Ministerio de Justicia y del Derecho
DIRECCIÓN
NACIONAL
DE ESTUPEFACIENTES
Unidad Administrativa Especial
Entidad de Coordinación Nacional

LA LUCHA DE COLOMBIA CONTRA LAS DROGAS ILÍCITAS

ACCIONES Y RESULTADOS 2002

COLOMBIA'S WAR AGAINST DRUGS ACTIONS AND RESULTS 2002

COLOMBIA'S WAR AGAINST DRUGS
ACTIONS AND RESULTS 2002

ISBN958-9463-25-8

Bogota, Colombia, 2003

DIRECCIÓN NACIONAL DE ESTUPEFACIENTES
(NATIONAL ANTI-NARCOTICS AGENCY)
Carrera 16 A No. 79-08
Bogota D. C., Colombia
www.dnecolombia.gov.co

STRATEGIC INVESTIGATION SUBDIVISION
Telephone (571)3765300 Ext. 1202 - 1203

MARTHA PAREDES ROSERO
LUIS EDUARDO ALVARADO
HÉCTOR HERNANDO BERNAL CONTRERAS
ALVARO JAVIER CHAMORRO ROCHA

Collaborators
JENNY FAGUA DUARTE
DIONE HIDALGO ANIBAL
STELLA MEDINA CANAL

Translator

Edris Joy Bourdeau

Text Corrector

Olga Lucia López

Designed by
Alejandro Borda Arevalo

Printed by
Editorial JL Impresores Ltda

REPUBLIC OF COLOMBIA

President of the Republic of Colombia
ALVARO URIBE VELEZ

MINISTRY OF THE INTERIOR AND OF JUSTICE
NATIONAL ANTI-NARCOTICS AGENCY (DNE)

NATIONAL ANTI-NARCOTICS COUNCIL

Minister of the Interior and of Justice
FERNANDO LONDOÑO HOYOS

Minister of Foreign Relations
CAROLINA BARCO ISACKSON

Minister of National Defense
MARTHA LUCIA RAMÍREZ

Minister of National Education
CECILIA MARÍA VÉLEZ WHITE

Minister of Social Protection
DIEGO PALACIO BETANCOURT

Minister of the Environment, Housing and Territorial Development
CECILIA RODRÍGUEZ GONZÁLEZ-RUBIO

National General Prosecutor
LUIS CAMILO OSORIO ISAZA

National Attorney General
EDGARDO JOSÉ AMAYA VILLAZÓN

National Police Director
MAJOR GENERAL TEODORO CAMPO GÓMEZ

Security Administration Department Director
JORGE AURELIO NOGUERA COTES

Ministry of Labor and Health
Public Health General Director
ANA CRISTINA GONZÁLEZ VÉLEZ

National Alternative Development Plan Director
MARÍA INÉS RESTREPO CAÑÓN

National Anti-narcotics Agency (DNE) Director
LUIS ALFONSO PLAZAS VEGA

Executive Secretary
JUAN CARLOS ZAMBRANO RENGIFO

Permanent Guests

Commander of the Military Forces
GENERAL JORGE ENRIQUE MORA RANGEL

Commander of the National Army
MAJOR GENERAL CARLOS ALBERTO OSPINA OVALLE

Commander of the Colombian Air Force
GENERAL HÉCTOR FABIO VELASCO CHAVEZ

Commander of the National Navy
VICE ADMIRAL MAURICIO ALFONSO SOTO GÓMEZ

Plan Colombia Executive Director
SANDRA SUAREZ PEREZ

Minister of Agriculture and Rural Development
CARLOS GUSTAVO CANO

COLOMBIA'S WAR AGAINST DRUGS: ACTIONS AND RESULTS 2002

MARTHA PAREDES ROSERO
General Coordinator

Theme Coordination

LUIS EDUARDO ALVARADO
HÉCTOR HERNANDO BERNAL CONTRERAS
ALVARO JAVIER CHAMORRO ROCHA

REPUBLIC OF COLOMBIA

FERNANDO LONDOÑO HOYOS
Minister of the Interior and of Justice

LUIS ALFONSO PLAZAS VEGA
National Anti-narcotics Agency Director

ALVARO VALENCIA PARRA
Strategic Investigation Subdivision Director

MARTHA PAREDES ROSERO
General Coordinator

Theme Coordination

LUIS EDUARDO ALVARADO
HÉCTOR HERNANDO BERNAL CONTRERAS
ALVARO JAVIER CHAMORRO ROCHA

ACKNOWLEDGEMENTS

This publication was made possible thanks to the collaboration of the agencies involved in developing the anti-drug policy, in particular:

MINISTRY OF THE INTERIOR AND OF JUSTICE
MINISTRY OF FOREIGN RELATIONS
MINISTRY OF THE ENVIRONMENT, HOUSING AND TERRITORIAL PLANNING
Special National Natural Parks System Administration Unit (UESPNN)
MINISTRY OF NATIONAL DEFENSE
National Army
National Navy
Colombian Air Force
National Police Anti-narcotics Division (DIRAN)
Intelligence Division
MINISTRY OF SOCIAL PROTECTION
National General Prosecutor's Office (FGN)
Colombian International Cooperation Agency (ACCI)
Security Administration Department (DAS)
Plan Colombia
National Tax and Customs Agency (DIAN)
National Prison and Jail Institute (INPEC)
Banco de la República (Colombian Central Bank)
Special Financial Information and Analysis Administration Unit (UIAF)
Inter-institutional Anti-terrorism Analysis Group (GIAT)
Superintendence of Companies
Workers' Credit Union and Association Superintendence
Banking Superintendence
National Health Superintendence
Securities Superintendence
Total Illicit Crop Monitoring System, SIMCI

(The words in parentheses are the Colombian acronyms for these agencies.)

TABLE OF CONTENTS

TABLE OF CHART

TABLE OF GRAPH

INTRODUCTION

Illegal drug production, trafficking and consumption harm society. The human lives sacrificed and economic resources lost, the damage caused to the environment by the indiscriminate burning and cutting of our woodlands and by the chemical residues discarded on our lands and on our sources of waters, the corruption, the violence, weapons trafficking, asset laundering, smuggling, and unemployment have taken enormous toll on Colombia. The world drug problem is a serious threat against the security of our Nation.

Colombia has considerably intensified its offensive of forced illicit crop eradication. It simultaneously offers incentives to stop cultivating these crops through aid from Plan Colombia and other international cooperation programs, through the National Alternative Development Plan, a voluntary eradication plan seeking sustainable development for those who have been victims of the economic circumstances generated by illicit crops.

In 2002, near 30.11 metric tons of cocaine chlorohydrate, 21.62 metric tons of marihuana and some 303.41 kilos of heroin were seized.

Colombia has launched a crusade to reduce the profitability of the illegal drug business from production and trafficking to asset laundering. Acts 785 and 793 regarding the administration of seized goods and asset forfeiture, respectively, offer more efficacious tools to the State to speed up court times, seize goods that come from resources of an illegal origin no matter who has them, make the real action of the criminal responsibility independent, reverse the burden of proof to demonstrate the illegal origin of the goods, as well as other advantages such as the power to dispose of such goods, thus preventing administration expenses to the State. If the expected results are obtained in economic and legal ambits, the balance will be a victory for Colombia and for the whole world.

This publication summarizes the results obtained during 2002 in the fight against this problem led by various institutions in Colombia. It consolidates relevant information on the following topics: illicit crops and the eradication program, environmental management, alternative development, trafficking and diversion of chemical and pharmaceutical substances, dismantling the production and transportation infrastructure, control over illegal drug trafficking and distribution, economic benefit receipt and management control, reducing the demand, illegal weapons and ammunition trafficking, international cooperation, decentralization, and community participation.

We highlight a reduction of 29.5% in illicit crops in Colombia, equal to 42,736 hectares, as a result of the forced eradication policy. Near 15,900 hectares of illicit crops have been voluntarily eradicated and 29,959 families have been benefited by direct and indirect projects carried out by the National Alternative Development Plan. Also, in the dismantling operations, 1,448 labs have been destroyed.

But although these figures are important, what is even more so is the fact that Colombia has an unshakable will to defeat the illegal drug business that has caused humanity so much damage and that has affected our national image so negatively. It is a shameful reality that a corrupt, violent minority is ruining the image of a predominantly honest, hard-working people, a population who well deserves international acknowledgment for impeding, through this fight with no restrictions but with great human and economic sacrifice, that the violent who seek personnel enrichment without any respect for social values take over our country.

Luis Alfonso Plazas Vega
National Anti-narcotics Agency Director

GENERAL PANORAMA

Drug production, trafficking, and consumption is still one of the most serious problems that threaten the well-being and security of nations and their population's health. Transnational organized crime has taken advantage of globalization and of the use of new technologies to broaden its scope of action to other crimes; therefore fighting those crimes has become one of the greatest challenges that most countries affected in one way or another by this problem face today. Drug trafficking is not only a problem related to growing illicit crops. We are facing organized multinational mafias devoted to trafficking narcotics and chemical substances, to trafficking weapons, and to asset laundering, among others.

We estimate that the world drug trade moves around 500 billion US dollars a year. The Financial Action Task Force (FATF) indicates that asset laundering represents anywhere from 500 billion to 1,5 trillion US dollars[1].

As to drug consumption, there is a growing trend for using amphetamine-type stimulants, which has extended to several countries around the world. UNDCP estimates for worldwide consumption during the 2000-2001 period show a total of 200 million consumers, equal to 3,4% of the world population or to 4,7% of the population 15 years old or over. The illegal substance most used worldwide is cannabis consumed by 162,8 million persons, followed by amphetamine-type stimulants consumed by 34,3 million persons, cocaine consumed by 14,1 million persons and opiates consumed by 14.9 million persons. Of the opiate consumers, 9,5 million use heroin.

The undue use of drugs is more frequent among males than females and among young persons than older persons. It is worth mentioning that there is a trend towards a decrease in drug consumption in the United States, according to the latest NIDA studies.

Chart No. 1. Worldwide Drug Consumption (Drugs Consumed in the Past Year) 1998-2001

	Illegal Drugs, of which:	Cannabis	Amphetamine-type Stimulants		Cocaine	Opiates	Of which ... consume heroin
			Amphetamines	Ecstasy			
World Total (in Million Persons)	200	162,8	34,3	7,7	14,1	14,9	9,5
% of the World Population	3,4%	2,7%	0,6%	0,1%	0,2%	0,3%	0,16%
% of the World Population 15 Years of Age or Over	4,7%	3,9%	0,8%	0,2%	0,3%	0,4%	0,22%

Note: As drug users frequently take more than one substance, it should be noted that the total is not the sum of the individual drug categories.

Source: Global Illicit Drug Trends, 2002. UNDCP, Data from the Questionnaire for the Annual Reports; Reports from the Different Governments, Regional Organization Reports, UNDCP Estimates.

As to production, Colombia has reduced the area with coca crops; however, the figures are not encouraging for Peru and Bolivia. During the 80's and part of the 90's, coca sowing and production was concentrated in Peru and Bolivia. In 1994, of the 201.700 hectares

[1] Financial Action Task Force– FATF, 1996.

sown in the three Andean countries, 77% of the crops were in Peru and Bolivia; the actions undertaken in those countries caused the phenomenon to move mainly to Colombia. As of 2001, the crops in Colombia have been dropping in number in response to the intense fumigation campaign and to the interdiction labors performed by the Public Forces.

Faced with the strong pressure exercised in Colombia and the highly dynamic nature of this problem, the trend in 2002 was towards an increase in the areas sown in the other Andean countries (7,6% in Peru and 22,6% in Bolivia[2]). In 2002 we estimated a total of 163.071 hectares sown with coca, distributed as follows: 102.071 in Colombia, 36.600 in Peru and 24.400 in Bolivia. The potential production is 680 tons of cocaine hydrochloride, of which 70,5% corresponds to Colombia, 20,5% to Peru and 9% to Bolivia[3].

This situation shows the multinational, dynamic, mobile nature of the drug problem and the obligation to confront it not only internally but also globally with the other countries that are part of the illegal drug chain.

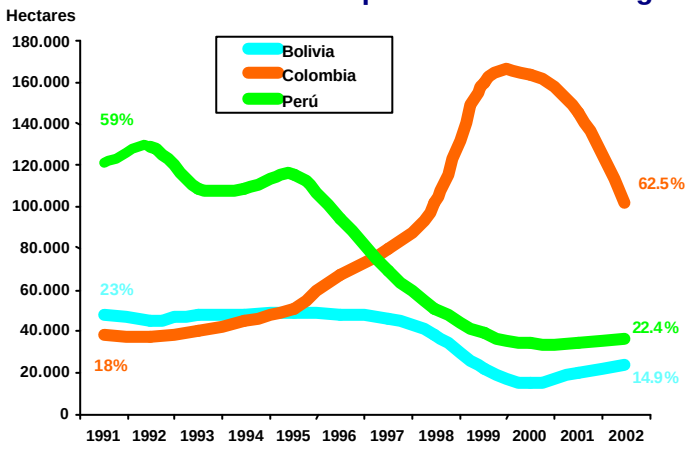
Chart No. 2. Coca Crops in the Andean Region

Country	2001	2002	Variation %
Peru	34.000	36.600	7,6%
Bolivia	19.900	24.400	22,6%
Colombia	144.807	102.071	-29,5%
Total	**198.707**	**163.071**	**-17,9%**

Source: Peru and Bolivia: United States Department of State. Data for Colombia: Total Illicit Crop Monitoring System.

Coca crops in the production zones are ecologically similar inasmuch as they have tropical rainforests with fragile ecosystems, with forest reserves and natural woodlands at altitudes that vary from 100 m. to 1.500 m. above sea level.

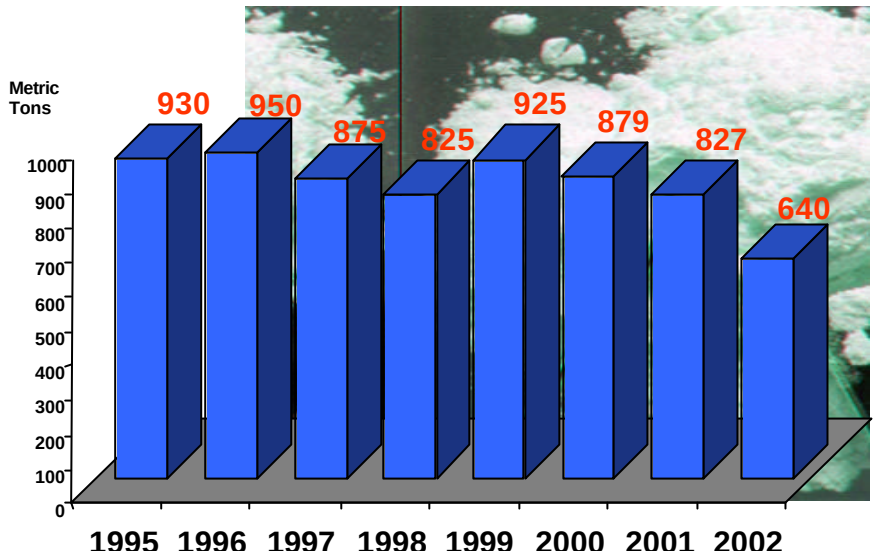
Graph No. 1. Trend of Coca Crops in the Andean Region



Source: International Narcotics Control Strategy Report, 2002.
Total Illicit Crop Monitoring System, SIMCI. Data for Colombia from 1999 to 2002.

[2] Office Of National Drug Control Policy. ONDCP 2002.
[3] Idem.

Graph No. 2. World Cocaine Production



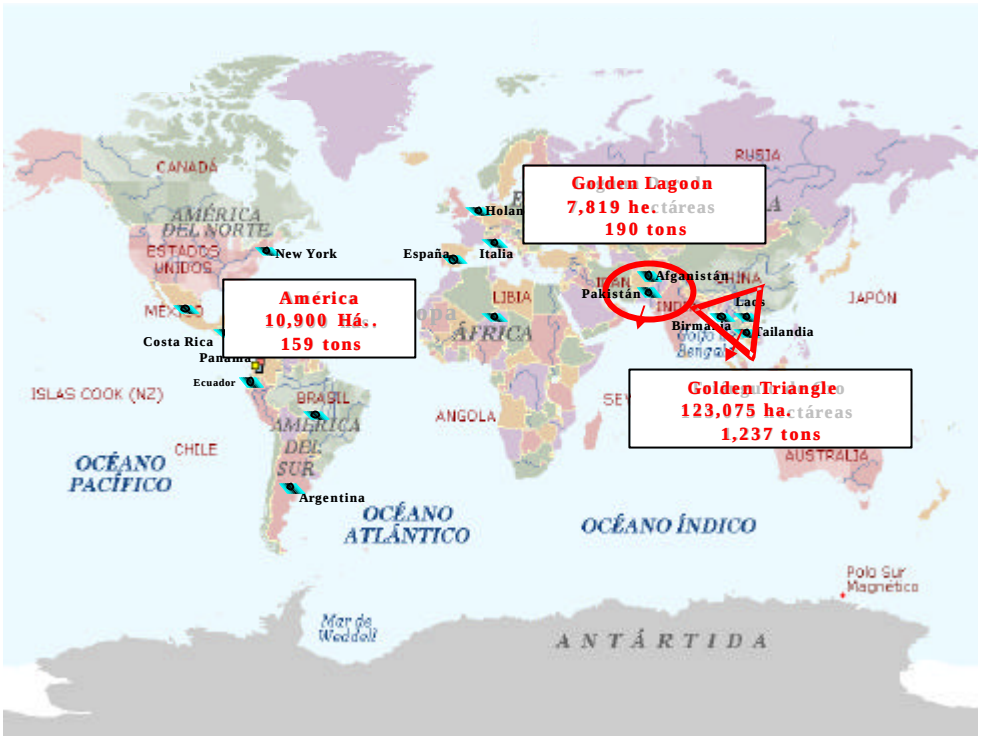
Source: Global Illicit Drug Trends. 2002 Report
Total Illicit Crop Monitoring System

As to poppy crops, the United Nations report "Global Illicit Drug Trends 2002" reported that Colombia's share of the world total corresponds to 4,5%, Mexico's share is 3,04% and Asia has 92,44% of the world total. There was a decrease in the year 2001 in the areas sown with poppy crops, as compared to the previous year, from 221.952 hectares to approximately 144.000. The potential production of opium worldwide decreased 65%, from 4.700 tons in the year 2000 to 1.600 tons in 2001.

In 2002, there was serious concern for the extension of the poppy crops in Afghanistan, as they are the source of a considerable quantity of the opium produced. According to the United Nations, what Afghanistan produces is enough to supply the illegal world market for this drug during two or three years. The areas sown in Colombia and Mexico remained stable.

As to marihuana crops, there is no precise data on the surface sown worldwide because in some countries these crops are cultivated using hydroponics and in greenhouses, which makes it difficult to calculate their extension. However, increases in seizures were recorded, which suggests continued growth related to worldwide consumption. In Colombia, although there is no survey of the crops to allow us to estimate the area sown with marihuana, the authorities consider it small, located mainly in the provincial departments of Cesar and Magdalena.

Graph No. 3. World Opium Crops and Production



Source: Global Illicit Drug Trends, 2002. United nations Drug Control and Crime Prevention Office.

In its annual report, International Drug Control Board (IDCB) indicated that most of the revenues from this business do not go to the producers but to the countries where the end products are sold and consumed. The farmers in developing countries devoted to illicit crops only earn 1% of what drug-dependent persons spend to feed their habit; the remaining 99% of the revenues from world drug trafficking goes to drug trafficking groups who act in different links of the chain[4]. Also, it emphasizes the destabilizing effect of the drug business on the legal economy and on the rule of law because in many cases the activity is associated with other crimes, such as illegal weapons trafficking.

Faced with this reality and considering the international manifestations of the connection that exists between drug trafficking, asset laundering, weapons trafficking, and transnational crime, it is essential for all nations to more vigorously combine their efforts to be able to fight these threats, based on the principles of co-responsibility, integrality, equity, and international cooperation.

The Colombian Government's Total Strategy[5]

Since 1995, the problem of illegal drugs has generated costs for Colombia of approximately COP 11,38 trillion Colombian Pesos, equal to 1,08% a year of the year 2000 GDP, which includes a loss of consumer productivity, a loss of human capital due to premature death caused by drugs, inputs used in the production of narcotics, and Government expenses in executing its anti-narcotics policies, among others.

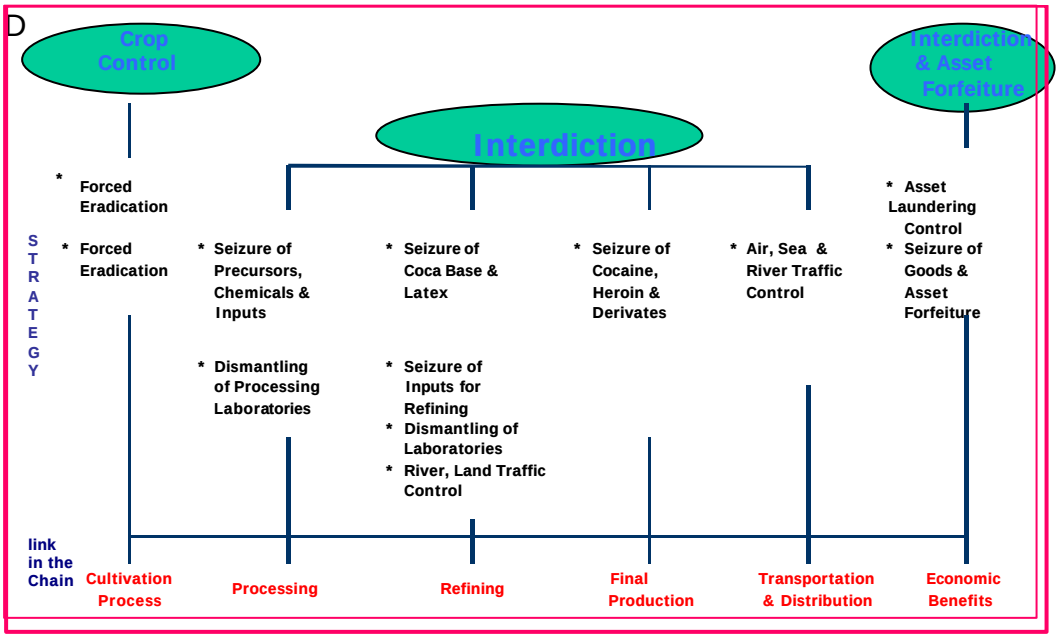
[4] International Drug Control Board (IDCB) report corresponding to 2002. United Nations.
[5] National Development Plan Foundations, Towards a Community State. National Planning, 2002.

In addition to the above, this problem has produced harmful effects on democratic governability as a result of the intensification of the armed struggle, the deterioration of the economy, and a weakening of the institutions, of the social organization networks, and of trust.

Faced with the total, transnational nature of the drug problem, the countries in each and every link of the chain must take decisive, conclusive actions. The Colombian State advocates the preparation of, agreement to, and execution of an international policy in which the United States intervenes against or confronts the various manifestations of the drug problems and the activities that support them.

Along those lines, the strategy that the Colombian government has proposed to combat drug trafficking includes dismembering the different phases of the business by using three main components that will affect the production chain: the control of illicit crops through forced or voluntary eradication, interdiction including the control of asset laundering and weapons trafficking, and conclusive actions in matters of asset forfeiture. The above will be complemented by Alternative Development policies in productive, social investment, which are included in the component called Institutional Strengthening and Development Strategy in conflict zones, and by drug consumption prevention, which will be broached in educational, labor, family, and community fields, with the active participation of the citizenry and of the governmental and non-governmental organizations whose labor is related to these matters.

Graph No. 4. Total Strategy to Combat Drug Trafficking



Source: National Development Plan Foundations, Towards a Community State

1. ILLICIT CROPS AND THEIR CONTROL

The presence of illicit crops in various regions of Colombia has modified these areas' traditional economy, generated migration processes, and increased the intensity of the violence and of the phenomenon of social destabilization, as it has become the source of financing for various, numerous illegal armed groups.

Illicit crops are located throughout a good part of the national territory and they are dynamic in nature. That is due to many factors, among them: the spraying operations and their effectiveness; replanting in many sectors of the country, which have been subjected to eradication programs; the great mobility of the crops due to their illegal nature, the large extensions of areas where such crops can be sown, and to voluntary eradication.

Near 70% of the coca crops in Colombia are located in the eastern and south regions where they occupy ecosystems classified as tropical rain forests. Preparing the land for these crops means destroying autochthonous woodlands, generating serious environmental impacts that are manifested in a loss of biomass and biodiversity, erosion, water contamination due to the intensive use of pesticides, population migrations, and a change in the cultural patterns of the native Indian and peasant populations.

The poppy crops are located in potential Andean and high-mountain Andean woodland zones which are cut and, in many cases, totally replaced by grazing areas and plantations. In their natural state, these woodlands are also very important due to their diversity and for water conservation.

1.1 Coca Crops

The altitude at which most of the coca crops are cultivated ranges from 100 m. to 1.500 m. above sea level. To a great extent, that range coincides with the ecosystems classified as tropical rain forests; therefore, preparing the fields implies the destruction of extensive areas of this type of woodlands.

1.1.1 Yield and Production

Based on the research done from 1999 to 2000[6] to determine the potential productivity of the area cultivated with coca, we established that there are varieties of coca that have a higher concentration of alkaloid than the coca cultivated some years ago. The varieties of coca found in Colombia are the typical "caucana", the Peruvian "tingo maría", and the Bolivian "la dulce". Yields vary from one provincial department to another and depend, among other factors, on the predominant variety of coca cultivated specifically in each region.

