oriented police service developed, roadmap for necessary policy and procedural changes set forth; training and technical assistance delivered; community policing concepts and procedures introduced into police training programs; mechanism for gathering and responding to citizen complaints implemented; incidents of police abuse declined; police response time improved as measured by official records and case reviews.

The Government of Morocco’s capacity to manage civil disorder improved.

Police civil disorder unit demonstrates commitment to preserving human life; order preserved and restored through a process of adequate planning, prompt response, and sound decision making, including the concept of “continuum of force”; vital locations, basic public services, and property adequately protected; criminal violators arrested, using minimum necessary force.

Program Justification

The Government of Morocco (GOM) continues to advance its political and economic reform agenda as it moves towards becoming a market-oriented democracy. During the past year, Morocco held free and fair Parliamentary elections and was negotiating a Free Trade Agreement with the U.S. Morocco also distinguished itself as a solid partner in the fight against global terrorism. U.S. support for Morocco's political and economic transition and its continued development as a moderate, Muslim state is consistent with our National Security Strategy, strikes at the root causes of terrorism, and improves America's image with the Moroccan street and the general public.

Due to its long and poorly controlled borders with Algeria, Mauritania, and the Spanish enclaves, its extensive coastline, and its proximity to Europe, Morocco has significant problems with illegal migration and human smuggling, narcotics production and trafficking, the movement of transnational terrorists through its territory, and commercial smuggling. Hundreds of thousands of illegal migrants from the Near East and Sub-Sahara Africa routinely transit Morocco on their way to Europe. Most are simply seeking a better life, but some harbor criminal and terrorist intentions. Morocco also consistently ranks among the world's largest producers and exporters of cannabis. The value of this illegal trade is estimated at \$1 billion per year. These criminal activities, which are made possible by weak border controls, serve to undermine the rule of law in Morocco, foster public corruption and weaken the Moroccan institutions that assist the U.S. in the war against terrorism.

The 2003 terrorist bombings—carried out by an indigenous group—and the arrests and prosecutions of a number of al-Qa'ida terrorists and their Moroccan accomplices in 2002 are indicative of underlying social tensions throughout the region. These tensions have the potential to overwhelm ill prepared law enforcement institutions whose mismanagement of civil unrest could deepen the chasm between Moroccans and their government, and underscore the need for programs – such as community policing - to improve relations between the government and civil society.

Program Accomplishments

Country-specific funding is requested for the first time FY 2005. To address Morocco's immediate needs following the terrorist bombings in 2003, INL used \$900,000 in FY 2003 funds to begin a program to improve border controls and to initiate a community policing pilot project. Program implementation will begin in 2004.

FY 2005 Program

This is the first year of funding for this program. The FY 2005 program will focus on three areas: border control, police-community relations and civil disorder management.

Border Control: FY 2005 funds will be used to improve Morocco's capacity to control its borders. This program will complement the PISCES computerized immigration system developed by the State Department's Office of Counterterrorism and installed under the Terrorist Interdiction Program funded by the Nonproliferation, Antiterrorism, Demining and Related programs (NADR) account. A resident Program Manager will assist in developing a strategic plan for improving border controls that addresses systemic problems, including

corruption and poor coordination among the law enforcement agencies responsible for border security. Short-term technical advisors will instruct in risk analyses and targeting systems to meet dual objectives of effective law enforcement and international trade facilitation. Additional advisors will work to modernize entry-level and in-service training curricula and teaching methodologies for the border control agencies, and to develop a cadre of instructors that will continue these programs into the future. Funds will also provide for communications equipment, binoculars, metal-detection machines, inspection tools, and computers. Infrastructure upgrades and cargo inspection systems will also be provided. The project goals are to reduce illegal migrants and contraband leaving Morocco, increased seizures of narcotics and other contraband, increased customs revenue and collections, and reduced processing time for international travelers and commercial shipments.

Community Policing: FY 2005 funding will be used to foster institutional changes that improve community-police relations. Funds will be used to assess attitudes and expectations and to identify model communities conducive to development and the implementation of community policing projects. INL funds will be used to sponsor the participation of Moroccan officials and community leaders on study tours of community policing programs in the United States. A resident Program Manager will coordinate community-policing activities, complemented by short-term technical advisors and trainers. The program will include a train-the-trainer component and the introduction of community policing concepts into academy and in-service training programs. Specific activities may include developing citizen complaint hotlines, bike patrols, police athletic leagues, school resource officers, and other activities designed to maximize positive police-community relations, increase the number of investigations of corruption, reduce citizen complaints of abuse, improve police response to disasters and social unrest, and improve police and community response to juvenile delinquency and domestic violence.

Civil Disorder Management: FY 2005 funds will be used to develop the capacity of Moroccan law enforcement authorities to properly manage potentially dangerous demonstrations and civil disorders. Civil Disorder Management training will be provided to approximately one hundred and fifty (150) line, mid-level and senior-level officers through practical exercises, tabletop scenarios, group discussions and field training exercises. Funds will also be used to provide relevant equipment such as shield, helmets, gas masks, batons, gas grenades, chemical agent dispensers, pepper aerosol units, rubber impact projectiles, and communications equipment. The project seeks to reduce the number of incidents of civil disorder and to develop a continuum of force strategy for the Moroccan police that will protect vital locations and essential services and lead to the arrest of criminal violators using the minimum force necessary while respecting civil liberties. This project is expected to last one year, after which time Moroccan trainers will be replicating the training.

Morocco					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Border Control	-	-	-	-	4,000
Community Policing	-	-	-	-	1,500
Civil Disorder management	-	-	-	-	500
<i>Total</i>	-	-	-	-	6,000

Pakistan

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
6,000	25,000	31,500	40,000

Program Objectives and Performance Indicators

The Government of Pakistan's control over the western border with Afghanistan will be strengthened.

Access to previously inaccessible territory increased and security forces' presence expanded through infrastructure development (roads, guard outposts, checkpoints, border crossings) in the border areas; air support facilitates GOP border security agencies' surveillance and interdiction operations in the border areas; increased skill levels, mobility, intelligence sharing and communications improves the GOP's ability to control cross border movements of people and goods.

The Pakistani capability to detect and investigate major criminal and terrorist activity is improved.

Technical assistance, training, and equipment delivered and utilized effectively by GOP law enforcement authorities; modern forensic and fingerprint identification methodologies instituted as part of standard procedure in criminal investigations; institutional police reform program emphasizes executive management skills, improved police training, infrastructure development, strategic planning, and internal controls to prevent corruption, provide model policing projects, and support a national dialogue between law enforcement agencies.

The Government of Pakistan's ability to combat resurgent opium poppy cultivation improves.

Alternative crop program expanded into non-traditional growing areas; poppy growing in non-traditional areas is reduced while crops in accessible areas are eradicated voluntarily or by force; GOP issues statement that opium poppy cultivation will not be tolerated and punishment will be levied on communities that cultivate.

Program Justification

Pakistan is a key ally in the war on terrorism and transnational crime. The GOP has demonstrated a firm commitment to combat these menaces, which threaten Americans and Pakistanis alike, and has taken into custody roughly 550 suspected al-Qa'ida/Taliban members since 9/11.

Pakistan's border with Afghanistan runs approximately 2,500 kilometers through rough mountainous and desert terrain that is hard to access, providing a potential safe haven for drug traffickers, terrorists, and other criminals. Controlling this border has long been a problem for the poorly equipped and trained Pakistani law enforcement agencies. The challenge has never been greater given massive poppy cultivation in Afghanistan, concerns about al-Qa'ida and the Taliban moving into Pakistan to regroup and plan and mount operations (including against U.S. troops), and trafficking of weapons that can be used in these efforts.

Large areas of the Federally Administered Tribal Areas (FATA) along the border with Afghanistan are inaccessible to law enforcement and the outside world, creating space which terrorists, drug traffickers, and other criminals, as well as extremists, can exploit. Road construction programs begun by INL in the FATA in poppy growing areas ten years ago succeeded in facilitating law enforcement access for eradication, but also facilitated legitimate commerce and opened the area for development, government influence, and vital health and education programs. The INL-built roads are accompanied by small infrastructure projects that improve the lives of the people and help gain their support for the entry of law enforcement into these areas. This program now is expanding into the areas along the Afghan border where al-Qa'ida and the Taliban may otherwise find safe haven.

Law enforcement institutions in Pakistan have been neglected for decades, resulting in very weak capacities to investigate even basic crimes like stolen vehicles, much less the far more serious threats posed by terrorists and extremists. GOP capacity to combat terrorism and other serious forms of criminality successfully will require not just an infusion of resources, but also comprehensive reform and improvements to law enforcement institutions country wide. These reforms include better cooperation and coordination among law enforcement organizations, more focus on service to the community, and overall enhancement of technical skills. In October 2002, Pakistan promulgated Police Order 2002, a roadmap for reform. Two boards, the National Police Management Board and the National Police Training Management Board, have been convened to oversee reform efforts and to facilitate coordination and standardization of law enforcement training, policies, and procedures across the country. Pakistan will need outside expert help and resources to fully implement these reforms. In support of this effort, INL assistance will provide leadership and management training at the senior levels in addition to furnishing training in basic and advanced criminal investigation techniques. Emphasis will be placed on promotion of organizational change and the development of high standards of accountability and public awareness. The Federal Investigative Agency (FIA) and National Police Bureau (NPB) are spearheading the nationwide conversion to the international standard 10-print fingerprint card; 80,000 cards have been compiled to date, reaching a quantity that will allow the sharing of information with U.S. law enforcement agencies. The INL program will also provide an

Automated Fingerprint Identification System (AFIS) to make expeditious identifications of suspects and criminals.

In 1990, Pakistan was a major producer of opium poppy. With U.S. help, Pakistan embarked on a 10-year plan to become poppy free. It essentially achieved that goal by 2000 but, due in part to massive cultivation in Afghanistan, saw a resurgence of poppy cultivation and, more disturbingly, an expansion of cultivation into non-traditional areas along the western border in both the FATA and Baluchistan last year; both occurrences were not detected by the GOP's early warning system. It is essential that opium poppy cultivation be eradicated as early as possible, before its economic impact becomes too deeply rooted. Crop control efforts, as well as enhanced poppy monitoring, will decrease narcotics production and trafficking. The GOP is committed to this effort, but does not have the resources to implement anti-poppy efforts. GOP seizures of narcotics, primarily heroin and hashish, remain significant, but undoubtedly represent only a small fraction of what actually is transiting the country. Arrests of traffickers in the forbidding border terrain are difficult, as traffickers generally are far better equipped than police. The provision of vehicles, radios, and surveillance equipment as part of the border security program has begun to mitigate this problem.

Program Accomplishments

The Ministry of Interior Air Wing was established in 2002 using FY 2001 ERF funds. So far, five Huey-II helicopters and three fixed-wing surveillance aircraft have been delivered and become operational. Key training is being completed for aircrews, rendering them capable of conducting day/night/night vision goggle missions. Missions to date include support for counter-terrorism activities. The aircraft also conducted medical evacuations and rescue operations, and facilitated travel to remote border areas where frontier roads and border outposts are under construction.

More than 1,100 vehicles and hundreds of pieces of communications equipment were delivered to the Frontier Corps in Baluchistan and the NWFP and other agencies operating on the border and 14 border outposts were constructed. These resources provided border security and law enforcement personnel better access to rugged areas of the western border and improved coordination and communication among those agencies. Training was provided to 130 officers in basic border officer skills, small unit tactics, and port of entry operations. Indicators have been positive, reflecting a 60 percent increase in operations in 2003 from 2002 for Anti-Narcotics Force (ANF) Baluchistan alone. Based on quantity, nationwide heroin seizures rose 224 percent in 2003 from 2002; opium seizures increased by 125 percent; and hashish seizures grew 6 percent. Sixty-three percent of the total seizures were made by the Frontier Corps and ANF personnel operating in Baluchistan, which cover the major trafficking routes from Afghanistan and which have been primary beneficiaries of INL assistance. The ANF attributes its greater capacity on the border to the Border Security Program. Additional outposts are being constructed to support the placement of Frontier Corps personnel at remote border sites, with 30 border outposts to be completed in FY 2004.

To date, 431 kilometers of roads have been completed in Bajaur, Mohmand, and Khyber agencies with an additional 73 kilometers planned or underway for the Khyber. In addition, construction of the first tranche of 17 new roads along the Afghan border in the FATA will begin in 2004, and negotiations for the second tranche are underway, for a total of 390 kilometers of additional border roads.

Training courses involving personnel from fourteen different agencies have begun to improve skills in basic criminal investigations, small unit tactics, port of entry operations, first response at crime scenes, use of continuum of force, building organizational capacity, instructor development, and executive management. More than 800 participants have received training to date in basic skills that will serve as a foundation for more specialized training that is currently scheduled and designed to yield measurable improvements. Punjab Police College (one of the premier police training institutions in Pakistan) has agreed to add 80 hours of INL basic criminal investigations curriculum to its standard course that trains thousands of police. An additional 150 officers from border agencies will be trained in FY 2004 and 150 officers will receive training in FY 2005, when INL also hopes to initiate joint training with Afghan counterparts. This will further advance the USG interest for fostering confidence-building measure between Pakistan and Afghanistan.

GOP law enforcement agencies began using the international standard 10-print fingerprint card nationwide in 2003, and over 80,000 acceptable 10-print cards were received. A central fingerprint repository, a key requirement for such fingerprint database systems, was established in the Federal Investigative Agency. Requirements for a nationwide AFIS system have been identified and procurement is about to begin. U.S.-trained officers have deployed to assist with fingerprints and other crime scene investigative methods at two major crime scenes: one of an assassination attempt on President Musharraf, another where a prominent member of the National Assembly had been murdered. Discussions began to build national consensus on reform of crime data reporting; the federal agency responsible for spearheading reform has agreed to support a supplementary attachment to the crime report – this same agency has agreed to work on standard operating procedures for operating the AFIS system.

The GOP has promulgated Police Order 2002, a broad framework for reform. Public safety commissions, designed to promote community involvement in policing and police accountability to the public, were established throughout Pakistan, consistent with Police Order 2002. Discussions began with GOP officials on furthering reform efforts, including through strategic planning. The Interior Ministry invited INL to present ideas to a meeting of all the heads of major Pakistani law enforcement organizations. In support of the reform effort, training was provided to 126 police personnel from throughout Pakistan on leadership and management, building organizational capacity, continuum of force, instructor development, and training management. A model police station was established in Islamabad to serve as a testing/proving ground for innovative projects to enhance police effectiveness, accountability, and community relations.

Crop control programs during the 1990s succeeded in reducing opium poppy production to a virtually zero- level by 2000, with ongoing U.S. assistance in facilitating law enforcement

access to poppy growing areas through road construction and crop substitution programs. Although poppy cultivation expanded in 2002 and 2003, the GOP is committed to eliminating it and has taken several positive steps toward that end. In addition, the Anti-Narcotics Force, the Frontier Corps, Customs, the Maritime Security Agency, and Pakistan Coast Guard, with operational and material support from the United States under the Border Security and Law Enforcement Support Programs, seized more than 28 metric tons of heroin and 75 metric tons of hashish in 2003. In 2003, GOP forces, with support from INL destroyed some 4,200 hectares (over 10,000 acres) of opium poppies. Crop substitution programs, begun over a decade ago, have led to a number of alternative economic opportunities. Initial reports suggest there has been a dramatic increase in the number of operations conducted against drug traffickers; for example, the Anti-Narcotics Force in Baluchistan conducted 128 operations in 2003, as compared to 78 in 2002. There have been several prominent prosecutions of major drug traffickers although the appellate process is ongoing.

FY 2005 Program

The FY 2005 program has four major components that build on efforts undertaken in previous years, particularly since 9/11.

Border Security Program: FY 2005 funds will be used to build on the successful implementation of commodity support, training, and technical assistance that was started with FY 2001 ERF Supplemental funding. The Border Security Program supports and expands law enforcement capacity to secure the western frontier against terrorists, narcotics traffickers, and other criminal elements. Beneficiaries include the Ministry of Interior, Anti-Narcotics Force, Frontier Corps – Baluchistan and NWFP, Federal Investigation Agency, Intelligence Bureau, Coast Guard, Maritime Security Agency, Home Departments, and provincial police forces.

Funds will be used to construct border security roads in the Federally Administered Tribal Areas (FATA), a program begun with FY 2002 and FY 2003 Supplemental funds. Resources will also support the construction of additional checkpoints at key roadway intersections to permit efficient monitoring by security officials. These checkpoints will facilitate law enforcement access to remote areas to discourage their use as safe havens.

Funds will be used to provide ongoing maintenance, support, and operating expenses for the USG-established Ministry of Interior Air Wing, which includes three fixed-wing surveillance aircraft and five Huey-II helicopters that are based at Quetta, Baluchistan province. They permit monitoring and interception of terrorists, drug traffickers, and other criminals operating in remote areas. Funds will also extend air mobility for rapid response platoons and other law enforcement personnel into the North West Frontier Province through the establishment of a new forward operating location in Peshawar, which will be outfitted with five helicopters as requested in FY 2004.

Funds will also be used to provide additional vehicles, communications equipment, and long-range optical devices to support civilian border agencies. Training will also be provided for Pakistani forces operating on the western border, including the provision of joint training

courses that bring Afghani border control personnel to Pakistan, enhancing border security cooperation.

Law Enforcement and Judicial Development Program: Funds will be used to enhance law enforcement capacities and to encourage more effective law enforcement cooperation within the Government of Pakistan, and with the United States and other countries.

Funds will be used to provide training, technical assistance, and equipment to expand investigative skills and forensics capacities, build accountability and internal control structures, enhance police training institutions, develop community policing programs, and improve managerial and leadership expertise. Funds will expand implementation of the Automated Fingerprint Identification System (AFIS) and develop criminal information databases that link federal and provincial law enforcement agencies and improve investigative skills and cooperation.

Funds will also be used to provide training, vehicles, fuel, repairs, office equipment, communications devices, supplies, and other operational support for law enforcement and border security agencies to enhance their capabilities and performance. They will provide support for opium poppy monitoring and eradication efforts.

Counternarcotics Program: These funds will be used for programs to eliminate opium production, which has expanded recently to non-traditional areas. Funding will be used to support crop control operations in areas of new or expanded opium poppy cultivation, support the cultivation of alternative crops, and finance demand reduction efforts through public awareness campaigns.

Program Development and Support (PD&S): These funds will be used to pay 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.

Pakistan					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Border Security Program					
Khyber/Mohmand/Bajaur FATA Road Projects	-	10,000	-	-	8,000
Helicopter & Fixed Wing Operational Support	3,668	5,000	9,000	-	10,255
Peshawar Forward Operating Base	-	-	14,500	-	6,500
Infrastructure/Commodities	-	5,000		-	4,300
Training/Training Materials	-	-	-	-	1,000
	-	1,000	-	-	-
Sub Total	3,668	21,000	23,500	-	30,055
Law Enforcement/Judicial System					
Support to the Law Enforcement Agencies	1,492	-	1,500	-	1,000
National Criminal Data	-	-	-	-	2,000
Base/AFIS Law Enforcement Reform	-	4,000	5,619	-	4,000
Sub Total	1,492	4,000	7,119	-	7,000
Counternarcotics Program	100	-	-	-	1,700
Program Development and Support					
U.S. Personnel	222	-	268	-	380
Non-U.S. Personnel	81	-	98	-	140
ICASS Costs	163	-	154	-	215
Program Support	274	-	360	-	510
Sub-Total	740	-	881	-	1,245
Total	6,000	25,000	31,500	-	40,000

Philippines

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
—	—	2,000	2,000

Program Objectives and Performance Indicators

The Government of the Republic of the Philippines (GRP) will develop an effective civilian police force in the Autonomous Region in Muslim Mindanao and elsewhere in the Philippines.

The program will continue to support a series of basic and advanced training activities, integrating police and prosecutors where possible, and later replicated by Philippine trainers. The Philippines Drug Enforcement Agency will be provided with organizational support and training that will enable it to undertake its mandate effectively.

The criminal justice institutions, including law enforcement, judicial, and prosecutorial bodies, will be developed and modernized.

A Resident Legal Advisor will provide technical assistance on reforming the Philippine law and criminal justice system to successfully prosecute transnational organized crime; a functioning forensic document laboratory and forensic document historical library to track terrorists, combat alien smuggling and prevent document fraud will be established and equipped; efforts to implement an effective national automated fingerprint identification system and criminal database will continue; and there will be continued improvement in police-prosecutorial working relationships leading to increases in successful prosecutions.

Program Justification

The Philippines lies at the crossroads of the global wars on terror and drugs. The successful U.S. – Philippine joint military effort against Islamic militants and terrorists from the Abu Sayyaf Group (ASG) in 2002 demonstrated the effectiveness of the Philippine military, but exposed a serious gap between the military and civilian law enforcement community, which has been manifestly ineffective in combating most forms of crime, including transnational organized crime networks based in the Philippines. This gap threatens national security by

leaving the Philippines vulnerable to domestic criminals, international narcotraffickers, and terrorist organizations.

A strategic ally and one of the region's strongest supporters of the Global War on Terror, the Philippines has reached out to the U.S. for assistance with building capacity on the civilian side as well. Having vowed in 2002 to build a strong republic by enhancing peace and order, and citing the drug menace as "public enemy No. 1," President Gloria Macapagal-Arroyo (GMA) signed a comprehensive anti-drug law and established a new counternarcotics organization modeled after the U.S. Drug Enforcement Administration. During reciprocal State Visits in 2003, both President Bush and President Arroyo reiterated their mutual commitment to strengthening law enforcement cooperation. The GRP's capabilities do not match its commitment, however. Enhancing the capacities of the law enforcement and criminal justice systems remains a top GRP priority and is central to the U.S. strengthening mutual security.

Systemic problems in the criminal justice system, including inadequate funding, that hamper the GRP's ability to combat terrorism and other transnational crime are especially acute in the Autonomous Region in Muslim Mindanao (ARMM), but to a great extent apply throughout the Philippines. In the ARMM, a lack of resources and professionalism, ineffectiveness, corruption, and widespread behavior inconsistent with the rule of law plague both the police and the rest of the criminal justice system - the courts, prosecutors, and penal personnel. The result is a criminal justice system with minimal political legitimacy that paves the way for the excesses of local political strongmen, former separatists turned bandits, traditional warlords, and militias. This, in turn, provides fertile ground for ASG and other Islamic terrorists to operate and expand their influence.

Problems in the broader Philippine criminal justice system that provide fertile ground for transnational criminal activity and terrorism need to be addressed by a long-term, comprehensive program of training and technical assistance in areas such as drafting laws, rules and regulations concerning criminal law and procedure; developing sustainable training programs; facilitating interagency and police-prosecutor cooperation; devising judicial administration and case management systems; and developing task force capability.

Program Accomplishments

Following an INL-led interagency assessment of the Philippine criminal justice system in FY 2003, this program began with the arrival of a senior U.S. police-training advisor (SPTA) in Manila in September 2003. By December 2003, the SPTA had set up offices in Philippine National Police (PNP) headquarters, and organized and conducted several training courses for over 100 police officials, majorities of whom come from the ARMM. Participants included Philippine police training instructors, who will lead future training courses to ensure sustainability and thorough penetration of course principles throughout the PNP.

In 2003, INL assistance funded an FBI assessment of the Philippine fingerprint collection and processing system, as part of its worldwide effort to develop an international database of known and suspected terrorists. The FBI team evaluated the process of record keeping, fingerprint card processing, classification sequencing, search and quality controls, storage

capacity, latent labs and evidence collection. The FBI team returned to the U.S. with fingerprint records of 160 ASG members to add to its global database. ASG is on the State Department list of Foreign Terrorist Groups, and is based in the southern Philippines. The team also determined that the Philippines is an excellent candidate for implementing an Automated Fingerprint Identification System (AFIS). This system will be compatible with the FBI's International AFIS system and conform to U.S. technological standards, ensuring interoperability and real-time access by U.S. law enforcement personnel.

FY 2005 Program

The FY 2005 program is primarily an expansion and continuation of the law enforcement and judicial institutional development program begun in FY 2004. The two major components to the FY 2005 program are Law Enforcement Support and Administration of Justice. New initiatives include assignment of a Department of Justice Resident Legal Advisor (RLA), and funding for the AFIS project and forensic document facilities. The combination of hands-on skills enhancement training combined with targeted efforts to strengthen institutional capacity and introduce fundamental organizational change will result in measurable and sustainable improvements in the law enforcement and criminal justice sectors.

Law Enforcement Support: FY 2005 funds will provide a series of basic and advanced training activities, integrating police and prosecutors where possible, (investigative techniques, police management, community relations), technical assistance and limited commodities (communications equipment, motorcycles, protective gear), and infrastructure upgrades (police offices and boxes, training facilities) to build effective civilian law enforcement capacity, starting with the ARMM and extending elsewhere. An important element will be a train-the-trainers component enabling the Philippine National Police (PNP) to deliver training where and when needed. FY 2005 resources will also be used to upgrade the skills of new PNP and Philippines Drug Enforcement Agency (PDEA) officers, provide mid-level management development training, provide equipment and supplies, and promote respect for the rule of law. Support will also be provided to non-governmental organizations that have ongoing programs to strengthen the rule of law in the ARMM and elsewhere. This project is expected to last five years, after which time Philippine trainers will be replicating the training. During this period, one or more significant criminals organizations annually will be substantially disrupted by arrests, prosecutions, seizures of drugs or assets, or related measures by GRP authorities.

Administration of Justice: FY 2005 funding will support a Department of Justice Resident Legal Advisor (RLA), who will provide legislative drafting assistance, and design and implement efforts to improve police-prosecutor cooperation, establish and support corruption-fighting institutions, and direct a program to begin improvements in judicial administration and criminal case management. Legislative, technical, and advisory support will be provided to government efforts to make the newly established PDEA an effective drug enforcement agency. Technical and material support will also be provided to build forensic document laboratory and forensic document historical library in the Bureau of Immigration, to enhance GRP capabilities to track terrorists, combat alien smuggling and prevent document fraud. The planned life of this project is four years, after which the most significant necessary new substantive and procedural criminal law reforms will have been

approved; prosecutors and other responsible officials will be trained in their use, resulting in increased rates of arrests and convictions; and forensic document facilities will be established and effectively utilized, resulting in increased arrests of illegal immigrants and suspected terrorists.

FY 2005 funds will implement the first phase of an Automated Fingerprint Identification System (AFIS) compatible with the FBI's global database. The system will conform to U.S. technological standards, ensuring interoperability and real-time access by U.S. law enforcement personnel. The project will include limited provision of commodities, including fingerprint booking stations, fingerprint kits, digital cameras, a scanner for conversion to FBI-standard cards, and training materials. It will also include provision of "Terror Watch" identification systems – combining a "cross-match" live-scan device and a digital scanner with proprietary software developed by Lockheed-Martin that allows conversion of several different fingerprint card formats into a digital format record capable of being automatically searched by the FBI. Training will consist of two cycles of six weeks each. Each cycle will provide basic training and equipment for the NBI and the Philippines National Police (PNP), as well as expert technical assistance in instituting procedures and practices to FBI standards. All training will include train-the-trainer segments to ensure sustainability. This project will last three years. During this period, the AFIS system will be implemented and 10 million fingerprint records will be transferred initially, with 2.5 million per year subsequently. These records should lead to arrests of several international terrorist suspects.

Program Development and Support (PD&S): These funds will be used to pay salaries, benefits, and allowances of 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.

Philippines					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Law Enforcement Support	-	-	1,127	-	600
Administration of Justice	-	-	800	-	1,300
Program Development and Support					
U.S. Personnel	-	-	-	-	-
Non-U.S. Personnel	-	-	55	-	75
ICASS Costs	-	-	15	-	20
Program Support	-	-	4	-	5
<i>Sub-Total</i>	-	-	73	-	100
<i>Total</i>	-	-	2,000	-	2,000

Thailand

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
3,700	—	2,000	2,000

Program Objectives and Performance Indicators

The criminal justice system will be strengthened and reformed, thereby improving the capacity for investigating and prosecuting transnational and organized crime (including drug trafficking, terrorism, money laundering and other crime) emanating from Thailand that threatens U.S. interests.

New or amended criminal laws passed; delivery and implementation of key training segments; new prosecutorial and investigative techniques implemented and utilized will produce an increased number of cases successfully prosecuted.

Institutions for promoting public ethics and internal oversight will be established to enable government institutions to investigate and prosecute public corruption cases.

A comprehensive regime of laws, procedures and practices to prevent, or identify and punish, public corruption, and to promote integrity among public officials, particularly those who maintain the rule of law and enforce criminal laws, are developed and implemented.

Royal Thai Government (RTG) capabilities to investigate and prosecute major drug traffickers and their organizations will be improved.

Technical assistance, training, and equipment delivered and effectively utilized by law enforcement agencies will result in one or more significant drug trafficking organizations being substantially disrupted by arrests, prosecutions, seizures of drugs or assets, or related measures.

Opium poppy cultivation will be reduced through eradication and small-scale alternative development projects; drug addiction will be reduced and public drug awareness campaigns will be expanded.

There will be a reduced area under poppy cultivation, lower potential production of heroin, and an increased number of farmers provided with viable economic alternatives. RTG and NGO drug abuse prevention and treatment training programs,

community outreach, and epidemiological and prevention studies will increase the effectiveness of drug awareness and demand reduction efforts.

Program Justification

Thailand is at the center of a wide variety of transnational crime, including trafficking in narcotics, weapons and persons, and money laundering by terrorist and other criminal organizations. Thailand has achieved significant success in its comprehensive, long-term strategy against illegal drug abuse, trafficking and production. However, its criminal laws, criminal justice institutions, and regulatory and investigative capabilities are inadequate to respond effectively to transnational and organized crime in the 21st century, and the corrosive problem of public corruption further seriously impairs those institutions.

Thailand has the world's highest per capita rate of methamphetamine abuse. The Royal Thai Government (RTG) recognizes illegal drugs as the nation's major national security problem. The sharp increase in local use of amphetamine-type stimulants (ATS) poses serious public health and social problems, and requires modification and expansion of demand reduction programs that were originally tailored for heroin abuse. A national campaign in 2003 to suppress the drug trade had some success, but was also criticized for human rights abuses, and its long-term impact remains unclear. Thailand is a leader in programs for prevention and treatment of drug abuse. Its effort to reduce and eliminate opium poppy cultivation and heroin production is one of the most successful in the world. U.S. drug control assistance to Thailand dates to the 1970's, but recognizing success against opium production and evolving patterns of international drug smuggling, it is now expected that most U.S. drug control assistance will be terminated by 2006.

Thailand's criminal justice sector is inadequate to deter or effectively prosecute traffickers in drugs, people and weapons, or dismantle criminal organizations whose activities adversely affect regional security and other U.S. interests.

The RTG is making a systematic effort to review its criminal justice system, and to develop and implement new or modified substantive and procedural criminal laws, procedures and practices that respond appropriately to organized and transnational crime, and implement obligations of the 1988 UN Convention Against Illicit Drug Trafficking, the 2000 Convention Against Transnational Organized Crime (TOC), and the 2003 Convention Against Corruption.

Thailand has actively sought and employed U.S. technical and professional advice, consultation and assistance in these efforts. An internationally recognized Anti-Money Laundering Act became effective in 1999, and the RTG is working to improve its capabilities to prevent or detect and combat terrorist financial activities. INL-funded Resident Legal and Financial Crime Advisors play key roles in providing the RTG the expertise to address these issues through a comprehensive legal and regulatory framework. RTG efforts to fight public corruption – identified by the U.S. Department of Justice as the major impediment to effective criminal justice operations – enjoy widespread popular support, but measures to prevent, detect and punish corruption remain inadequate. Increasing U.S. crime control

assistance since 2000 has been complemented by a variety of special projects in fields such as Trafficking in Persons.

Thailand is a leader in international cooperation against drugs and transnational crime. It has agreements for cooperation with the U.S., most of its neighbors and many others, and takes a positive role in regional and multilateral drug and crime control organizations. Under a bilateral agreement concluded in 1998, the RTG and USG jointly operate the International Law Enforcement Academy (ILEA) in Bangkok, which has provided training to over 3000 law enforcement officials from Southeast Asia and China.

As traditional forms of U.S. counternarcotics assistance are reduced and phased out, “value-added” assistance in crime control, corruption and other areas will continue to be crucial elements in Thailand’s efforts to reform and modernize criminal justice institutions, enabling it to address serious issues of 21st-century transnational organized crime.

Program Accomplishments

INL-funded technical advice and assistance programs support a wide range of activities and resulted in tangible accomplishments. For the fifth consecutive year, the U.S. estimate that the opium poppy crop in 2003 remained below 1,000 hectares. Thailand’s evolution from a major source country for opium to a net importer of heroin constitutes a significant strategic success.

At U.S. urging and with U.S. assistance, Thailand is in the process of amending virtually all of its basic narcotics and all other substantive and procedural criminal laws. During 2003, Thailand employed new legal authorities authorizing use of wiretap evidence in drug investigations and allowing reduction of sentences for convicted drug offenders who cooperate with prosecutors. Parliament continued to consider a more general law on plea-bargaining in criminal cases, controlled deliveries, establishment of a witness protection program and other improvements in substantive and procedural criminal law. Thailand signed the UN Convention Against Corruption, and the Thai Criminal Law Institute expanded its ongoing review of criminal laws to include that Convention. The RTG implemented new anti-terrorism decrees that improve authorities’ ability to monitor, investigate and freeze terrorist-related financial assets. And the RTG passed legislation defining the authorities and organization of the Special Investigation Department in the Ministry of Justice, to investigate non-narcotics related transnational organized crime.

Law enforcement investigations using INL assistance have led to significant arrests, seizures, and prosecutions of Thai and non-Thai traffickers. Enhanced law enforcement measures to suppress illicit drug trafficking and retail sales, particularly during February-April 2003, led to arrests of more than 90,000 suspects and seizure of over 40 million methamphetamine pills. However, in response to reports of police involvement in unexplained killings of suspected drug suspects during the government’s February-April anti-drug campaign, INL suspended most forms of counternarcotics assistance to the Thai Provincial Police. That suspension remains in place pending a full and transparent investigation the killings, including prosecution of anyone found responsible for extra-judicial killings. (No FY 2005 funds will be provided to Provincial Police absent such investigations and prosecutions;

reduced levels of drug law enforcement funding will support counternarcotics efforts by other Thai agencies). Efforts to target influential patrons of leading criminal figures and their organizations netted 1,257 arrests of public officials for drug offenses or drug-related corruption. The Supreme Court's special political corruption chamber convicted a politically prominent former official of accepting bribes while he was Minister of Health in the late 1990's – the first time a former minister has been convicted on corruption charges. During 2003, the ILEA curriculum included drug and other law enforcement training, with many courses now addressing law enforcement measures relating to terrorism. On June 29, the U.S. Ambassador and the Foreign Minister of Thailand jointly presided at a groundbreaking ceremony for the permanent ILEA instructional/office building on land made available by the Thai government. Completion of the new facility is estimated in April 2004.

Thailand continues to play a leading regional role in counternarcotics and fighting other transnational threats. The RTG has cooperated with China, Burma, and others on significant drug investigations, resulting in numerous seizures of significant quantities of heroin and methamphetamine tablets. Thailand participated in the first regional conference on the suppression of precursor chemicals in 2003. Thailand has encouraged China and India to take stronger action to prevent the diversion of precursor chemicals used to manufacture methamphetamine. Thailand increased counternarcotics cooperation with Burma, and continued its pilot alternative development projects in Burma, based on Thailand's successful experience. Thailand also plays a leading role in the UN-sponsored ACCORD plan of action designed to promote regional cooperation on drug and crime control efforts. Thailand also funded regional drug law enforcement training courses in 2003.

The enhanced campaign against drug trafficking and sale during 2003 was accompanied by an intensified RTG effort to disseminate public awareness and prevention messages, and to expand substance abuse treatment availability to addicts or abusers who need it.

FY 2005 Program

The FY 2005 program is divided in three general categories. Three projects, all new since 2001, make up the *crime control and criminal justice assistance* program. Four projects make up the *drug control assistance* program that began in the 1970's and will be substantially completed by 2006. The "*Measures against corruption* project," begun in 2003, addresses an issue underlying all INL efforts in Thailand. All projects build on longstanding counternarcotics cooperation projects while emphasizing institutional development and reform. All projects are thoroughly coordinated with relevant RTG agencies and the Mission's Law Enforcement Working Group.

Crime Control and Criminal Justice Assistance: Criminal Justice Sector Development: FY 2005 funds for this project will provide technical assistance, training and related support primarily to the Thailand Criminal Law Institute (TCLI) and to other RTG institutions involved with developing and implementing new or amended substantive and procedural criminal laws, as well as prosecutorial and investigative techniques to improve the effectiveness of prosecution of drug trafficking, money laundering, trafficking in persons, intellectual property crime, environmental crime, public corruption and all forms of serious transnational and organized crime. A Resident Legal Adviser advises the TCLI and other

Thai authorities on draft criminal laws, procedures and practices, coordinates technical assistance and training to implement this project, and coordinates this project with other INCLE criminal justice sector and anticorruption activities in Thailand. It is anticipated that the RLA will be required at least through 2006. The planned life of this project is four years, after which the most significant necessary new substantive and procedural criminal law reforms will have been approved by the parliament, prosecutors and other responsible officials will be trained in their use, and the TCLI will be prepared to continue initial entry and in-service professional development training thereafter.

Measures Against Money Laundering. This project provides technical assistance, training and related support primarily to the AMLO, and to other RTG institutions involved with regulatory or law enforcement measures to prevent, or to identify, investigate and prosecute, money laundering, including tracing, freezing, seizure and forfeiture of assets that are the instrumentalities or proceeds of major crime. A major element of this project is to assist AMLO to develop and implement an effective internal system for the management, custody, documentation and disposition of seized assets. The planned life of this project is three years, by the end of which Thailand's regime of regulatory and investigative measures to prevent or respond to money laundering will have been evaluated as effective by the standards of the FATF.

Special Investigation Department: In November 2003, the Thai parliament approved a law defining the authorities and organization of a new Special Investigation Department (SID in the Ministry of Justice. The SID is responsible for the criminal offense of money laundering (as distinct from civil seizure and forfeiture of assets by AMLO), and for most existing predicate offenses under the money laundering act, including terrorism. This new project provides training, technical assistance, expert advisory assistance, limited commodities and related support to assist the SID with initial internal organization, including initial entry and in-service training and professional development activities, and development and implementation of operating procedures and practices. A financial crime investigation adviser assigned and funded by the Treasury Department coordinates and complements this project. The following outputs are expected to be in place at the end of this five-year project: (i) all essential SID operating procedures developed and documented; (ii) SID will be able to provide initial entry and in-service training to SID personnel without external support; and, (iii) information provided by SID staff will form the basis for successful prosecution of the most significant forms of transnational and organized crime.

Drug Control Assistance

Drug Law Enforcement: FY 2005 funds for this project will provide technical assistance, training, equipment and operational support to RTG institutions responsible for enforcement of laws against the production, smuggling, trafficking and sale of illicit drugs. It includes support for the RTG Special Investigative Units (SIUs), which cooperate directly with DEA and are funded by monies transferred to State/INL by DEA. With the possible exception of SIU support, it is anticipated that this project will receive diminishing resources and be phased out by 2006. During this period, one or more significant drug trafficking

organizations annually will be substantially disrupted by arrests, prosecutions, seizures of drugs or assets, or related measures by RTG authorities.