Based on fieldwork, the National Police Antinarcotics Division, the tield of one (1) hectare of coca crops produces an average of 825 kilos of fresh leat per harvest, 1,6 kilos of coca paste, and 1,4 kilos of cocaine chlorohydrate. Taking into account an average of four (4) harvests per year, the production per hectare/year would be 5,6 kilos of cocaine de chlorohydrate. Considering 102,000 hectares of coca crops, potential production is estimated at 571 metric tons of cocaine chlorohydrate.

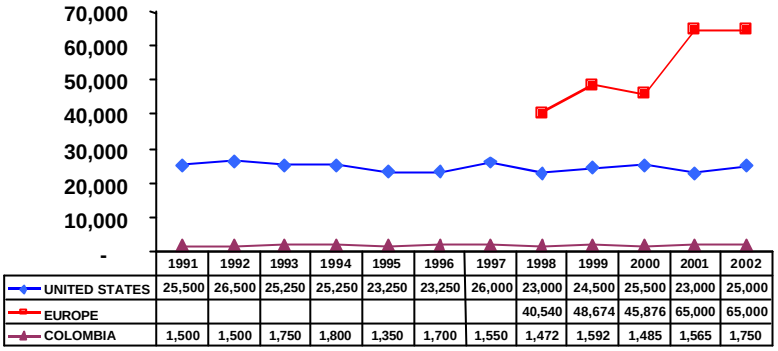
Regarding prices, it is worth highlighting that the highest added value is generated in the distribution stage that occurs in the international consumption markets, which are the most lucrative link of the chain. In 1991, whereas the price of a kilo of cocaine in Colombia was estimated at USD 1.500, the final price for the consumer in the United States was estimated at an average of USD 25.500. In 2002, the price in Colombia was estimated at an average of USD 1.750, in the United States at USD 25.000 and in Europe at an average of USD 65.000[7]. As can be seen in Graph 5, the price behavior in Colombia and in the United States has remained constant. To the contrary, the trend in Europe is rising; it went from USD 40.540 in 1998 to USD 65.000 en 2002. Along these lines, the price in the United States for the consumption phase is 14 times higher than the price for the production phase in Colombia and the price in Europe for the consumption phase is 37 times higher. Also, the purity level of the cocaine decreased from 86% to 78% in the United States based on the analysis of samples seized from drug traffickers or bought from street dealers[8].

[6] Operation Breakthrough. The fieldwork done in the provincial departments of Guaviare, Caquetá, and Putumayo determined that producers gather on an average 68 arrobas of leaf/ha./harvest and they have five harvests per year. The yearly leaf harvest yield is estimated at an average of 4.3 metric tons (fresh leaf weight) per hectare per year.

[7] Prices pursuant to DEA, INTERPOL and National Police – Anti-narcotics Division.

[8] International Narcotics Control Board. 2002 Report.

Graph No 5. Cocaine Prices in the United States, Europe and Colombia (in USD / Kg.)



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
UNITED STATES	25,500	26,500	25,250	25,250	23,250	23,250	26,000	23,000	24,500	25,500	23,000	25,000
EUROPE								40,540	48,674	45,876	65,000	65,000
COLOMBIA	1,500	1,500	1,750	1,800	1,350	1,700	1,550	1,472	1,592	1,485	1,565	1,750

Source: DEA, INTERPOL, DIRAN.

1.1.2 Quantification of Coca Crops. Methodology for Estimating the Area Cultivated with Coca in Colombia

The Integrated Illicit Crop Monitoring System (SIMCI is the Colombian acronym) was implemented by the United Nations Office for Drug Control and Crime Prevention (UNODC), with the logistical support of the National Police Anti-narcotics Division (DIRAN is the Colombian acronym) and with the coordination of the National Anti-narcotics Agency (DNE).

The SIMCI Project initiated activities in September 1999, as an integral part of the UNODC World Illicit Crop Monitoring Program that supports member states with comparable reliable information on illicit crops within the framework of strategies adopted by the member countries in the United Nations Assembly Special Session on Drugs held in June 1998. The World Program covers six countries: Colombia, Peru, Bolivia, Afghanistan, Myanmar and Laos.

SIMCI has been able to establish reliable transparent methods for identifying coca crops and providing official annual results on the areas planted with illicit crops, obtain analyses of the information over various periods of time, and design a Geographic Information System that enables analyzing trends and facilitates the agencies in charge of drug control's decision-making.

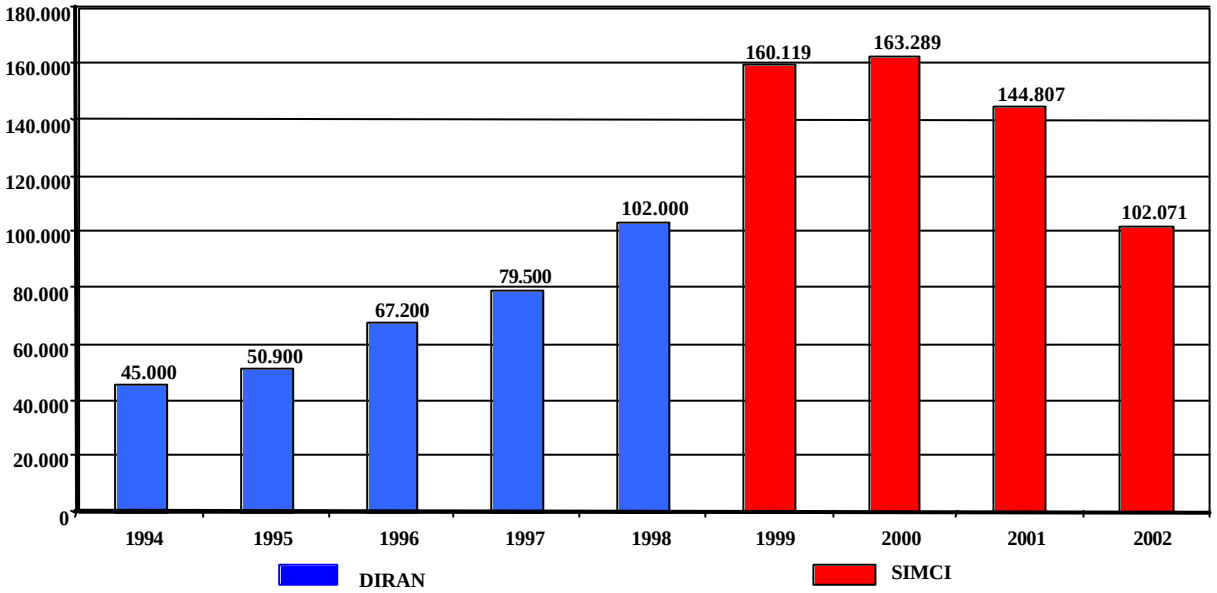
The methodology is based on interpreting satellite images taken during the period from July 2002 to January 2003, complemented by aerial verification of the fields cultivated with coca. The reliability of the results is estimated at 90% (the measuring is still in process but the final result will not present significant changes). The surveys for illicit coca crops in the years 2001 and 2002 cover all the national territory.

The survey results at December 31, 2002, estimate 102,000 hectares cultivated with coca in 21 out of the 32 Colombian provincial departments. In 2002 crops decreased by 42.736 hectares (29,5%) as compared to the figures in the 2001 survey.

Domestic trends show important variations in some provincial departments in the country. Significant decreases in coca crops were observed in Putumayo (33.395 hectares), Caquetá (6.104 hectares), Meta (2.000 hectares) and Cauca (1.000 hectares), mainly as a result of the fumigations. Other provincial departments such as Bolívar (2.089 hectares), Cauca (1.009 hectares) and Vichada (4.256 hectares) also showed a decrease, but as a result of voluntary eradication or abandonment. Guaviare is now the provincial department with the largest extension of coca crops, 27.381 hectares, followed by Nariño with an estimated 15.000 hectares (in this provincial department crops increased 101% as compared to 2001 figures).

The Geographical Information System (GIS) database enables the production of maps using a scale of 1:100.000 with different informational classifications, such as woodlands, grasslands, bodies of water, illicit crops, urban zones, roads, etc. These maps are used by private sector and State entities involved in the use of soils and, in particular, in alternative development.

Graph No. 6. Coca Crops in Colombia (in Hectares)



Source: The figures for Colombia from 1991 to 1998 correspond to the satellite information reported by the United States of America Department of State complemented by field work done by the National Police Anti-narcotics Division (DIRAN). Coca Crop Survey data; it does not include the whole country. The data reported for 1999, 2000, 2001 and 2002 correspond to the Total Illicit Crop Monitoring System (SIMCI) project.

Methodology

From 1999 to 2002, this project has made four yearly surveys of the coca illicit crops in Colombia that cover different regions of the national territory. As of 2001, the survey covers the whole national territory whose total surface is approximately 1.142.000 km^2.

Chart No. 3 Geographical Coverage of the Surveys	
Survey Date	**National Territory Coverage (%)**
March 31, 1999	12
August 31, 2000	41
November 1, 2001	100
December 31, 2002	100

Source: Total Illicit Crop Monitoring System, SIMCI

The methodology used to identify and measure coca crops in these national yearly surveys is based on the digital processing of images from the LANDSAT and SPOT satellites. Interpreting this type of images from remote sensors also enables identifying and classifying other types of vegetation, such as woodlands, grasslands, other crops, as well as rivers, roads, urban centers, etc. Each stage of the process is subjected to quality control to ensure producing reliable, accurate information. SIMCI makes reconnaissance flights over the areas cultivated with coca throughout the country to verify the results and do quality control on the interpretation.

In the 2002 survey, the project analyzed 61 LANDSAT images and 2 SPOT images taken from July 2002 to January 2003. The 2002 image acquisition period was reduced from 9 months in 2001 to 6 months in 2002. Doing so improves the quality and reliability of the results of the survey.

The different stages of this process are summarized below.

- Identification and acquisition of LANDSAT and SPOT images with the least cloudiness possible. The images covered 100% of the Colombian territory equal to 1.142.000 km^2.
- Geometric correction of the images and geo-referencing in the national cartography system.
- Radiometric and spatial improvement to highlight the identification of the elements of interest, in this case coca fields.
- Supervised classification of the use of soils and vegetation, in accordance with established legends.
- Visual identification and manual delimitation of all of the coca fields, using the previously classified vegetation layers.
- Corrections due to the effects of fumigation, cloudiness, and the difference in dates between the date on which the image was taken and the date of the survey.
- Verification in the fields and quality control on the results.
- Incorporation of the results into a spatial database and superimposition of the coca fields on the administrative map of Colombia.

The Project has not yet found a reliable methodology to identify poppy fields because of the characteristics of the mountainous terrain in which they are cultivated: it is almost always cloudy, the fields are very small and frequently the poppy plants are mixed in with other plants. Average-resolution images such as LANDSAT and SPOT are not useful and high-resolution images such as IKONOS and aerial photography are expensive and not always sufficient. It is necessary to intensify research regarding this aspect, taking advantage of UNODC's experience in its monitoring projects in Asia.

Chart No. 4. Geographical Information	
Total surface of Colombia	1.141.748 km^2
Percentage of national territory studied	100 %
Percentage of national territory with coca	0,09 %
Influence area	5.391.100 ha
Average crop density	1,89 coca ha/km^2
Satellite images processed in the coca area	36 LANDSAT, (3 duplicated) and 2 SPOT
Satellite images processed in non-traditional crop areas	25 LANDSAT
Area covered by one LANDSAT image	3.240.000 ha
Area covered by one SPOT image	360.000 ha

Source: Total Illicit Crop Monitoring System, SIMCI

Coca crops are found in 21 provincial departments and represent 0.09% of the national territory. The coca crop influence area represents 5.391.100 ha. with an average sown density of 1,89 ha./km^2.

Chart No. 5. Provincial Departments with Coca		
Survey Date	**Areas and provincial departments cultivated with coca (in ha.)**	**Number of provincial departments cultivated with coca**
March 31, 1999	160.000	12
August 31, 2000	163.000	21
November 1, 2001	145.000	22
December 31, 2002	102.000	21

Source: Total Illicit Crop Monitoring System, SIMCI

In order of importance, the provincial departments that concentrate the largest sown areas of coca are Guaviare representing 26,8% of the total area sown in Colombia, Nariño with 14,8%, Putumayo with 13,4%, Meta with 9%, Caquetá with 8,2% and Norte de Santander with 7,8%.

The provincial department of Putumayo shows a notable decrease in the area sown with coca as compared to previous years. From 5.000 hectares cultivated in 1995, it went to 19.000 in 1997, 58.297 in 1999, 66.022 in 2000, 47.120 in 2001 and 13.725 in 2002. The percentage variation from 2001 to 2002 is –70,8%. The strategy that the National Government forwarded within the framework of Plan Colombia led to this substantial decrease in areas sown in this provincial department. However, this resulted in the problem being transferred to the provincial departments of Guaviare and Nariño.

Graph No. 7. SIMCI Project: Illicit Coca Crop Nuclei 1999 - 2002

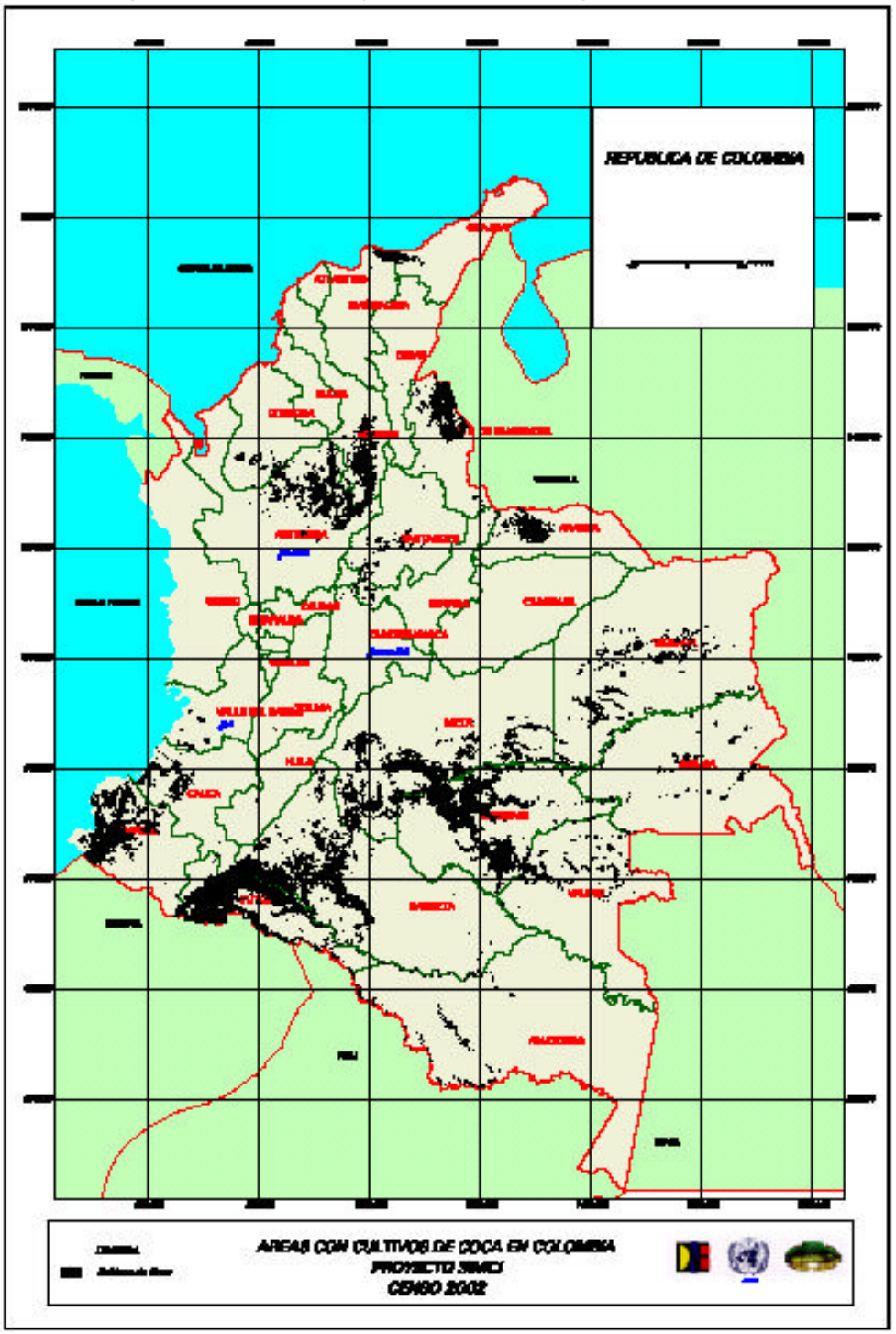


Chart No. 6. Coca Crops in Colombia 1999-2002 (in Hectares)				
Provincial Department	**1999 (March)**	**August-2000**	**November-2001**	**December-2002**
Antioquia	3.644	2.547	3.171	3.030
Amazonas			532	784
Arauca	-	978	2.749	2.214
Bolívar	5.897	5.960	4.824	2.735
Boyacá	-	322	245	118
Caquetá	23.718	26.603	14.516	8.412
Cauca	6.291	4.576	3.139	2.120
Chocó	-	250	354	-
Córdoba	1.920	117	652	385
Cundinamarca	-	66	22	57
Guainía	-	853	1.318	749
Guajira	-	321	385	354
Guaviare	28.435	17.619	25.553	27.381
Magdalena	521	200	480	644
Meta	11.384	11.123	11.425	9.222
Nariño	3.959	9.343	7.494	15.131
Norte de Santander	15.039	6.280	9.145	8.041
Putumayo	58.297	66.022	47.120	13.725
Santander	-	2.826	415	463
Valle del Cauca	-	76	184	111
Vaupés	1.014	1.493	1.918	1.485
Vichada	-	4.935	9.166	4.910
Total	**160.119**	**163.289**	**144.807**	**102.071**
Level of reliability	**80%**	**90%**	**90%**	**90%***

*expected

Chart No. 7. Coca Density by Nucleus			
Nucleus	**Total Area (in km^2)**	**Area Cultivated with Coca (in ha.)**	**Crop Density (in ha./km^2)**
Putumayo-Caqueta	15.802	23.164	1,47
Guaviare	19.674	44.772	2,27
South of Bolívar	8.071	6.404	0,79
Cauca-Nariño	5.586	16.094	2,88
Gabarra	2.418	8.041	3,33
Arauca	1.469	2.218	1,51
Sierra Nevada	626	998	1,59
Boyacá	265	380	1,43
Total	**53.911**	**102.071**	**1,89**

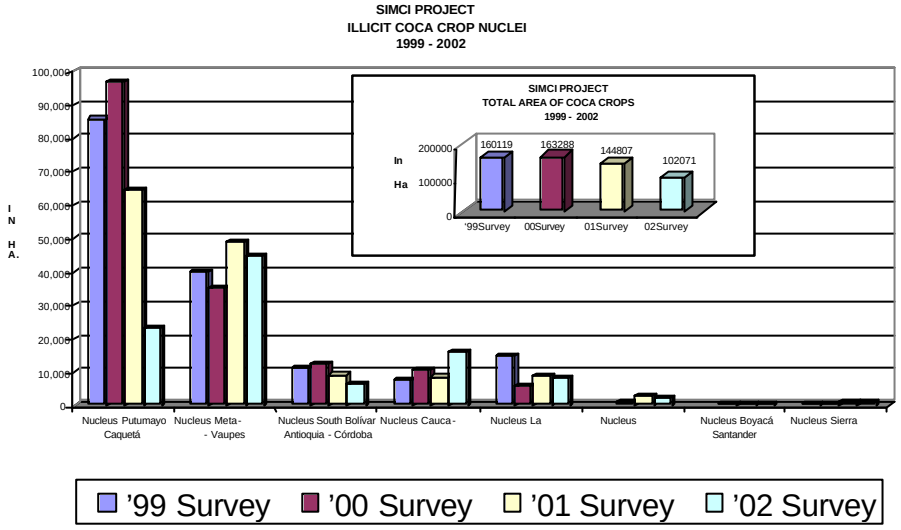
Source: Total Illicit Crop Monitoring System, SIMCI

Coca Crop Dynamics and Trends

Upon comparing the results of 2001 to those of 2002 we see a high degree of crop migration both between provincial departments and inside a department. The migrations inside a provincial department may be related not only to fumigations but also to the practice of abandoning the fields for a period of time to enable the soil to regenerate; it may also be due to the phenomena of abandoning the fields or of voluntary eradication.

However, a detailed analysis over time will be made to establish a cause - effect relationship between the mentioned variations and the factors that may have influenced the results.

Graph No. 8. SIMCI Project: Illicit Coca Crop Nuclei 1999 – 2002



Source: Total Illicit Crop Monitoring System, SIMCI

Non-traditional Areas

We identified small areas with possible coca crops in remote areas outside of the farming areas in the provincial departments of Guainía, Vaupés, Chocó, and Amazonas, as well as in traditionally farm areas such as the Atlantic Coast, the coffee growing zone, and the Andean Region. Due to the fact that it has not been possible to do field verification in these areas, these probable crops were not included in the 2002 survey.

However, the analysis of these areas represents an early warning regarding the dynamics and the possible future expansion of the coca crop areas. It will enable the authorities in charge of their control to take the necessary measures to hinder their expansion.

Chart No. 8. Coca Crops in Non-traditional Areas				
Area	2001		2002	
	Date of Image	Area with Coca (in ha.)	Date Image Was Taken	Area with Coca (in ha.)
Guainía	30-Aug-01	137	21-Nov-02	59
Guainía	28-Apr-01	157		
Vichada	08-Oct-01	-	28-Nov-02	-
Guainía	08-Oct-01	172		
Vaupés	08-Oct-01	67		
Amazonas	08-Oct-01	37		
Amazonas	08-Oct-01	27	21-Dec-02	-
Amazonas	08-Oct-01	86	22-Jan-03	149
Vichada	22-Apr-01	27	22-Jan-03	46
Vaupés	03-Jan-01	84	16-Sep-02	23
Amazonas	24-May-01	-	13-Jan-03	-
Amazonas	24-May-01	52	13-Jan- 03	88
Casanare	07-Nov-01	36		
Meta	16-Jun-01	162		
Guajira	06-May-01	-		
Boyacá-Casanare	29-Oct-01	-	04-Jan-03	28
Casanare-Meta	25-Jul-01	20	30-Sep-02	30
Cesar	01-Aug-01	7	24-Nov-02	26
Tolima-Cundinamarca	16-Jul-01	-	07-Oct-02	-
Atlántico-Magdalena	25-Sep-01	-	02-Jan-03	-
Sucre-Córdoba	07-Jul-01	438		
Antioquia-Caldas	07-Jul-01	64		
Quindío-Valle del Cauca	18-Apr-01	-	04-Oct-02	-
Urabá	18-Oct-01	175		
Chocó	18-Oct-01	55		
Total		**1.803**		**449**

Source: Total Illicit Crop Monitoring System, SIMCI

1.2 Poppy Crops

Poppy crops are found mainly in small farm-type production units and in a predominantly peasant economy. Their appearance in some regions in Colombia is due to the peasants' economical crisis, to inadequate infrastructure and to insufficient State loan backing and technical assistance, among other factors.

The crops are set up using two systems, one is single-crop farming and the other is by mixing the poppy in among other legal crops where there is extensive use of fungicides, leafy compost and farming chemicals. Poppy crops are found from 1.800 to 3.000 m. above sea level, in forest belts skirting high mountains. The practice of cutting and burning the woodlands to prepare the fields for the crops leads to the deterioration of fragile ecosystems and impedes the peasant economy's capacity for self-sustainment.

Poppy Yield and Production

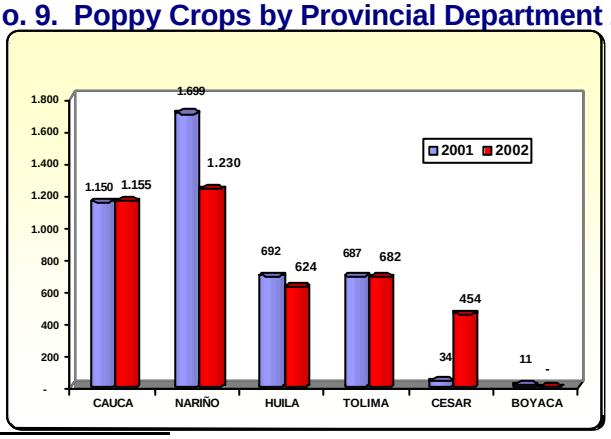
According to the National Police Anti-narcotics Division, the tield of one (1) hectare of poppy crops produces an average of 11 kilos of latex and 0,5 kilos of heroin per harvest. Taking into account two (2) cycles of poppy crops per year, production would be 22 kilos of latex and 1 kilo of heroin. Considering 4,153 hectares of poppy crops, the potential production per year is estimated at 4,1 metric tons of heroin[9]. As too the price, por 2002, it was estimated at USD375 per kilogram of latex and USD 10,833 per kilogram of heroin. The added value is earned in the intermediation chain; thus, is the United States one kilogram of heroine is estimated at an average of USD 93.500 and in Europe at USD 37.500[10].

The areas sown with poppy greatly increased from 1992 to 1994; 20.000 hectares were reported in the provincial departments of Cauca, Huila, Santander and Tolima. The Illicit Crop Eradication Program generated a reduction in the areas sown that represented an average of 6.500 hectares from 1995 to 2000. For the years 2001 and 2002, the areas sown with poppy are estimated at 4.273 and 4.135 hectares[11], respectively, with a potential production of 4,3 tons of heroine.

In 2002, the areas sown with poppy were located in 41 municipalities in 5 provincial departments in Colombia. The provincial department of Nariño showed the greatest area sown with 1.230 hectares, followed by Cauca with 1.155 hectares, Tolima with 682 hectares, Huila with 624 hectares, and Cesar with 454 hectares. In general terms, the number of hectares sown with poppy in the last few years has remained stable.