Alternative Development/Crop Control: Crop control funding will provide resources to RTG agencies that implement the annual opium poppy crop reconnaissance and eradication programs, and limited assistance to agencies that promote adoption by rural populations of legal means of livelihood as alternatives to poppy. This project will provide diminishing resources to phase out this effort over the next two years. During this period, opium production will be reduced each year, and increasing numbers of former opium farmers will be provided alternative livelihood options.

Drug Awareness/Demand Reduction: FY 2005 funding will provide resources to RTG agencies and NGO's to support drug abuse prevention and treatment programs, community outreach activities, and epidemiological and drug abuse prevention and treatment studies and research. Given the continued extent and severity of Thailand's domestic methamphetamine abuse problem, some elements of this project may continue beyond the phase-out of other drug control assistance expected by 2006. During this period, community-based treatment programs for methamphetamine users developed from the Matrix model programs in the U.S. will be deployed and participants will display acceptably low levels of relapse to drug abuse; a Narcotics Control Technology Center (modeled on the U.S. Addiction Technology Transfer Center network) will provide support to Thai treatment programs; studies and surveys will reflect stabilization or reduction of active substance abuse in Thailand.

Regional Narcotics Control: FY 2005 funds will fund conferences and training in Thailand and elsewhere in the region in support of Thailand's increasing regional leadership role in counternarcotics and crime issues. Primary emphasis will shift from narcotics to all forms of transnational organized crime, and support for this project will continue at reduced levels until 2008 and beyond. During this period, there will be a demonstrable increase in the number of investigations and prosecutions of drug trafficking or other major crimes that have involved significant specific cooperation by authorities of one or more other countries in the region.

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

Thailand					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Crime Control and Criminal Justice					
Criminal Justice Sector Development	400	-	125	-	350
Measures Against Money Laundering	100	-	50	-	150
Special Investigation Department					150
Sub Total	500	-	175	-	650
Drug Control Assistance					
Drug Law Enforcement	1,378	-	705	-	273
Crop Control/Alternative Development	735	-	353	-	150
Regional Narcotics Control	158	-	59	-	50
Drug Awareness/Demand Reduction	368	-	176	-	100
Sub Total	2,639	-	1,293	-	573
Measures Against Corruption					
Program Development and Support					100
U.S. Personnel	250	-	237	-	275
Non-U.S. Personnel	69	-	66	-	90
ICASS Costs	138	-	131	-	178
Program Support	104	-	98	-	134
Sub-Total	561	-	532	-	677
Total	3,700	-	2,000	-	2,000

Asia/Middle East Regional

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
4,500	—	1,000	1,000

Program Objectives and Performance Indicators

In Burma, the cultivation and production of opium poppy will be reduced.

Increased number of hectares withdrawn from opium poppy cultivation; economic well being of villages participating in the project improves.

In Sri Lanka, anti-narcotics law enforcement capacity to stem the transit of illegal drugs will be strengthened.

Written, standardized directives adopted by the Police Narcotics Bureau (PNB); accountability measures that address the requirements of a law enforcement agency adopted; cooperation among law enforcement agencies (police, customs, immigration, prosecutors) improved; cadre of instructors developed; revised curricula and adult teaching methodologies adopted and replicated throughout the PNB at the entry and in-service levels.

Program Justification

In many parts of Asia and the Middle East, the transnational nature of narcotics trafficking and crime threatens regional stability by undermining democratic institutions, fostering conditions that support organized criminal and terrorist networks, corrupting governments, and subverting the rule of law. Drug trafficking continues to proliferate throughout South and East Asia, involving traffickers from the region and as far away as Africa and Europe. Successful local criminal groups rely on open borders, poorly trained law enforcement, and corrupt officials to build regional and transnational criminal networks. Trafficking networks that exploit weak law enforcement and criminal justice environments can also be used by terrorist organizations for financial and logistical support. The economic, social, and political impact of drug trafficking and the more recent explosion of amphetamine-type stimulants (ATS) have led governments throughout the region to declare the threat posed by illicit drugs their primary national security concern.

Asia/Middle East Regional funds are a critical source of support for counternarcotics and law-enforcement programs designed to assist countries in combating illicit narcotics in a

number of ways. The funds support alternative-development projects to reduce opium poppy cultivation, police training, and legal reform. They support bilateral and regional initiatives, both critical to effective narcotics control. Often, availability and use of these funds are the crucial difference between a country's ability to confront drug-related problems or be overwhelmed by them.

Program Accomplishments

In previous years, a range of counternarcotics programs throughout Asia and the Middle East has been funded to help law enforcement institutions cope with narcotics production, narcotics trafficking, and related criminal activities. Greatly reduced funding over the past three fiscal years has limited the number of countries that benefit from these programs. In Burma, Project Old Soldier, a cooperative effort between World War II veterans who served in the Burma theatre and Burmese living in the villages they served in, is working to provide alternatives to the cultivation of opium poppy in the Kachin area of the Shan State. The project began in five villages in 1997 and involved approximately 100 villagers. It has now expanded to 92 villages and has more than 2,400 participants. It receives strong support from the participants for providing economically viable alternatives to opium poppy cultivation. An independent monitor has confirmed that the project is effective and hampered only by a lack of funding. None of the funding has benefited the government of Burma.

In Thailand, support to the Anti-Money Laundering Office has funded a Regional Financial Advisor, training, and limited commodity assistance. The Financial Advisor has organized seminars on preventing, investigating, and prosecuting money laundering and other illicit financial activities and played a key role in organizing and shaping the agenda for the second Pacific Rim Money Laundering Conference in Bangkok in 2003. The Royal Thai Government (RTG) Police Money Laundering Unit has conducted numerous investigations and seized millions of dollars of assets, including those of public officials suspected of involvement in money laundering crimes. For example, a former minister of health was arrested on corruption charges stemming from his government service, and millions in assets were seized. Funding was also provided to assist the RTG in reforming its criminal code to better facilitate the investigation and prosecution of transnational criminals. Subjects addressed include wiretaps and use of electronic evidence, plea-bargaining and witness protection, and comparisons of inquisitorial and accusatorial systems of criminal justice. In India, INL commodities and training assistance has contributed to substantial progress in the areas of narcotics interdiction, reduction of illicit opium poppy production, precursor chemical control, and domestic demand reduction. For example, the GOI reported that the Central Bureau of Narcotics (CBN) destroyed 519 hectares of illicit cultivation in March 2002 with a potential yield of 6,468 kilograms. The Indian Narcotics Control Bureau has cooperated with the U.S. Drug Enforcement Administration, the Indian Chemical Manufacturing Association, and the United Nations Office of Drugs and Crime (UNODC) to tighten controls on precursor chemicals. India participated in the first regional conference on the control of precursor chemicals in 2003. The Joint Licit Opium Poppy Survey has been expanded and extended, with American experts advising the Government of India in methodologies for measuring and preventing diversion of licit opium produced for the pharmaceutical industry to the illicit market.

In Nepal, INL has sponsored drug enforcement and policy integrity training as well as demand reduction programs. A police professionalism project and a judicial capacity building project will be undertaken in 2004.

In Sri Lanka, funds have been used to conduct an assessment of the Police Narcotics Bureau (PNB) leading to the implementation beginning in 2004 of a multi-year project to rebuild civilian police skills, beginning with the PNB, after the 20-year conflict with the Liberation Tigers of Tamil Eelam. In China, a Resident Legal Advisor (RLA) works to advance reforms in criminal law and the professionalization of the criminal justice system. The RLA works with a variety of criminal justice and law enforcement officials to address China's needs and meet larger U.S. policy objectives of enhancing respect for the rule of law and protections for human and civil rights. In 2003 the RLA participated in numerous meetings and conferences with Chinese legal reformers in Beijing and in several provinces, including a major seminar on the role of the criminal defense attorney attended by over 300 Chinese legislators, attorneys, judges, and academics. The RLA contributed to the debate within China on several areas of legal reform, including the important issue of reeducation through labor. Because of the presence of the RLA, the U.S. was asked for the first time to provide information that may be incorporated into legal reform legislation being prepared by the Supreme People's Procuratorate.

Asia/Middle East Regional funds have been used to provide seed funding to ACCORD (ASEAN and China Cooperative Operations in Response to Dangerous Drugs), a major regional initiative aimed at joint actions in key areas: demand reduction, strengthening the rule of law, enhancing law enforcement, and ridding the region of all forms of illicit narcotics by 2015. The participating states have met and developed a regional action plan and mechanism to coordinate information. Task forces have been created for civic awareness, demand reduction, law enforcement cooperation, and alternative development, and a business plan has been approved. The Regional Cooperative Mechanism for executing the ACCORD Plan of Action was approved and staffed. In 2003 an ACCORD newsletter debuted, providing information on the activities of the various task forces.

FY 2005 Program

Alternative Development/Crop Control-Burma: INL will continue support to Project Old Soldier, the highly effective crop-substitution program in Burma. Funds will be used to provide opium farmers training in methods of alternative farming, as well as tools and inputs to grow a variety of alternative crops that supplement their daily diets and incomes. U.S. experts from Texas A&M University and elsewhere, and a small local staff including an agronomist familiar with local conditions, will provide agricultural advice and expertise to this project.

Narcotics Law Enforcement-Sri Lanka: Funds will be used for an in-country Program Manager for the Police Narcotics Bureau, who will coordinate the delivery of specialized courses in criminal investigation (for example: basic and advanced narcotics, crime scene investigations, surveillance techniques, street level narcotics interdiction); prosecution training (with the Sri Lankan Attorney General's office); and management (case

management, personnel management, etc.). Courses will be provided on a train-the-trainer basis with training materials (lesson plans, overheads, etc., translated into Sinhalese and Tamil) provided so Sri Lankan personnel can replicate the training. The Program Manager will also provide technical assistance to develop written policies for the organization, including measures to ensure professional responsibility. The Program Manager will oversee delivery of a prioritized list of commodities (computers, etc.) to support the changes being made in investigative techniques, management and policy. Finally, the Program Manager will work to improve coordination among Sri Lankan law enforcement agencies.

Program Development and Support-India: These funds will be used to cover 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 in the Narcotics Affairs Section in New Delhi.

Asia/Middle East Regional					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Narcotics Law Enforcement	1,559	-	250	-	250
Alternative Development/Crop Control	260	-	214	-	250
Administration of Justice	2,126	-	-	-	-
Program Development and Support	555	-	536	-	500
<i>Total</i>	4,500	-	1,000	-	1,000

Regional and Global Programs

Interregional Aviation Support

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
65,000	—	70,000	70,000

Program Objectives and Performance Indicators

The INL aviation program supports counternarcotics programs in Colombia, Peru, Bolivia and Pakistan.

Colombia:

With INL support, the Government of Colombia (GOC) will continue to conduct an aggressive aerial eradication program under the “Andean Counterdrug Initiative” to reduce coca and opium poppy cultivation to minimum levels. U.S. Government 2003 coca cultivation indicated a second consecutive year of net reduction by 21%. On poppy cultivation, the 2003 cultivation indicates another consecutive year net reduction by 10%.

FY 2004 current target amounts are 130,000 hectares of coca and 5,000 hectares of poppy. INL currently expects to aim for similar targets in FY 2005, depending on crop estimates.

USG funded COLAR helicopter program will provide dedicated security to spray eradication operations, conduct operations to disrupt narco-terrorist leadership, and support operations dismantling narco-terrorist infrastructure and ability to attack the Colombian state. We will continue to progress towards self-sufficiency training more Colombian Army aviation by producing more Colombian Army pilots and mechanics and help the GOC establish a centralized helicopter maintenance center.

With INL-provided air transportation support to move people and materials, the Governments of Peru and Bolivia will continue expansion of manual eradication efforts in the outlying areas of their respective countries.

In Bolivia, coca cultivation will be contained at or below FY 20 2004 levels and new plantings will be prevented in the Chapare region through forced eradication. The C-130s and UH-1H helicopters will continue to be an integral component of forced eradication as well as interdiction operations. Illegal coca in the Yungas region will be controlled primarily by voluntary reduction initiatives while also working with Peruvian authorities that will focus on stopping the diversion of coca to illegal cocaine processing

through enhanced controls of the legal market. Modernization of the UH-1H to Huey-II's is planned for FY 2005 by cutting funds from other key Bolivian CN program areas.

In Peru, coca cultivation will be reduced through forced eradication by an additional 8,000 hectares in CY 2005. In all three countries (and on occasion in others if requested), INL will continue support missions to transport host government law enforcement or counternarcotics military personnel by air for the purpose of destroying cocaine and heroin processing laboratories and interdicting drug trafficking using current assets. Aerial reconnaissance missions will be conducted to locate drug crops and production facilities and verify eradication program results.

Operations, training, and logistical support provided to the Pakistan border security aviation program will result in more surveillance and interdiction missions.

Border security reconnaissance and interdiction operations in Pakistan will be effective against trafficking of narcotics and weapons, illegal border crossings, and terrorism. Building on the success of the joint training in early 2004, as the aviation portion of the Border Security program matures INL will have increasingly effective operations interdicting the flow of arms, narcotics, and terrorists into Pakistan. INL will see a significant increase in GOP control of the border in Baluchistan. With the maturing of this aviation element, and increased capability to conduct both interdiction and logistical support missions in support of Frontier Corps border posts; the GOP will have the ability to enforce the rule of law in this remote area.

Border security INL support for institution building of cooperating host government counternarcotics aviation programs in Bolivia, Colombia, Peru, and Pakistan will result in more professional, capable and effective forces.

The aerial eradication and interdiction programs will be conducted to the highest standards of safety and efficiency with due regard for increased security risks particularly in Colombia.

Technological innovations will be developed and implemented to improve the effectiveness and safety of aerial eradication and interdiction efforts.

Program Justification

The INL aviation program is the backbone of our counternarcotics objectives in the key source countries of Colombia, Peru and Bolivia. INL assists these governments and others in their efforts to locate and eradicate drug crops, interdict drug production and trafficking activities, protect their borders and develop internal institutional counternarcotics aviation capabilities. FY 2005 funding will be sufficient to provide only continuation of core activities with the existing fleet.

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. In Colombia, the program conducts

aerial eradication in increasingly scattered, hostile and remote regions. In Peru and Bolivia, the program supports the transportation for manual eradication. Airplanes and helicopters transport law enforcement personnel, critical supplies, and equipment to remote, underdeveloped, unsecured regions that would otherwise be inaccessible. Air reconnaissance assets are an essential element in locating, identifying and targeting drug activities and verifying operational results.

In all four countries the assets are also employed for interdiction efforts. In Colombia they are used to conduct operations against narco-terrorists under expanded authorities. In Pakistan, the assets are used for the monitoring and interceptions of terrorists, drug traffickers, and other criminals operating in remote areas.

By working closely with host government personnel to instill aviation technical and management skills and to transfer technology, INL is supporting the goal of enhancing host nation capability to manage programs against illegal drug production and trafficking.

Program Accomplishments

Colombia – Eradication. The Interregional Aviation Support program has made possible the tremendous expansion of aerial eradication in Colombia. INL and the Colombian National Police have collaborated in the mounting of an effective aerial spray campaign using T-65 Thrush, OV-10D Bronco, and AT-802 Air Tractor spray planes to eradicate the illicit coca and opium poppy cultivation in the various regions. In CY03, over 127,000 hectares of coca were sprayed – a record setting year. In addition over 3,000 hectares of poppy were eradicated. INL has assisted the Colombian National Police with training, maintenance, logistics, and operational support to make this effort possible. The program also has 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. In 2003, INL Air Wing aircraft supporting the aerial eradication and COLAR helicopter program sustained some 383 hits from hostile ground fire – causing the loss of several aircraft and extensive downtime due to extensive maintenance repairs.

Colombia – COLAR. Besides supporting Colombian National Police aerial eradication activities, the Interregional Aviation Support program initiated and sustained the Colombian Army (COLAR) UH-1N helicopter program that provides air mobility to the counterdrug battalions. This project includes establishing infrastructure, training personnel, and preparing, configuring, deploying, and supporting the operation and maintenance of twenty-seven UH-1N helicopters. The result of this effort is a fully trained COLAR aviation unit capable of conducting air-mobile operations and it is yielding results in terms of interdiction and ground support to aerial eradication. More recently, forty-four additional INL-owned helicopters (14 UH-60, 25 Huey-II and 5 K-Max helicopters) were integrated into the COLAR counternarcotics aviation program, allowing it to expand on the success of the initial group of UH-1N aircraft. That unit has flown over 55,900 hours since its inception with only one serious accident. Furthermore, in support of a Department of State approved mission to support DOD with their Search and Rescue of five hostages in Colombia, these INL-owned helicopters and crews flew over 2,000 flight hours and expended over \$2.6M in this humanitarian effort that occurred during February-March 2003.

Peru and Bolivia. INL aviation support to Peru and Bolivia has also been instrumental in continued coca reduction operations. In Peru, INL-owned helicopters transported manual eradication teams and Peruvian counternarcotics police – thus allowing that country’s government to forcibly eradicate over 6,700 hectares of coca. In Bolivia, INL helicopters enabled the government to eradicate over 10,000 hectares of Chapare coca – a 15% reduction in that region (although increased cultivation in the Yungas, where forced eradication cannot be conducted due to the volatile political situation and unforgiving terrain resulted in a net increase for Bolivia of 17% in overall cultivation). INL air assets also contributed to a banner year in cocaine interdiction, with 12.9 metric tons of cocaine seized. The aviation program has also continued to make progress in establishing self-sufficiency in host nation counternarcotics aviation organizations.

Regional Aerial Reconnaissance and Eradication (RARE) Program. INL has provided support to other Latin American countries in identifying and curtailing drug cultivation through its 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.

Pakistan. In 2002, INL established and supported a project in Pakistan to assist the host government in securing its border with Afghanistan. This project provided five Huey-II helicopters and three C-208 Cessna Caravan airplanes to the Ministry of the Interior in order to provide law enforcement with the operational capability to interdict drug trafficking and other illegal activities. Due to the receptiveness of the host nation team toward the operational and mechanic training program, INL was able to reduce aviation mechanic contractor presence in 2003. In 2004, another five Huey-II helicopters will be added to establish a second operating base in Pakistan along the Northwest Frontier Province.

Technology. INL has put into place many technological innovations to enhance the 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 an effective manner. Many of these same features were incorporated in the more recently acquired Air Tractor spray planes. The aviation program also established a technologically advanced system for identifying, plotting, and targeting coca cultivation using multi-spectral digital imaging.

2004 operations: In FY 2004, the Interregional Aviation Support program will continue successful eradication efforts in Putumayo, Caqueta, Guaviare, and other coca growing regions in Colombia. INL 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, INL will train police and military counternarcotics elements to allow them to assume increased responsibility in these areas. INL will continue to support helicopter operations in Peru, Bolivia, and Pakistan. Training and institution building efforts will allow INL to continue to reduce the number of American

contractor personnel at those locations. At the same time, INL will continue to pursue technological innovations to improve aircraft performance and explore the use of new variations of aircraft to enhance eradication capabilities at a reasonable cost.

FY 2005 Program

Overview. In FY 2005, the Interregional Aviation Support budget will continue to provide core level services necessary to operate the current fleet of over 160 fixed and rotary wing aircraft supporting counternarcotics aviation activities in Colombia, Bolivia, and Peru, border security operations in Pakistan and, as needed, programs at other temporary deployment locations. This base of support is essential to logistically sustain depot-level maintenance and the safe and professional operational employment of INL air assets. This budget will be augmented with funding from various country programs to support specific, dynamic local NAS and cooperating host government missions. However, the requested funds do not cover possible losses of additional air assets.

Colombia. The historic successes of 2003 and 2004 will face major challenges in 2005. Aerial eradication and interdiction costs will increase as drug cultivation is dispensed into smaller, more isolated fields. A sustained, aggressive aerial eradication of Colombian coca and poppy is critical to maintain our counternarcotics tempo and to fulfill INL's core mission. Further successes in the coca campaign are expected to reduce the target population of coca fields, allowing for some aircraft to be shifted toward the task of eliminating opium poppy in Colombia and increasing surveillance and eradication activities in other countries to prevent resurgence. The aerial eradication program can expect increasingly hostile environments as narco-terrorists fight back with increased hostile fire at pilots, crewmembers, and aircraft.

Bolivia, Peru, and Pakistan. The Yungas is now the largest coca growing area in Bolivia, where topography and history argue against replicating the successful Chapare forced eradication strategy. INL will, however, continue to support efforts to eliminate residual coca in this region and to prevent new plantings, as well as implementation of interdiction mechanisms to reduce illegal coca in the Yungas region. INL will also support increased interdiction operations along Bolivia's borders and in the Yungas. In Peru, INL will continue to support the reduction of coca cultivation, seek to aerially verify the extent of opium poppy cultivation, and increase the number of interdiction missions. In Pakistan, INL will continue to refine operational procedures and provide logistical support, including the integration of fixed wing, sensor-equipped aircraft.

Self-sufficiency. The establishment of host country self-sufficiency in counternarcotics and border security aviation programs will continue to be a priority in Bolivia, Peru, Pakistan, and Colombia. INL expects SIGNIFICANT results in this area with the COLAR aviation program as personnel INL has trained gain experience and maturity, allowing the reduction of contractor support requirements. We expect that these advances, together with the implementation of a joint maintenance center for helicopters in country, will begin to permit greater host country management of the assets. The maintenance center to be funded by the GOC and DoD assets will begin to increase the O/R rate for Colombian owned and operated helicopters. Once effective, INL plans to determine the pace of integration of INL

maintained COLAR assets. We will continue to emphasize technological improvements to maximize productivity and safety of spray platforms while maintaining cost effectiveness.

The Interregional Aviation Support program budget, as augmented by country program funds for location-specific requirements, will continue to provide safe, professional aviation support to counternarcotics and border security programs worldwide.

Interregional Aviation Support					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Aviation Support Services Contract	57,128	-	60,432	-	58,775
DOD-Source Parts, Maintenance and Overhaul	4,000	-	5,000	-	5,000
Program Development and Support					
U.S. Personnel	1,549	-	2,422	-	3,300
Non-U.S. Personnel	192	-	172	-	235
ICASS Costs	1,569	-	1,468	-	2,000
Program Support	562	-	506	-	690
Sub-Total	3,872	-	4,568	-	6,225
Total	65,000	-	70,000	-	70,000

Systems Support and Upgrades

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
4,000	—	5,000	4,500

Program Objectives and Performance Indicators

The number of detections of narco-trafficking events will increase significantly in the Eastern Caribbean with the C-26 aircraft in Barbados and Trinidad and Tobago. Effective Colombian National Police (CNP) signal collection in Colombia will continue to provide valuable intelligence while surveillance missions in Mexico will begin paying dividends to that nation's counternarcotics effort.

The C-26 Support project will provide more effective surveillance aircraft and better-trained personnel to accomplish counternarcotics detection and monitoring missions within each host nation area of operation.

The effectiveness of host-nation C-26 programs will continue to be improved as measured by the number of successful law enforcement agency (LEA) end games that result in the capture of drug traffickers, drugs seized or destroyed and assets seized.

The Airborne Surveillance Initiative project will support upgrades of aviation performance characteristics while promoting program cost savings through standardization of services and using economy-of-scale procurement.

Program Justification

The program aims to provide the host nations in the Caribbean, Central America, Colombia and Peru the capability to conduct their own detection and monitoring of suspect drug trafficking activities within their countries and territories. The program covers both source countries and key transit areas through which drugs flow to the United States. Historically, the program has included the C-26 Support project, the Airborne Surveillance Initiative project, OV-10 Broncos refurbishments, and UH-1H helicopter upgrades in Colombia. Through this funding, specialized systems that were previously not available were provided to meet counternarcotics mission requirements in support of surveillance, detection, eradication, interdiction and logistics. This project allowed INL to improve the performance characteristics of existing systems to better utilize their capability, extend their useful life, and increase effectiveness.

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 country personnel will be trained in the appropriate tactics, techniques, and related doctrine that will lead to a systems approach in their counternarcotics surveillance and interdiction efforts. With appropriate information management protocols in place, these host nation operations will generate valuable surveillance information for the U.S. and other donor nations.

Program Accomplishments

C-26 Support: The C-26 Support project has given host nations (Barbados, Trinidad and Tobago and Colombia) their own capability to conduct surveillance, detection and monitoring missions. In addition, Joint Interagency Task Force South (JIATF-S) has been able to schedule the use of the two aircraft from Barbados (used by the Regional Security System) in other parts of the Caribbean as a force multiplier to detect the traffic of drugs to the U.S. As a result, JIATF-S has been able to shifted meager USG detection and monitoring assets to critical areas throughout the Caribbean and Eastern Pacific. The program in Barbados also supports the U.S. Coast Guard GANTSEC and cooperative British, Dutch and French counternarcotics operations in the Caribbean. For the Barbados program, the following statistics are available for CY 2003:

Total number of C-26 counterdrug missions: 320

Total number of C-26 Mission Hours: 1,264

Average Mission Time: 3.26 hrs.

Total number of counterdrug events involving suspect vessels detected and monitored with other law enforcement agencies that lead to an end game: 43

Estimated amount of marijuana seized or shipments disrupted: 11,009 lbs.

Estimated amount of cocaine seized or shipments disrupted: 3,420 lbs.

The program in Trinidad and Tobago was started more recently and is completing its training phase. Two aircraft have been modified and delivered to the Trinidad and Tobago Coast Guard Air Service. Extensive training for the pilots, sensor operators and mechanics is being provided. Counternarcotics surveillance operations will begin in CY 2004.

The C-26 program in Mexico, operated by the Mexican Air Force, is now beginning to conduct operations after extensive training in both the United States and in Mexico. We have trained over 60 sensor operators, and 12 pilots.

The CNP C-26 signal collection aircraft continue to perform successful missions in support of the Colombian National Police (CNP) the Colombian Armed Forces, DEA and other USG Embassy agencies. These aircraft are continually being flown in support or eradication

missions, and hostage/rescue situations. These aircraft continue to be the aircraft of choice for host nation aerial surveillance/collection missions without the need to ask for USG for assistance.

Airborne Surveillance Initiative: To date, we have completed sensor upgrades for two C-26 aircraft each in Barbados, Trinidad and Tobago and Colombia. The programs in Barbados and Colombia are already providing valuable information and results. The aircraft in Trinidad and Tobago will also be conducting operations throughout the Caribbean in support of JIATF-S. In Colombia, the C-26 program continued to provide valuable signal communications information that the CNP and military forces have used in drug laboratory seizure and aerial eradication missions.

FY 2005 Program

C-26 Support: In FY 2005, the System Support and Upgrades budget will continue to support C-26 Support programs in Barbados, Trinidad and Tobago, Colombia and Mexico. Contractor Logistical Support (CLS), including spare parts, and training will continue to be provided to the programs in Barbados and Trinidad and Tobago. Training and sensor spare parts for the program in Colombia will also be maintained. The program in Mexico will be feature continued training support for sensor operators, pilots and analysis center personnel.

Our primary emphasis will be to continue training pilots and sensor operators for the C-26 aircraft and to ensure that the aircraft are maintained properly while support fully operational counternarcotics missions. Host nation self sufficiency of the C-26 programs remains an important goal and INL will continue to explore ways to increase the level of host nation funding and involvement in order to decrease USG contributions.

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. INL will continue to upgrade C-26 aircraft and surveillance systems and train host nation forces to utilize emerging technology in a manner that host nation and U.S. counternarcotics objectives. Additional training will be provided in data management and analysis and the development and implementation of information sharing protocols across host nation interagency and regional counternarcotics communities will be promoted. 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.

International Organizations

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Est.	FY 2004 Sup.	FY 2005 Request
2,870 ⁵	14,000	6	13,000

This account encompasses support to two principal international organizations, the United Nations Office on Drugs and Crime (UNODC) and the Organization of American States' Inter-American Drug Abuse Control Commission (CICAD). U.S. support to multilateral organizations complements our bilateral programs and allows us to leverage our funds. It also generates increased buy-in and support from other countries for our overall anti-narcotics efforts. Through these multilateral programs, INL is able to address problems on a regional basis and reach areas where it is difficult for the U.S. to operate bilaterally.

United Nations Office on Drugs and Crime (UNODC)⁷:

Program Objectives and Performance Indicators

Improve law enforcement capabilities to investigate and prosecute major traffickers and their organizations in countries where ongoing transit of illicit narcotics and illegally diverted precursor chemicals threaten U.S. interests.

Through delivery and implementation of training segments and modern equipment, increase number of seizures and arrests, disrupt the activities of trafficking syndicates, and enhance the capabilities of law enforcement agencies to track the movement of precursor chemicals.

Strengthen regional cooperation and information exchanges between relevant governments regarding cross-border trafficking, particularly among governments most impacted by the trafficking of illicit drugs originating in Afghanistan.

Broker contacts between relevant national law enforcement institutions to encourage and permit the exchange of information and evidence related to drug trafficking; where appropriate, provide training and necessary equipment for handling law enforcement sensitive information.

⁵ \$9.3 million from the FY 2003 appropriation was transferred out to support the efforts in Iraq in FY 2003.

⁶ \$ 8.9 in FY 2004 IRRF Supplemental Appropriation funds was returned in FY 2004.

⁷ Formerly known as the United Nations Drug and Crime Program

Enhance through alternative development strategies the capabilities of national authorities to prevent, reduce, and eliminate the production of illicit drug crops in countries where ongoing illicit narcotics production threatens U.S. interests.

Reduce cultivation of illicit crops in target areas through increased community-based alternative livelihood programs to former cultivators of illicit narcotic crops in drug cultivation areas in Southeast and Southwest Asia. This effort will include (where appropriate) the provision of: basic communication and transportation infrastructures; alternative industries appropriate to various communities; credit for alternative income producing projects; and remote sensory and ground-survey data for the purpose of monitoring eradication efforts.

Help states to pass or strengthen legislation to prohibit and penalize illicit drug trafficking, money laundering and other ancillary crimes, and to improve mutual legal assistance, extradition and asset forfeiture cooperation, in compliance with UN drug-control treaties.

Provide technical advice to states on how to improve mutual legal assistance, extradition and asset forfeiture cooperation, with a special focus on countries in Central Asia, Latin America and the Caribbean; upgrade national legislation regarding all aspects of narcotics control in line with international best practices; develop financial intelligence units and tutor financial institutions to prevent money laundering and related financial crimes through placement of international experts to select high-risk countries.

Inhibit international organized crime and its resulting damage to society and individuals through the increased adoption and implementation of the UN Convention Against Transnational Organized Crime (TOC) and its supplemental protocols against human trafficking and migrant smuggling.

With UNODC technical mentoring, additional countries will formally ratify and accede to the TOC and its supplementary protocols; on-site expert mentors will be placed in select high-risk countries to aid in implementing the TOC's component provisions, including modern investigative and analytical practices for law enforcement practitioners, extradition and the provision of mutual legal assistance in organized criminal cases.

Reduce and inhibit official and commercial corruption internationally through the adoption and implementation of the UN Convention Against Corruption.

A sufficient number of states will ratify and accede to the Convention so that it enters into legal force, abetted by the provision of UNODC technical advice to states on measures necessary to harmonize their domestic laws and practices with the requirements of the Convention.

Strengthen the international legal regime to prevent and repress terrorist acts, particularly through the universal adoption of the 12 universal legal instruments against terrorism.

Supported by technical mentoring from UNODC's Terrorism Prevention Branch, additional states will ratify and implement all universal legal instruments against terrorism.

Program Justification

U.S. assistance to the United Nations Office on Drugs and Crime complements INL bilateral programs and allows us to leverage U.S. funds to gain increased buy-in and support from a broader array of donor countries. In Central Asia and Afghanistan, for example, UNODC is the coordinating mechanism for bringing together support from other donors who would probably not contribute otherwise. UNODC is the only multilateral institution that provides technical assistance on a global basis towards the development of modern law enforcement, financial regulatory and judicial institutions and practices. UNODC also plays a unique global role by supporting development of modern national legislation corresponding to obligations set forth by the three UN anti-drug conventions. These multilateral programs act as force multipliers in support of key U.S. objectives, and allow us to better reach areas where it is difficult for the U.S. to operate bilaterally. UNODC goals and objectives closely support those of INL, and the organization is a steadfast ally in support of strict enforcement efforts against illicit drugs, as required under international law.

Many countries still lack adequate legal frameworks to prevent and combat organized crime and corruption, a weakness that undermines such U.S. objectives as reducing the influence of transnational criminal syndicates and promoting the rule of law. Exposure to international "best practices," often based on U.S. models and expertise, is urgently needed. The UN Transnational Organized Crime Convention (TOC) and the Corruption Convention, in particular, have the potential to have a positive legal impact on developing countries that are searching for legislative blueprints to address corruption and organized crime.

UN Office on Drugs and Crime is the only multilateral organization that possesses both a global reach and the credibility to deliver technical assistance to states seeking to ratify and implement these important new instruments, and has in fact played a critical role to date in promoting the ratification of the TOC, which entered into force in September 2003. The U.S. is a signatory to both conventions and played a key role in negotiating their creation. INL will remain consistent advocates of these important international documents in bilateral dialogues and offer direct USG assistance to promote implementation where appropriate, but to reach states where bilateral assistance is either politically inexpedient or practically inefficient, the UN Office on Drugs and Crime offers an invaluable multilateral option through which to pursue U.S. objectives.

Working in close collaboration with the UN Security Council's Counter-Terrorism Committee and relevant regional organizations, UNODC has also assumed a unique global role in providing technical assistance to states seeking to ratify and implement the 12 universal counter-terrorism legal instruments. This mission supports the implementation of international law as mandated in UN Security Council Resolution 1373, and helps to promote

positive progress on preventing and combating terrorism in states where direct U.S. engagement is constrained either by manpower constraints or political circumstances.

Program Accomplishments

INL funding provides a wide range of technical assistance and legal reform activities through the services of UNODC. Our partnership with the UN has been most visible in recent years in Afghanistan and neighboring Central Asian states, where the post-Taliban resurgence in opium production and trafficking requires urgent international intervention. With INL funds, UNODC has mentored the Afghan government in establishing national legislation to combat illicit drugs and a Counter-Narcotics Directorate within the National Security Council to coordinate all drug-control activities, including opium eradication, alternative development, and domestic demand reduction. UNODC has also established a field office in Kabul to coordinate ongoing international efforts to reduce the influence of the illicit opium economy and construct viable judicial and law enforcement institutions. INL has provided UNODC with funds to establish a specialized police unit to interdict illicit narcotics in and around Kabul. This unit will be staffed entirely by Afghans and serve as a building block for additional specialized units across the country as resources permit, and is scheduled to begin field operations in early 2005.

The vast bulk of illicit narcotics produced in Afghanistan are destined for Western markets, and the contiguous republics of Central Asia have emerged as key transit routes. These newly independent countries lack judicial and law enforcement institutions adequate to the task of combating the drug threat, and with INL funds, UNODC has accordingly expanded its technical assistance activities in the region to bolster national capabilities and regional cooperation. In Tajikistan, INL funds are continuing to support UNODC efforts to assist a National Drug Control Agency (DCA) to coordinate all counter-drug activities within the country; the success of that venture has convinced INL to help UNODC establish a similar DCA in the neighboring Kyrgyz Republic. Equipment and training for interdiction operations and intelligence collection, analysis and exchange, and improvement of border control systems are also being provided to law enforcement agencies in Tajikistan, Uzbekistan and Turkmenistan. INL funds are also supporting UNODC efforts to improve the control of precursor chemicals in the region, particularly by establishing adequate legal and regulatory structures and providing specialized training and equipment to law enforcement personnel in the region.

UNODC has utilized INL funds to help reduce illicit opium production in traditional growing areas in Southeast Asia. In Laos, Burma and Vietnam--countries of origin for substantial amounts of illicit drugs to the U.S., but where direct USG counternarcotics assistance is either impractical or prohibited due to broader political circumstances —UNODC has provided alternative development assistance that has encouraged thousands of former opium farmers to abandon their illicit crops and engage in legitimate economic activities. These activities have contributed to the sustained decrease in illicit opium cultivation in Southeast Asia over recent years, to a seven-year low in overall hectareage in 2003.

With INL support, UNODC's Global Program Against Money Laundering provided technical assistance on combating money laundering and terrorist financing to 59 countries

and jurisdictions throughout the world in 2003. A computer-based training initiative produced 32 computer modules for instructing financial regulators, and 8 on-the-ground mentors stationed in regional centers across the globe have helped governments establish financial intelligence units, draft modern anti-money laundering legislation, and train prosecutors and financial investigators.

INL has supported UNODC's efforts to ratify and implement the three UN drug control conventions and their requisite obligations, including through relevant judicial and legislative reforms and direct on-site operational support to prosecution and judicial services in ongoing prosecution and asset forfeiture casework. Specific examples include helping the Commonwealth of Independent States to harmonize relevant national legislation of its 12 member states, in compliance with the UN conventions; assisting the governments of Armenia, Azerbaijan and Georgia to elaborate legislative work plans for adopting necessary counternarcotics legislation; mentoring South African authorities on the establishment of an Asset Forfeiture Unit; and providing other legislative assistance to over two dozen countries.

UNODC performed a crucial role in promoting the rapid entry into force of the TOC, which took place in September 2003, as well as of the Convention's supplemental protocols to combat human trafficking and migrant smuggling (which entered into force in December 2003 and January 2004, respectively). These efforts included the production and delivery of legislative implementation guides and organizing tutorial workshops for officials and law-enforcement and judicial practitioners of over 30 countries.

UNODC also played a key role in providing for the secretarial needs of the Ad-Hoc Committee that successfully negotiated the UN Convention against Corruption. Over 90 countries--including the U.S.--signed this landmark agreement in December 2003, less than two years after the initiation of the work of the Committee. The speed of this process owes much to the coordinating efforts of UNODC, which received funds towards this endeavor from INL.

Efforts by UNODC to promote the universal ratification and implementation of the 12 legal instruments against terrorism were also significant in 2003. A legislative guide was prepared and disseminated to serve as a reference tool for national legislators on how to ensure harmonization of domestic legislation with the international instruments. UNODC also responded to requests from over 30 countries to provide technical assistance on ratifying and implementing the instruments, through reviewing domestic legislation and advising on required enabling laws, as well as by facilitating and providing training to national administrations with regard to new legislation. UNODC also developed a roster of international expert-mentors to service Latin America, Africa and the Middle East to supplement specific expertise where required.

FY 2005 Program

INL support to UNODC programs in FY 2005 will build on ongoing initiatives outlined above, and extend efforts (as resources permit) to enhance container-port security measures in select high-volume ports; promote enhanced law enforcement capabilities in Western Africa; and help establish modern law enforcement institutions in Iraq.

Global Legal Advisory Program: FY 2005 funds will continue to support this cornerstone UNODC program to provide assistance to ensure that parties to the international drug conventions have adequate laws and capacity to enforce their treaty obligations. Priorities will include improving mutual legal assistance, extradition and asset forfeiture cooperation focused on countries in Central Asia, Latin America and the Caribbean; upgrading model legislation; and possibly establishing the legal framework for drug control in Iraq.