With the production boom, peasant families displaced from other regions in Colombia, due to their condition of poverty and/or violence, settled in the poppy crop plantation zones because they hoped to find better living conditions. This situation intensified the migratory process and the expansion of the activities that this illegal industry generates, involving the peasant and native Indian families in this region. It also led to consumption goods on the local market becoming more expensive, a loss of community cohesion, and an increase in crime levels, among others. All of these factors contribute to the economic and social destabilization of this region.

Graph No. 9. Poppy Crops by Provincial Department 2001 - 2002



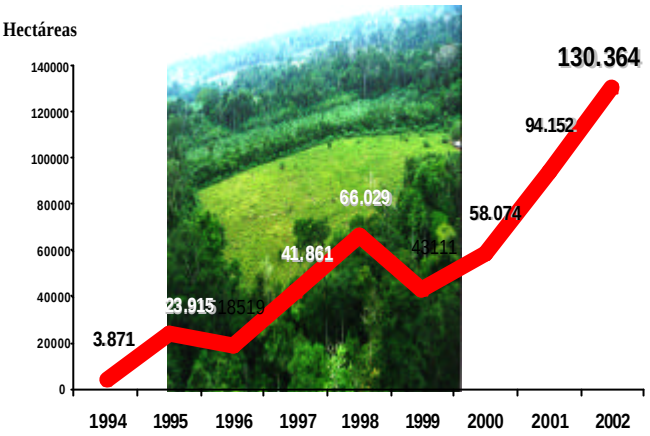
[9] National Police Anti-narcotics Division Report
[10] DEA, INTERPOL and National Police Anti-narcotics Division
[11] National Police Anti-narcotics Division

Source: Surveys made by DIRAN

1.3 Illicit Crop Eradication by Aerial Spraying

Colombia has increased its illicit crop spraying actions. In the year 2002 it sprayed a total of **130.364 hectares of coca;** this was a 38,46% increase as compared to the previous year. The forced and voluntary eradication programs were mainly concentrated in the provincial department of Putumayo as it was one of the regions that recorded 32,5% of the total crops in Colombia. This led to a substantial reduction of the areas sown in this provincial department.

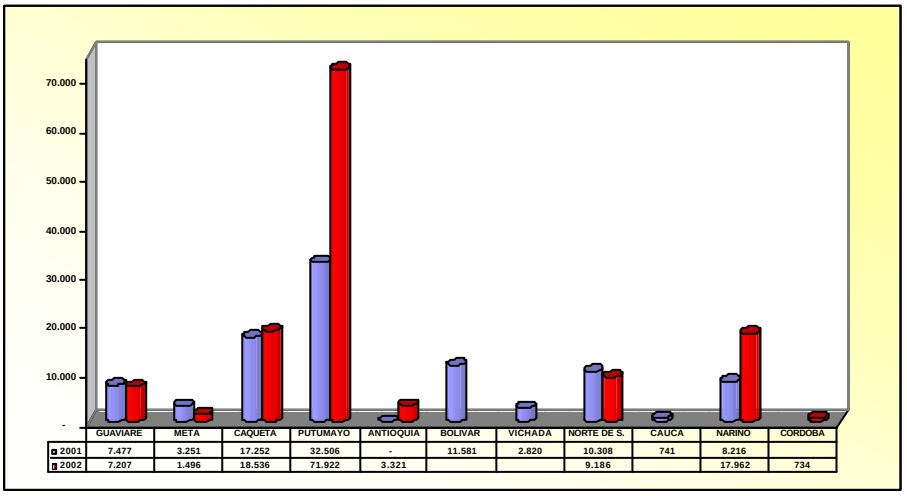
Graph No. 10 Coca Crop Aerial Spraying 1994 – 2002



Source: DIRAN, Environmental Auditing

The decision to intensely spray the illicit crops was justified by the following: the number of hectares sown and their appearance in several provincial departments throughout the country, the strong pressure placed on strategic ecosystems, the increase of zones with illicit crops in areas where farming is not common, and the strong environmental impact caused by illegal drug industry-related activities.

Graph No. 11. Coca Crop Aerial Spraying by Provincial Department 2001 – 2002 (in Ha)

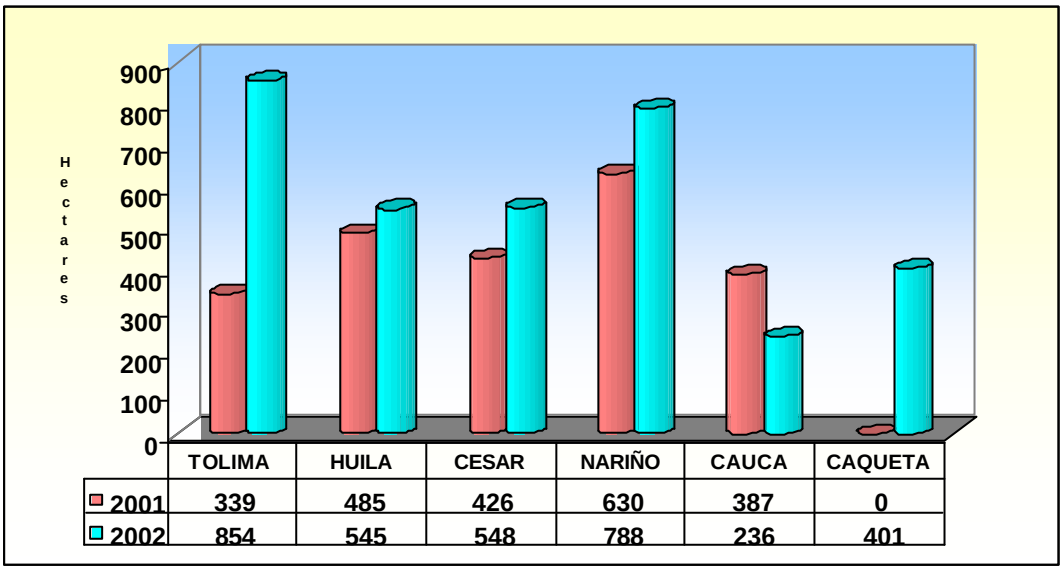


Source: DIRAN

Upon analyzing the coca aerial spraying by provincial departments, we can appreciate that most of the operations were carried out in the provincial departments of Putumayo (5,17%), Nariño (13,78%), Caquetá (14,22%), Norte de Santander (7,05%) and Guaviare (5,53%). In the period from August to December 2002, 68,621 hectares of coca were sprayed, which corresponds to 53% of the yearly total. By spraying these 130.363 hectares, we were able to avoid 756 tons of cocaine and 7 billion 561 million doses[12] from entering the market. In addition, we are trying to discourage new cultivations which; this has resulted in a reduction of around 30% of the areas sown in these provincial departments.

In 2002, **3.371 hectares of poppy** were sprayed, representing an increase of 48,6% as compared to the previous year. Most of the operations were carried out in the provincial departments of Tolima (25,34%), Nariño (23,37%), Cesar (16,24%), Huila (16,16%), Caquetá (11,89%) and Cauca (7%). The Eradication Program was able to prevent 3,3 tons of heroine and 1 billion 685 million doses[13]; in addition, we have been able to maintain the number of hectares sown with poppy stable.

Graph No. 12. Poppy Crop Aerial Spraying by Provincial Department 2001 - 2002



	TOLIMA	HUILA	CESAR	NARIÑO	CAUCA	CAQUETA
2001	339	485	426	630	387	0
2002	854	545	548	788	236	401

Source: DIRAN

For the purpose of establishing the efficacy of eradication using aerial spraying with Glyphosate, in November 1996 the Government of Colombia and the Government of the United States signed a protocol for verification to be done on the coca crops sprayed during a determined period. The coca crops sprayed in the period from 1994 to 2001 used a dose of 10.4 liters of Glyphosate per hectare; during the period from March 8, 2002 to August 15, 2002 the spraying was done with a dose of 8 l./ha. of this commercial formula; and from August 16 to August 28, 2002 the spraying was done with a dose of 10 l./ha.. Taking the above into account, the historical efficacy for the 1994–2001 period was estimated at 87,6%. In 2002, the Eradication Program efficacy was estimated at 83%.

[12] DIRAN
[13] Idem

The Present Government's Illicit Crop Eradication Action Strategy

The present National Government's illicit crop eradication action strategy is based on the strategy set forth in the document ***2002-2006 National Development Plan Foundations***, which determines that the main control mechanism will be eradication using the two methods of forced eradication and voluntary eradication. The first method, forced eradication, is aimed at the focused destruction of the areas where production is concentrated; it will be carried out in three integrated phases: detection, spraying, and verification. The second method, voluntary eradication, will be carried out jointly with native Indian and peasant communities through agreements for eradication and no replanting, using very clear verification and penalization mechanisms. This method will be used in coordination with alternative development programs which will emphasize crop substitution through forestry development projects, woodlands restoration, and environmental services under subsidy plans conditioned to reducing the affected area.

To carry out the Illicit Crop Eradication Program, we have the Environmental Management Plan and the Environmental Auditing Plan, through which we do follow-up on and verification of compliance with the technical environmental and operational parameters of the Program, so that we can carry out the Program with the least impact possible on the population's health and on the environment.

The objective of the Environmental Management Plan (EMP) is to establish actions to be applied by the agencies that carry out the Illicit Crop Eradication Program using Aerial Spraying with the Herbicide Glyphosate (ICEPG), in order to prevent, mitigate, control, compensate and correct the possible negative environmental effects or impacts that the program may cause. It also includes follow-up, evaluation, monitoring, and contingency plans.

Among the progress that the EMP has made, we indicate the following:

Characterization

The provincial departments of Huila, Tolima, Meta, Caquetá, Cesar, Antioquia, Córdoba and Norte de Santander and the zones that hold native Indian reservations and national natural parks were characterized in order, among others, to locate the illicit crops and the nature of the social economic environmental environment, which are topics of interest to better develop the Eradication Program.

Training

Seven (7) training workshops were held, in which 300 officers from all of the agencies involved in this program participated. These sessions determined the obligations, commitments, and institutional agreements among the agencies, according to their competence in carrying out the different secondary programs under EMP. Also, through its Decentralization Program, the National Anti-narcotics Agency (DNE is the Colombian acronym) coordinated regional training events to offer information on policy, environmental and drug prevention and control aspects to the different agencies in the provincial departments of Norte de Santander, Nariño, Tolima and Huila.

Environmental Monitoring

DNE participated in the monitoring scheduled by the National Police in Catatumbo, Norte de Santander, where it visited the Anti-narcotics Police Mobile Base, took soil and water samples, and flew over the Motilón Bari National Park exclusion zone. The results of the water sample analysis made by the Colombian Farming and Livestock Institute (ICA is the Colombian acronym) LANIA Laboratory, were delivered to the Agency on July 15, 2002 and sent to the Ministry of the Environment on July 17, 2002.

Program for Attending Complaints

A mechanism was structured for attending complaints presented seeking compensation for the alleged damage caused by the Eradication Program. This action includes carrying out an information campaign on the radio and on TV with national coverage, verifying the complaints presented, and granting economic compensation if it is proven that damages were caused by the program.

Thanks to the intense information campaign led by DNE, in the period from October 2001 to December 2002, 1.550 complaints were which received from the provincial departments of Putumayo (46,13%), Nariño (39,47%), Norte de Santander (17,03%), Guaviare (0,71%), Caquetá (0,52%), Huila (0,52%), Cesar (0,06%) and Antioquia (0,06%). Two complaints were economically compensated in the provincial departments of Cesar and Nariño in the amount of COP 10.000.000 and COP 24.600.000 respectively.

Chart No. 9. Complaints Filed with DNE
October 2001 Resolution 0017

Item	Complaints filed	%
Complaints not in order	552	35,61
Complaints returned to ombudsmen for not complying with 2001 Resolution 0017 requirements	276	17,61
Complaints certified by DIRAN, in process of field verification	417	26,90
Complaints that have not been certified by DIRAN	303	19,55
Compensated complaints	2	0,13
Total	**1.550**	**100,00**

Reason for Complaints Not Being in Order

Not in order because they were filed before 2001 Resolution 0017 was in effect	3
There was no operation on the date indicated	299
Split and/or mixed illicit crops	248
UMATA stated that there were no crops to be substituted	2
Total	**552**

Reasons for Returning the Complaints to the Ombudsmen

Lack of information on the lot, date and time of the spraying	212
Inconsistency in filling out the UMATA format	42
Did not have a property deed (Res. 0017/01)	22
Total	**276**

Source: National Anti-narcotics Agency Prevention and Development Subdivision

Contracting the Environmental Audit

Based on the provisions set forth by the National Anti-narcotics Council through 1994 Resolution 0001 and 2000 Resolution 0005, we use an Environmental Audit to do follow-up and control on the Illicit Crop Eradication Program. However, faced with the need to broaden the actions not only in the operational aspects of the program but also in the evaluation of the possible impact from applying the program on the environment, on health and on legal activities, we carried out two public bid processes to contract an international audit. Unfortunately, they were declared abandoned; the first one because there were no bidders and the second one because the bids did not meet the bid conditions. Therefore, in its November 1, 2002 session, the National Anti-narcotics Council determined that the Audit would be done domestically and that the new public bid process will be carried out in the year 2003.

Technical Studies Scheduled and Executed

In accordance with the provisions set forth by the Ministry of the Environment to evaluate the doses of Glyphosate that are more efficacious for minimizing the risk on human health, the laboratory INMUNOPHARMOS Ltda. did a toxicity study on lab animals using two concentrations of the mixture Glyphosate + Cosmoflux + water. The study included six toxicity tests on animals using EPA guidelines. It determined that none of the mixtures showed evidence of serious or persistent harmful effects on human health.

Upon request to intensify the doses of Glyphosate used for coca eradication from 8 to 10,4 l./ha., the Ministry of the Environment considered developing pilot tests in order to support the dose increase. So, it proceeded to create the project jointly with IDEAM, IC A, SINCHI and CORPOICA to determine the agronomic efficacy of the doses of the mixture to be applied and the residuality of Glyphosate and its metabolite AMPA in soils and waters in the provincial department of Putumayo in three different types of landscapes. This project will be carried out in the first semester of 2003 using international cooperation resources.

1.4 Environmental Impact of Illicit Crops and Related Activities

It is common to hear the argument that eradicating illicit crops by aerial spraying using the herbicide Glyphosate causes the destruction of highly bio-diverse ecosystems, unique in the world. However, it is rarely evaluated with the necessary rigor that the real negative effect on these areas is caused by planting illicit crops and their related activities.

It is necessary to start with the argument that the Illicit crop Eradication Program by aerial spraying using the herbicide Glyphosate is carried out in areas planted with illicit coca or poppy crops, which are basically single-crop plantations larger than three hectares.

Now, it is obvious that planting a single crop of coca or poppy makes a strong environmental impact. In this case, we cannot speak of an ecosystem rich in biodiversity because the original biomass, composed of a large number of upper-layer plant species and an unknown number of microflora species, without counting the zoological species, has been impacted from the very moment of the human migration made to select the areas and plant the crops.

Along with the above premises, we must take into account that the eradication process is carried out on ecosystems strongly impacted by the processes of land selection, crop planting and care, in addition to the processes of alkaloid extraction and refining.

Biodiversity in Colombia

Colombia is considered one of the least known countries in America, floristically speaking. Estimates show that it boasts from 45.000 to 55.000 species of plants[14] that represent near 16% of the total number of plants on the planet. This wealth is evident if we compare these figures, for example, to Brazil's, 55.000 species in an area 6.5 times larger. In the La Planada reserve alone (in the provincial department of Nariño), 227 species of different orchids were classified in an area of only five square kilometers. Colombia has around 3,500 species of orchids that represent near 15% of the world total. Other groups that are representative in Colombia for their great diversity are palm trees, anthuriums, ferns, and *bromeliaceae*. In the animal kingdom Colombia's diversity is world known. The 27 species of primates classified represent one third of the primates in tropical America. Another well represented group is the group of tapirs; in Colombia and Ecuador alone we find the three species that exist in America. 1.721 species of birds have been reported, corresponding to near 20% of the world total. Among the reptiles, 205 species of lizards have been reported and it seems there are species yet to be classified. The inventory on amphibians is far from conclusive; in 1995 430 species of frogs and toads were estimated in Colombia. The total figure for reptiles, birds, amphibians and mammals gives a total diversity of 3,389 species, of which, near 1.570 are endemic (42%)[15]. The national inventory on fish is still very limited. Describing Colombia's biological wealth would be an interminable task, especially if we include arthropods and the lower species that nowadays have become important from a bio-technological point of view.

Also, in Colombia we find two of the most important *hotspots* on the planet (priority land eco-regions). They are the Tropical Andes and Bio-geographical Chocó. Due to the above, it is no exaggeration to state that, on an average, one out of every ten species of plants or animals that exist are found within the borders of the Republic of Colombia, a territory that does not represent more than 0,77% of the emerged lands on the planet (McNeely et al., 1990).

Environmental Impact of the Drug Problem

During the past three decades, activities related to illicit marihuana, coca and poppy crops have been carried out. Therefore, the processing and trafficking of narcotic substances derived from these plants have also been established. Thus, if we want to evaluate the environmental impact that the production of illegal drugs has on the environment, it is necessary to determine the sequence of this process.

- First, the cultivators choose the areas where they intent to plant the crops. These areas must be prepared for sowing; installations must be built for processing the leaves and extracting the drug; "warehouses" must be built to store the chemical substances; and, in some cases, runways are built for trafficking.

[14] In the Tropical Country Floristic Inventory. D. G. CAMPBELL and H. D. HAMMOND, 1985.
[15] Cortés, L.M., Biodiversity at Risk. El Tiempo Newspaper – Sunday Readings. October 1, 2000.

- In addition to the stages related to the production, we must not forget that the first impact on the environment is caused by the strong migration to zones that do not satisfy the new population's basic needs, because these regions are forestlands. So, first, the primary settlers arrive (nomadic persons in charge of clearing); then, the secondary settlers arrive, who buy the lands from the primary settlers and start to plant the crops, using their own resources or financed by large investors. In harvest times, armies of leaf pickers and scrapers arrive, with the resulting appearance of informal merchants, sex workers, coca base processors and buyers, chemical substance sellers, etc. This immigration, instead of becoming a factor of development for the region, has pernicious effects on the ecosystems.

Selection of the Areas

Illicit crops are located in strategically selected areas that meet certain requirements, among which we include those below.

- Geographical zones isolated from urban hubs – where State presence is remote, due to the non-existence of penetration roads –with extensive jungle areas, especially located in the provincial departments of Caquetá, Guaviare, Meta, Vichada, Putumayo and Guainía.
- Presence of abundant bodies of water to be used in the processing, waste elimination, and food preparation. Also, navigable rivers facilitate the entrance of chemical substances through open contraband from neighboring countries and the exit of large volumes of finished product.
- Ecosystems with abundant plant biomass to make locating the crops, small properties, laboratories and chemical substance "warehouses" difficult. Also, they adapt to the weather demands of the varieties of plants to be cultivated. Colombia has thermal floors that enable excellent development of the species used to extract psychotropic substances.
- Zones with a presence of outlawed armed groups that make authority action difficult and that apparently provide security services for the plantations and the processing complexes.

Upon evaluating the chosen areas, drug traffickers basically select sensitive environmentally important ecosystems, such as the Andean and high Andean woodlands for poppy, and the plains and jungles of Orinoquia and Amazonia for coca crops. According to IDEAM, the Andean woodlands presently occupy 9.134.270 hectares that correspond to 8% of the national territory[16]. This very low percentage is explained by the strong anthropic pressure to which they have been submitted.

Also, the Amazon Plains, chosen for planting coca crops, is a vital area because of its capacity to regulate CO_2 and maintain the balance of emissions into the atmosphere. In addition, the Amazonia - Orinoquia area represents an environmental supply bank characterized by its great biodiversity[17] to mankind and, in particular, to Colombia.

[16] The main characteristic of the Andean and High Andean Woodlands is their "production of water"; the ascending air saturated with water vapor that comes from the low, humid, hot regions is condensed to regularly produce cloudiness and thick fog, and a lot of rain.

[17] Biological diversity or bio-diversity refers to the variety among the living word as a multifaceted expression of life; it presents different levels of complexity, from the genetic variability of populations, through the multiplicity of species, to the diversity of ecosystems and landscapes. These levels are closely related, in such a manner that the existing interactions among them are inter-dependent, both spatially and functionally. (Alexander Von Humboldt Biological Resource Investigation Institute). A simpler definition is made by Solbrig (1991): A property that living beings have of being varied, at each one of the biological nature organization hierarchical levels, from molecules to ecosystems. Torrid, humid, tropical regions have the highest indexes of successful mutations and re-combinations, with a much more dynamic, evolutionary process, giving a resulting larger index of biodiversity than other regions in the world. (Urruelo, no date). RAFI (an International Environmental

In general, illicit poppy and coca crops are located in ecosystems with an incalculable environmental value because they are the greatest banks of germ plasma on the planet; that is to say, they protect biotic communities (flora and fauna) that in many cases are unique and exclusive to these regions[18].

The crop areas that are not found in critical areas are located in biomes that can be classified as special attention areas[19], where a policy must be promoted to prevent a destruction of the ecosystem and control over exploitation of species in critical state or very vulnerable. In addition, the soils in Amazonía are forest soils, that is why normally traditionally farming practices fail, thus contributing to the deterioration of the dynamics of the region.

Lastly, along with the population immigration, there is a second migration of the upper fauna to zones deeper in the woodlands with the consequent imbalance of the trophic chains and ecological niches. In the Andean woodlands, the effect is more serious due to the specificity of the ecosystems and to the great concentration of endemic species. The Tropical Andes contain from 30.000 to 40.000 species of plants. This figure is higher than the figure estimated for the Amazon Basin. That is why this bio-geographical zone is considered the most diverse zone for species in the neotrophics.

Land Preparation

The first and most obvious action to plant a crop consists of the de-forestry of the native flora, which, in most cases is made up of primary woodlands where no human activity has ever existed. The most used method to eradicate the woods is to cut and/or burn thousands of hectares; such actions have drastic effects on the ecosystems, among which we highlight the following:

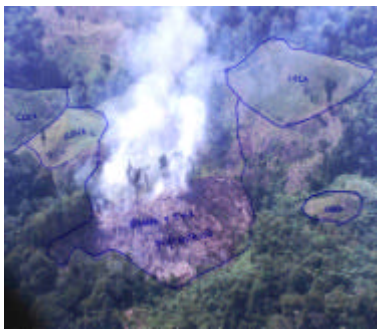
- Destruction of Ecological Niches and Trophic Chains
- Destruction of Unknown Genetic Potential
- Edaphic Erosion
- Destruction of Native Plant Top Layer
- Alterations in Rainfall and Local Weather
- Considerable Increase in CO_2 Emissions
- Disappearance of Beautiful Scenic Spots and Landscapes
- Extinguishing Endemic Species
- Deterioration of Water Sources

The destruction of these ecosystems severely alters the ecological homeostasis that, in the case of the Amazon, is determined by the great floristic diversity unique on the planet of over 100 species of trees per hectare, an unknown number of minor species, and the microflora and microfauna, along with their incalculable genetic potential (Parra 1998).

NGO) estimates that the medicinal plants and the micro-organisms from the South contribute with at least USD 30 billion a year to the pharmaceutical industry in industrialized countries.

[18] Colombia has a continental area of 114.174.800 ha., which represents near 0,7% of the world continental surface. In this area, there is 10% of the world biodiversity, making Colombia a "mega-diverse" country.

[19] Zones located in the interior of the Colombian Amazon, among the rivers Caquetá, Putumayo, and Vaupés and in portions of Guainía and Vichada, and in part of the Andean and Sub-Andean jungles in the Western Mountain Chain.



Preparing the lands for the crops not only leads to the irreversible loss of native flora and their genetic resources but also generates secondary effects, such as fragmentation, displacement of fauna, and the severe alteration of food chains.

Erosion is another of the serious effects produced by preparation the lands for coca and poppy sowing because, in both cases, the soils of the selected ecosystems are characterized by inherent factors, which make them fragile[20]. Due to de-forestry, specially on the sides of the Andean Mountain Chain, it is common to see large land slides and overflowing rivers that cause the sedimentation of soil elements in the river beds (a process known as "silting up"), which propitiates floods during the raining season and strong draughts in the dry season.

Taking into account that Colombia occupies the fifth place in the world in water resources - the Andean woodlands have near 720.000 hydrographic basins - , we can deduce that the cutting and burning is putting strong pressure on this resource.

Crop Implementation

After cutting and burning the woodlands, the cultivators proceed to plant the crop, that is to say, they proceed with the farming processes inherent to sowing the seeds and to the care and harvesting of the plantings. In this stage chemical products are used, which entered into the environment, and this occurs not only on commercial plantations but also on small lots[21].

Poppy and coca are characterized by their high demand for space and nutrients. That means that they are not easily associable and, therefore, it is necessary to eliminate the competition of other crops.

Coca cultivators, whether peasant or commercial, seek to obtain the largest leaf production possible (biomass). To do so and due to the fact that the soil is not apt for farming, it is common for the cultivators to use bio-stimulants, fertilizers and pesticides to control pests and weeds.

[20] The community at large has the idea that the jungle soils in the south of the country are highly productive; however, these soils are supremely fragile, with great concentrations of aluminum and easily washed away when their native plant top layer is eliminated

[21] According to the Anti-Narcotics Police in Colombia, in 2000 70% of the coca crops were classified as peasant crops, lots less than three hectares in size, and the remaining 30% were commercial crops, lots more than three hectares in size.

It is also common for the authorities to find herbicide, pesticide, fungicide and fertilizer recipients on the plantations. In many cases, the producers use prohibited substances, such as the insecticide parathion and organochloride substances. The recipients and residues of this complete variety of biocides introduced into the environment and used in the maximum concentration and quantities possible inexorably wind up in the bodies of water, adsorbed into the particles in the soil, and, in the worst scenario, they are assimilated into the trophic chains. At this point, the pressure on the environment is not limited to the area of the plantation, it is also exported into the complete ecosystem.