Precursor Chemical Control: Funds will be used to continue support to several UNODC regional projects to track the flow of precursor chemicals used to manufacture cocaine, heroin and amphetamine-type stimulants, and to train law enforcement officials.

Judicial, Law Enforcement and Port Security Training in Sub-Saharan Africa: These projects will provide expert services, training and equipment for the development of specialized law enforcement units to identify and interdict illicit drugs and other contraband through ports, and to cooperate with national and foreign law enforcement agencies to reduce the vulnerability of these trade hubs. Contingent upon funding, Nigerian law enforcement training facilities and curriculum may also be enhanced to allow for participation by regional law enforcement agencies.

Law Enforcement Institutional Support in Central Asia and Afghanistan: INL will continue to support UNODC efforts to develop security and criminal justice systems in the world's most prolific region for opiate production and trafficking. Funds will support efforts to help the six governments of the region to upgrade their capacities for intelligence collection and analysis, investigation, interdiction and prosecution of drug-related illicit activities.

Opium Eradication Through Alternative Development in Southeast Asia: Funds will support the further implementation and monitoring of alternative development projects in opium-producing regions in Laos and Burma's autonomous Shan state.

Global Program Against Money Laundering: It is impossible to effectively stem the flow of illicit drugs without attacking the profitability of the industry. Towards that objective, INL will continue to support UNODC's continuing global efforts to enhance effective legal and regulatory regimes against money laundering and terrorist financing. INL anticipates that its funds will support both ongoing programs and expanded UNODC engagement in areas such as the Middle East, Central Asia and Sub-Saharan Africa, where additional on-site mentors are urgently needed to support the development of effective financial regulatory institutions.

Law Enforcement Institutional Support in Iraq: Pending the availability of sufficient resources and other considerations, INL may support UNODC programs to provide modern law enforcement training to Iraqi police agencies, as well as assistance in drafting and implementing modern law enforcement legislation necessary for the ratification of the three UN counter-drug treaties.

FY 2005 funds will also support ongoing UNODC efforts to implement the TOC, particularly through the provision of on-site mentors to selected countries to provide intensive training to

law enforcement and judicial officials on the criminalization and investigatory standards inscribed in the Convention, as well as its mutual legal assistance provisions. In the near future, UNODC also anticipates initiating a program to promote the ratification and implementation of the UN Convention Against Corruption. This is similar in many respects to the project that has promoted the ratification of the TOC. INL will look to support these activities from FY 2005 funds, pending the development of specific UNODC program activities.

The remainder of INL's FY 2005 contribution will assist UNODC's ongoing project to promote the ratification and implementation of the 12 international legal instruments to combat and prevent terrorism.

Inter-American Drug Abuse Control Commission (OAS/CICAD)

Program Objectives and Performance Indicators

Improve counternarcotics performance by OAS Member States.

Technical assistance extended to at least a third of the (34) OAS Member States to address weaknesses identified by the Multilateral Evaluation Mechanism (MEM), resulting in measurable progress in strengthening national drug commissions and/or strategies, modernizing legislation, or improving performance of demand- or supply-side program agencies.

Increase effectiveness of counternarcotics cooperation in the Western Hemisphere.

Through regional and sub-regional cooperative activities, promote active cooperation among hemispheric countries on shared criminal threats, such as cross-border or maritime smuggling, money laundering (including terrorist financing), arms trafficking, chemical diversion, drug abuse, and youth gangs. Increase in regional information exchange. Update at least one of the Commission's hemispheric model laws.

Makes progress in the inter-American region to curb money laundering and chemical diversion.

CICAD moves forward with implementation of updated model legislation on money laundering and chemical control, providing training and technical support to governments, legislators and regulators. Increase in number of countries with updated legislation/regulations. Countries designated by FATF as non-cooperating jurisdictions (NCCT) are provided assistance needed to satisfy international requirements.

Program Justification

The Inter-American Drug Abuse Control Commission, the drug control arm of the Organization of American States (OAS), has become an increasingly important player in the

Western Hemisphere over the past 17 years. Much of this success is due to a sustained U.S. foreign policy push to promote a strong anti-drug coalition and sense of shared responsibility among the countries of the Western Hemisphere. CICAD has been instrumental in developing this solidarity and in moving the 34 OAS Member States forward in developing strong national anti-drug programs and policies. For example, due to CICAD's efforts, all OAS Member States are parties to the 1988 UN Drug Convention and full partners in the Anti-Drug Strategy in the Americas. While the Organization of American States (OAS) has become much more interested in counterterrorism and other security-related matters in the past two years, drug trafficking remains one of the most pressing, shared concerns of the 34 OAS Member States. Because of its recognized expertise in areas such as money laundering and arms trafficking control, CICAD has emerged as an important player in the hemispheric response to terrorism, partnering with the OAS' Committee Against Terrorism (CICTE) to confront terrorist financing.

Funding will be used for CICAD projects, training and technical assistance that advance the goals of the Anti-Drug Strategy in the Hemisphere, including: development of sound national anti-drug policies and programs, promulgation of modern laws and regulations, elimination of drug production and drug abuse, and control of chemical diversion, arms trafficking, and money laundering. INL has used CICAD programs to complement bilateral programs or to fill gaps in multinational support efforts (e.g., on alternative development projects in the Andes). INL has encouraged close collaboration between CICAD technical staff and U.S. Embassy program managers.

Accomplishments

CICAD combines a policy-level Commission - that meets two-three times a year - with a technical Executive Secretariat that supports the Commission and conducts programs and training throughout the year. The Commission serves as the strategic platform for anti-drug coordination in the Americas. CICAD's technical sub-groups facilitate valuable exchanges of information and experience among national experts on topics ranging from money laundering to drug abuse treatment and prevention and lay the basis for action plans. The Secretariat provides a central resource and coordination point for hemispheric statistics and information, training and technical support, legal standards, national experiences and research. The Secretariat, using funds from INL and other donors, provide a wide array of technical assistance to Member States, some on an individual basis (e.g., national drug strategies) but most often in sub-regional groupings (e.g., Central America, the English-speaking Caribbean, the Andes).

CICAD's work has been highlighted in the Summit of the Americas process, where Heads of State have entrusted CICAD to develop and implement the Anti-Drug Strategy of the Americas and the Multilateral Evaluation Mechanism (MEM) - an innovative peer review system for evaluating national anti-drug efforts. The MEM provides each country with an objective diagnostic of the weaknesses in its anti-drug strategies, programs and laws, and identifies ways in which the countries can improve regional and international cooperation. These assessments validate individual country requirements for technical and material support, allowing INL and other international donors to better prioritize assistance. The

MEM system also keeps pressure on individual governments by reporting publicly on progress (or lack thereof) in addressing problems.

FY 2005 Program

In FY 2005, increased funding is needed to support the implementation of the Anti-Drug Strategy in the Hemisphere, including the effective operation of the Multilateral Evaluation Mechanism (MEM). Much of the increase will be devoted to providing technical support and training to address shortcomings in country anti-drug programs identified by the MEM. It will also support expansion of CICAD's increasingly sophisticated demand-side, supply-side and legal development programs. INL funding will be used to support programs in the following priority areas:

Multilateral Evaluation Mechanism (MEM): A peer review system that provides governments with recommendations on how to strengthen their anti-drug efforts – staff costs, travel, and processing costs - and for follow-on training and technical support to OAS Member States. In 2003, the Commission agreed to expand the mechanism to include new categories of measurement, including trends relating to decriminalization and efforts to combat organized crime.

Strengthening national drug control commissions: Develops anti-drug strategies, and provides support to countries in developing national observatories; helps develop and maintain data banks to track chemical precursors.

Legal development: Includes updating regional model legislation (firearms, money laundering, chemicals), orientation for legislators and judges; communications systems to facilitate regional exchange of information and cooperation; and programs relating to the control of money laundering, chemical diversion, and arms trafficking; training for regulators (bank, chemical, weapons) and investigators; expansion of port security projects to counter smuggling.

Supply Reduction Efforts: Intensify/expand work in promoting maritime and port security, customs controls, and cooperation/communication among law enforcement entities throughout the Americas through training, technical assistance, best practices guidelines, building public-private partnerships. Continue ongoing alternative development projects, including exploration of new technologies, such as the Generalized Land-Use Evaluation and Management Tool (GLEAM), used to map land use, both legal and illegal, for use in supporting national supply reduction efforts.

Demand reduction and youth programs: Assist Member States build effective national drug awareness/education programs, conduct epidemiological surveillance (according to hemispheric standards), train nurses and other health professionals in drug treatment, and sustain the on-line Masters Program in drug treatment. Includes regional demand reduction training, adoption of minimum standards of drug treatment, and policy and program development for at-risk populations, e.g. street children and youth gang members.

Maintenance of a hemispheric data collection system: Continued support for CICAD's Hemispheric Observatory on Drugs and the participating national observatories, the hemispheric statistical systems (demand and supply side) and the regional telecommunications system (RETCOD), including national links.

International Organizations					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
UNODC	2,870*		9,000		7,500
OAS/CICAD	0**		5,000		5,500
Total	2,870	-	14,000	-	13,000

* The original amount appropriated was \$7,800. \$ 4,530 of this was transferred to support the Iraq program on a temporary basis. \$4,131 was replaced with IRRF funds.

** The original amount appropriated was \$5,200. The entire amount was transferred to support the Iraq program on a temporary basis. \$ 4,800 was replaced with IRRF funds.

Demand Reduction/Drug Awareness

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
5,000	—	4,200	4,200

Program Objectives and Performance Indicators

The overall Demand Reduction program seeks to reduce the worldwide demand for illicit drugs by motivating foreign governments and institutions to give increased attention to the negative effects of drug abuse on society. In addition, it seeks to show our commitment to helping those nations impacted by drugs and to cement a strong international recognition of the seriousness of this problem and the need for coordinated, international action.

Select foreign countries will be able to apply “best practices” and new prevention and treatment technologies that are scientifically sound and effective at the national and community levels.

Training and technical assistance delivered and effectively utilized by public/private sector demand reduction organizations in Central/South America and Southeast Asia, resulting in new or enhanced programs that significantly reduce drug use and delay onset of:

First use in target populations.

Regional institutions that foster dissemination and utilization of “best practices” and scientific knowledge about effective prevention and treatment technologies will be established to better enable foreign countries to improve demand reduction services.

Technology transfer centers established or enhanced in Eastern Europe, Southeast Asia, and Latin America; delivery and implementation of core training curriculum, utilization of new prevention and treatment technologies will result in significant reductions of drug use in target populations.

The international community will be better educated about U.S. policies, programs, and successes in combating drug abuse.

Provision of two regional-level seminars in Latin America for U.S. embassy officials and key foreign government and NGO leaders resulting in increased understanding of, and support for U.S. international anti-drug policies and programs.

Multilateral alliances will be established to build public support and political will to combat drug trafficking and abuse, develop support for U.S. foreign anti-drug policies and initiatives, and improve America's image overseas.

Training, technical assistance, web sites, newsletters, and exchange forums delivered and effectively utilized in Southwest/Southeast Asian and Andean region countries by public/private sector agencies, civil society, and grassroots organizations resulting in reduced drug use and delayed onset of first use.

International program accomplishments and lessons learned will be utilized to benefit both U.S. and foreign demand reduction services.

A research-based demonstration program on community/anti-drug coalitions will be successfully replicated in Bolivia. Evaluations of this program will document effective approaches, strategies, policies and technologies as "best practices" that can be used to improve service delivery in demand reduction programs worldwide.

Two long-term, outcome-based evaluations of INL demand reduction training programs (Mexico, Philippines) will be conducted and disseminated.

Program 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. The program is also critical to showing our commitment to helping other nations impacted by the scourge of drugs and building a shared sense of mission and solid international alliance to confront this threat.

Demand reduction efforts aim to reduce the use and abuse of illicit drugs worldwide. The need for demand reduction is reflected in escalating drug use that takes a devastating toll on the health, welfare, security, and economic stability of all countries. Recognizing this threat, a key objective of the National Security Presidential Directive (NSPD # 25) on International Drug Control Policy urges the Secretary of State to "expand U.S. international demand reduction assistance and information sharing programs in key source and transit countries." As opposed to drug production and trafficking, the NSPD addresses rising global demand for drugs as the principal narcotics-related threat to the U.S. As outlined in the NSPD, drug trafficking organizations and their linkages to international terrorist groups also constitute a serious threat to U.S. national security by generating money that increasingly threatens global peace and stability. Demand reduction assistance has subsequently evolved as a key foreign policy tool to address the inter-connected threats of drugs, crime and terrorism.

Foreign countries recognize the vast U.S. experience and efforts in reducing drug demand. In return for cooperation with supply reduction efforts, many drug producing and transit countries request U.S. assistance with demand reduction technology, since drug consumption also has debilitating effects on their society and children. Demand reduction assistance thereby helps secure foreign country support for U.S.-driven supply reduction efforts, while

at the same time reducing drug consumption in that country and thereby cutting-off a major source of terrorist financing.

Program Accomplishments

As a result of INL-funded training and technical assistance, foreign governments are engaging their own national institutions, communities, and resources to address demand for illicit drugs. In Thailand, with INL-funded training, the Department of Health established over two hundred additional outpatient treatment centers to address the growing epidemic of amphetamine type stimulant (ATS) abuse. The Philippines Bureau of Corrections instituted drug intervention programs in over 50 correctional institutions in the Mindanao region. Countries in South America continued to implement their own national-level, counternarcotics media campaigns: local media advertisers and businesses in Uruguay and Peru contributed over \$7 million to anti-drug media advertisements last year. INL technical assistance resulted in the creation of an Eastern European Institute for Substance Abuse Prevention that spearheaded the science-based “life skills” drug prevention curriculum in the Czech Republic school system. Likewise, Chile and Brazil (Sao Paulo, Rio de Janeiro) developed school-based prevention programs last year serving over 40,000 students. The Global Drug Prevention Network, an international coalition of public/private sector demand reduction organizations, increased its membership base from 70 to 84 countries. Finally, five INL-funded drug treatment/prevention workshops for Afghanistan demand reduction professionals were conducted in 2003, including first-ever training for Afghani woman counselors. These trainings significantly increased human resources devoted to drug-addicted women and enhanced the capacity of the Afghan drug control program to provide services to at-risk populations.

FY 2005 Program

INL assistance will give particular attention to cocaine producing and transit countries in Latin America, address the recurring amphetamine-type stimulant (ATS) epidemic in Southeast Asia, and address the heroin threat from Asia and Colombia. An expanded area of focus will be the Middle East and South Asia where over 400 Muslim-based anti-drug programs are members of the global INL drug prevention network.

The FY 2005 program is divided into three general categories. Two projects, instituted in 2003, comprise the *coalition and network building* program. These projects have a three-year time limit. The *training and technical assistance* program, begun in 1990, will impose a four-year limit on all countries for receiving such assistance. Experience has shown that this period of time is sufficient for countries to implement self-sustaining programs based on training concepts, in addition to allowing enough time for accomplishment of outcomes such as sustained reductions in drug use by target populations. The *research and demonstration programs* initiative that began in 2000 have a three/four-year time limit in order to allow the program to become self-sufficient and perfect “best practices” that can be subject to rigorous scientific evaluation. The evaluation component of these programs (by independent sources) continues for at least two years after program funding terminates in order to reliably assess sustained, long-term change (outcome).

Coalition and Network Building:

International Community Anti-Drug Institute: FY 2005 funds will support the enhancement of the International Community Anti-Drug Institute to provide technical assistance for Latin American community groups on forming and sustaining effective community/anti-drug coalitions. The INL-supported Global Drug Prevention Network, consisting of 7,000 programs in over 70 countries, will form the leadership base and provide trainers for the Institute (co-located in Bolivia and the United States) that will conduct 12 technical assistance sessions each year covering 3 Andean region countries identified in the INCSR by the President as major drug producing or transit countries. The planned life of this initiative is three years, after which the coalitions will be effective vehicles for reducing drug consumption in their respective countries, strengthening collaboration among organizations in the public and private sectors, and enhancing intergovernmental cooperation. A new cycle of assistance for other Latin American countries and regions around the globe will commence in 2008.

Muslim-based Anti-Drug Network: FY 2005 funding will be utilized to enhance the INL/Colombo Plan network of Muslim-based anti-drug programs/civil society organizations in the Middle East and South/Southeast Asia to significantly enhance America's image in Muslim countries, reduce drug consumption that fuels the coffers of terrorist organizations, and cut into the recruitment base of terrorist organizations. This initiative includes collaboration with Muslim faith-based organizations to augment prevention, intervention, aftercare, and violence reduction services through the provision of technical assistance in volatile regions where the U.S. has little to no access to civil society such as Afghanistan, Iraq, southern Philippines, Indonesia, and remote sections of Pakistan. This initiative also addresses a key priority in the *President's National Strategy for Combating Terrorism* through support of Muslim organizations "ensuring them that American values are not at odds with Islam." Funding will cease after three years, at which time local and national networks will become firmly established in volatile regions, helping to reduce the high rates of drug use, relapse, and drug-related violence in their target populations.

Training and Technical Assistance

Regional Training Centers: INL funding will maintain support in 2005 for its strategically located, sub-regional demand reduction training centers in Brazil, Colombia, the Czech Republic, and Thailand with the aim of better disseminating the President's new goals and priorities for demand reduction, in addition to the use of "best practices" and science-based prevention and treatment methods to reduce drug consumption and related violence. Short-term success will be measured by replication of the training in their home countries by 700 demand reduction providers who will receive training in 2005. It is anticipated that these centers will receive diminishing resources over the next three years and be fully self-sufficient by 2008, at which time participating countries will have utilized training technology to establish demand reduction programs that achieve sustained reductions in drug use and related violence in targeted areas. These centers (co-funded by other international

organizations and donor countries) are an economical way to provide comprehensive assistance to several countries in a region that suffer and share similar drug abuse problems.

Drug Policy Training: At the policy level, INL will devote funding for a seminar series to educate the international community about U.S. policies, programs and successes in combating drug use. Two, regional seminars in major drug producing/trafficking Latin American countries will be conducted by INL and White House/ONDCP for U.S. embassy officials and government/non-government officials who are recipients of INL/NAS funding. The seminars are also designed to ensure that U.S. Embassies and other foreign recipients of INL assistance design their programs in accordance with the President's new goals and priorities for demand reduction and science-based principles. The planned life cycle of this seminar series is three years, at the end of which participating countries will have a deeper appreciation/understanding of, and support for, U.S. foreign anti-drug policies and programs.

Knowledge Exchange Forums: Funding will be devoted to recurring regional and international drug prevention and treatment exchange forums (attended by the key leaders and decision-makers from the public and private sectors) to mobilize international opinion and cooperation against the drug trade, encourage governments to develop and implement strong anti-drug policies and programs, strengthen support for USG anti-drug policies/programs and existing UN conventions, and disseminate the latest science-based information on effective methods to reduce drug consumption and prevent onset of use. Funding will support one international and two regional summits at strategic locations around the globe. These events will include funding from other donor countries and international organizations to reflect an emphasis on increased multilateral collaboration.

Bilateral Training: FY 2005 funds for this project will provide targeted training for major drug producing and transit countries in Central/South America, South Asia, and Africa on science-based principles of demand reduction. Training topics will cover model programs such as national anti-drug media campaigns, parent support groups, school and peer-based prevention programs, and correctional-based treatment services. Bilateral training and technical assistance initiatives are funded for 4 years per country to allow for short-term transfer of knowledge, long-term retention of knowledge, implementation of training technology with fidelity, establishment of self-sustained programs, and enough time to allow for achievement of long-range outcomes such as reduction in drug use in a given target country or population.

Research and Demonstration Programs

Model Program Development and Dissemination: This initiative will support the development and evaluation of research-based prevention and treatment programs whose accomplishments can be used to improve treatment and prevention services in the U.S. and abroad. Funding will be used to create and evaluate research-based demonstration programs in key drug producing/trafficking countries and disseminate the most promising results within the U.S. and overseas to improve demand reduction service delivery worldwide. For FY 2005, a community/anti-drug coalition demonstration program will be established in Bolivia. It is anticipated that each demonstration program will require funding through 2007,

at which time all programs will be self-sufficient and information on each program's promising practices will be disseminated worldwide.

Outcome-based Evaluations: Additional funding will be devoted to the second year of outcome-based evaluations of the long-range impact (reduced drug use and recidivism) of INL-funded training in Mexico (school-based prevention) and the southern Philippines (corrections-based treatment). Each evaluation will last three years (until 2006) to allow for reliable and valid assessments of sustained, long-term impact.

Drug Awareness and Demand Reduction					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Training & Technical Assistance	2,500	-	2,000	-	2,100
Research & Demonstration Programs	1,200	-	1,000	-	1,000
Coalitions and Networks	1,300		1,200		1,100
<i>Total</i>	5,000	-	4,200	-	4,200

Trafficking in Persons

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
\$10,000		\$12,000	\$5,000

Program Objectives and Performance Indicators

Number of countries meeting minimum standards in the elimination of trafficking in persons has increased.

Select countries in the annual Trafficking in Persons report will see increased numbers of investigations, arrests and prosecutions initiated against traffickers.

Number of new partnerships initiated between law enforcement and civil society in the rescue of and assistance to victims.

Enhanced law enforcement data collection by local governments.

Program Justification

Trafficking in persons is a rapidly growing transnational crime that preys mainly on the poor, uneducated, and powerless. This modern-day form of slavery involves both sexual and labor exploitation, adopting such forms as indentured servitude, debt bondage, chattel slavery and peonage. Estimates vary, but at least one million people, primarily women and children, are annually trafficked worldwide, of which tens of thousands are brought into the United States each year.

In his speech before the UN General Assembly, the President made clear his commitment to fighting the trade in humans and urged other nations to join us in protecting vulnerable women and children. The Office to Monitor and Combat Trafficking in Persons gives foreign assistance grants to increase the capacity of governments and non-governmental organizations to improve law enforcement of this crime and protect the victims.

Program Accomplishments

In Brazil, a small sustainable project was created in partnership with the government of Sao Paulo state and the Brazilian Bar Association to help female victims of violence – a population at high risk for trafficking – to file a claim and assist in the prosecution of the aggressors. Since its inception, it has gotten much positive press and police precincts from all over the country have expressed interest in setting up similar programs.

In Lebanon, two highly respected NGOs established a safe house for victims of trafficking that provides medical care, legal aid, and counseling to victims. The NGO representatives work with the victims to build cases against traffickers or abusive employers and to assist the victim in finding alternative employment or safe repatriation. Lebanese government ministries, law enforcement, and other civil society organizations regularly refer victims to the safe house.

In Nigeria, DOJ trained police and federal prosecutors to improve the capacity of the Nigerian Criminal Justice System to investigate and prosecute trafficking in persons crimes. Specific training on witness and victim interview techniques, trafficking and sex crimes investigations, and prosecution techniques were conducted around the country. This project resulted in police rescuing increasing numbers of trafficked children police and arresting traffickers.

The 15-member Economic Community of West African States (ECOWAS) fulfilled important components of their Regional Plan of Action against Trafficking in Persons with a TIP Office grant. The project focused on harmonizing or successfully passing legislation and coordinating policies in the region. The project resulted in three countries passing comprehensive anti-trafficking legislation and improved law enforcement coordination.

For Fiscal year 2003, the Trafficking Office used INCLE funds to support over 65 programs benefiting approximately 50 countries around the world.

FY 2005 Program

INCLE funds will be used to support the second year of activities of FY 2004 U.S. grant recipients. U.S. NGOs will conduct programs designed to address the priorities of the Trafficking in Persons Office to include: raising awareness of law enforcement on the negative impact of trafficking and the importance of prosecuting traffickers and protecting victims; developing and enforcing new or existing laws; promoting multi-disciplinary (police, prosecutors, NGO service providers, for example) and coordinated approaches to addressing trafficking; collecting law enforcement data in a consistent and standardized manner; enhancing cross-border collaboration; building the capacity of foreign NGO partners; and rescuing and assisting victims. The proposed countries are India, Mexico, Ecuador, Uganda, Kenya, Tanzania, Burundi, Ethiopia, Mauritania, Liberia, Sierra Leone, Thailand and Burma. East Asia and the Southern African Development Community (SADC) countries are proposed targets for regional programs.

The Trafficking Office proposes to continue to support specialized anti-trafficking programs conducted at the International Law Enforcement Academies in Bangkok, Botswana and Budapest. Specifically, INL proposes to target local law enforcement officials and prosecutors working with U.S. grant recipients and their local NGO partners in East Asia, SADC countries, Estonia and Slovenia. These officials and prosecutors will receive technical training on investigative and prosecutorial techniques to combat trafficking in persons. The U.S. Department of Justice, Department of Homeland Security or an organization will be contracted to provide the training at the ILEAs.

Trafficking in Persons					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Prosecution Program	4,500		7,000		2,500
Protection Program	3,000		4,000		2,000
Prevention Program	2,500		1,000		500
<i>Total</i>	10,000	-	12,000	-	5,000

Anti Crime Programs

Fighting Corruption

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
2,300	—	3,000	11,300 ⁸

Program Objectives and Performance Indicators

USG anticorruption goals advance important national security and foreign policy objectives. In pursuing our anticorruption goals, INL has in recent years pursued a mix of diplomatic, policy, and programmatic efforts, including: increasing the number of governments committed to implementing comprehensive regimes to address their corruption problems; increasing international cooperation among governments in the fight against corruption; increasing the number of countries where political will exists to pursue high-level corrupt actors and problems; and developing innovative methods to tackle corruption that show measurable effect. INL advances these goals through a four-pillar approach. These four pillars, articulated in Secretary Powell's first two reports to Congress pursuant to the International Anticorruption and Good Governance Act in 2001 and 2002, include the following:

Uniting Governments Under Common Anticorruption Commitments (Multilateral Pillar): The USG opens the door to enhanced cooperation through the creation of global anticorruption goals and standards. This, in turn, encourages the sharing of best practices, builds trust and relationships between cooperating countries, and ultimately increases the effectiveness of USG government and other aid programs that assist these efforts.

Increased number of reports issued annually by mutual evaluation mechanisms.

Increased number of countries have signed and ratified the United Nations Convention Against Corruption.

Helping Governments Meet or Exceed Those Commitments (Bilateral Pillar). The fight against corruption begins at the national and local levels. Where pockets of political and/or popular will exist, the USG can assist governments in taking effective action against corruption. This includes, *inter alia*, helping governments take a wide range of actions to address corruption, such as enforcing anticorruption laws and instituting preventive measures

⁸ Includes approximately \$9.0 million for Anticorruption Compacts in FY 2005.

within the public administration. The U.S. is also beginning through the Anticorruption Compacts, the Millennium Challenge Account (MCA), and other initiatives to reward those countries that are committed to effectively rooting out corruption.

Increased number of countries publicly adheres to and enforces No Safe Haven policies.

Mobilizing Popular Will and Private Sector Action (Public Diplomacy Pillar): Popular will is the best expediter of political will against corruption. The USG can help enhance popular will in other countries by helping encourage civil society, the media, and the private sector to be active in the fight against corruption, increase transparency in governments, and increase integrity in the private sector.

Targeted countries have improved scores in anticorruption and transparency indices.

Leading By Example (Mutual/Unilateral Pillar): The USG has been a leader in the fight against corruption by promoting integrity within our own country and making our actions an example for the world. The international community can benefit from our examples, particularly regarding efforts to prevent U.S. multinational business from bribing overseas, enforce corruption laws, promote good public/corporate governance, and build tools and institutions to prevent corruption. INL also works closely with other nations to combat the international aspects of corruption, such as money laundering and transnational flight, through policy and mutual legal assistance, to bring the corrupt to justice. The USG is also advancing important anticorruption and accountability elements in its foreign assistance programs including, for example, the President's Millennium Challenge Account and within the G-8 process.

Full implementation and balanced use of the new presidential proclamation to deny entry into the United States by corrupt officials, those who corrupt them, and their dependents.

Program Justification

The Administration has made the international fight against corruption one of its key foreign policy priorities. The USG has clear foreign policy and national security interests in seeing corruption addressed on an international scale. Corrupt interests continually hamper global economic activity of American firms, interfere with the accomplishments of USG foreign assistance goals and programs, facilitate the continuing growth of transnational crime and international criminal organizations, and threaten democracy. Terrorists thrive on corruption, using it to facilitate the laundering of funds and the illicit trade of weapons, passports, drugs, and persons; obtain sensitive information from government sources; and move money and themselves across borders to find safe havens.

Program Accomplishments

Uniting Governments Under Common Anticorruption Commitments: Over the past several years, INL has helped negotiate and develop several significant regional multilateral

anticorruption commitments, including the United Nations Convention, the Inter-American Convention and Special Summit of the Americas, Council of Europe conventions, Stability Pact compact, the ADB-OECD Asia Initiative, and, presently, the UNDP/OECD Middle East and North Africa (MENA) Initiative. A recent INL top priority has been to lead USG efforts to complete the first global convention against corruption at the United Nations, which was opened for signature in December 2003 and signed by nearly 100 nations, including the U.S. From a diplomatic perspective, the biennial ministerial Global Forum process is by far the most high-level existing intergovernmental forum for promoting the fight against corruption, and INL continues to lead USG efforts to develop and define that process.

Helping Governments Meet or Exceed Those Commitments: INL has focused its attention and resources on promoting implementation of multilateral anticorruption commitments (e.g., monitoring mechanisms) and helping develop effective governmental approaches to preventing corruption (e.g., addressing corruption within the criminal justice system through the legal profession and private bars). INL has provided or led USG experts and assistance to help over sixty countries implement anticorruption commitments through mechanisms within the Organization of American States, Council of Europe, Stability Pact Anticorruption Initiative for Southeast Europe, and the ADB/OECD Asian Anticorruption Initiative. INL has also targeted anticorruption advisors and technical assistance to help governments address weaknesses discovered during these evaluation processes. INL continues to lead USG law enforcement-related anticorruption assistance, particularly to help countries build their capacities to investigate and prosecute corruption cases. Over the past two years, INL further developed the capability to react rapidly to unexpected Embassy requests for anticorruption assistance to new governments or governments exhibiting strong and unusual political will to address corruption.

INL has recently led efforts with State regional bureaus and USAID to develop a coordinated and holistic anticorruption pilot assistance program that can be targeted to countries that exhibit strong political will to address corruption problems, a program called the Anticorruption Compact. The pilot Anticorruption Compact, in Nicaragua, should be in place shortly.

Mobilizing Popular Will and Private Sector Action: INL has developed and funded innovative technical assistance programs that help build the popular will against corruption and promote integrity within the private sector. Recent examples include the development of a Culture of Lawfulness educational program in several countries targeted at middle-school students and support to develop a corporate governance blueprint for Russian businesses. INL also has led USG input and assistance to the World Bank Corporate Governance Forum, which has sponsored numerous efforts to promote corporate integrity internationally.

Leading By Example: INL has led recent USG interagency participation, including the Department of Justice, Office of Government Ethics, and others, in key multilateral efforts to observe USG anticorruption efforts, and has helped effectively showcase our efforts as a model for other countries. INL is developing the first one-stop website where anyone can get comprehensive information on USG governmental and non-governmental activities to combat corruption within our own country and overseas. The G-8, in the Evian Declaration,

committed to the No Safe Haven policy, designed to deny safe haven to the corrupt, those who corrupt them, and their assets. The Special Summit of the Americas made a similar commitment in January 2004. INL also led efforts to advance No Safe Haven through the development of a Presidential Proclamation to deny entry to the corrupt, those who corrupt them, and their dependents, signed in early 2004.

FY 2005 Program

Anticorruption Compacts

The Anticorruption Compacts are a new initiative that helps to fight corruption in a way that strengthens political will, rewards performance, and yields demonstrable results. By attacking corruption on multiple fronts with the strong commitment of the highest levels of government, rather than one sector at a time, the Compacts seek to raise the bar across government institutions and make transparency efforts in different sectors mutually reinforcing. The Compacts will require governments to commit in writing to reform in key areas that promote transparency and help prevent corruption, including management of public finances, public procurement, and engaging civil society. In exchange, countries will receive assistance targeted to these areas. The Compacts will include metrics to monitor achievement of these goals. The \$9,000,000 requested will fund the first year's effort in at least three countries. Assistance for each pilot country will likely focus on training, equipment and technology (including e-systems) needed to establish and maintain fiscal transparency and accountability systems, rules-based public procurement systems, effective enforcement and oversight institutions, and free and active civil society anti-corruption efforts.

Other Programs

INL will continue to spearhead USG involvement in ongoing multilateral monitoring efforts in Europe and the Western Hemisphere and to help transform the Global Forum process into a body to promote intergovernmental standards. INL will continue to support law enforcement-related anticorruption assistance worldwide and develop innovative methods to combat corruption within the public and private sectors in select countries. INL's focus on developing policy goals and promoting operational international cooperation will increase as INL implements the 'No Safe Haven' commitments and emerging global standards.

In addition to the compacts, FY 2005 funds will assist in implementing a comprehensive National Anticorruption Strategy in Iraq. This funding would advance efforts INL is already developing through the Coalition Provisional Authority in order to establish an Iraqi independent anticorruption commission and develop key oversight and integrity mechanisms throughout government ministries. Funds will also be used to expand the Middle East Governance Network, an OECD-led effort, with the UNDP and World Bank, to create an intergovernmental anticorruption forum. The forum would work towards developing capacity, tools, and systems -- such as anticorruption commissions, stronger laws, codes of conduct, and better trained police and prosecutors -- to detect and fight corruption. Partner countries would include Morocco, Egypt, Jordan, Lebanon, and Bahrain.

FY 2005 funds would also be used to pay contributions/dues to support three multilateral monitoring mechanisms -- Europe's Group of States Against Corruption (GRECO), the OAS, and the Stability Pact Anticorruption Initiative (SPAI) -- that promote implementation of anticorruption commitments in dozens of countries. Funding will also include the U.S. contribution to the World Bank and OECD Global Corporate Governance Forum, which supports efforts by countries in Asia, Eastern Europe, Africa, the Middle East, and the Americas to strengthen their legal and regulatory framework on corporate governance. Funds will also be provided bilaterally or through regional organizations to help countries that have ratified the new United Nations Convention Against Corruption to implement the convention's prevention and criminalization chapters.

Alien Smuggling

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
600	—	400	500

Program Objectives and Performance Indicators

INL will work with our international partners to interdict and halt alien smuggling as far from our borders as possible. Our efforts will focus on attacking criminal smuggling organizations at all points of their organizational structure. INL will provide technical assistance and training to foreign immigration officers, border guards, and police officials. INL will also help coordinate the activities of the interagency anti-smuggling community in their efforts to disrupt major alien smuggling rings operating both domestically and overseas. Intelligence information will be collected, analyzed, and disseminated on alien smuggling and human trafficking. The capacity to identify and respond to threats posed by alien smugglers and traffickers will be strengthened by the creation of the interagency Human Smuggling and Trafficking Center.

Quarterly intelligence reports will be prepared, targeting folders will be developed on the top alien smuggling organizations, and investigations will be opened against major traffickers with a nexus to the United States.

Vetted units of skilled anti-smuggling police will be created in selected countries to disrupt and deter criminal networks involved in the transportation of illegal aliens into the United States.

The vetted units will arrest and prosecute major alien smugglers and traffickers. They will also train law enforcement officers in alien smuggling techniques and practices.

Program Justification

The smuggling of illegal migrants, which can serve as a vehicle for terrorist entry into the United States, is a major national security concern. The identification and tracking of special interest aliens has become a high priority for U.S. law enforcement authorities. The creation of the Bureau of Immigration and Customs Enforcement reflects the U.S. Government's concerns about the growing problem of alien smuggling and the increasing sophistication of criminal networks with global reach.

The U.S. government has adopted a strategy for deterring and preventing the flow of illegal aliens into the United States that places great emphasis on disrupting alien smuggling organizations as far from our shores as possible. This means that the fight against alien smuggling must begin in foreign lands where our influence and law enforcement authorities are more limited. Weak foreign law enforcement institutions, corrupt public officials, and inadequately trained police make it imperative that guidance and technical assistance be provided to illegal alien source and transit countries. Without adequate technical assistance many of these countries will continue to contribute to the stream of illegal aliens entering the United States. This stream, if uncontrolled, may allow foreign nationals with terrorist links to slip into the United States undetected.

Program Accomplishments

INL has provided law enforcement training on combating alien smuggling to over three hundred foreign officials in the past three years. The Bureau 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 was designed to provide technical, legal, and managerial training to enhance the participating foreign officials' ability to implement border security professionally and effectively. INL 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 anticipates providing support to foreign governments that have chosen to ratify and implement the UN Transnational Organized Crime Convention and its protocol on migrant smuggling. To date, over 100 countries have signed the protocol. The main themes of the protocol are to criminalize smuggling, strengthen law enforcement cooperation, enhance border controls, including document security training, and ensure the prompt return of the smuggled migrant.

In response to the migrant smuggling challenge and to further our anti-alien smuggling objectives, INL will help establish a fully operational inter-agency Human Smuggling and Trafficking Center (HSTC). This initiative will bring together federal agency representatives from the policy, law enforcement, intelligence, and diplomatic arenas to work together on a full-time basis to achieve increased progress in addressing these problems, particularly in terms of converting intelligence into effective enforcement actions. The Center will provide a mechanism to foster greater integration and overall effectiveness in U.S. government enforcement and other response efforts and would promote similar intensified efforts by foreign governments and international organizations to combat migrant smuggling and trafficking in persons.

INL purchased computers for the Government of Ecuador to use at the international airport in Quito. Funding was also provided to detail a team of attorneys to Ecuador to provide guidance on strengthening alien smuggling legislation. INL also funded an alien smuggling conference for Caribbean immigration and police officials as part of our effort to focus more attention on our "third border". Lastly, INL coordinated and helped fund a program on border controls at an OAS (CICTE) conference in El Salvador where the participants explored the links between alien smuggling and terrorism.

The first alien smuggling vetted unit ever funded by the USG was established in Quito, Ecuador. This unit was established in Ecuador because of the large number of aliens smuggled into the United States from Ecuador. The maritime movement of illegal aliens from Ecuador to Guatemala and then through Mexico into the United States was of particular concern. Shortly after the establishment of the vetted unit a team of police and prosecutors traveled to Guatemala from Ecuador to assist in the prosecution of alien smugglers responsible for the smuggling of 112 migrants in a fishing trawler. Because of the assistance provided by the vetted unit from Quito, seven crewmembers should be prosecuted in Ecuador shortly.

FY 2005 Program

INL will continue to support the development of the HSTC. The Center's initial efforts will be fundamentally supportive rather than directive in nature. The Center will provide strategic assessments, identify issues that might benefit from enhanced interagency coordination and attention, and coordinate or otherwise support agency or interagency efforts in particular cases. Funds for this program will be used to hire staff to support the Human Smuggling and Trafficking Center. This support staff will provide the framework for a team of law enforcement and intelligence officers who will be detailed to the Center to turn intelligence into action. Operational and administrative needs of the Center will also be provide through these funds.