The use of farming chemicals in the cultivations, both in peasant lots and on industrial plantations is invariable on all of the cultivated lots. In the report prepared by the National Anti-Narcotics Agency and by the United States Embassy Narcotics Affairs Section[22], verified that 98,7% of the cultivators used insecticides and fungicides to control pests and diseases; 92,5% used chemical fertilizers and 95,5% controlled the competition of other plants with herbicides. Also, the research by Instituto SINCHI[23] shows that the producers, unlike what is normally done in spontaneous production, go to great pains to take care of their illicit crops. They also have the habit of weeding and chemically controlling insects and pests.

Farming chemical recipients deposited in the ecosystems where illicit crops are found.
Spraying with farming chemicals.

Normally two methods are used to maintain the coca crops clean and thus obtain a larger biomass production. The first one is to use a hoe, which on an average, takes ten days, and the second, is to apply Gramoxone or some other strong herbicide every two to three months. Because coca is an intense crop in chemical technology, the purchase of these products represents more than two-fifths of the total input costs.

There are no significant differences among the producers in the different regions where coca is cultivated whether they are small cultivators or industrial cultivators regarding the intensity with which farming chemicals are used. In this sense, Uribe (1999) established the use of at least 75 different brands of farming chemicals. The regional difference concerning the type of substance used is determined by its availability on the market and many of these substances enter the cultivation zones directly through open contraband.

[22] URIBE, S., Project on Coca Plantation Yields in Colombia., Progress Report #5. October 25, 1999.
[23] ARCILA, N. O.; RODRIGUEZ, S. A., Case Study on Coca Production in the Provincial Department of Guaviare. Amazon Scientific Research Institute, SINCHI. Area of Human Settlements, Bogota, September 1997.

Chart No 10 Herbicides Used on Coca Crops			
Commercial Name	**Active Ingredient**	**% of Use**	**Toxicological Classification**
Gramoxone[24]	Paraquat	61,3	II DL Oral: 150 mg/kg
Faena	Glyphosate	10,7	IV DL Oral: 4.300 mg/kg
Anikilamine	2,4D	9,7	I DL Oral: 699 mg/kg
Round up	Glyphosate	8,4	IV DL Oral: 4.300 mg/kg
Atrazina	Atrazine	4,8	III DL Oral: 1.780 mg/kg
Karmex	Diuron	2,6	III DL Oral: 5.000 mg/kg
Others	N/A*	2,6	

*N/A: Does Not Apply

Glyphosate is among the substances most used by the illicit crop producers (near 20%). They apply it directly on the soil to avoid the appearance of weeds that can compete with the crops. However, when this substance is used by the authorities to eradicate these crops, the peasants who normally use it consider that they are being aggressed.

The number and variety of pesticides (insecticides and fungicides) used is greater than those of herbicides. Also, the use of substances with a high toxicological content is notorious and their use is growing because many of the farmers still consider that "the greater the quantity and concentration of the farming chemical, the more effective it is". Therefore, it is common that the doses used are not those recommended by the manufacturers. In addition, the most frequently used substances are classified with a high degree of toxicity, and consequently, we can expect that the effect that they have on these ecosystems and on the communities is quite negative.

Also, the Andean woodland soils, which have a high capacity for suppressive pathogens, are losing that characteristic because the farming chemicals used have a broad spectrum.

Chart No. 11. Insecticides and Fungicides Used in Illicit Crops					
Product	**No. Of Producers who Use it /244**	**Active Ingredient**	**Concentration**	**Toxicological Classification**	**Action**
Manzate	87	Mancozeb	80%	III	Fungicide
Tamaron	73	Metamedophs	600/l	I	Insecticide
Sevin	59	Carbaryl	80%	II	Insecticide
Metavin	29	Metomil	90%	I	Insecticide
Granulated Liquid Furadan	28	Carbofuran Carbofuran	330g/l	I	Insecticide
Curacron	20	Profenophs	500g/l	II	Insecticide
Thionil	20	Endosulfan	350g/l	I	Insecticide
Koper Oxicloro	19	Copper Oxide of Chloride	35%	III	Fungicide
Parathion[10]	19	Methyl Parathion	48%	I	Insecticide

[24] These are pesticides known worldwide as "The Bad and the Ugly" or the "The Dirty Dozen", prohibited in industrialized countries but broadly used in agricultural developing farming. In addition to Paraquat, the use of Lindane is common to control pediculosis and scabies; pentachlorophenol, is used as a fungicide and against wood termites, and Parathion, a potent biocide whose action covers from pest control in food plantations to insect extermination.

Chart No. 11. Insecticides and Fungicides Used in Illicit Crops					
Product	**No. Of Producers who Use it /244**	**Active Ingredient**	**Concentration**	**Toxicological Classification**	**Action**
Matador	10	Lambda Cyhalothrin	50g/l	III	Insecticide
Thiodan	10	Endosulfan	350 g/l	I	Insecticide
Bavistin	7	Carbendazin	50%	III	Fungicide
Malathion	6	Malation	604g/t	III	Insecticide
Nuvacron	6	Monocrotophs	600g/l	I	Insecticide
Granulated Liquid Lorsand	5	Clorpiriphs and Cipermetrin Clorpiriphs	500g/l 50g/l 50/kg	II	Insecticide
Comboy	5	Cipermetrin and Diacinon	25g/l 200g/l	III	Insecticide
Politrin	5	Cipermetrin	200 g/l	II	Insecticide
Others	61				

The farming chemical substances that illicit crop cultivators introduce daily basis into the ecosystems, cause the following effects, among others:

- Resource Contamination. Pesticides are capable of contaminating human and animal drinking water sources, and water, river and sea sources. The farming chemicals can reach water sources following one of the routes below:
- Percolation or lixiviation of pesticides applied in the soil surface.
- The discharge of liquids remaining from the application; discard of empty recipients.
- Flooding or rivers overflowing, which reaches the storage places. This contamination produces the loss of aquatic fauna and flora; loss of the resource as a source of water and food and causes human and animal intoxication[25].
- Soil Contamination. Some pesticides are applied directly into the soil (herbicides such as 2,4,D and insecticides such as Metomil). Others are applied indirectly through drops on the plants, drops from the applicator equipment, and some are dragged through rain drops (such as Chlordane and parathion), make contact when washing the applicator equipment or discarding the recipients, etc. According to the chemical composition, once these pesticides are in the soil, they can be absorbed by the particles in the clay or in the organic matter (Metomil). Others, in exchange, are easily dragged by water flow. Whereas the former seriously affect the soil and its fauna and flora, the latter contaminate the water sources.

The microflora and microfauna in the soil, responsible for recycling organic matter, are seriously affected by pesticides, diminishing the supply of nutrients in the soil and becoming dependent on nutrients in the plants, thus, making them even more vulnerable to insects and pathogenic agents[26]. Colombia has soils that highly phytopathogens-

[25] Many of the complaints about health problems that the cultivators make regarding aerial spraying done by DIRAN with Glyphosate are really due to the use of farming chemicals, such as Paraquat and Parathion, which the peasants apply in the crops without following technical regulations and without any protection. Many of these substances are lyposoluble, which enables their absorption through the tissues, and they accumulate in the organism, resulting in intoxication that, in many cases, depending on the toxicological classification of the product, can be fatal.

[26] CASADINHO, J.S., Pesticides and Health: A Little Known Relationship. CETAAR – School of Agronomy - UBA.

suppressive; however, as the pesticides that are used have broad spectrum, it is likely that the soils are more affected than the pathogens.

- Persistence in the Trophic Chains. Insecticides with a chlorate chemical structure (DDT, Clordano, Heptocloro), which are prohibited in Colombia, have the capacity of attaching themselves to animal adipose tissue. This particularity is very dangerous, due to their accrual in trophic chains transferred from herbivorous animals to second and third order carnivorous animals until they reach concentrations that produce physiological damage. When persons who live in regions where these substances are used in great quantities eat the fauna in the region, the concentration of pesticide molecules grows within their system. And given the fact that they cannot be metabolized, they reach levels of intoxication (phenomenon called biological magnification).
- Action of Insecticides and Other Pesticides on Insects and Benign Flora. In the ecosystems there is a great number of insects, mites and plants that have a fundamental role in the balance of the biomes and in trophic chains, for the following reasons, among others:

✍ They are insect pest-parasite predators. Many mites and insects act as micro-parasites for insects that could become set crop pests or even pests for the primary woodlands. ✍ They incorporate nitrogen. ✍ They attach themselves to the soils and reduce the possibility of erosion.	✍ They cover the soil (broad leaf plants). ✍ They decompose organic matter. Jungle woodlands are characterized by their dynamic decomposing of organic matter, to the extent that the soils are poor agronomically speaking. ✍ Some plants act as insect traps.

In the regions of Colombia where illicit crops are planted, it is very possible to detect the benign effect of these organisms only after they have disappeared and their natural enemies are free to act, making their reproduction greater (causing a plague effect), with the consequent need to use very strong pesticides[27].

- Discarding Leftover Products and Recipients. In the zones where illicit crops are cultivated, peasants normally throw away into the environment (soils and water sources, incineration, burial, etc.) the pesticide recipients, the products left over from the fumigation processes and those remaining in the spraying equipment after washing them.

Each one of these cases represents a specific problem, but in general, they enable direct or indirect contamination of the environment, including the communities that live in the environment.

[27] After breaking the natural balance of the ecosystem by using pesticides, effects of tolerance and resistance are generated that determine, in turn, the use of substances that are stronger and more damaging to the ecosystems. This is the Vicious Cycle effect.

✍ Discarding Recipients. Many recipients are recycled as utensils for daily chores and for preparing food [28].
✍ Accrual in Holes. In the rural zones in Colombia, the custom is to open holes near the houses, to put the garbage in. Unfortunately, the garbage is not separated and, all kinds of materials are deposited in the holes, whether they are biodegradable or non-toxic or not.
✍ Open Air Incineration. This can provoke greater inconveniences than the accrual itself. When exposed to heat, some products emit dioxin and furans, which are more toxic than the initial product.

When, planting coca crops in general producers use 6 gallons of Paraquat (Gramoxone) for the first harvest, and one gallon in each of the next two; 2 liters of Dinitroanilines (Waxal) in each harvest; 240 cm^3 of Carbamatos (Furadan) in each one of the three harvests during the first year; 12 kilos of urea and 12 kilos of Triple 15 (chemical fertilizer). Thus, ***we can deduce*** that in the coca crops surveyed from 1999 to 2000, the amounts of farming chemicals in the chart below were used. As we have not taken into account the area set up for 1998, due to the difference in methodology used to determine the areas, the quantity of substances calculated for both years and, particularly for 1999, is under the amount actually used.

Chart No. 12. Estimated Use of Farming Chemical Substances from 1999 to 2000

Farming Chemical	1999	2000	Total
Paraquat* (Gallons)	640.476	653.156	1.293.632
Dinitroanilinas* (Liters)	1.280.952	1.306.312	2.587.264
Carbamatos* (Liters)	153.714	156.757	310.471
Urea (Kilos)	1.280.952	1.306.312	2.587.264
Triple 15 (Kilos)	2.561.904	2.612.624	5.174.528

* According to URIBE, 1999, SINCHI 1997 and the State security agencies, the most commonly used are Paraquat, Wax Up and Furadan, respectively.
Calculations: Hernando Bemal C. National Anti-Narcotics Agency Strategic Investigation Subdivision. III-2000

These calculations were estimated based on the specific studies made in the cultivation zone (by SINCHI). However, they are not calculations made using previously established statistic models. Unfortunately, if we do not have valid studies done for our legal industry, it is even more complicated to have them on the illegal industry.

Introduction of Chemical Substances

To extract the alkaloid it is necessary to have an infrastructure that enables preparing labs and handling large quantities of chemical substances[29]. Coca processing generally speaking is done on site; the labs are constructed in the woodland areas near the crops, where bodies of water are indispensable for extracting the alkaloid and disposing of the waste products[30].

[28] If the recipients are glass, they are generally used for gathering liquids (in some regions, peasants use the Gramoxone recipients to store guarapo liquor in), kerosene or water; if the recipients are metal, they use them to heat or store water, and if they are aluminum, they use them as containers in the base and refining labs.

[29] The situation becomes more complex to the extend that substitute substances are used to substitute those controlled by the National Anti-Narcotics Counsel, and even worst when finished industrial products are used because we have no control over them.

[30] In some cases, those in charge of producing drugs hide the chemical substance containers inside the streams or lagoons around the crops. This method has two specific purposes: to make it difficult for the

The coca labs prepare a first quality product, that is, the concentration of the cocaine is from 70 to 95%. So, what happens to the substances used in the extraction and preparation of the hydrochloride?[31]

The inputs and chemical substances most frequently used are cement, potassium permanganate, ammonia hydroxide, gasoline or petroleum, sulfuric and hydrochloride acids, acetone, methyl ethyl ketone and ethyl acetate. These substances may be replaced by others that have similar chemical properties [32].

Due to the permanent control being carried out, Colombia is considered by the International Community[33] as a vanguard nation in controlling chemical substances. This labor has been performed in a coordinated manner by the judicial police, port customs, and by administrative, foreign trade, and transportation entities.

Drug Processing

To manufacture cocaine hydrochloride from one hectare of plants, some 50 kilos of solid inputs and 57 gallons of liquid inputs are needed [34].

To oxidize the cocaine base, in most cases, potassium permanganate is used, although, we have also seen the use of other oxidizers, but to a lesser degree, due to the fact that they do not have the indicator characteristics that potassium permanganate has. However,

---

authorities to locate the chemical substances and to keep the containers refrigerated. Leakage of substances into the water sources is not uncommon.

[31] It is normal that, during the different stages, from alkaloid extraction to its refining, chemical substances and waste products generated are disposed of in bodies of water or discarded directly into the soils.

[32] The quality, quantity and type of chemical substances that are used in the processes of extraction and refining depend, among other factors, on how easy it is for the traffickers to accede to them (sulfuric and hydrochloride acids), to the efficiency and / or indicator mechanisms of reaction (potassium permanganate and acetic anhydrate).

[33] From 1998 to 2002, in their annual reports, IDCB has highlighted the results obtained by Colombia in controlling chemical substances. In the 1998 report it established that, "some countries in the region, in particular Colombia, have seized great quantities of these substances. For example, the quantities notified of acids and solvents seized have been greater in the last five years; the quantity of potassium permanganate seized in 1997 (112 tons) is the greatest amount recorded since 1989 and surpasses the total sum of amounts notified during the previous four years".

[34] The quantity of inputs needed for the extraction and refining of alkaloids varies according to the concentration of the alkaloid in the leaves, the type of chemical substance used, the process of extraction (acid, basic or alcohol), environmental conditions etc. That is why it is frequent to notice in the bibliography that the amounts reported are different.

the use of the oxidizer depends on its availability on the market. According to the DEA, the percentage of highly oxidized samples has increased in recent years.

As to solvents, those most used are ethyl acetate and propyl acetate (solvent A) and also petroleum ether distillates. The DEA reports that in Colombia the use of solvent 1020 with ethyl acetate or with n-propyl acetate has diminished.

For the formation of the hydrochloride, the preferred solution used is the solution of hydrochloride acid or an alcohol hydrochloride solution of recent use, which generally contains ethanol, 1-propanol and 2 propanol.

The most frequent combinations of solvent A and solvent B are propyl acetate MEC (24%), ethyl acetate MEC (17%), and ethyl acetate without solvent B (15%). Also, it is common in Colombia to use aliphatic solvent 1020 and ethyl acetate or propyl acetate for solvent A and MEK, and methyl isobutyl ketone for solvent B

The DEA Investigation Lab and Special Assays indicate that during the decade of the 90's the production of cocaine with recycled solvents increased. This information suggests that solvent recycling is important in the illegal production of cocaine.

1.5 Prevention Actions and Mitigation of the Environmental Impact on Strategic Ecosystems[35]

The expansion of sown coca and poppy crops both in the buffer zones and in the protected park areas has negatively put pressure on environmental resources. Therefore, the Ministry of the Environment National Natural Parks System Special Administration Unit (UAESPNN is the Colombian acronym) and the United Nations World Food Program (WFP) created the project "*Eco-Andean Sustainable Development*".

Although the project intervention strategy does not directly provide for substitution of illicit crops, the results of the process regarding the generation of environmental values and the exercise of planning lots has encouraged the population to reflect on planting such crops. To illustrate, in the settlement of Zaragoza (under the jurisdiction of the municipality of

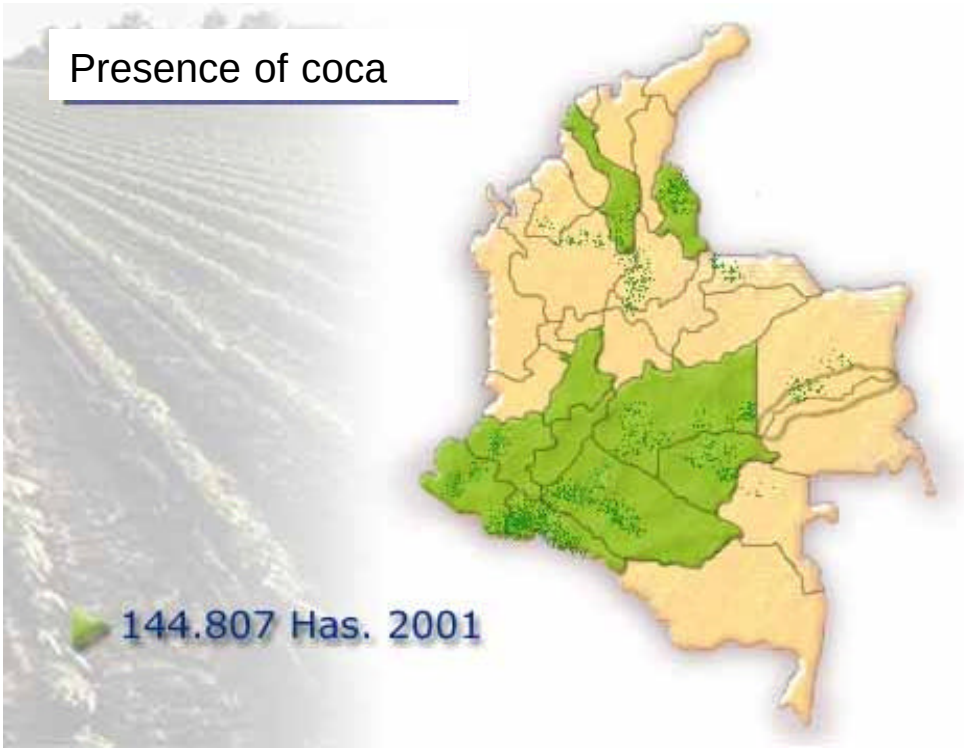
[35] Report by the Ministry of the Environment National Natural Parks System Special Administration Unit (UAESPNN)

Iquira, Huila), out of 80 families, 56 have understood that planning the lot, totally using production systems that improve food assurance, the flow of income for the family unit, basic sanitation and the recovery of the ecosystem in the territory, is a viable alternative for reaching illicit crop substitution agreements.

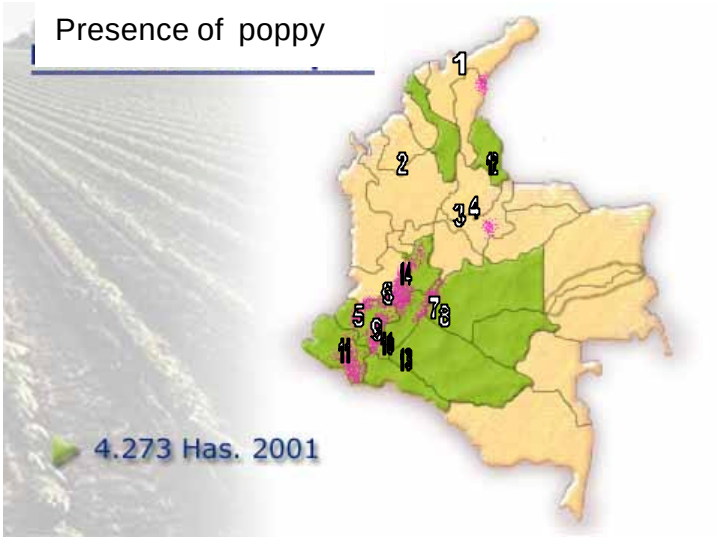
The project execution strategy is based on two policy aspects, food assistance within the framework of the WFP and the implementation of the Agrarian Sustainable Systems for Conservation strategy within the framework of the UAESPNN "Parks with People" policy. Based on that commitments have been generated with the communities through socio-environmental agreements with a gender perspective. Their execution began simultaneously with the progress made in defining the coordination models with the buffer zones and with the definition of the National Protected Areas System Structure (SINAP is the Colombian acronym).

Taking into account the coca and poppy producing areas exposed by the National Alternative Development Plan, we show the work scope for these areas (see Figures).

Graph No. 13. Areas of Intervention in the Project *Eco-Andean Sustainable Development* and Impact on Coca Producing Areas



Graph No. 14. Areas of Intervention in the Project *Eco-Andean Sustainable Development* and Impact on Poppy Producing Areas



1. Sierra Nevada de Santa Marta NNP	2. Paramillo NNP	3. Iguaque FFS
4. Pisba NNP	5. Munchique NNP	6. Nevado del Huila NNP
7. Cordillera los Picachos NNP	8. Tinigua NNP	9. Puracé NNP
10. Cueva de los Guácharos NNP	11. Galeras FFS	12. Tamá NNP
13. Alto Fagua – Indi Wasi NNP	14. Las Hermosas NNP	

NNP. National Natural Park
FFS. Flora and Fauna Sanctuary

The project has a total cost of USD 13.2 million. WFP contributes USD 6 million, represented in wheat (17.500 tons), in non-food inputs and in financing a project follow-up and evaluation system. During the three (3) years of project performance, UAESPNN will directly contribute USD 1,8 million and USD 4,2 million will be managed by governmental and non-governmental organizations. Also, the beneficiary communities will contribute USD 1,2 million represented in labor, terrains, hand tools and other available inputs needed to carry out the project activities.

The objective of the project is to contribute to the national policy of supporting the sustainable development of the families located in the buffer zones of the National Natural Parks by training them in the use and sustainable management of natural resources, food assurance, construction of a basic social infrastructure, and community participation with a gender perspective.

Initially, the project was intended to be performed in the buffer zones of four national natural parks in Colombia, Sierra Nevada de Santa Marta, Nevado del Huila, Cordillera Los Picachos, and Galeras. However, the impact of the activities forwarded within the framework of the strategy for Sustainable Agrarian Systems for Conservation (SASC) has led to a dynamic broader coverage of another ten (10) parks, for a total of fourteen (14). The new parks in which the project is being forwarded are Iguaque, Pisba, Puracé, Munchique, Alto Fragua - Indi Wasi, Cueva de los Guácharos, Tinigua, Las Hermosas, Tamá, and Paramillo.

Presently, work is being forwarded in 12 provincial departments (Huila, Cauca, Magdalena, Guajira, Cesar, Nariño, Caquetá, Córdoba, Tolima, Meta, Boyacá and Norte de Santander), in 25 municipalities and in 109 settlements.

As far as the population covered, the project plans to benefit near 5.250 families who live in conditions of poverty in sectors within the buffer zones. At present, it attends 2.236 families (approximately 11.180 persons) distributed throughout in the fourteen national natural parks.

In methodological terms, the project Eco-Andean Sustainable Development is based on building social processes aimed at generating the complementary nature of production and conservation aspects, starting from a total systemic reading of the territory, from a local specific vision (micro vision: lot), along with a general vision (macro vision: basin, settlement, region) to concrete actions on the lot, the settlement and the sub-basin as a result of social participation, because this joint action enables arriving at consensuses on the management and use of the territory.

In this manner, the work is being forwarded by forming family groups (called Eco-Andean Groups), who are the social scaffold to strengthen this population's group identity and, of course, to strengthen their organizational shape. 120 groups with defined organization structures have been formed, which include group coordinators, representatives for each project, facilitators and overseeing committees. These groups have rules and regulations that the communities themselves have established, which determine the rules for co-existence and internal conflict settlement, for them to properly develop the activities in each project.

The project performance strategy is based on the equal participation of all the members of the community, starting with the acknowledgment that men, women, young people, adults and old people are all subjects of the development and, consequently, must have access to all decisions, resources and benefits.

The total organization work shows that, in all the eco-Andean groups, the participation of women representing families rose to 46,7%, whereas 53,3% corresponded to men, which proves an active participation of women in the project. In this sense, in the Galeras FFS, women are greatly represented, above all in the projects for ecosystem recovery, soil management conservation, and basic sanitation.

The project has implemented a strategy that emphasizes organization, in which actions are concreted that provide individual benefits, starting with the activities related to lot planning, and group benefits through actions linked to infrastructure works and strategic eco-system conservation, which ensure the possibility of demanding environmental resources (water, soil, vegetation among others) for the sustainable production, aimed at the environmental planning of the territory.

This proposal has propitiated the groups becoming acquainted with teamwork and generation of values, materialized in concrete activities, such as the identification of joint solutions when negative aspects are detected, group decision-making, the rescue of customs and traditions, the recovery of medicinal plants and traditional medical medicine practices, the construction of community green houses, the reconditioning of paths, and the planting of native species on the lots, among others.

The socio-environmental agreements are the result of the work being done with the community, and they concrete the processes of sensitization and environmental awareness. These agreements crystallize into two aspects; one is joint lot planning aimed at reducing conflicts in using the farm resources and in using them efficiently and the other is reducing harmful practices such as indiscriminate cutting, burning and hunting. One clear example may be observed in the Galeras FFS, where 24 socio-environmental pacts have been formalized mainly in the settlements of San Felipe, Mohechiza and Josepe. These agreements arose from initial commitments made by the community with the Eco-Andean project for the recovery of deteriorated areas, reduction of burning, and control over hunting wild animals. Also, in two areas in the Sierra Nevada de Santa Marta (Orinoco and Bellavista), two socio-environmental agreements have been concreted regarding inadequate management practices.

As to the future results of the socio-environmental agreements, we expect the communities to acquire awareness of the socio-responsibility involved in the individual actions carried out on the farms and on their role as joint protagonists in conserving and preserving the environmental goods and services in their territory.

The project is aimed at contributing to the environmental planning of the territory, through the creation and performance of total theme projects (PTI is the Colombian acronym) with the direct participation of the communities. The projects are based on the eight aspects listed below.

- **Recovery of the Ecosystem**. This includes activities aimed at recovering or maintaining natural areas (protection of new forests, re-forestry of the banks of rivers and streams, woodlands for timber – dendroenergy - woods, forest plantations, re-vegetation or re-forestry of deteriorated areas, construction of efficient incubators).
- **Soil Management and Conservation**. This includes activities aimed at recovering the structure and fertility of the soil (terraces, banks, trenches, green fertilizers, minimum labor, implementation of machinery and appropriate tools, filtering ditches, etc.)
- **Products to Generate Economic Surplus**. These activities are linked to the farming and livestock forest and handicraft production, which generates economic revenues for the peasant family, by implementing merchandising of products and farming industry proposals with a strong component of community organization based on appropriate environmentally healthy technologies (designing farming and livestock production arrangements - agro-forest and woodlands and pastureland systems, production infrastructure, hatcheries, pig sties, stables, etc.-, soil management - organic fertilizers, terraces -, construction of reservoirs for water, design of small irrigation systems).
- **Food Assurance**. These are proposals aimed at ensuring the permanent production of food that complies with adequate quantity and quality conditions for peasant farms, and which provides nutritional well being to the family (family gardens, school gardens, community gardens, fruit orchards, design and implementation of production arrangements, small animal management).
- **Basic Sanitation**. These are preventive or corrective activities developed to ensure family health and hygiene, decontamination and protection of the environment. They involve building a basic infrastructure to improve living conditions in peasant settlements (construction of sewage and water supply, lavatory handling and decontamination of residual waters).
- **Eco-tourism.** These are activities linked to community development and designed so that the recreation, leisure time and education of the visitors in the National Natural Parks and their buffer zones produce minimum impact on the natural eco-systems, by

educating the actors involved regarding the importance of conserving Nature. The eco-tourist activity is conceived as a manner of involving peasant communities in such a way as to enable them to generate a family economic revenue (maintenance and reconditioning of paths, training community eco-guides, improving the infrastructure for lodging and restaurants).

- **Peasant Housing Improvement.** The project will attend structural requirements for housing, to adapt them and put them into a condition that will ensure adequate healthy spaces. The eco-Andean project will support these activities with technical direction and food in exchange for labor in the construction works.
- **Road Reconditioning. These are activities linked to the improvement, reconditioning and adaptation of roads.** We expect these to be lasting works. As in housing improvement, the eco-Andean project will support technical direction and food in exchange for labor.

Defined activities have been carried out with the communities and they are accompanied by permanent training based on three principals: a) organizational strengthening, b) technological training with focus on sustainability, and c) generation of environmental values. In this first phase, 27% corresponds to food assurance projects, 14,5% to basic sanitation projects, 14,5% to road reconditioning proposals, 12,5% to eco-system recovery, 10,5% is aimed at soil and water management and conservation practices, another 10,5 % to production projects for generating extra income, 6% to eco-tourism proposals and 4,5% to housing improvement.

In 2002, in the Sierra Nevada de Santa Marta NNP, six projects were carried out in the sector of La Guajira (four for food assurance, two for eco-system recovery and one production project to generate extra income), six projects in the Valledupar sector and one project in Aracataca. In Paramillo NNP, six projects were forwarded for food assurance and environmental recovery and in Nevado del Huila NNP in 12 settlements, projects are being forwarded for food assurance, road reconditioning and eco-system recovery, benefiting 381 families. The other parks are creating the Total Theme Projects with the community.

In general, we can say that the actions that have been taken on the farms of the beneficiaries of the Eco-Andean Project are aimed at enabling production systems, by identifying available resources and best taking advantage of them. The Eco-Andean Project has created a dynamic of institutional involvement and commitment for the purpose of forwarding actions that, for sure, will contribute to the environmental planning of the territory and that will simultaneously contribute to the park management plans, to the municipal development plans and, in general, to the environmental actions proposed by the different institutions within their mission.

Along these lines, in the Sierra Nevada de Santa Marta NNP we have been working with three strategies. The first is a short term strategy, within the framework of the inter-institutional covenant with the Comite de Cafeteros de Magdalena (Magdalena Coffee Growers Committee); the second is a mid-term strategy by integrating and complementing the Santa Marta Colombia Sierra Nevada - European Union Sustainable Development Project and the Learning and Innovation Project for the Sustainable Development of Sierra Nevada (PAIDS is the Colombian acronym). Likewise, there is coordination among the Prosierra Foundation, COL - UE project, the Magdalena Regional Autonomous Corporation (CORPOMAG is the Colombian acronym), the Cesar Regional Autonomous

Corporation, the Cesar and La Guajira Coffee Growers Committee to forward actions in the La Guajira, Magdalena and Valledupar sector.

In Nevado del Huila NNP, the following institutions are working together with SENA: the municipalities of Torobio, Santa Marta, Iquira and Teruel, the Governor's Office of the provincial department of Tolima, the Rio Negro Native Indian Reservation, and more recently the High Magdalena Regional Autonomous Corporation (CAM is the Colombian acronym), for the project Cueva de los Guarachos – Purace Biological Corridor, by complementing methodological strategies and technical support simultaneously strengthening the work forwarded in Purace NNP.

In Galeras FFS we have established covenants with the Nariño Regional Autonomous Corporation (CORPONARIÑO is the Colombian acronym), Ministry of Agriculture PADEMER, the municipalities of Yacuanquer, Cosaca, Nariño and Sandona, the project PROCAS-GTZ, and the Association for Peasant Development (ADC is the Colombian acronym). Specifically, the agreements entered into support the project through offsetting compensation, technical support and logistic support.

In Munchique NNP, there are agreements with the municipality of Morales and El Tambo, and with the project Pacific – Holland. In Purace NNP the agreements are with with the project GEF Colombian mountain chain, Rio Piedras Foundation, the municipalities of San Agustin, Pitalito and La Argentina, and with the CAM. In Paramillo NNP they are with the project Urra – Alto Sinu and in Tinigua NNP, with the Swiss Embassy. In Alto Fragua NNP there are agreements with GEF – Colombian mountain chain, the Ethnical-Linguistic foundation, and the municipalities of San Jose del Fragua and Belen de los Andaquies. And in Iguaque FFS, they are with GEF – Andes and the municipalities of Iguaque and Villa de Leiva.

In the strategic Colombian mountain chain eco-region, there is coordination and support of offsetting compensation for technical and logistic personnel with the projects Biomacizo and Promacizo, in the following parks: Nevado del Huila NNP, Las Hermosas NNP, Purace NNP, Cueva de los Guacharos NNP, Alto Fragua – Indi Wasi NNP, Munchique NNP, and Tinigua NNP.

As a result of the project management by the National Division and Coordination the assistance of the EMP and the park program chiefs, at present, the following offsetting compensations have been committed in the amount of COP 5.576.929.964 (see Annex: Offsetting Compensation and Institutional Partners).

Chart No. 13. Eco-Andean Sustainable Development

PROJECT USEAPNN – EMP – Col 5738 "ECO-ANDEAN SUSTAINABLE DEVELOPMENT"
CONSOLIDATED 1: COVERAGE INDICATORS
Period: 2000 – June 2002

Park	No. of Famlies	Dpartments	No of Munici-Palities	No. of Settle-ments	No. of Groups	No. of Projects	Type of Project
Nevado del Huila NNP	388	Huila – Cauca	3	13	30	23	Food Assurance Ecosystem Recovery Road Reconditioning Basic Sanitation Housing Improvement
Sierra Nevada de Santa Marta NNP	240	Magdalena Guajira Cesar	6	25	22	14	Food Assurance Ecosystem Recovery Housing Improvement Basic Sanitation Water and Soil Management and Conservation
Galeras FFS	673	Nariño	2	10	30	24	Food Assurance Ecosystem Recovery Basic Sanitation Water and Soil Management and Conservation Road Reconditioning Ecotourism
Cordillera de los Picachos NNP	195	Caquetá	1	2	7	2	Food Assurance
Purace NNP	235	Cauca Huila	3	5	5	7	
Jaramillo NNP	130	Córdoba	2	8	6	6	
Munchique NNP	375	Cauca	2	35	12	5	
Alto Fragua Indi Wasi NNP	200**	Caquetá					
Las Hermosas NNP	200**	Tolima	3	6			
Cueva de los Guacharos NNP	200**	Huila					
Sanquianga NNP	200**	Nariño	2	3	4	2	
Tinigua NNP	200**	Caquetá Meta	1	4	4		
Iguaque NNP	200**	Boyacá					
Pisba NNP	200**						
Subtotal	2236		25	109	120	83 103	
Total	**2236**	**8**					

** Corresponds to estimates to be reached in 2003
The subtotal corresponds to the number of project beneficiaries at December 31, 2002
Source: The Ministry of the Environment National Natural Parks System Special Administration Unit (UAESPNN is the Colombian acronym)

Chart No. 14. Eco-Andean Sustainable Development

PROJECT UAESPNN – EMP COL 5738
ECO-ANDEAN SUSTAINABLE DEVELOPMENT
OFFSETTING COMPENSATION AND INSTITUTIONAL PARTNERS

Park	Important institutions	Total agreement amount
Sierra Nevada de Santa Marta	Magdalena Coffee Growers Committee Foundation Pro Sierra Nevada de Santa Marta Colombia – European Union Sustainable Development Project Magdalena Regional Autonomous Corporation CORPOMAG Municipality of Aracataca Municipality of Valledupar Cesar and La Guajira Coffee Growers Committee Cesar Regional Autonomous Corporation – CORPOCESAR	COP 2.057.570.652
Nevado del Huila	High Magdalena Regional Autonomous Corporation - CAM Municipality of Santa María GEF Macizo Governor's Office of the Provincial Department of Tolima Municipality of Teruel Municipality of Iquira Río Negro Native Indian Reservation Municipality of Toribio	COP 1.516.797.545
Galeras	Nariño Regional Autonomous Corporation - CORPONARIÑO Ministry of Agriculture - PADEMER Municipality of Yaquanquer Municipality of Consacá Project PROCAS – GTZ Association for Peasant Development - ADC Municipality of Nariño Municipality of Sandoná	COP 1.222.561.767
Munchique	Municipality of Morales Project Pacífico – Holanda Municipality ofl Tambo	COP 310.000.000
Puracé	GEF Macizo Foundation Rió Piedras Municipality of Pitalito Municipality of San Agustín Municipality of La Argentina High Magdalena Regional Autonomous Corporation - CAM	COP 200.000.000
Paramillo	Project Urrá Alto Sinú	COP 100.000.000
Tinigua	Swiss Embassy	COP 100.000.000
Alto Fragua	GEF Macizo Ethnolingüístic Foundation Municipality of San José de Fragua Municipality of Belén de los Andaguíes	COP 50.000.000
Iguaque	Municipality of Villa de Leyva GEF Andes Municipality of Iguaque	COP 200.000.000
	Total	**COP 5.576.929.964**

In addition, ECO-ANDEAN Project is also an offsetting compensation for the projects GEF – Macizo GEF Andes, Holland, Colombia and PACOFOR that recently initiated their execution

Source: The Ministry of the Environment National Natural Parks System Special Administration Unit (UAESPNN is the Colombian acronym)

1.6 Alternative Development. Actions Forwarded by the Alternative Development Program

1.6.1 PLANTE - IADB Loan Mission Report

The analysis of the consolidated behavior of IADB Credit 984/OC-CO from 1997 to 2002 shows the achievements under each component, investment by provincial department and financial execution. There is a brief summary of the technical and environmental audits made since the beginning of the borrowing indicating the difficulties that have been identified during the execution.

The PLANTE - IADB program to date has made an investment of USD 61.640.000,00 with which it has co-financed 932 projects. Although the credit resources are 70% committed, upon comparing the goals reached and those initially set forth in the logical framework, we can see that a good number of them has been met and that some such goals have broadly surpassed their expectations. Having already met some of the goals and surpassing others becomes even more relevant if we take into account the fact that they were set forth when the credit had its initial allotment of resources, that is to say, before having been cutback in the amount of USD 40.000.000,00 giving a new figure of USD 50.000.000,00 (see Logical Framework Annex, with achievements to date).

It is important to mention that in 1998, the National Alternative Development Plan (PNDA is the Colombian acronym) – based on the 1997 execution evaluation and on the information furnished from the technical audit. Forwarded by Universidad de Los Andes – redirected the management model for the credit in order to achieve a more pertinent response to the problem of illicit crops, by starting up Regional Production Projects to enable the affected communities to generate a legal income. This component was allotted USD 15.000.000,00 that had been originally allotted to the Rural Development Infrastructure component.

The adjustment proposal was aimed at developing the regions. With this focus, the new component of regional production projects was designed as the axis of the actions and, based on such projects, complementary projects were identified and agreed upon with the various communities. The municipal operations plans (MOP's), provided for in the loan contract, were replaced by regional alternative development plans prepared with the participation of the regional and local institutions and with the civilian society in accordance with the degree to which these regions have bee affected culturally and economically by illicit crops. Using the Regional Alternative Development plans as a starting point, we identified the most important short-, mid- and long-term projects that would have an impact on the local and regional economy, being legal alternatives for generating income.

PNDA identified and defined 26 regional alternative development plans; this enabled acquiring significant knowledge on the regions, their potential, opportunities and limitations. With the native Indian communities, respecting their individual cultures, living plans were jointly prepared and in other cases co-financed. Out of such plans arose development proposals based on the cultural dynamics of each one of these ethnic groups and the most urgent projects were identified, such as solving the problem generated by the illicit crops.

As we mentioned above, the component of regional production projects, managed through a renegotiation process with the IADB, has enabled us to finance the production projects to generate a legal income for the communities. We have achieved capitalization for producer organizations and the start-up of projects of a business nature financed through business incubators, which, in turn, encourage alliances in the private sector.

1.6.1.1 Component Execution

Regional Production Projects

Under this component we have the Support Instrument to Associated Groups and Community Groups (IAGAC is the Colombian acronym), which is aimed at financing small production projects through producer organizations. These resources must be placed into rotary funds to enable other associates to benefit from them and there must be a social control over these investments. Likewise, the capitalization of these organizations enables them to have access to the country's formal financial system.

IAGAC has co-financed 21 projects that benefit 3.142 families and it has established 5.723 hectares planted with licit crops.

At the onset of each project, the Installed Capacity Instrument (ICI) is applied. It was designed to identify the strengths and weaknesses of the producer organizations and it permits structuring and carrying out practical accompaniment and supervising these organizations, in order to strengthen them and prepare them to correctly carry out the activities and meet the goals provided for in each project. This instrument helps PNDA analyze the progress of these organizations and propose appropriate accompaniment actions for each case at hand.

The actions taken in the 1999 – 2002 period by IAGAG project operators have resulted in important ownership for the communities that have been participating in the various activities related to the projects, such as contracting, quote requests, IADB selection, production, transformation - when needed – and merchandizing.

Also under this component, we have the Business Capitalization Instrument (ICE is the Colombian acronym) that seeks to capitalize companies managing production projects to help them enter the private sector and to help them implement modern farming mechanisms, such as loans and forward contracts.

ICE is executed with the help of the incubator company for farming and livestock sector projects, Incuagro, initially capitalized by PNDA with COP 11.257.000.000,00. To execute this instrument, the loan contract was modified for Corporación Colombia Internacional (CCI is the Colombian acronym) to be the sub-executor institution, a request that IADB and the Ministry of Finance approved at the end of November 2001.

To date, ICE has capitalized two (2) companies and is in the process of capitalizing two (2) more. These capitalizations will enable giving jobs to 568 families and establish 2.220 more hectares with legal crops.

With the resources contributed in 2001, Incuagro has capitalized two (2) companies, Compañía Agroindustrial Yuquera de San Pablo S.A. (a yucca agribusiness company), in San Pablo, in the South of the Provincial Department of Bolívar, which will set up a

cultivated area of 720 hectares over three (3) years (160 ha. during the first year, a total of 480 ha. by the second year, and the full 720 ha. by the third year). The processing plant will have a capacity of 54 tons of yucca per shift. Its production will be sold to the animal and bird feed industries in Santander and in supermarkets and wholesale marketplaces in Barranquilla and Bucaramanga. This processing plant will generate income for 145 families in the region under this business project, the investment for which ascends to COP 3.285.000.000, of which Incuagro contributes COP 2.300.000.000 in capital stock.

The second company organized is Compañía Agroindustrial Yuquera de San Juan de Arama (also a yucca agribusiness company) in the Provincial Department of Meta. The cultivated area will cover 720 hectares that will be set up over three (3) years and will enable a production of 18.000 tons per year. The plant capacity will be 54 tons of yucca per shift. The production will be sold to animal and bird feed industries in Villavicencio and to supermarkets and wholesale marketplaces in Bogota and in Villavicencio. The investment for this project is COP 3.244.000.000, of which Incuagro contributes COP 2.270.000.000. The project will generate income for 141 families under the business project.

Incuagro is structuring two (2) projects to forward the capitalization of sweet yucca starch in the region of Patía, Provincial Department of Cauca, which provides for sowing 400 hectares over two (2) years for the production of sweet starch to be sold to paper, cardboard, meat and textile industries. We estimate an investment of COP 1.436.000.000, of which Incuagro will contribute COP 1.000.000.000 in capital stock. The project will generate direct income for 61 families and will generate 24.400 day wage jobs a year.

Complementary Projects

The other components are designed to complement the regional production projects (rural development infrastructure; institutional and community strengthening; technology and production, etc.) and are quite well developed; most comply with the goals set forth in the logical framework, others have surpassed them and yet others are near meeting them.

The Rural Infrastructure projects include goals for building, reconditioning and improving 1,600 kilometers of roads, 900 sewer connections, 3.500 waterworks connections and 3.300 electrical power connections. At December 31, 2002, more than 2.000 kilometers of roads had been attended to and 666 sewer connections; 2.275 waterworks connections and 3.407 electrical power connections had been worked on. This is the largest component as far as project execution and number of projects is concerned. That is because it is the component that received the highest allotment of resources from the loan. The execution shows that 332 projects have been co-financed; that is to say, 36% of the total, with an investment of near COP 28.865.000.000, equal to 26,6% of the total resources invested.

The Native Indian Communities component is the second largest in the sense of investment and number of projects financed. This component has benefited more than 10,000 native Indian families with 174 projects and COP 17.117.000.000 has been invested. We highlight the effort made in co-financing the native Indian tribes, which has reached over 50%. Carrying out these projects has generated very important processes for these populations to recover their traditional economy, rebuild their culture and generate income.

The Recovery of Fragile, Environmentally Important Areas component was allotted COP 6.777.000.000 from 1997 to 2001, out of which the loan contributed COP 3.693.000.000 and the offsetting compensation is COP 3.083.000.000. These investments have co-financed 54 projects that represent 6,24% of the total investment from the loan contract.

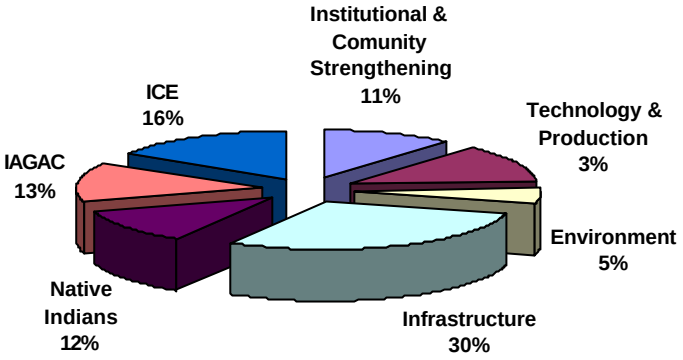
Due to the fragility of the environment, especially the soils in this region, there are few alternatives for farming without producing an environmental impact. That makes projects, such as those that PNDA develops aimed at the sustainable use of the woodlands or at the implementation of farming and forestry models, the most appropriate for this zone. It is worth highlighting that PNDA, along with the Regional Autonomous Corporations manages the co-financing of the territorial planning plans for the Colombian mountain chains and for the Provincial Department of Guaviare. This work has enabled initiating the strengthening of local and regional management in planning the territory for production and environmental activities.

Faced with the limitations of and the environmental restrictions in the zones with illicit crops and the limitations of and in areas near our national natural parks, with resources from this loan and in collaboration with the National Parks Special Unit, PNDA initiated an important labor in the buffer zones around the Puracé, Los Guácharos, Las Hermosas, Los Nevados, Tinigua, Cordillera de los Picachos, La Paya, and Munchique NNP's. This labor, in which the communities settled there participate, is to identify sustainable farming systems to enable these communities to co-exist in harmony with the environmental system. This process has been very successful and the communities have done planning for the settlements and for the lots, in order to acknowledge all of the practices that had been used that deteriorated the environment, thus affecting the productivity of their crops. Based on that concept, they have been introducing important changes on their farms and now have a mid- and long-term planning model to develop not only their farms but also the settlements and the regions.

Regarding the execution of the component Institutional and Community Strengthening, it is worth highlighting the achievements of the PLANTE – IADB program in increasing both the social and human capital of the benefited population. This achievement is seen throughout the program and is thanks to a participative methodology through which the organized community participates in the complete cycle of the projects being co-financed. Thus, with these communities the labor consists of not only executing the resources but also of seeking to leave behind an installed capacity in economic, social, and political terms. For the Program, this process has a mid- and long-term impact and, therefore, State intervention in these regions and with these communities must be sustained not only in resources but also to generate conditions for cultural, social and political change.

The projects that have been co-financed seek to generate processes of trust, of the inhabitants' recovery of this region's cultural values, of the communities' integration and participation through leisure activities that permit them to rebuild their history as a community and organization or to jointly analyze negotiation processes and peaceful settlement of the conflicts that originate in everyday family life, in the neighborhood, in the community with the local authorities, etc., for them to learn to acknowledge that, even though there will always be conflicts, what is important is how to face them and how to settle them peacefully.

Graph No. 15. IADB Loan Investment by Component

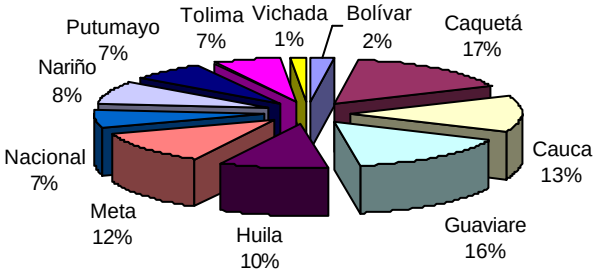


Source: the National Alternative Development Plan, PNDA

1.6.1.2 Regional Distribution of the Investment

The regional distribution of the program investments shows that the greatest amounts go to the provincial departments of Cauca, Caquetá, and Guaviare. In the provincial department of Cauca this is due to the investment aimed at the native Indian community, the predominant population in this Provincial Department. This circumstance has enabled agile investment because the agreements are made directly with the chiefs who exercise important control and who direct their community's activities, thus facilitating the agreement on, co-financing of and the execution of the projects and the real participation of the beneficiaries in the activities provided. The priority of the investments in the provincial departments of Caquetá and Guaviare are due to the fact that these provincial departments have the greatest concentration of lands cultivated with coca in the country, only second to the provincial department of Putumayo, and because, given their regional characteristics, they allow formulating and carrying out regional projects for which important investments were made, thus benefiting a larger number of program users.

Graph No. 16. AIDB Loan Investment by Provincial Department



Note: The investment by provincial departments does not include the investment corresponding to the Business Capitalization Instrument (ICE).
Source: the National Alternative Development Plan, PNDA

1.6.1.3 Technical and Environmental Audits

Universidad de Los Andes handed in the results of the third phase of the technical and environmental audit of the processes managed with the Program. Its main comments appear below.

Technical Audit

To meet the condition precedent to the first disbursement of the loan, which was to have separately and independently contracted an environmental audit and a technical audit for loan execution, PLANTE invited the different universities in Colombia to bid. Upon evaluation, Universidad de Los Andes was selected. It forwards the technical audit through CIDER and the environmental audit with the help of CEDE.

The technical audit highlights achievements in the increase in and strengthening of the benefited population's social and human capital. Likewise, it highlights the acknowledgment of the program in the regions, which has reached important levels of recognition and trust among the communities.

In addition, this audit emphasizes the accuracy of the PNDA management model, especially as used by the regional production projects, by the Associated Groups and Community Groups Support Instrument (IAGAC) and due to the fact that the associations themselves directly contract and manage these projects. This last item has lead to the organizations' feeling ownership and boasting empowerment regarding their projects, as they have been using the process of "learn by doing", from the technical, financial, and administration management points of view. It is important to highlight that the organizations are trained in what procedures they must design and follow, in order for them to improve their administration and financial processes. The technical audit at the 2001 cut-off did not include the analysis of the Business Capitalization Instrument (ICE) projects, because that instrument began to be used in 2002, as the instrument and the modification to the loan contract were only approved in the second semester of 2001.