INL plans to help create one or more additional alien smuggling vetted units in Guatemala, Mexico or the Dominican Republic. The vetted units will be trained in the areas of investigative techniques, consensual monitoring, anti-corruption, and anti-smuggling. After the initial training, the host country vetted units will work in conjunction with trained prosecutors to dismantle international smuggling organizations. This team concept will serve to strengthen the law enforcement and prosecutorial branches of the host country government and will provide a reliable and effective means for United States law enforcement and host country law enforcement cooperation.

INL will provide training and technical assistance aimed at developing countries to improve their capacity to combat alien smuggling. Assessments will be done and equipment and advisors will be provided. INL will also continue to support international organizations that work to deter alien smuggling. Some funding may be used to obtain the help of international organizations or experts in the field of migration and alien smuggling.

Border Security

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Supp	FY 2004 Estimate	FY 2005 Request
800	—	767	500

Program Objectives and Performance Indicators

INL will continue to assist selected countries to strengthen their border control regimes so as to make it more difficult for criminals and terrorists who threaten the interests of the United States to pass through without being detected and apprehended. INL will help priority countries to improve their port and airport security practices, through education initiatives, training, and technical assistance. The strengthening of security at ports and airports will help to prevent criminal and terrorist acts that could have an adverse impact on trade and transportation with the United States. INL will conduct training to improve the proficiency of customs, immigration, and other border control officials. INL shall provide equipment such as computers, vehicle search tools, and narcotic test kits for controls at inspection points. INL will work to recommend physical improvements at selected ports of entry, and improvement of visa processes, travel and identity documents, and immigration policies, so as to facilitate travel while at the same time enhancing border controls. INL will also help improve integration and coordination among various law enforcement entities at the borders.

Performance indicators will include new laws and regulations; training provided; policies and procedures changed; technology introduced; and heightened security at ports and airports.

INL will help priority countries to modernize and improve their customs and immigration controls so that they can more tightly regulate the movement of cargo and people. Border security improvements will enhance law enforcement cooperation, reduce corruption, increase revenue collections, and strengthen rule of law in developing countries.

Performance measures will include better law enforcement controls and intelligence; increased identification and apprehension of criminals; reduced threat to the supply chain; and less illegal movement of aliens destined for the United States.

Program Justification

Porous borders are a threat to developing countries, as well as to the United States. Lax border controls greatly enhance the ability of international criminals, smugglers, and terrorists to expand their operations and 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 borders is non-existent. Border control officials are 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 criminals. They can force them into other, less attractive, routes, provoke traffickers into taking measures that raise their operational costs, and make traffickers more vulnerable to law enforcement countermeasures. Borders are also the points at which to collect important intelligence. Information gleaned from seizures, arrests, and documents can provide leads useful to making even bigger cases that help dismantle major international criminal syndicates. Successful enforcement at the border is also a powerful instrument for generating greater public support for fighting transnational crime.

Program Accomplishments

A letter of agreement has been signed and work has begun to modernize immigration controls at airports and seaports in Jamaica. A modern entry/exit system to control the movement of people will be installed in the near future. Effective border control programs depend on having adequate training, visa regimes, and equipment, including automated systems like the one in Jamaica to track the movement of people through ports of entry.

INL provided funding and reached an agreement with the Organization of American States (OAS) to provide port security training to selected countries in Latin America. This training is needed because of new U.S. regulations and requirements related to port security that were inspired by terrorism's growing threat to world trade. Funding has also been provided to the OAS counterterrorism-working group to support the development of a model port project. This initiative will focus on providing technical assistance to the police and port authority officials responsible for improving security at ports in the Western Hemisphere.

FY 2005 Program

Building on our FY 2002 terrorist supplemental request and in support of our border security efforts, INL funds will focus on: improving the ability of governments to control the irregular movement of persons into and through their country, facilitating regular movements, instituting secure travel document issuance systems, and strengthening immigration management systems. Effective border control programs depend on having 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 vulnerable countries and will work with them to upgrade their border control systems, including assisting them to improve travel document issuance systems and customs controls. Paraguay may be one of the countries receiving technical assistance in the coming year.

Funds will also be used to support conferences and organizations working to improve border security. Proposals from the OAS, the Bali Group, the Human Smuggling and Trafficking Center, the NSC IWG on alien smuggling, the G-8 law enforcement working groups, the Inter-governmental Consultations on Asylum, Refugee, and Migration Policies in Europe,

North America and Australia, the Southeast Europe Cooperative Initiative, the International Organization for Migration, and other organizations will be considered for funding.

Cyber Crime, Intellectual Property Rights and Critical Infrastructure Protection

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
300	—	2,650	2,500

Program Objectives and Performance Indicators

INL programs will expand U.S. government international cooperation and assistance with key foreign nations on cyber crime, intellectual property rights (IPR) crime and critical infrastructure protection (CIP). This will be accomplished primarily through INL technical assistance and training to assist foreign nations in drafting effective laws and building strong enforcement capacities. INL will also continue to participate in a range of USG diplomatic initiatives aimed at strengthening international standards and cooperation in fighting information technology (IT) enabled crime.

With the approaching 2005 deadline for developing nations to comply with the World Trade Organization's Agreement on Trade Related Aspects of Intellectual Property (TRIPS) Agreement, INL will help the US meet its treaty obligations by increasing the number of IPR training projects delivered to developing nations while ensuring our assistance complements that of other USG agencies, fits with long-term Mission planning, enables the involvement of the private sector to the maximum extent possible, improves the responsiveness of foreign law enforcement to US requests for assistance and cooperation, and increases the numbers of successful US and foreign prosecutions of IPR crime.

The US will continue to build the capacity of foreign law enforcement partners through training and technical assistance programs targeted at cyber crime and related criminal misuse of IT. Improved foreign cooperation with US enforcement goals and increased numbers of successful US and foreign prosecutions of high tech crime will determine program success.

International CIP outreach will continue to be expanded beyond the circle of our closest allies, measured by an increase in the number of nations and multilateral and multinational organizations embracing enhanced cyber security policies and practices.

Program Justification

IPR crime presents a growing threat to the most cutting-edge sectors of the US economy. Losses to the US copyright and patent industries, in areas such as optical media and

pharmaceuticals, have been staggering. One particularly troubling phenomenon is the growing involvement of transnational crime groups, and potentially terrorist groups, in IPR crime. These groups have the potential to outstrip the capabilities of hard-pressed law enforcement to counter them. As a signatory to the TRIPS Agreement, the USG is committed to a global enforcement effort to eliminate safe havens for online pirates and other IPR criminals. In particular, the USG has a responsibility, under TRIPS, to provide training and technical assistance to developing nations to ensure TRIPS compliance by 2005. Although INL has long been engaged on issues related to protection of IPR, the explosion in IPR crime and the growing sophistication of IPR criminals has led INL to ramp up its resources dedicated to this issue. As co-chair of the State Department's inter-agency training coordination group (TCG), which includes both government and industry participation, INL promotes IPR foreign training and technical assistance projects targeted to foreign nations where the problems are most severe. Our assistance includes seminars on developing TRIPS compliant laws, and also on training police and prosecutors on fighting IPR crime. Since much of the growth in IPR copyright crime is fueled by the criminal misuse of information technology (e.g. online piracy) there is a significant overlap with INL's mission to fight cybercrime.

Cyber crime - 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, in which IT is a means for carrying out the elements of the crime, and also activities such as hacking, intrusion, and denial of service attacks, in which information networks are themselves targeted. As one of the first nations to sign the Council of Europe Cybercrime Convention - the first multilateral treaty dedicated to cyber crime - the USG is one of the international leaders in promoting mutual cooperation, effective laws and strong enforcement institutions. INL provides technical assistance and training to foreign law enforcement in detection, prevention, and prosecution of high-tech crimes. Given the nascence of cyber crime in many developing nations, our assistance includes enabling U.S. prosecutors to travel abroad to give key nations legislative drafting advice. INL also participates in developing U.S. policy positions on cyber crime in organizations such as the G-8, the Council of Europe, Asia Pacific Economic Cooperation (APEC), the Organization of American States (OAS) and the United Nations.

In the realm of cyber security, the vast expansion of the Internet and the spread of information technology have created new challenges for the USG in the areas of law enforcement, national security, and national economic security. Hacking, denial of service, viruses and harmful attacks on information networks are increasing exponentially. The President has responded to this challenge by directing the issuance of the first National Cyberspace Strategy. The Strategy recognizes that the 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 others. Consequently, U.S. national security depends not only on our own domestic CIP efforts, but also on the capabilities and cooperation of the foreign partners upon whose infrastructures INL relies. The National Strategy contains a strong international outreach component, focusing on promotion of watch-and-warning networks and a global culture of cyber security and is also informed by cyber crime and cyber security principles

encompassed in United Nations General Assembly Resolutions 55/63 and 57/239 sponsored by the United States, by the G-8 Principles on Information Security, and resolutions and declarations in forums such as APEC and the OAS. Within the Department of State, INL has particular responsibility for law enforcement related CIP issues. INL has already stepped up to support CIP outreach by providing training and technical assistance to key partner nations such as India, Argentina and Brazil. INL expects an increase in the demand for training to combat cybercrime with the expansion of USG outreach to developing nations. INL will continue to target our resources in consultation with US agencies such as Commerce, Treasury, Justice and Homeland Security, which have strong and evolving responsibilities in the areas of cyber crime and cyber security.

Program Accomplishments

In the last two years, INL has more than doubled its funding dedicated to fighting IPR crime, from \$250,000 to \$600,000. This has enabled the USG to meet demand for law enforcement training and technical assistance from a growing number of nations identified as priorities by the TCG, such as Brazil, Egypt and the Philippines. These priorities reflect not only the ranking of nations on the Special 301 Report compiled by the Office of the United States Trade Representative (USTR), but take into consideration the recommendations of US Missions as to which nations have the political will and determination to fight IPR crime. Similarly, in the field of cyber crime, INL was able to support stepped-up activities by the Department of Justice in advising key nations like Brazil and Argentina in designing effective laws, in training foreign police and prosecutors in cyber investigations, and in related CIP activities like the OAS Conference on Cyber Security. INL has also continued to help advance our diplomatic objectives through participation in bilateral discussions with close allies, and with multilateral organizations like the OAS, the Council of Europe, APEC, the G-8 and the United Nations.

FY 2005 Program

INL will continue to fight IPR crime through increased funding for foreign law enforcement training and technical assistance. INL will be consulting closely with industry groups like the Recording Industry Association of America (RIAA) and the Pharmaceutical Manufacturers Association of America (PhARMA) to ensure our assistance dovetails with industry efforts. These groups have urged INL to provide additional law enforcement training to fill a critical “gap” in their own efforts to assist foreign countries in fighting IPR crime. INL will closely weigh input from the TCG to determine the best candidates for such assistance, with particular guidance from the USTR Special 301 process, much the same as in the two previous years. INL will also consider the needs of nations that have a 2005 deadline of compliance with their TRIPS obligations. INL seeks not only to increase the numbers of such programs, but also to better integrate input and participation from private industry into our long term IPR assistance plans. The countries INL is particularly likely to work with to build institutions to address IPR challenges include the Philippines, Egypt, Brazil, Argentina, South Africa, India, Hong Kong-China, Paraguay, Lebanon, Russia and Mexico. INL also plan to create regional training opportunities for other key nations in the Caribbean, Central America, Southeast Asia and Eastern Europe.

INL will continue to participate as part of the Department of State 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 between law enforcement, as well as expanding our circle of contacts to selected countries and multilateral organizations. INL expects to fully coordinate its activities with the Department of Homeland Security and other U.S. agencies. INL expects an increase in demand for training and technical assistance to combat the criminal misuse of IT to increase throughout the range of existing INL programs. INL will provide 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. In particular, INL expects demands for assistance from developing nations to increase in response to the success of the Council of Europe Cybercrime Convention as a global model. INL will also work to meet the demand from OAS member states as they advance their regional strategy to fight criminal misuse of information technology. INL expects to work closely with DOJ and Homeland Security in assessing existing cyber crime training offerings for their effectiveness, and with DS/ATA in determining how our crime fighting and anti-terrorist cyber training can complement each other.

Financial Crimes and Money Laundering

Budget Summary (\$ 000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
5,903	—	1,000 ⁹	3,500

Program Objectives and Performance Indicators

INL will promote the use of legislative, enforcement and regulatory tools to deny criminals and terrorists access to financial institutions and markets. Activities and programs will strengthen cooperation against 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/anti-terrorist financing standards. INL will encourage the formation of Financial Intelligence Units (FIUs) and enhance their ability to share critical financial intelligence by providing technical assistance to those countries that have adequate and appropriate anti-money laundering laws and regulations in place and by encouraging them to become members of the Egmont Group of FIUs. INL also will initiate new projects to develop Trade Transparency Units, modeled on FIUs, and regional technical assistance/training programs to provide efficient use of scarce resources in areas trying to establish comprehensive anti-money laundering/anti-terrorist financing regimes.

The numbers of successful investigations and prosecutions abroad of important terrorist financing and money laundering cases will increase.

There will be an increase in the number of jurisdictions in compliance with international anti-money laundering standards, including the Financial Action Task Force (FATF) Special Eight Recommendations on Terrorist Financing, as reflected by mutual and other evaluations conducted by FATF and other international standard-setting and peer review bodies.

Two additional FATF-style regional bodies will be established in Central Asia and the Middle East.

There will be an increase in the number of effective FIUs.

There will be an initial network of Trade Transparency Units in operation in countries of most concern. The network will combat the misuse of trade in money laundering and terrorist financing.

⁹ The total commitment is \$3.5 million, of which \$2.5 million will come from carryover balances.

New regional training/technical assistance programs will be established in the Pacific Island region and in Central America based on the Caribbean Anti-money Laundering Program (CALP) model.

Program Justification

Financial crime, terrorist financing, and money laundering pose a significant national security threat to the United States and other 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 to access the financial systems of countries 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 other financial crimes. Experts estimate that global money laundering exceeds \$750 billion per year and continues to grow through a variety of new innovative schemes only limited 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.

Program Accomplishments

In the past two years, INL has implemented an aggressive program to combat international financial crime and money laundering, with an increasing emphasis on terrorist financing. In FY 2002, INL provided \$2.7 million in training and technical assistance programs that delivered over 40 courses to bank regulators, bankers, law enforcement, prosecutorial, and judicial personnel from 34 governments. A multi-agency team of experts representing the Departments of State, Treasury, Justice, and Homeland Security; the Office of the Comptroller of the Currency (OCC); the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve Board of Governors delivered the training courses. The FY 2003 statistics include \$1.8 million for 40 training courses presented in 35 countries. In addition, INL provided contributions to multilateral organizations such as the Financial Action Task Force (FATF), the Caribbean Financial Action Task Force (CFATF), the Asia/Pacific Group on Money Laundering (APG), the Council of Europe, the Organization of American States Inter-American Commission on Drug Abuse Control (OAS/CICAD) and other regional bodies to support anti-money laundering efforts. The members of these bodies have made a commitment to meet international anti-money laundering standards and undergo 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.

During 2001-2002, INL also participated in the development of the FATF's Non-Cooperating Countries and Territories (NCCT) program to identify jurisdictions not cooperating in the fight against money laundering. All 23 jurisdictions that FATF identified as NCCTs were the subject of U.S. Treasury Department advisories, warning all U.S. financial institutions to exercise enhanced scrutiny of financial transactions with the listed NCCTs. INL provided training and technical assistance to many of these jurisdictions to

help them correct the deficiencies identified by the FATF. With the help of this assistance, FATF removed four of them from the list in 2001, eight in 2002, and an additional 2 in 2003. 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 now also focuses on a worldwide effort to combat terrorist financing. INL is co-chairing an interagency process to identify the countries most vulnerable to terrorist financing activities around the world. The Bureau is a central contributor to assessing the anti-terrorist financing needs of these countries and developing implementation plans for them, and funding anti-terrorist financing technical assistance programs so they can combat this threat.

FY 2005 Program

INL is developing the innovative concept of Trade Transparency Units (TTUs) with the Department of Homeland Security to respond to the increasing propensity of criminals and terrorists to move funds outside of formal financial sectors through use of alternative remittance systems and falsified trade data. The concept borrows from the international network of FIUs that examine financial intelligence. A similar TTU network is envisioned that will analyze countries' trade data, searching for anomalies indicating trade fraud, money laundering and/or terrorist financing. In 2005, INL plans to initiate training and equipment to set up TTUs in strategic countries. The first countries will be those in Latin America that are combating the Black Market Peso Exchange and those in South Asia that are susceptible to trade-based money laundering and terrorist financing. The intent is to garner an internationally agreed upon framework for coordinating information-sharing between TTUs and a timeline for the system's implementation worldwide; establish several countries with fully equipped TTUs with the legal and regulatory authority to share information internationally; reduced use of trade and alternative remittance systems as a means to finance terrorism and launder crime proceeds; and, increase arrests, prosecutions, and convictions of those involved in terrorist financing and money laundering.

In 2005, INL will develop new regional technical assistance/training programs in Central America and the Pacific Island region. These programs, modeled on the Caribbean Anti-money Laundering Program (CALP), are an economical way to provide comprehensive training and technical assistance to several countries in a region that share similar terrorist financing and money laundering problems. The programs will include installing resident advisors and support staff to work in key areas needed to bring the anti-money laundering/anti-terrorist financing regimes in the regions up to international standards through assisting in drafting laws and regulations; training regulators and law enforcement officials, including prosecutors and judges; and establishing Financial Intelligence Units (FIUs).

In FY 2005, INL will aim its training and technical assistance programs toward regions and 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-terrorist financing and anti-money laundering laws and regulations that meet international standards; training bank supervisors to ensure compliance with regulations; developing anti-money laundering/anti-terrorist financing examination procedures; providing

law enforcement with financial investigative skills; and training prosecutors to develop terrorist finance and money laundering cases.

INL will also fund the placement of intermittent and long-term advisors in countries to assist in the development of FIUs to analyze suspicious transaction reports and share information with allies. INL will continue to work closely with other USG agencies to provide this assistance, including the FBI, Secret Service, Customs Service, Internal Revenue Service, the FDIC, the Federal Reserve Board of Governors, and the OCC. It is expected that training will focus on the countries considered to be most vulnerable to terrorist financing and many of the NCCT jurisdictions, including Egypt, Indonesia, 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 multinational anti-money laundering organizations, such as the FATF, other anti-money laundering bodies, such as the APG, Council of Europe, CFATF, the Financial Action Task Force Against Money Laundering in South America (GAFISUD), the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG), OAS/CICAD, and the U.N. Global Program Against Money Laundering as well as the proposed new FATF-styled regional bodies (FSRB) in Central Asia and the Middle East. In particular, INL wants its assistance to ensure that the FATF-style regional bodies incorporate anti-terrorist financing training into their anti-money laundering criteria, that they conduct a steady stream of mutual evaluations of their members, and that they train a core of evaluators to conduct these evaluations.

Law Enforcement Institutional Support

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
6,500	—	2,200	700

Program Objectives and Performance Indicators

INL will contribute to the basic infrastructure needed to carry out law enforcement activities in cooperating countries. We will improve the technical and investigative skills of law enforcement personnel in key countries and increase cooperation and coordination between U.S. and foreign law enforcement officials.

Foreign law enforcement agencies will become more self-sufficient, and the investigative skills of their law enforcement officers will improve so that they will be able to successfully investigate and prosecute increasingly more sophisticated cases.

Communication and cooperation of law enforcement officers within and between countries, regions and U.S. law enforcement will be improved.

An increased number of criminals will be successfully prosecuted.