The multiple-cause model developed by the technical audit shows the important emphasis that the program has placed on generating income through economic projects, as this variable is fundamental in the community's decision to voluntarily eradicate illicit crops. This element leads us to believe that the program was right on target when it adjusted the management model and designed instruments for financing the economic component because they are relevant to meet the objective of stopping the population from cultivating illicit crops and giving them legal opportunities.

Also, Universidad de Los Andes's audit affirms that it is still premature to analyze the income from the production projects because they have not yet reached maturity. The audit. highlights PNDA's achievement regarding how rigorously these projects were designed.

As a reflection for future actions, the audit sustains that the analysis made shows us that in most of the cases PLANTE is the only State agency present in these regions and that, consequently, it is impossible for it to be responsible for all of the actions that the State must undertake in matters of development of production, environment, infrastructure,

research, and appropriate technology transfer for the peasant economy, etc. Taking these circumstances into account, we recommend strengthening the program and orienting it as a State public policy, in which all of the State agencies can work jointly and in a coordinated manner to strengthen alternative development in these regions.

Another element of analysis refers to the program communications processes and more concretely to how the civilian society sees its objectives and procedures. The audit established that beneficiary population of the alternative development and the public opinion at large have many different ideas and knowledge about PNDA's mission and policy.

Environmental Audit

The environmental audit acknowledges PNDA's progress regarding incorporating actions and budgets aimed at mitigating the impact and environmental management of the infrastructure works, in accordance with the environmental policy provisions set forth by governing agencies. But it draws our attention to the fact that there are still important challenges in formulating and carrying out production projects.

The comment made regarding the production projects responds both to the environmental fragility of some of the regions in which PNDA carries out its activities and to the lack of technological packages appropriate for such circumstances and to the particular conditions of peasant economies. In fact, the technologies being used intensively depend on farming chemicals that, in addition to representing an environmental problem, generate a great outside dependence that can affect the economic stability of the production. PNDA, aware of these problems, has financed various types of research with Corpoica, SINCHI, and Fundación CIPAFV (Research Center for Sustainable Farming and Livestock Production Systems), some of which already have some preliminary production procedures, but do not yet have technological systems available to ensure sustainable production development environmentally and economically speaking.

Several proposals are under study to confront this problem. One of them refers to technology transfer adapted to the peasants' experiences with organic products. However, in accordance with studies made by farming and livestock sector experts, tropical zones have more plagues, which makes working with low levels of farming chemicals difficult and very risky. Therefore, we must proceed with caution and responsibly before encouraging a change in the already validated technological packages.

Also, for the environmental component, PNDA must work with very weak institutions, such as the municipalities, provincial departments, and regional corporations. That situation does not facilitate understanding the added value that this component generates.

Last, the environmental audit recommends analyzing the relevance of PNDA's participation in recovering fragile ecosystems that are environmentally important as well as the relevance of its strengthening environmental organizations because the audit considers that that should not be one of PNDA's objectives and, therefore, it will not be possible to respond properly to requirements in these fields.

1.6.1.4 Financial Situation

The PLANTE - IADB 984OC-CO loan has executed USD 61.640.000 through the two sources of financing (loan resources and the offsetting compensation). With the loan resources, we have an available budget of USD 15.280.000. This figure is not reflected in the budget law for the present term that shows an appropriation of COP 8.103.000.000, equal to USD 2.890.000, and leaves around USD 12.390.000 to be allotted.

The greatest limitation to complying with the terms provided for in the loan execution is the fiscal deficit and the macroeconomic adjustments that have been required as a result of such situation. The program has always been able to meet its budgetary and financial commitments that are executed in the second semester of each year, because, during the first six months, the program is forwarding agreements, in addition to giving support to the formulation of and adjustments to the projects, to their viability and to contracting formalities.

Taking into account that the loan budget allotments were very low as compared to its amount (USD 90.000.000), in November 2000 USD 40.000.000 was cutback - second phase of the loan – and it was agreed that the resources needed to terminate the loan would be assigned to the loan during 2001 and 2002.

During the 2001 term, the offsetting compensation budget allotment continued being notoriously scarce; to offset an appropriation of USD 29.000.000.000 in external resources, only COP 2.000.000.000 was appropriated as the offsetting compensation. In 2002 we sought to correct this imbalance n the offsetting compensation with an allotment of near COP 17.450.000.000. Unfortunately, this amount and the loan appropriation were put off through Decree 1374 dated July 2, 2002 and, in spite of the many steps taken by the PNDA Office, it was impossible to make these resources available. That is why, to date the loan shows a balance of USD 12.390.000 without the respective budget appropriation. Thus, it is necessary to process the broadening of the loan contract in order to process an additional budget during the 2003 term or a budget appropriation for the 2004 term.

We had foreseen an agile execution of the resources for the 2001 and 2002 terms, supported to a great extent by using the Business Capitalization Instrument that, in accordance with the overall allotment of resources, had USD 11.280.000. However, PNDA could only use this instrument as of November 2001 because at the end of that year it obtained the corresponding IADB and Ministry of Finance and Public Credit of Colombia approvals. The payment of these resources depended on PNDA's operational capacity to geometrically increase the turnover of the special account and disburse the totality of the 2001 reserve. The postponement of the 2002 allotment implied that, to date, PNDA has only disbursed COP 11.257.000.000,00 through this instrument.

1.6.2 Management and Execution Report – PDA and USAID Resources

October to December 2002

During the last quarter of 2002, the Alternative Development policy was adjusted. The policy expresses the regional policies of the Ministry of Agriculture and of the Ministry of the Environment. It intends to be a mission program of the Presidency of the Republic, of a temporary nature, carried out in specific zones with illicit crops, and it will use two

strategies: 1) management of and support to mid- and long-term farming and forestry production projects and 2) economic support to families involved in reforestation for the recovery and conservation of the ecosystems in socially and environmentally strategic zones.

The regions focused on for the production strategy are El Catatumbo, Middle Magdalena, South of Bolívar, and Northeast of Antioquia, where African palm, cacao, rubber, and forestry projects will be implemented, which will include short-term complementary projects to guarantee the food assurance and cash flow to the communities involved. The focus area includes the Colombian Mountain Chain with special organic coffee projects that will be exclusively carried out in the farming frontier zones defined by the Ministry of Agriculture and will exclude producers and nuclei involved in illicit crops.

The Alternative Development Program will select the projects by means of a public invitation and the evaluation will be done with the support of outside entities. The financing contributed for the projects will be 50%, 10% of which is allotted to accompanying the projects, the remaining 50% must be handled with the financial sector or with private sector and beneficiary community investments.

The other alternative development strategy is the Reforestry Families program, to be carried out in the Sierra Nevada mountain area in Santa Marta, in the Colombian Mountain Chain, in the South of Bolívar, in Arauca, Guaviare, Putumayo, Northeast of Antioquia, and Lower Cauca, regions that are outside the farming zone.

The adjustment made to the program indicates the progress of the portfolio previously attended, as its intervention had a direct relation to the voluntary eradication of illicit crops (erradicón is the Colombian name), and stipulated how many hectares were voluntarily eradicated at December 31, 2002. Likewise, it indicated the families attended and the hectares of legal crops set up as a result of the investment made with USAID cooperation resources. Projects financed before the change of government will be respected and, therefore, will continue until finished.

Also, it indicates the progress in the adjustments made to the projects that had been previously reviewed with USAID, Chemonics, and PNDA. It presents the national offsetting compensation and the local and regional contributions made to date.

1.6.2.1 Goals Met

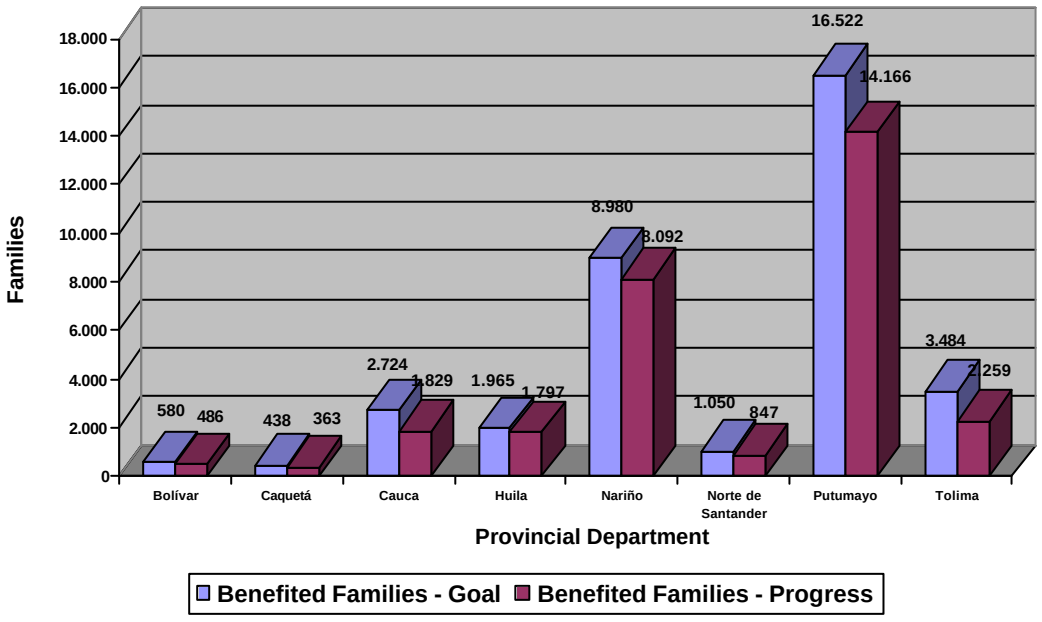
Based on the former management model, the Alternative Development Program was able to define with the communities investments in the amount of COP 172.750.223.043 made in 67 projects, of which local contribution represents COP 32.205.897.095. It is important to highlight the commitment of the local communities and authorities to co-finance these projects, representing 18,64%.

These projects sought the eradication of 14.383 hectares of illicit crops; to date, according to the methodology defined with USAID, 15.953 hectares of illicit crops have been voluntarily eradicated benefiting 29.959 families (including families indirectly benefited by complementary projects, such as roads, aqueducts, strengthening projects, etc.), and 15.029 hectares of legal crops have been set up.

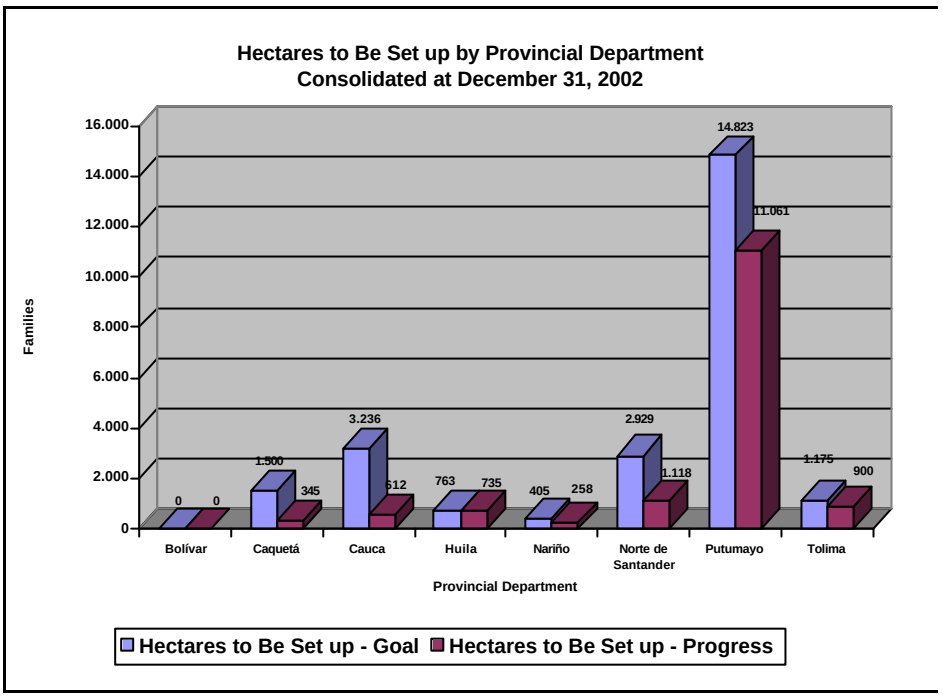
Chart No. 15. Goals and Progress for Benefited Families and for Hectares of Legal Crops to Be Set Up				
Provincial Department	**Goal for Benefited Families**	**Progress for Benefited Families**	**Goals for Hectares to Be Set Up**	**Progress for Hectares to Be Set Up**
Bolívar	580	486	0	0
Caquetá	438	363	1.500	345
Cauca	2.724	1.829	3.236	612
Huila	1.965	1.797	763	735
Huila and Tolima	120	120	0	0
Nariño	8.980	8.092	405	258
Norte de Santander	1.050	847	2.929	1.118
Putumayo	16.522	14.166	14.823	11.061
Tolima	3.484	2.259	1.175	900
Total	**35.863**	**29.959**	**24.831**	**15.029**

Source: PNDA

Graph No. 17. Consolidated Number of Benefited Families by Provincial Department



Graph No. 18. Benefited Families by Provincial Department Consolidated at December 31, 2002



Based on the figures established and reported by the Regional Coordination Offices through **erradicón**, at the December 31, 2002 cut-off, we can appreciate that in the coca zone commitments had been established to eradicate 13.807,4 hectares of coca and, at that date, 15.602,4 hectares had been eradicated; in the Andean Region, commitments had been established to eradicate 668.8 hectares of poppy and, to date, 350,3 hectares of illicit crops have been eradicated.

Regarding voluntary manual eradication, we mention the outstanding achievements in the Provincial Department of Putumayo. PILDAET verified that, out of 6.930 hectares initially agreed upon, 96% has been manually eradicated. Therefore, as of the verification made by PNDA, Chemonics, and USAID, we can affirm that 6.624 hectares have been eradicated and that 5.479 hectares have been sown with legal crops. The verification of the manual eradication of coca crops was done in the municipalities of Puerto Asís, San Miguel, Puerto Caicedo, Villa Garzón, Mocoa, Orito, and in Valle del Guamuez.

The rubber project being carried out in Putumayo has progressed. To date, the community benefited by this project has manually eradicated more than 100% of the agreed upon figure for illicit crops (438 done / 306 agreed), cleaning 438 hectares and they set up 199 hectares in the single rubber crop system that benefits 250 families.

The verification of the program Raíz por Raíz (Root by Root) has been done using the same methodology as the one applied by PILDAET; at this moment, the information is being analyzed to know the results of this process.

Chart No. 16. Area of Coca Agreed upon and Area of Coca Actually Eradicated *by Provincial Department*		
Department	**Area Agreed**	**Area Actually Eradicated**
Caquetá	750	761
Norte de Santander	388,4	545,4
Putumayo	12.669	14.296
Total	**13.807,4**	**15.602,4**

Source: PNDA

Graph No. 19. Consolidated Area of Coca (in Hectares) Agreed Upon and Consolidated Area of Coca actually Eradicated

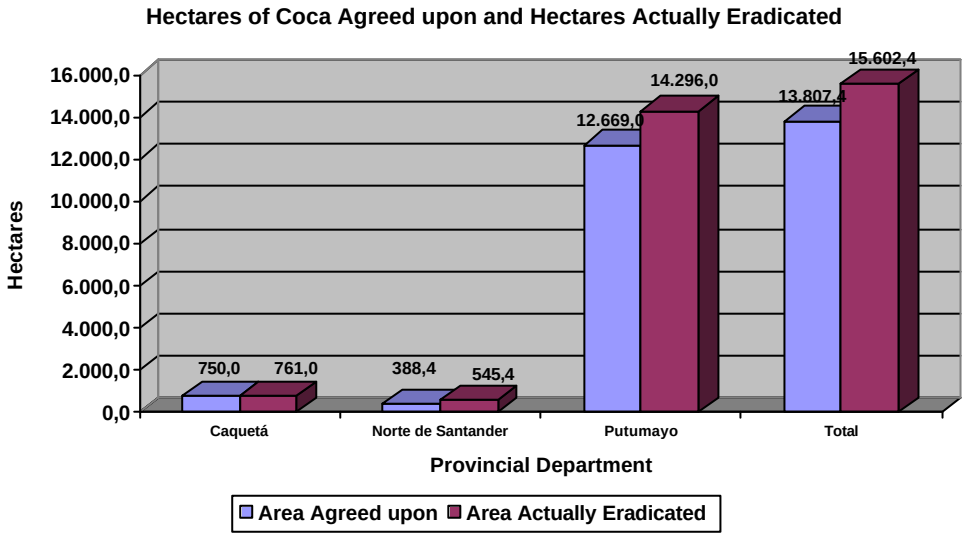
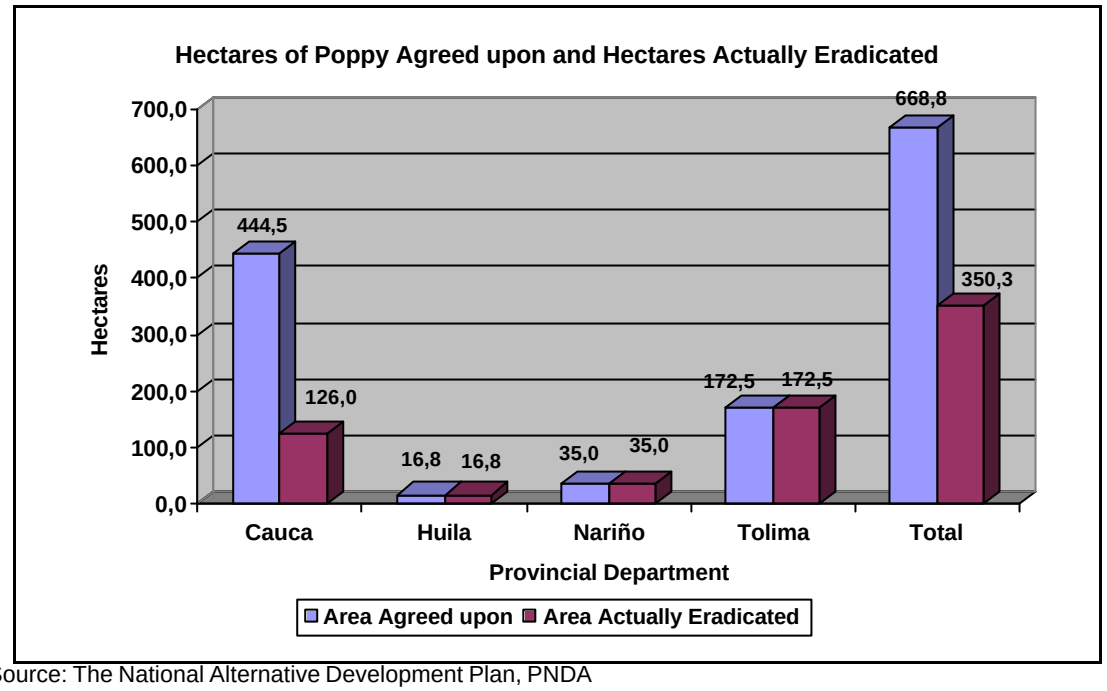


Chart No. 17. Area (in Hectares) with Poppy Crops Agreed upon and Area with Poppy Crops Actually Eradicated for All Provincial Departments		
Department	**Area Agreed**	**Area Actually Eradicated**
Cauca	444,5	126,0
Huila	16,8	16,8
Nariño	35,0	35,0
Tolima	172,5	172,5
Total	**668,8**	**350,3**

Source: PNDA

Graph No. 20. Consolidated Area of Poppy Flowers (in Hectares) Agreed upon and Consolidated Area of Poppy Flowers Actually Eradicated



Source: The National Alternative Development Plan, PNDA

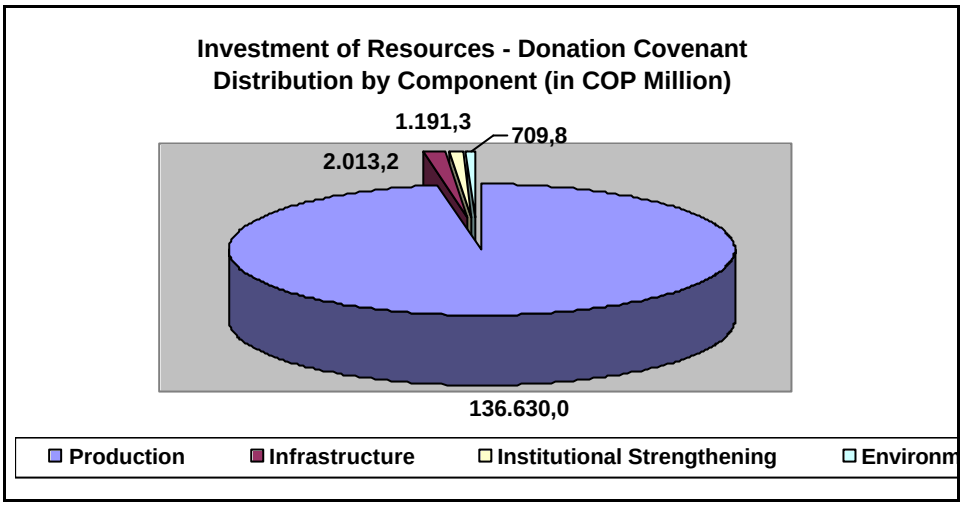
The manual eradication in Putumayo of 10.588 hectares of coca using the PILDAET strategy was verified by a team made up of Plante, Chemonics, and USAID.

These graphs and tables show that Putumayo has been the priority in executing the USAID donation, due to the fact that the greatest number of subsistence hectares planted with illicit crops were located in this region. In this provincial department, we had foreseen to eradicate the greatest number of hectares voluntarily and, therefore, to have the greatest of hectares to set up. To do so, Putumayo has received a little over 50% of the USAID donation. Although, to date, the program has made very important investments, such as investments in PILDAET and Raíz por Raíz and although the greatest number of hectares has been manually eradicated, it is necessary for the projects being carried out in this provincial department to be economically and socially sustainable to ensure that these zones continue free of illicit crops. This has a direct correlation with the load capacity of the zones and their being near a rural infrastructure. For this purpose, Chemonics and USAID have been working with the USA Engineering Corps and with Gerpromayo.

1.6.2.2 Investment by Component

Regarding the investments that the cooperation has made by component, the component with the greatest investment is the investment for Production Projects, followed by the investment for Rural Infrastructure, Institutional Strengthening and Environmental Projects. This distribution of the budget by component responds clearly to the Alternative Development policy, in which the axis for intervention is production surrounded by the complementary projects.

Graph No. 21. Budget by Component



Source: the National Alternative Development Plan, PNDA

Colombian Offsetting Compensation

To date, the National Alternative Development Program has made an investment as offsetting compensation, broken down into USD 31.773.424,00 as a PLANTE Fund contribution, the proceeds from valuating resources in kind, resources from IADB, and resources from Execution Letter No. 4 and local contributions; USD 53.602.927 from Colombian offsetting compensation resources from the Investment Fund for Peace (FIP is the Colombian acronym) for projects financed in the provincial departments of Cauca, Nariño, Putumayo, Tolima, Caquetá, Huila, and Norte de Santander.

These projects belong to the components Institutional Strengthening, Social Rural Infrastructure, Legal Production Activities such as sugarcane, cacao, palm, rubber, coffee, and support projects to manual eradication. Under the component Natural Resources Management and Environmental Management projects to recover fragile areas and basins and to restore woodlands were supported; for a total amount of offsetting compensation resources contributed in the various components of USD 85.376.351.

Chart No. 18. List of Offsetting Compensation Contributed

Component	Proposed Offsetting Compensation	1999 (1)	2000 (2)	2001	2002	Total Accrued
1. National and Local Institution Strengthening	1.917.000,00					
1.1. PLANTE Valuation of Contributions in Kind		69.857,24	327.303,04	624.914,18	683.941,17	1.706.015,63
1.2. Source: IADB		219.286,00	197.524,11	148.905,61		565.715,72
1.3. Source: FIP			**182.798,75**			**182.798,75**
1.4. Contributions form Local Covenants Contracted with Chemonics			6.623,66	156.777,11		163.400,77
2. Social Rural Infrastructure	1.550.000,00					
2.1. Source: IADB		978.158,00	462.202,96	907.042,80		2.347.403,76
2.2. Source: ACCI (Execution Letter No. 4)			899.197,64			899.197,64
2.3. Source: ACCI (Community Contribution)			273.687,84			273.687,84
2.4. Source: FIP			**7.799.871,17**	**2.633.794,04**		**10.433.665,21**
3. Legal Production Activities	28.696.000,00					
3.1. Source: IADB			1.687.281,08	10.385.793,29		12.073.074,37
3.2. Contributions from Local Covenants Contracted with ACCI			83.550,27			83.550,27
3.3. Contributions from Local Covenants Contracted with Chemonics			15.741,12	11.771.597,44	815.334,09	12.602.672,65
3.4. Source: FIP			**3.359.473,00**	**32.558.916,00**	**5.031.540.00**	**40.949.928,57**
4. Natural Resources Management and Environmental Management	2.000.000,00					
4.1. Contributions from Local Covenants Contracted with ACCI			26.041,80			26.041,80
4.2. Contributions from Local Covenants Contracted with Chemonics			-	161.784,46		161.784,46
4.3. Source: IADB		192.570,00	400.660,10	277.652,00		870.882,10
4.4. Source: FIP				**2.036.535,07**		**2.036.535,07**
Total	**34.163.000,00**	**1.459.871,24**	**15.721.956,29**	**61.663.711,54**	**6.530.815,55**	**85.376.354,61**

(1) Taken into consideration as of September 1999, when the Donation Covenant became effective

(2) Contributions for the coca zones were incorporated as of October 2000.

Note: The valuation of the PLANTE offsetting compensation proposed does not include the amendment signed in June 2002.

Source: the National Alternative Development Plan, PNDA

1.6.2.3 Update of Some Projects

Below we mention some relevant progress in the execution of the projects.

- **Renewal of 1,500 Hectares of Cacao in the Municipality of Tibú in the Catatumbo River Region**

The goal of this project is to involve 500 families by setting up 1.500 hectares of legal crops. At the fourth quarter of 2002, 326 families had been benefited; that represents 65% of the foreseen total. In the Campo Dos and Pachely greenhouses, there are 333.619 plantain plantules, 67.372 cacao clones, and 64.000 cacao plants for scion grafting. The beneficiaries have received 416.256 plantain plants and 23.325 cacao clones, corresponding to ICS 95 and CCN 51 materials. In the timber-yielding trees greenhouse, there are 6.000 plants and the beneficiaries have received 36.450 plants.

465 hectares of plantain have been sown, 276 hectares of timber-yielding trees, 17,5 hectares of cacao, and 170 hectares of corn and red beans. Also, the beneficiaries have received 224 sets of tools.

Disbursements have been made in the amount of COP 4.652.324.000 representing 80,1% of the disbursements scheduled for the year and 38,5% of the donation resources provided for in this project.

This project is totally georeferenced, both at the greenhouses and in the nuclei where the cacao and plantain plantations will be set up.

In this region, voluntary eradication was difficult due to the high density of coca sowed (from 40.000 to 100.000 plants per hectare) and/or to the age of plantations, requiring intensive labor for eradication. At December 2002, the beneficiaries have manually eradicated 312,8 hectares, which added to the 894 hectares sprayed by the Anti-narcotics Police gives US 1.206 hectares of coca eliminated. Taking into account this figure and the density of sown land in the region, a document is being prepared through which a request is made to recalculate the goal of eradicating the 700 hectares originally proposed when the project was formulated.

Actions aimed at processing a joint loan with the Regional Banco Agrario Manager's Office in Cúcuta for the Tibú Profesional Association of Cacao Growers (Asocati is the Colombian acronym), to broaden the cacao project coverage to 1.000 hectares.

The greenhouse activities (plantain sowing) and the cacao grafts in a dark nursery have generated more than 17.634 day wage jobs, only for personnel in the region. Some of them have become specialized in large scale grafting.

Finally, contacts have been made with Compañía Occidental de Chocolates (in Neiva), Casa Luker de Manizales and Compañía Nacional de Chocolates (Chocolate Manufacturing Companies), among others, to enter into commercial agreements.

- **Setting Up 1.000 Hectares of African Palm in the Municipality of Tibú**

The goal of this project is setting up 1.000 hectares of palm to benefit 133 families. In the fourth quarter of the year 2002, 115 beneficiaries have been incorporated, 86,47% of the

foreseen goal. During this month, three beneficiaries left the project because they sold their lots and moved to other zones in the country.

Regarding land improvement, at December 97,5 hectares had been cleared and pre-leveled. Also, the topographical survey of 367,5 hectares was done. As to plant materials, there are already 139.492 African palm plantules in the greenhouse.

At the end of the fourth quarter of 2002, COP 956.389.000 had been disbursed, equal to 33,8% of the disbursements provided for aimed at the first year (COP 2.832.184.000) and 16,7% of the donation resources for this project (COP 5.726.843.000).

The project area is completely georeferenced, including the greenhouse, every lot and the site where the coca eradication was done.

At the end of the fourth quarter of 2002, although all of the beneficiaries incorporated into the project met their commitment to eradicate the illicit crops, the eradicated area verified only reached 176,5 hectares because the average area with illicit crops, given the predominant density of sown land in the region, was only 1,2 hectares per lot.

We are attempting for Palma Dos Palm Producers Association – Tibú (ASOGPADOS is the Colombian acronym) to directly assume the project operation, with the social - business accompaniment of Promotora Hacienda Las Flores S.A.. The document with the financial, organizational, and commercial changes to the proposal approved by the community to change the project operator was prepared and was submitted to PLANTE, FIP, USAID and Chemonics for their consideration.

Development and Recovery of Rubber Plants in the Impact Region of the Caquetá and Orteguaza Rivers in the Provincial Department of Caquetá

Below we describe the most significant scheduled goals met during the first execution year of this project.

Goal	Scheduled	Executed	Execution %
Families Benefited	438	345	78,7
Hectares Eradicated	750	598	79,7
Families Who Have Eradicated	438	345	78,7
Hectares with Legal Crops	376	345	91,7
Beneficiaries with Food Assurance	438	280	63,9

During the first year, 375 families involved in the illicit crop eradication component and 63 families involved in plantation recovery were benefited.

Priority was given to the 375 families who did voluntary manual eradication. These families received the materials and inputs needed to start up the food assurance component. 71 more units were handed over for a total of 351 beneficiaries in this component and the units corresponding to 24 families remain to be delivered in the first months of 2003. With these, the goal will be met (375).

The distribution of the hectares of coca eradicated for each nucleus is shown below.

Municipality	Nucleus	Hectares of Coca Eradicated		Families Who Have Eradicated	
		Old	New	Old	New
Valparaíso	Santiago de la Selva	99	31	45	72,5
Solita	Alto Berlín	90,5	40	40	65,5
	Samaria	70	71	35	61
San José – Albania	Cristal – Carmen Balata	94	12	50	18,5
Curillo	Los Angeles	26	1	20	1
Total		**190**	**155**	**379,5**	**218,5**

* The new beneficiaries joined got involved in the project in November and December 2002.

At October near 345 hectares of rubber had been sown in a farming – forestry arrangement with guava trees, walnut trees and plantains; two hectares were set up per beneficiary. The beneficiaries who entered the project in November and December 2002 will sow their lands as of March 2003, when the rainy season starts. That is also when the older beneficiaries will sow their two hectares of rubber as a sole crop.

Development for the Cultivation, Industrialization and Sale of Palmetto in Putumayo – Covenants CAD 021-03-1 and CAD 023-03-01

This project intends to set up 800 hectares of palmetto, in addition to the 50 existing hectares. In the fourth quarter of 2002 to meet the goals, the delivery of 3.439.690 plantules was completed, equal to 108% execution. Also 312 greenhouses were installed, representing 116% execution of the goal foreseen for this activity.

As to the Technical Assistance and Technology Transfer component, all of the activities aimed at evaluating the condition of the plantations, with special emphasis on the evaluation of the effects of the fumigating. Also, selecting the users for the palmetto sow n reached 98% execution of the foreseen goal; 1,063 technical visits made represent a coverage of 71%; 62% of the 248 assessments given happened in coordination with the rotary fund; 16 method demonstrations made equal 53% execution.

In the Social Development component, we continued gathering information on the palm grower families, strengthening the associations, and accompanying the social production base; so in this component we obtained an accrued progress equal to 76,2% of the goals scheduled for 2002.

In the Industrial Production component, we completed 73% of the annual commitment with an accrued production of 3.692 crates. In the Marketing and Sales component we have accrued 69%, with the sale of 3.479 crates during the quarter. The diversification program did the maintenance of fruit tree plantules in the greenhouse and, in January 2003 distribution to interested farmers began.

The project management prepared the Annual Operational Plan (AOP) for 2003 and for the first semester of 2004. It also made a detailed analysis of the financial statements, acquisitions and payments of the different project items.

Meetings were held regarding the results of the audit and the decisions made by the new company organization. USAID, Chemonics, PNDA, the AGROAMAZONIA Board of Directors and its Manager participated in these meetings. Financial execution during 2002

was COP 760.012.103, which equals 38% of the scheduled amount. The reorganization of the company did not permit meeting goals.

As to georeferencing and eradication, the motivation and evaluation of the eradication of the illicit coca crops resulted in the elimination of 611 hectares of illicit crops, that is to say, that 114% of the proposed goal of 540 hectares for the first year was met. Georeferencing was done for all of the farms in the five municipalities that the project covers. We continued georeferencing the new users.

The project accompaniment committee approved the termination of Covenant CAD 021, in order to manage one sole agreement for development, industrial process, and sale of "Putumayo palmetto". This decision is reflected in the new AOP 2003 proposal. In December the company Manager, the Accountant, and the Statutory Auditor resigned, and administration adjustments began.

Passion Fruit – Donation Covenant No. 24/01 pa-10 "Pasión Fruti Promotion Company"

An addition in the amount of COP 497.483.400 was assigned to sustaining the crops planted, to developing the logistics of production delivery to the industry and to covering payments for the management unit for a three-month period, as of November 2002.

The agreement was modified as follows:

Item	Amount in COP
Project Value	4.018.857.380
Donation Funds Contributed by Chemonics	1.563.907.380
Funds Committed by Chemonics	1.563.907.380
Agrarian Credit Funds (FINAGRO)	2.454.950.000
Credit Resources Channeled through Banco Agrario	2.454.950.000

Farmers: 369 Area: 624 Hectares Area of Coca to Be Eradicated: 17 hectares

Although this project has already started to perform the forward contracts with the production it has achieved, The project Management Unit quit as of February 28,. That is why, it is urgent to obtain a new management unit to accompany the termination of the project and achieve its economic, financial, and social sustainment.

Regional Project for Poppy Flower Crop Eradication by Setting up Farming – Woodlands – Pastureland Systems in the Anamichu River Canyon in the Municipality of Rioblanco, Tolima

The first donation covenant has met the goals proposed. The Governor's Office of the provincial department of Tolima delivered a food bonus in the amount of COP 150.000 for nine (9) months and of COP 100.000 for six (6) months. As to the production system, the project was able to set up the walnut tree, cedar, pine and alder, and organic coffee plantations (60 hectares in each arrangement). In products aimed at food assurance, 300 hectares in red beans, peas, corn, garden vegetables, and types of fodder were set up. Also, 240 weaned calves, 12 breeding calves, and 2.400 laying hens were delivered. This project attended 120 families in six (6) settlements and villages y 188 hectares of poppy flowers were eradicated.

2. INTERDICTION AND CONTROL OF DRUG TRAFFICKING, CHEMICAL SUBSTANCES, AND WEAPONS

2.1 Drug Trafficking and Control Executed

In the past few years we have not seen the existence of large organized crime organizations but rather of several groups who change their dynamics, hiding methods, and transportation routes for the purpose of eluding the action of the authorities and establishing new alliances and markets. This situation makes it essential for international organizations and the countries involved to develop and implement coordinated strategies and programs in response to the ever more varied threats of drug trafficking and to focus their investigation efforts on identifying and dismantling the organized crime networks and their financial and logistic structures.

The main methods commonly used in the trafficking of drugs or chemical substances and narcotics are using large containers in which significant amounts of hydrochloride of cocaine are camouflaged; transporting the drugs by land, hiding them in coves in places with little police presence and later loading them on board motorboats or larger embarkations; with persons who take small quantities of drugs with them when they travel by air, land or sea, this method is called "Ant" trafficking; and sending the drugs in packages through the postal service.

In Colombia's internal market, most of the production is located in the South; this situation has resulted in an increase in the trafficking of narcotics and of chemical substances. Internal trafficking is mainly done on land and the main routes used are those from the provincial departments of Putumayo, Caquetá, Guaviare, Nariño, and Huila mainly to the Colombian coasts and border zones.

The border zones are used as a main corridor for narcotics trafficking, the illegal entry of chemical substances, and asset laundering.

Outside of Colombia, there are many routes starting not only from the producer countries but also from neighboring countries, such as Brazil, Ecuador, and Venezuela, and also from the South Cone countries, such as Argentina, Chile, Paraguay, and Uruguay, which are more and more involved in moving cocaine and heroin. The intermediate transshipping points used are Haiti, the Dominican Republic, Jamaica, Panama, Costa Rica, Puerto Rico, and Mexico.

Based on a National Police[36] report, we highlight below some of the most relevant aspects that characterize the gearing of the international cocaine and heroin trafficking scene from this region to the United States and Europe.

- Narcotics trafficking continues from Colombia to the United States through Central America and the Caribbean, using varied systems of camouflage. It is important to underpin the use of minors in trafficking narcotics both domestically and internationally. One case that deserves special mention was the capture of a

[36] National Police Intelligence Division. 2003.

Colombian girl who was sent to the United States by her mother with a kilo of heroin camouflaged in her baggage.

- The Venezuelan territory was used as a transit point for narcotics to Europe (England – Spain) transporting them by air using Colombian, German, Dutch, and Venezuelan mules and by sea leaving from Puerto Cabello. Near 6,5 tons of narcotics were seized in different operations forwarded by the Spanish and the Venezuelan authorities.

- The Panamanian territory is used as a storage center and for distribution by air and by sea.

- We have information that the Brazilian territory is used by drug traffickers from Colombia, Paraguay, Surinam, and Brazil to transit cocaine to Europe, using the African continent as an alternate storage and redistribution point for cocaine (Morocco, Guinea, Bissau, Senegal, Togo, Mali, Ivory Coast, Nigeria, and Cameroon). The methods most used are sending the drugs in packages by international courier companies and transporting them by sea.

- The Iberian Peninsula is still the main point of entry by air and by sea for cocaine to the European continent. In operations forwarded along the coasts of Spain by the Civil Guard and the National Police Corps more than 8 tons of cocaine from South America were seized.

- Surinam is another of the places used for trafficking and exchanging weapons for drugs, through alliances between Brazilian drug traffickers and Colombian outlawed groups.

The United Nations reports that Central America and the Caribbean are still the main corridors for illegal drug trafficking from South America to North America and Europe and the main transit zone for chemical products used to manufacture cocaine and heroin. Furthermore, drug trafficking and weapons trafficking are sometimes used as exchangeable products. The weapons sent to South America and mainly to Colombia for outlawed groups mostly come from El Salvador and Nicaragua, countries which, since they concluded their internal conflicts, have weapons to spare.

The Pacific route is more and more important; the route starts out by sea along the Pacific Coast and then continues on land to Mexico and the United States.

2.1.1 Drug Trafficking from Colombia Abroad Using Mules

The data from the Drug Information System of Colombia (SIDCO is the Colombian acronym) reports the execution of 486 anti-narcotics procedures to detain mules forwarded in air terminals throughout Colombia with international flights and in sea and land terminals. The same number of persons were detained. It is worth highlighting the operations of great transcendence carried out by the security agencies to dismantle networks specialized in the preparation, handling, and transportation of narcotics.

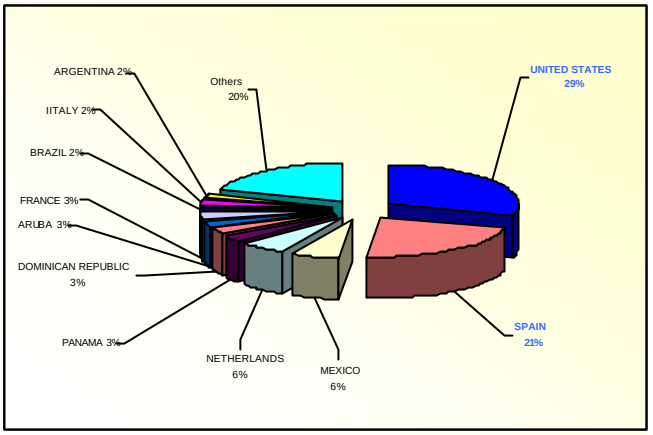
The Colombian authorities were able to seize 412 kilos of cocaine, 498,6 kilos of heroin, 43 kilos of marihuana, 127 kilos of coca base and 11 kilos of crack. Most of the cases reported

correspond to mules transporting heroin (38%), followed by cocaine (36,4%), coca base (22,4%), and marihuana (1,8%).

For drug trafficking from Colombia abroad by air, the most used airports are those in Bogotá, Cali, Medellín, Barranquilla y Cartagena.

The mules are most used for sending drugs to the following destination countries: The United States of America (29%), Spain 21,5%), Mexico (5,9%), The Netherlands (5,9%), Panama and the Dominican Republic (2,7% each), Aruba and France (2,5% each), among others.

Graph No. 22. Destination Countries of Mules. 2002



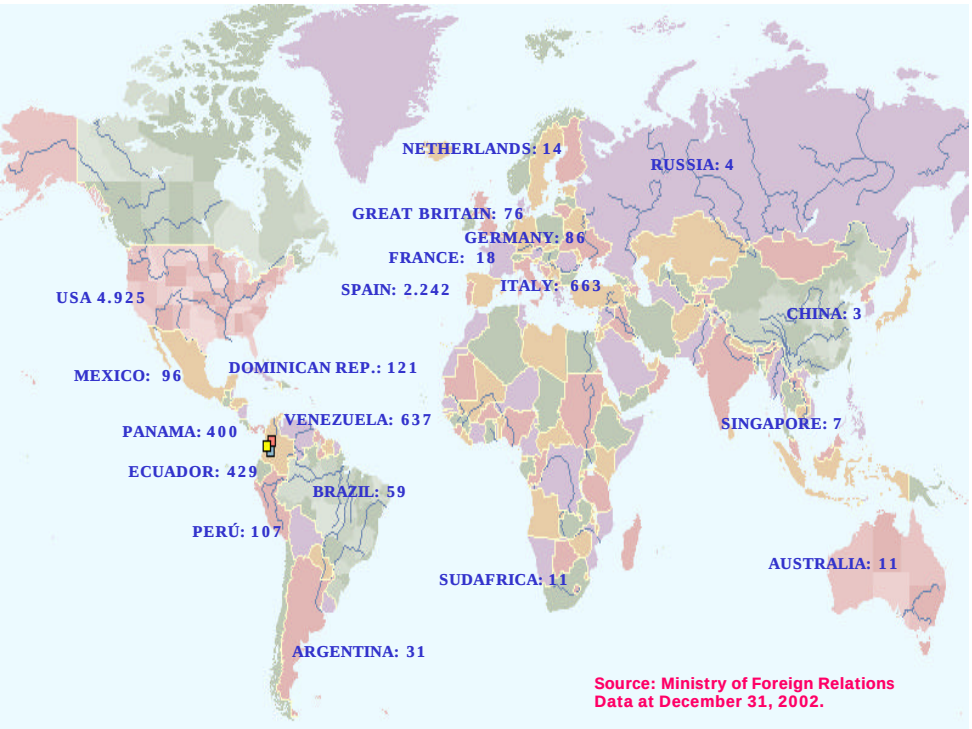
Source: the Drug Information System of Colombia, SIDCO

327 Colombian citizens and 126 foreigners involved in narcotics trafficking activities were captured (in 33 of the cases the nationality was not determined). Of the foreigners detained, we highlight the following nationalities: Spaniards, Ecuadorians, Mexicans, Italians, Americans, Venezuelans, Costa Ricans, Dutch, and Israelis, among others. In order of preference, the methods that the mules most use to transport drugs are: hidden in their baggage (46%), ingested (32,8%) and taped to their body (11,8%).

It is interesting to mention the use in trafficking narcotics of **27 minors from 9 to 18 years old**. Most of the persons used as mules were in the following age groups: from 19 to 30 years old (114 persons), from 31 to 40 years (80 persons), from 41 to 50 years old (52 persons), from 51 to 79 (29 persons), and age not determined (198 persons). Regarding their occupation, in order of greatest number, these persons reported being unemployed, followed by housewives, students, drivers, construction workers, and employees, among others.

Regarding persons detained abroad, at December 31, 2002, the Ministry of Foreign Relations reported **10.347 Colombians detained for drug trafficking crimes**. Of this total, 47,6% are in the United States, 21,7% in Spain, 6,4% in Italy, 6,1% in Venezuela, 4,1% in Ecuador, 3,8% in Panama, 1,1% in the Dominican Republic and 1,1% in Peru.

Graph No. 23. Persons Detained Abroad for Drug Trafficking Offenses
10,347 Persons



The Coffee Growing Zone Mules[37]

Considering the concern shared by the National Anti-narcotics Agency and the Governor's Office of the Provincial Department of Risaralda, regarding the problem of mules, with the technical and financial support of the DNE-ODC Program for the Decentralization of the National Drug Plan, research was done by the Coffee Growing Zone Public Universities Network ALMA MATER, made up of Universidad Tecnológica de Pereira, Universidad del Quindío, and Universidad de Caldas.

The researchers gathered information, analyzed documents, reviewed dossiers on court cases and spoke with various actors in drug trafficking. The survey, led in 16 jails[38] in the central western region of Colombia, consulted 142 persons detained in *in fraganti* during the year 2001, of them 96 were from the Coffee Growing Zone.

As to the mules' motivations and their *modus operandi*, the research goes beyond the stereotypes that had stigmatized the inhabitants of this region; also, it contributes important considerations for potential mules not to become objects manipulated by those who contract them (they have too much to sacrifice, they are killed so that the contractors don't have to pay them, they are denounced, their families are threatened, the lose their assets, etc.).

[37] The Coffee Growing Zone Mules. A Multiple Discipline Approach to the Phenomenon of International Drug Trafficking Mules.
[38] It excludes the presence of minors.

The research done reinforces the idea of the relatively small economic importance that the mules have within the global drug trafficking industry[39], thus coinciding with the declarations made by Kai Ambos[40], "***mules are the small street vendors, they are secondary actors, arbitrarily replaceable thanks to the armies of the unemployed and underemployed in Latin America and their criminal persecution does not affect the drug trafficking organization structures in the least".***

Among the main conclusions drawn from the research, we mention the following:

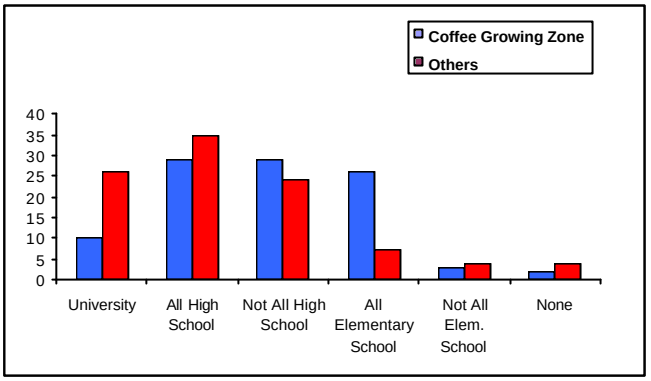
Age: We saw a clear predominance of young adults. 50% of the sample was in the 25 to 35 year-old age group.

Gender: The percentage of males is much higher (70%) than the percentage of females (30%).

Occupation: In general, the highest percentage are merchants, followed by, with similar percentages, persons in general/cleaning/various services, construction workers, salaried salespersons or sales persons working on commission; and a percentage one and a half points higher, technicians and mechanics; students have the same percentage as merchants and people in services (general, cleaning, various services) and one point below construction workers and technicians and mechanics, followed by salaried salespersons or salespersons working on commission. They are the ones with most incidence. Students represent 4,3% in general and 1,1% in the region.

Socioeconomic Stratum: For the whole group (mules from the Coffee Growing Zone and mules from other regions of Colombia), the predominant stratum is Stratum 3 (33,6%) followed by Stratum 4 (24,8%) and close behind Stratum 2 (21,9%). The economic situation appears in Graph.

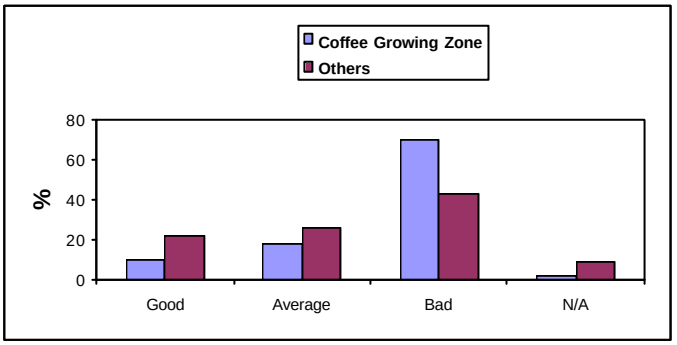
Graph No. 24. Educational Level of Mules Surveyed based on their Place of Origin



Education: The percentage of mules who have completed high school or have at least one year of university is 61% in the case of mules from other regions, whereas the percentage of mules from the Coffee Growing Zone with this same educational level is 39%.

Role in the Family: In this study, heads of household were predominant. Out of the 142 persons interviewed, both men and women, 103 (72,5%) reported having the role of provider for their respective families.

Graph No. 25. Economic Situation Distribution Percentage at Time of Becoming a Mule



[39] Depending on the transportation method used (in the baggage, digestive tract, taped to the body, in the vagina, a combination of these), a mule can carry an average of 900 grams of drugs; just one container seized in Cartagena by DAS units held 500 kilos of drugs.

[40] Ambos, Kai Drug Control. Comisión Andina de Juristas, Ediciones Juristas Gustavo Ibáñez y Universidad Nacional del Litoral (Argentina). Giro Editores, Bogotá. 1998. Pg. 112.

Regarding migration movements, 34% of the mules who live in Colombia traveled stating the reason for the trip as “I’m going to live there” or “I’m visiting relatives who live there”. One of the mechanisms used frequently to get the mules involved is to offer them legal work and then threaten them if they refuse after informing them of the real work. Apparent manifestations of friendship and solidarity towards the unemployed are common. And some get involved unknowingly or through violence.

The most common method for a mule to transport drugs is by ingesting them and the average expected pay has a very broad gamut ranging from 3 to 22 million Colombian Pesos.

Main Conclusions from the Research Done in the Coffee Growing Zone

- There was no evidence that the mules’ family relations or structure before they became mules had affected their decision.
- There is not one sole typology for mules nor is there one sole method of organization and operation for the drug trafficking networks that use mules.
- Mules and the networks to which they belong are merely small actors in the enormous drug trafficking business. Many times these mules operate, without knowing it, to distract the authorities’ attention from movements of large shipments.
- Taking into account the negative consequences that this activity has both on the individuals and on the family and social groups involved, the social and political dimension of this micro-trafficking greatly surpasses the dimension that it represents on the market in terms of volume and economic importance. This micro-trafficking has a social dynamic with a perverse repercussion internally speaking, on the culture, on co-existence, and on the logistics and magnitude of regional violence.
- In spite of not having been able to explain how trafficking using mules began or how it developed as a regional idiosyncrasy, the research did discover that it ends up by somehow affecting the culture of the communities where it is deep-rooted and that, perhaps, it is an additional element that nourishes an alteration, whether good or bad, of traditional values.
- Informal family and social networks, which appear linked to the phenomenon of mules also associated with migration processes that appear to be a key part of the business, deserve to be studied in detail. The region is presently experiencing the consequences of a large population migration abroad. This is a ‘new colonization’ whose point of origin, not point of destination, is the Colombian Coffee Growing Zone.
- It is interesting to see the marked imbalance that exists between the judicial treatment given to the different methods of illegal drug trafficking. The legal treatment given to mules is much more severe than the one given to large drug traffickers.