Program Justification

The Law Enforcement Institutional Support Program (LEISP) is designed to strengthen the ability of foreign governments' law enforcement and judicial institutions to combat international organized crime, terrorism, drug trafficking, and other international crime threats. Institutional support programs are primarily carried out by agencies of the Departments of Justice, Homeland Security, and Treasury. The types of programs offered include comprehensive law enforcement development projects, short-term specialized skills and techniques training, short- and long-term technical assistance to draft anticrime and anti-drug legislation, development of specialized law enforcement units such as money laundering and organized crime units, and regional training programs in regions not covered by the International Law Enforcement Academies (ILEAs).

Support for foreign law enforcement institutions is an objective of both the President's February 2003 National Strategy for Combating Terrorism and the President's National Security Presidential Directive (NSPD) on International Drug Control Policy. Further, the Department's FY 2004 Strategic Plan for International Crime and Drugs places a heavy

emphasis on professionalizing foreign law enforcement organizations through institutional support programs and specialized training.

During the past year, the process for delivering INL-funded international law enforcement training was significantly enhanced. All LEIS programs were targeted to objectives outlined in each U.S. Embassy Mission Performance Plan (MPP) to increase the ability of each recipient country to develop self-sufficient law enforcement institutions. To help make these programs self-sufficient, INL seeks to provide comprehensive, project-based assistance, tailored to the particular needs of individual countries. This type of program addresses all the necessary elements for building a law enforcement regime, including drafting sound and essential laws; training investigators, prosecutors and judges to carry them out; and creating data bases to help identify and track suspects, and collect, store, and retrieve evidence. In so doing, the program integrates multiple and sequenced training courses covering multiple disciplines where necessary, technical assistance in the form of long term and intermittent advisors, and modest equipment donations.

Program Accomplishments

Between fiscal years 1998 and 2003, INL-managed LEIS funding resulted in training for over 50,000 foreign officials from more than one hundred countries. It should be noted that some of these programs were implemented with funding from other line items within the INL budget and from other State Department Bureaus. These programs were carried out by U.S. law enforcement agencies including DEA, FBI, and agencies of the Departments of Justice, Homeland Security, and Treasury.

In FY 2003, LEIS programs were offered in more than forty countries. These programs included law enforcement development projects, specialized bilateral law enforcement and counternarcotics training programs, and regional law enforcement training seminars.

INL sponsored ten comprehensive law enforcement and prosecutorial development projects carried out by the International Criminal Investigative Training Assistance Program (ICITAP) and Office of Overseas Prosecutorial Development, Assistance, and Training of the Department of Justice. The projects are long-term and usually involve long and short-term advisors, training courses, and modest equipment donations.

ICITAP initiated law enforcement development and professionalization projects in Bangladesh, Nepal, the Philippines, and Poland, while OPDAT offered prosecutorial assistance programs to China, the Czech Republic, Nepal, and Thailand. Additionally, the U.S. Customs Service initiated a comprehensive border security project in Morocco.

INL funded more than forty specialized law enforcement and counternarcotics training courses to twenty-five countries, training approximately 1,800 foreign law enforcement personnel. All specialized training programs were components of existing INL-managed law enforcement development projects managed at U.S. Embassies.

In the Caribbean, training was provided to Barbados, Belize, the Dominican Republic, Guyana, Jamaica, Suriname, and Trinidad and Tobago. INL continued to fund the billets of Coast Guard trainers at Camp Blizzard, Antigua. Belize received anti-corruption training from U.S. Customs, as well as drug enforcement training from the DEA. The Dominican

Republic was trained by the DEA in basic drug enforcement, airport operations, and intelligence collection and analysis. Guyana received boarding officer and maritime law enforcement training from the Coast Guard. The ATF provided firearms and explosives identification training to Jamaica. Suriname received training from U.S. Customs and the FBI in internal controls. Finally, Trinidad and Tobago received Coast Guard training in interdiction planning and boarding officer skills.

In Central America, Costa Rica, El Salvador, Honduras, Nicaragua, and Panama were recipients of specialized law enforcement training. The DEA provided training to Costa Rica in basic and advanced drug enforcement techniques, while U.S. Customs provided overseas enforcement training. El Salvador received criminal intelligence analysis training from the FBI. Honduras was trained by the DEA in basic drug enforcement techniques and intelligence collection and analysis methods. Nicaragua received training in land border interdiction techniques and basic drug enforcement skills. Finally, Panama received overseas enforcement training from U.S. Customs.

In Eastern Europe, specialized training programs were provided to the Czech Republic and Hungary. Both countries received training in combating public corruption and money laundering from the FBI, IRS, and OPDAT.

In South Asia, India, Nepal, and Sri Lanka received specialized law enforcement training. Training in combating cyber crimes and child exploitation were provided to India. Nepal received training in combating public corruption. Finally, the DEA provided training in airport operations to Sri Lanka.

In Southeast Asia, training was provided to Laos and Thailand. The DEA offered basic drug enforcement and airport operations training to Laos. Thailand received training in asset forfeiture, task force management, and prosecutorial management.

INL also sponsored several regional law enforcement training seminars. These programs are designed to bring neighboring countries together to address transnational crime threats and promote sharing of information and techniques. Two Baltic Regional programs were offered addressing surveillance techniques and professional responsibility and ethics. The U.S. Customs Service provided a regional overseas enforcement training seminar to the countries of Central America. Also, the DEA offered a three-week international narcotics enforcement managers seminar to executive-level narcotics officials from the Former Soviet Union, Eastern Europe, and Asia.

FY 2005 Program

Refining INL law enforcement institutional support programs to meet the needs of recipient countries constitutes one of the best means of implementing the USG anticrime objectives for institution building and host nation self-sufficiency. INL will continue to furnish programs only to those countries considered high priority for U.S. anticrime interests. Major emphasis will be placed on coordination with other donors (e.g., the OAS and the EU) to urge them to shoulder greater responsibility for training that serves their particular strategic interests. This coordination will help avoid wasteful duplication of efforts.

In FY 2005, INL will maintain its role of coordinating the activities of Washington agencies in response to assistance requests from U.S. embassies. This will ensure that programs reflect the full range of U.S. policy priorities. 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 anticrime policy.

We anticipate funding one comprehensive law enforcement development program carried out by DOJ/ICITAP in the Middle East or South Asia. In addition, we plan to sponsor at least ten specialized narcotics interdiction and law enforcement training programs for priority countries of the Caribbean, Central and South America, the Middle East and Asia. In addition, an International Narcotics Enforcement Managers Seminar will be offered to narcotics executives from Latin America.

INL Anticrime Programs					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Fighting Corruption	2,300	-	3,000	-	2,300
Anti-Corruption Compacts	-	-	-	-	9,000
Sub Total	2,300	-	3,000	-	11,300
Alien Smuggling	600	-	400	-	500
Border Security	800	-	767	-	500
Cyber Crime, Intellectual Property Rights and Critical Infrastructure Protection	300	-	2,650	-	2,500
Financial Crimes and Money Laundering	5,903	-	1,000	-	3,500
G-8 and Lyon Group	500	-	500	-	-
Law Enforcement and Police Science	500	-	2,200	-	700
Rule of Law	500	-	-	-	-
Program Development and Support	897	-	807	-	-
Total	12,300	-	11,324	-	19,000

International Law Enforcement Academy

Budget Summary (\$000)

FY 2003 Actual	FY 2003 Supp	FY 2004 Estimate	FY 2005 Request
14,500	----	14,500	14,500

Program Objectives and Performance Indicators

National law enforcement capabilities will be strengthened and stronger linkages between U.S. law enforcement entities, foreign law enforcement authorities, and future criminal justice leaders will be established thereby resulting in greater cooperation between U.S. and foreign law enforcement authorities and more successful investigation and prosecution of more important cases abroad.

ILEA curriculum will encourage graduates to interact with other alumni regionally and internationally to address law enforcement issues.

ILEA graduates will adopt methods and technologies learned at the academies to conduct successful criminal investigations.

ILEA curriculum will be modified to respond to emerging transnational criminal trends in terrorism, corruption and trafficking in persons.

ILEA alumni will be actively engaged in training others, either at their national academies or on-the-job.

Specific areas of growing international criminal activity will be addressed by presenting training on counterterrorism, corruption, and trafficking in persons to combat these trends.

A modified Core curriculum designed to counter international criminal trends - with no fewer than 20 hours (from 15 hours previously) of training on counterterrorism, corruption, trafficking in persons, and related topics - will be implemented in gradual phases.

Six higher-level specialized courses (from 4 courses previously) will be introduced to address the same international criminal trends as the core curriculum:

implementation will begin with ILEA Budapest and Bangkok and continue to the other academies.

The present number of students trained at the existing ILEAs in Bangkok, Budapest, Gaborone, and Roswell will be maintained.

The total number of students' trained at all four academies will equal or exceed 2,200.

Areas for future expansion of the ILEA program to cover regions that are not currently addressed such as the Middle East, South Asia, and South America will be explored.

Another ILEA, to be established in San Jose, Costa Rica, is expected to begin operations and launch an initial program of Core and Specialized courses in FY 2005.

Program Justification

International Law Enforcement Academies (ILEAs) help advance U.S. interests through international cooperation while promoting social, political, and economic stability by combating crime. To achieve these goals, the ILEAs provide high-quality training and technical assistance, support institution building and enforcement capability, and foster relationships of American law enforcement agencies with their counterparts in the regions they serve. The ILEAs encourage strong partnerships among regional countries to address common problems associated with criminal activity. The ILEAs also develop an extensive network of alumni--who will become the leaders and decision-makers in their respective countries--to exchange information with their U.S. counterparts and assist in transnational investigations.

The Department of State works with the Departments of Homeland Security, Justice, Treasury, and with foreign governments to implement the ILEA program. The regional ILEAs offer three different types of programs: the Core program, specialized training courses, and regional seminars, all targeted at mid-level officials in the police and criminal justice services of strategic countries throughout the world. State's primary roles are 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.

The ILEAs will continue to be a dynamic training program, providing relevant, timely, and quality training against the backdrop of diverse and often shifting regional economic, social and political environments and in anticipation of and response to constantly changing international crime-related challenges such as terrorism, corruption, financial fraud and money laundering, alien smuggling, trafficking in persons, and organized crime.

Program Accomplishments

The Bureau of International Narcotics and Law Enforcement Affairs (INL) has established ILEAs in Hungary, Thailand, Botswana, and New Mexico. To date, these ILEAs have trained over 12,900 officials from over 50 countries.

The ILEA in Budapest, Hungary, opened in 1995 and has trained over 8,310 officials from Central, Southern European countries as well as Russia and the former Soviet Union. ILEA Bangkok in Thailand opened in 1999 and has trained over 2,915 officials from the Association of Southeast Asian Nations (ASEAN) and the Peoples Republic of China (PRC). The permanent facility for ILEA Bangkok will be completed in April 2004. ILEA Gaborone in Botswana opened in FY 2001 and has since trained over 845 officials from the Southern African Development Community (SADC). It now operates from its permanent facility, which was completed in early FY 2003. INL opened a graduate style ILEA in Roswell, New Mexico in late FY 2001 and has trained over 835 international criminal justice officials who had graduated from the regional academies.

In FY 2002, INL signed a bilateral agreement with the government of Costa Rica to establish an ILEA in San Jose. The Costa Rican Legislature has not yet ratified this agreement. If and when it is established, participants of ILEA San Jose will be criminal justice officials from Central America, the Andean region, and the Caribbean. Expectations are to establish an ILEA in Latin America during calendar year 2004 and have a full training program underway shortly thereafter.

FY 2005 Programs

INL will continue to support the work of the established ILEAs in Bangkok, Budapest, Gaborone, and Roswell. INL will also continue to encourage ILEA alumni to be actively engaged in training other instructors and mentors in methods and technologies learned at the academies, either at their national academies or on-the-job. This in turn will open and strengthen lines of communications to conduct joint investigations, and to share information with US counterparts.

INL will continue negotiations to establish a new ILEA in San Jose, Costa Rica or elsewhere in Latin America. If established, the Latin American ILEA is expected to deliver its full training program in FY 2005. Similar to the other regional ILEAs curricula, the ILEA will offer a mid-level management core program for law enforcement and criminal justice officials as well as specialized courses for police, prosecutors, and judicial officials. The training program will concentrate on attacking the most salient crime threats in the region, including drug trafficking; alien smuggling; trafficking in persons; money laundering, terrorist financing, and financial crimes; and accountability in government, as well as enhancing the ability of law enforcement to anticipate and respond to terrorist threats. These courses will be upgraded to adjust to the nuances of these criminal activities as identified by ILEA needs assessments.

International Law Enforcement Academy					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Bangkok, Thailand	3,155	-	2,900	-	3,100
Budapest, Hungary	539	-	600	-	850
Gaborone, Botswana	2,910	-	2,700	-	3,000
Roswell, New Mexico	5,000	-	7,105	-	5,000
Latin America	2,896	-	1,195	-	2,550
Total	14,500	-	14,500	-	14,500

Civilian Police and Justice Program

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Estimated	FY 2005 Request
-	2,700	2,700

Program Objectives and Performance Indicators

The overall program objectives are to continue developing and enhancing the U.S. capacity to participate in international civilian police components of peacekeeping missions and respond to complex security operations; and to strengthen the capabilities of the United Nations (UN), the Organization for Security and Cooperation in Europe (OSCE), other regional organizations and countries to address police, justice, and prison development issues in areas emerging from conflict.

The FY 2005 program will continue to enhance U.S. capacity to recruit, select, train, equip, deploy and support uniformed and non-uniformed police, trainers and advisors overseas to participate in and support peacekeeping missions and complex security operations. The program will also:

Establish and maintain cadres of up to 2,000 U.S. police, law enforcement advisors, and justice and corrections experts.

Expand and sustain certification of the basic U.S. training program in all of the United States and further develop relationships with federal, state and local law enforcement associations, organizations and unions.

Promote high quality, standardized civilian police peacekeeping training by inviting police from selected countries to participate in the basic U.S. training program.

Improve deployment capabilities to include quick response of assessment teams, advance teams, and technical advisors.

Strengthen INL management and oversight capabilities and further develop options to address complex security operations.

Program Justification

U.S. participation in international civilian police missions overseas is expected to continue in FY 2005 with up to 2,000 experienced members of the U.S. cadre assigned to Kosovo, Serbia

and Montenegro, Sierra Leone, Liberia, Afghanistan and Iraq. The support contract awarded in 2004 will provide a mechanism to establish a personnel system to ensure experienced members or former members of the U.S. law enforcement, justice and corrections community are available to support U.S. foreign policy interests in post-conflict regions around the world. The FY 2005 program will firmly institutionalize the program as an important component of the INL mission and will include:

Completing the development of a logistical system for rapid deployment of U.S. police to international police and complex security operations.

Expanding relationships with nation-wide law enforcement associations, organizations, and unions.

Partnerships with selected countries for participation in the U.S. civilian police training programs and related activities.

Deployment of U.S. police and law enforcement and criminal justice advisors can range from short-term assessments, training and advisory activities requiring only a few weeks, or long-term secondments of a year or more to operational missions that may include authority to carry weapons and perform the full range of law enforcement functions. To be prepared for such operations, personnel included in the U.S. contingent are issued basic uniforms and personal equipment applicable to all deployments and given a standard course of training applicable to all deployments. Special equipment and materials, briefings, training and medical precautions needed to accommodate a particular operating environment are provided immediately prior to an actual deployment. Such equipment may include communications equipment, uniforms and other clothing, medical supplies and protective gear to meet conditions in the particular area of operation, and camping gear in the event lodging accommodations are not available. While this program may fund short-term and urgent requirements for law enforcement expertise and field activities, the long-term operational support needed to maintain U.S. police in actual operations continues to be provided from other regional or special accounts, line-item appropriations, or funds made available from supplemental budgets.

The FY 2005 program also sustains logistical capabilities to ensure timely U.S. response to requests from the UN or other organizations to contribute American police and advisors 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 are contingencies for transporting U.S. personnel and equipment, providing emergency medical support and evacuation, operational communications, and administrative and logistical support in the field.

FY 2005 funds will also sustain 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 international police missions. In addition, INL will engage in efforts to assist police programs, planning, training, and operations of other countries, regional or international organizations. Administration of such

a comprehensive program will continue to strengthen existing and developing capacities designed to assess, conceptualize, plan, prepare, implement, manage, and evaluate U.S. participation in international peacekeeping missions and complex security operations.

Program Accomplishments

INL manages program implementation involving up to 2,000 police, advisors and justice experts in nine countries, the secondment of a technical expert to OSCE Vienna, a liaison position at the U.S. Mission to the UN in New York, and agreements with other U.S. agencies to provide training and justice sector expertise overseas.

INL has implemented programs to establish, train and equip the nearly 6,000 members of the new Kosovo Police Service; provide training expertise to establish the approximately 3,000-member East Timor Police Service; and deliver training events for over 30,000 existing local police in Bosnia, Croatia, Macedonia, and Serbia and Montenegro.

INL is managing significant programs in Afghanistan to train an estimated 50,000 National Police, Border Police, and Highway Patrol, and to continue efforts to re-establish judicial capacities throughout Afghanistan.

INL is leading the international effort in Iraq to re-establish, re-organize and train approximately 80,000 National Police and border law enforcement organizations to prepare for the a new government of Iraq to provide effective internal security.

INL programs assist judicial reform and rebuilding in post conflict environments such as Kosovo, Bosnia, Afghanistan and Iraq, by training judges and prosecutors.

FY 2005 Program

Building on resources provided to support this program over the last three years, the FY 2005 budget sustains the voluntary reserve of law enforcement personnel who remain in their regular jobs until called for duty. The FY 2005 program will complete implementation of standardized organizational structures, operating procedures, code of conduct, ethics standards, and systems needed to effectively manage personnel identified for the roster. Through this program, U.S. police will have increased opportunities to participate in specialized law enforcement training that is designed to meet U.S. Police Officer's Standards and Training (POST) in-service training requirements needed to keep their police credentials up to date. In addition, officers receive basic and advanced instruction that is unique to the organizational and operational challenges presented by international missions. Selected foreign police will be invited to observe and participate in the U.S. training program. The FY 2005 program sustains an advisor to the OSCE, an INL training coordinator, and a position established at the U.S. mission in New York responsible for working with the UN Department of Peacekeeping Operations. FY 2005 funds also complete expansion of INL capabilities to address peacekeeping and complex security matters and provides enhanced focus on management and oversight of police, justice and prison programs.

Program Development and Support

Budget Summary (\$000)

FY 2003 Actual	FY 2004 Estimate	FY 2004 Request
13,850	13,850	13,850

Program 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 is programmed for salaries and benefits of U.S. Direct Hire (USDH) employees, personal services contracts, rehired annuitants and reimbursable support personnel. Currently, INL funding supports a Washington-based staff of 112 U.S. direct hire positions, 21 personal-services and 18 non-personal services contractor personnel, and 20 employees on detail from, or assigned to, other USG agencies. Eleven additional domestic positions support the Interregional Aviation Support program, but are funded from the Interregional Aviation Support account. 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 2005 Program

The PD&S budget request for FY 2005 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 2005 to improve program oversight and expanded programs. 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 2005 budget request.

Program Development and Support					
INL BUDGET					
(\$000)					
	FY 2003	FY 2003 Supp	FY 2004	FY 2004 Supp	FY 2005
Personnel Compensation	8,532		8,830		9,183
Personnel Benefits	1,901		2,050		2,132
Field Travel and Transportation	560		560	-	550
Equipment Rentals, Communications and Utility Expenses	205		205	-	205
Printing and Reproduction	181		185		50
Miscellaneous Contractual Services	1,915		1,915	-	1,665
Materials and Supplies	72		75	-	60
Furniture, Furnishings and Equipment	484	-	30	-	5
	-		-	-	-
Total	13,850	-	13,850	-	13,850