Chart No. 19. Some of the Sentences Given for Drug Trafficking	
United States	From 5 to 30 years and up to Life
Spain	From 4 to 12 years
France	From 5 to 20 years
Italy	De 8 a 20 years
Cypress	Life
Iran, Singapore and Egypt	Death
Hong Kong	Life
Puerto Rico	From 10 to 30 years
Cuba	From 15 to 30 years and up to Death
Mexico	From 7 to 12 years
Guatemala	From 12 to 20 years
Argentina	From 5 to 20 years
Venezuela	From 10 to 20 years
Colombia	From 3 to 20 years

Source: Passport to Life, to Liberty. Free Publication Distributed by the Ministry of Foreign Relations and by the National Anti-narcotics Agency

2.1.2 Trafficking through the Mail

In anti-narcotics procedures to control trafficking through the mail, the Colombian authorities seized 875 kilos of cocaine, 11 kilos of heroin, 179 kilos of marihuana, 128 kilos of coca base, 4 kilos of morphine y 3,5 kilos of crack.

Spain holds first place for being the country where most drugs are sent through the mail representing 53,3% of the total, followed by the United States with 11%; Italy with 1,5%, France and Israel with 1,2% each, Germany, Australia, the Netherlands, and the Dominican Republic with 0,8% each. The destination countries for sending drugs using mules and those where drugs are sent through the mail are similar.

Transnational organizations use trafficking through the mail because it is a method that is hard for the control authorities to detect and because it can be abandoned at any point in the chain. Seizures made by Colombian authorities of drugs sent through the mail (875 kilos of cocaine), represent a growing trend as compared to the seizures made of drugs using mules (412 kilos of cocaine); however, there is a relatively low percentage of detainees because this method requires exhaustive investigations not only make a seizure of the drugs but also to capture the organizations that use this method.

Also, joint actions with the authorities and with the postal service companies are required, to reinforce narcotics control and detection mechanisms, in order to combat this method that is more and more attractive to the drug trafficking organizations because of its profitability and low risk.

2.1.3 Drug Seizures

The information regarding interdiction that appears in the following charts corresponds to operations reported by the National Police Anti-narcotics Division (DIRAN is the Colombian acronym), the Military Forces[41], the Administrative Security Department (DAS is the Colombian acronym) and the National General Prosecutor's Office (FGN is the Colombian

[41] The Military Forces are National Navy, National Army, and the Colombian Air Force.

acronym) Technical Investigation Corps (CTI is the Colombian acronym). The information is consolidated in the ***Drug Information System of Colombia (SIDCO*** is the Colombian acronym); its objective is to have updated, timely, validated information, in such a fashion as to enable analyzing the different trends in the drug problem and facilitate their dissemination both domestically and internationally[42].

The interdiction and control efforts made by the Colombian authorities have intensified in the past few years. Large quantities of drugs have been taken off the market not only thanks to eradication tasks but also through seizures of coca leaf, base and cocaine. In the 1999-2002 period, 369 tons of coca derivates were seized, representing mostly cocaine hydrochloride (78,3%), 2.157 tons of coca leaves and 3 tons of opium derivates of which 85% were heroin seizures.

In 2002, 120.573 kilos of coca derivates were seized, an increase of 61% as compared to the previous year. Out of the total seized, 79% corresponded to coc aine, 19,5% to coca base and solid coca paste and 1,4% to crack. Valle del Cauca was the provincial department with the largest volume of seizures in Colombia.

Regarding opiates, in 2002 the Colombian authorities seized 905 kilos of opium derivates, an increase of 7,8% as compared to the previous year. Of this amount, 85,6% corresponded to seizures of heroin, 12% to latex and 2,2% to morphine. The largest seizures of heroin and of opium derivates were made in Bogota and in the provincial departments of Valle del Cauca, Nariño, and Huila. Although the number of hectares in Colombia sown with poppy remained stable, the increase in the seizures are a reflection of the interdiction and control efforts made by the security agencies.

Seizures confirm that marihuana is the drug most broadly trafficked and consumed in the world, with near 147 million consumers. There is no precise data on the magnitude of the marihuana cultivation in Colombia, but the domestic data on consumption shows that it is the most preferred drug. In 2002, 76.998 kilos of pressed marihuana was seized, 11% less than in the year 2001. The largest seizures were recorded in the provincial departments of Valle del Cauca and La Guajira and in Bogota.

Valle del Cauca shows the largest volume of drug seizures in the country: cocaine (26,1% of the total seized), crack (44,7%), heroin (35,3%), ecstasy (76,5%), and marihuana (27%). This provincial department is strategic for drug trafficking because it is located near the illicit crop production zones and near the Buenaventura port where the drug is loaded and shipped abroad. Also, the drugs are transported by air, hiding the drugs inside the aircraft compartments and using mules.

Based on intelligence reports[43], in this provincial department new drug trafficking organizations that used to work in the shadow of former drug cartels have flourished. We name the Central Valle Cartel that includes the municipalities of Palmira, Pradera, Florida, El Cerrito, Guacarí, Restrepo, Yotoco, Darién, Buga, San Pedro, Tuluá, Andalucía, Dagua, and Buenaventura; the North Valle Cartel that includes the municipalities of Trujillo, Ríofrío, Bugalagrande, Sevilla, Caicedonia, Bolívar, Zarzal, and La Victoria; and the Cali cartel located in that city and in its surrounding areas. Faced with this problem, the

[42] SIDCO answers international requests from organizations, such as the Inter-American Commission for Drug Abuse Control (IACDAC), to gather and evaluate, using drug observatories, information on the undue use of drugs as well as the supply of illegal drugs and the need to improve the comparability of the available data.

[43] National Police

authorities have increased intelligence and investigation activities, in order to dismantle these organizations devoted to criminal activities, and they have augmented controls over the Alfonso Bonilla Aragón Airport and the Port of Buenaventura.

Graph No. 26. Drug Seizures 1999 - 2002

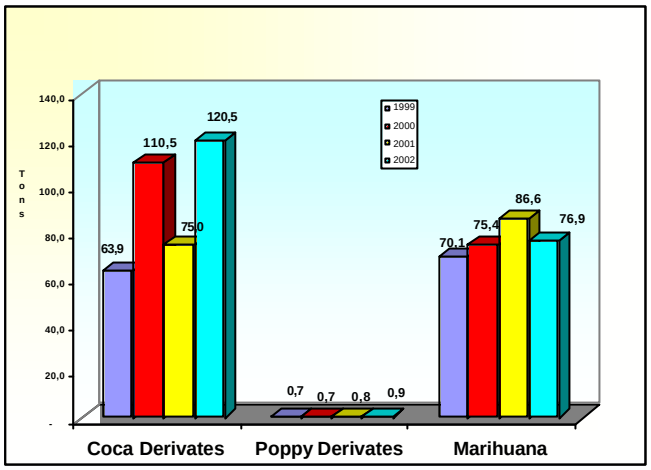


Chart No. 20. Drug Seizures					
Type of Drug	**1999**	**2000**	**2001**	**2002**	**% var. 01/02**
COCAINE (kilos)	47.003	89.856	57.140,27	95.278,03	66,74
Coca Base (kilos)	16.035	19.771,36	16.570,74	22.614,90	36,47
Coca Base in Process (gallons)	4.737		2.180	7.843	259,77
Coca Paste (kilos)	365	118,44	52,50	974,34	1.755,89
Cocaine in Process (gallons)	4.882	38.942	9.666,06	1.970	- 79,62
Crack (kilos)	543	801,62	1.224,64	1.705,88	39,30
Total Coca Derivates (kilos)	**63.946**	**110.547,42**	**75.088,15**	**120.573,15**	**60,58**
Total Coca Derivates (gallons)	**9619**	**38.942**	**11.846,06**	**9813**	**-17.162.330,77**
Coca Leaf (kilos)	307.783	897.911,50	583.165,07	368.000	- 36,90
Coca Leaf in Process (gallons)	9.702	10.180	139.167	59.135,20	- 57,51
Latex (kilos)	29.20	16,63	3,74	110,27	2.848,40
Morphine (kilos)	154	91,17	47,39	20,27	- 57,23
Heroin (kilos)	514	563,54	787,59	774,87	- 1,62
Codeine (kilos)	3	-	1	0,13	- 87
Total Opiate Derivates (kilos)	**701.30**	**671,34**	**839,72**	**905,54**	**7,84**
Pressed Marihuana (kilos)	**70.124**	**75.465,57**	**86.610,15**	**76.998,08**	**- 11,10**
Solid Hashish (kilos)	338	-	0,20	3,50	1.650
Poppy Seeds (grams)	49.945	17.000	42.850	123.900	189,15
Coca Seeds (kilos)	754.032	1.678,50	98.916,92	27.752,39	- 71,94
Marihuana Seeds (kilos)	25.20	121,30	11,30	509,78	4.411,33
Synthetic Drugs (Ecstasy) (units)	**1.022**		**22.750**	**175.382**	**670,91**
Bulk Amphetamines		83			

Source: SIDCO. Consolidated from DIRAN, Military Forces, DAS, and FGN.

2.1.4 Drug Seizures by Type of Place and Type of Transportation Used

Of the cocaine seized reported by the security agencies to SIDCO during the year 2002, most of the seizures of cocaine occurred inside the country. However, seizures of large amounts occurred especially by sea. 30.184 kilos were seized in international waters thanks to the Maritime Agreement between the Government of Colombia and the Government of the United States of America. 25.237 kilos were seized in Colombia's territorial waters and 4.079 kilos were seized in Colombian ports.

The means of transportation used to move the drugs in the cases reported to SIDCO was 42,5% airplanes, 40,2% persons, 7,5% ships and 9,8% land vehicles.

358 kilos of heroin were seized in airports (46,2%), 268 kilos inside the country (34,5%), 89 kilos in ports (11,5%) and 60 kilos in territorial waters (7,7%). In most of the heroin seizures, it was transported by air using mules.

Out of the 76.990 kilos of marihuana seized, 0,04% was seized in airports, 0,12% in river transportation, 96,7% inside the country and 2,9% in territorial waters. In the cases reported to SIDCO, the means of transportation used was 91,8% persons, 0,7% land vehicles, 0,3% airplanes and 0,2% ships.

Out of the seizures of cocaine made in international waters and in territorial waters in 2002, 73% were made in the Pacific Ocean and 27% in the Atlantic Ocean. This allows us to deduce that traffickers continued using the East Pacific to dispatch drugs to the United States and that they depend more and more on transportation by sea. The eradication and interdiction efforts made by the Colombian authorities may interrupt the flow of cocaine to the Colombian Atlantic and Pacific coasts and that may lead to trafficking cocaine through neighboring countries.

Graph No. 27. Drugs Seized by Location in 2002

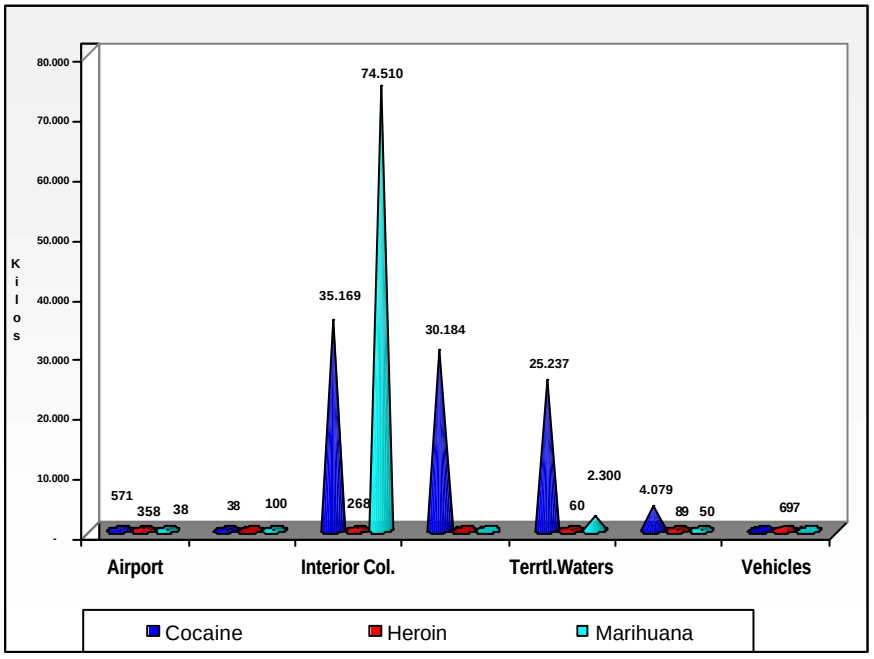


Chart No. 21. Drug Seizures and Where They Occurred 2002																
Type of Drug	Airport		River		Inside the Country		International Waters		Territorial Waters		Port		Land Vehicle		Total	
	Kilos	Cases	Kilos	Cases	Kilos	Cases	Kilos	Cases	Kilos	Cases	Kilos	Cases	Kilos	Cases	Kilos	Cases
Cocaine	571	367	38	5	35.169	463	30.184	15	25.237	21	4.079	24			95.278	895
Heroin	358	198			268	67			60	3	89	17			775	285
Marihuana	38	8	100	2	74.510	2.472			2.300	2	50	3			76.998	2.487
Coca Leaf			3.900	1	363.913	295			188	1					368.001	297
Ecstasy(u)	14.000	1			161.382	28									175.678	29
Coca Base	56	13	126	18	21.723	907			5	1	7	3	697	1	22.614	943

Source: DIRAN, Military Forces, DAS, FGN CTI. Consolidated from SIDCO.

The increase in the seizures of some drugs in the year 2002 was due to the continuous patrolling and supervision operations carried out by the security agencies in international and territorial waters and in seaports and airports in Colombia, enabling the interception of the means of transportation and preventing the drugs from leaving the country to go to the international markets.

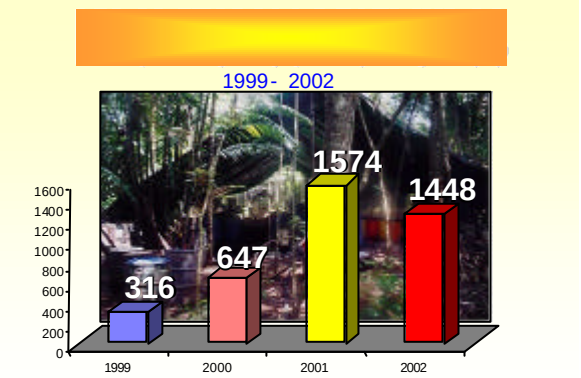
Also, the Colombian authorities have encouraged joint actions with other countries for information exchange, operations against drug trafficking and judicial assistance. Nonetheless, the reciprocal cooperation among the various nations must be increased and strengthened for it to more efficiently meet the proposed objectives.

2.1.5 Dismantling the Production Infrastructure

In recent years we have energetically combated the production infrastructure mainly located near the potential production zones, far from urban hubs, near rivers for the water supply required for processing and in zones that are difficult for the authorities to access.

In the year 2002 we were able to locate and dismantle 1.448 drug and chemical substance processing labs that use large quantities of chemical products that afterwards are thrown away as waste materials into strategic ecosystems, producing devastating effects on the environment.

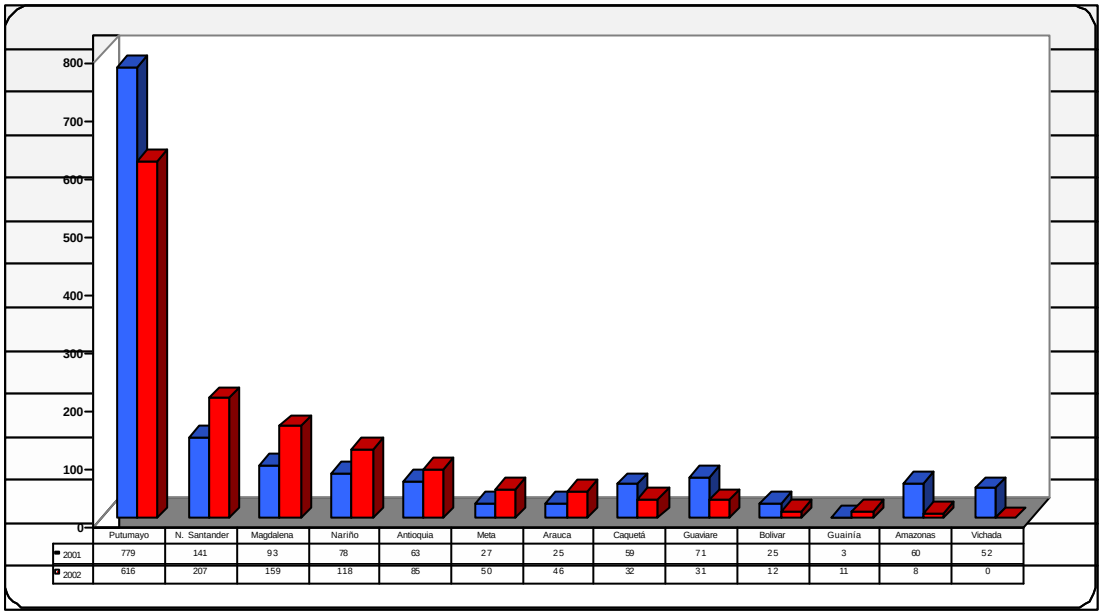
Graph No. 28 Laboratories Destroyed 1999 - 2002



Of the total number of labs destroyed by the Public Forces, 1.273 correspond to cocaine base labs, 138 to cocaine labs, 23 to cocaine paste labs, 9 to potassium permanganate labs, 3 to heroin labs, 1 to a synthetic drugs lab, and 1 to an ammonia lab.

The cocaine labs (cocaine base, cocaine paste and cocaine) were mainly discovered in the provincial departments of Putumayo (43%), Norte de Santander (14,4%), Magdalena (11,1%), Nariño (8,2%), Antioquia (5,9%), Meta (3,5%), Arauca (3,2%), Caquetá (2,2%), and Guaviare (2,2%).

Graph No. 29. Location of Laboratories– Coca Derivates 2001 - 2002



Source: DIRAN, Military Forces, DAS. Consolidated SIDCO.

2 heroin labs were discovered and dismantled in the provincial department of Cundinamarca and 1 in Bogota. 5 potassium permanganate labs were located and dismantled in Antioquia, 2 in Meta, 1 in Nariño and 1 in Valle del Cauca. The only synthetic drugs lab that was dismantled was located in the provincial department of Valle and the ammonia lab was dismantled in Meta.

2.1.6 Main Operations Carried Out by the Authorities

Through the National Government's offensive to control drugs in a total manner and to summon international action to strengthen the intelligence and cooperation systems that lead to restricting the illegal trafficking of chemical precursors, detecting trafficking routes, and controlling asset laundering, we have achieved conclusive results of great transcendence, such as the dismantling of the large drug trafficking organizations described below. However, although Colombia supports and participates in bilateral and multilateral cooperation initiatives with other countries to fight activities related to illegal drugs, we acknowledge that the cooperation among the nations must become much closer to enable strengthening control measures, protecting the border zones, and dismantling transnational networks.

Chart No. 22. Main Operations 2002			
Operation	**Location**	**Activity**	**Results**
Operation GUAITIQUIA I February 6-7, 2002	Bogota, Cali, San José Guaviare, Bucaramanga and Villavicencio	Dismemberment of an organization devoted to the diversion of controlled chemical substances	11 persons arrested 1 interdicted aircraft
Operation Droga Maldita Fase II. February 22, 2002	Isla Providencia	Seizure of a heroin shipment	1,246 kilos of cocaine
Operation Zarzamora II-III April 6-17, 2002	Bogota	Arrest of controlled chemical substance traffickers	3 persons arrested
Operation Rutenio y Victoria May 20, 2002	Bogota	Dismantling of an organization devoted to the diversion of chemical substances	Arrested: 3
Operation Pescara May 21, 2002	Cúcuta	Dismemberment of an organization devoted to merchandising narcotics	Arrested: 9
Operation Extasis II May 30, 2002	Cali and Bogota	Dismemberment of an organization devoted to the production, distribution, and merchandising of synthetic drugs domestically and internationa lly	Arrested: 9 Ecstasy: 120.529 pills Ephedrine: 220 kilos
Operation Plataforma 3 June 11, 2002	Pereira	Dismemberment of an organization devoted to international drug trafficking	Arrested: 24
Operation Plataforma III June 12, 2001 to June 12, 2002	Bogota, Medellín and Ipiales New York and Philadelphia	Dismantling of a transnational organization devoted to heroin trafficking between Colombia and the United States	Arrests in Colombia: 20 Arrests in New York: 5 Arrests in Philadelphia: 2 Heroin seized: 15 kilos
Operation Orión July 16, 2002	Bogota, Pereira	Dismemberment of a drug trafficking network that used mules to send cocaine abroad	Arrested: 5
June 20, 2002	Manizales	Dismemberment of an ecstasy trafficking network	Arrested: 9
Operation Oasis August 22, 2002	Bogota	Dismemberment of an organization devoted to international drug trafficking	Arrested: 14
Operation Multiplicadores September 10, 2002	Barranquilla Amsterdam New York, Miami, Philadelphia	Dismemberment of a network of Colombian and Dominican Republic drug traffickers who took heroin to Holland and to the United States and who brought back Ecstasy	Arrested: 17
Operation Indigo September 25, 2002	Bogota	An international organization that used mules to send heroin to the United States and Europe	Arrested: 4
Operation Capital October 3, 2002	Arauca	Dismemberment of a drug trafficking network	Arrested: 19
October 4, 2002	Neira (Caldas)	Dismemberment of a network of narcotics dealers	Arrested: 20
October 4, 2002	Cúcuta	Dismemberment of a drug trafficking network that used mules to send cocaine abroad	Arrested: 16
Operation Conquista October 8, 2002	Barranquilla, Cartagena, Isla de San Andrés, Medellín, Riohacha and Maicao.	A drug trafficking organization with its operations center on the Atlantic Coast that sent cocaine y heroin to the USA, Mexico and Europe	Arrests for extradition: 15
October 31, 2002	Bogota	Seizure of a shipment of cocaine camouflaged in industrial machines to be	348 Kilos of Cocaine Arrested: 8 Colombians 1 Guatemalan

Chart No. 22. Main Operations 2002			
Operation	**Location**	**Activity**	**Results**
		exported to Guatemala	
Operation Blitz November 2002	Rionegro	International organization that used mules to send heroin to the United States	Arrested: 6
Operation Alborada December 7, 2000 to April 30, 2002	Antioquia, Valle Venezuela Ecuador	Dismantling of an organization devoted to cocaine trafficking	Colombians Arrested: 16 Arrests in Venezuela: 1 Russian national Arrests in Ecuador: 5 Ecuadorians and 1 Colombian
Operation Valle del Cauca	Cali, Palmira, Jamundí	Dismantling of an organization devoted to heroin trafficking to the United States through Central America and asset laundering through shell companies	Arrested in: 25 Arrested in USA: 6 Heroin seized: 5 kilos

Source: SIDCO

2.2 The National Government's Strategy regarding Interdiction and Control

The action strategy for interdiction and control presented through the "2002-2006 National Development Plan Foundations" is aimed at controlling the trade of inputs used to process drugs, dismantling labs, intercepting means of transportation (by air, sea, river, and on land), intercepting the resources generated by drug trafficking, and carrying out actions to reduce the illegal weapon trade.

To do so, the operating organization of the three National Navy components will be strengthened: they are made up of surface, submarine, and air units; of the Marines and of the Coastguard. We will seek to improve the operating infrastructure of the Colombian Air Force and the missions for constant monitoring, intelligence and reconnaissance throughout the breadth of the national territory. The capacity of the State will be strengthened by training personnel and obtaining specialized equipment to enable effective control.[44]

2.2.1 Sea and River Control[45]

2.2.1.1 Trends in Drug Trafficking by Sea

The drugs from South America that flood the markets of North America and Europe pass through a transit zone of six million square miles (fifteen million square kilometers), the approximate continental extension of the United States. This zone includes the Caribbean Sea, the Gulf of Mexico and the eastern region of the Pacific Ocean.

[44] 2002-2006 National Development Plan Foundations
[45] National Navy report, 2002.

Intelligence sources estimate that more than 90% of the cocaine is transported on board sea crafts that include both commercial ships and non-commercial boats. More than 80% of this flow corresponds to non-commercial sea transportation. The motorboats known as "go-fast" are the most employed because they are small, very fast, very difficult to detect by radar, and difficult to see in daylight hours.

The most recent operational results obtained show the great desire that the outlawed armed groups have to handle the monopoly of the drug trafficking business, in particular on the Pacific Coast. From this point of view, this area has become the appropriate exit point for drugs produced on the spurs of the Western Mountain Chain and of the Pacific Plains, criminal activities that, as we mentioned before, have been sponsored by these terrorist groups.

Based on the patterns of illicit transportation that we have seen, on the Caribbean Coast there are four main gathering and departure point zones for motorboats and ships with drugs: La Guajira, where contraband and the transportation of cocaine and marihuana in speedboats has united; the foothills of the Sierra Nevada de Santa Marta, a zone where cocaine or marihuana is gathered to be transported in speedboats to send abroad; the Gulf of Morrosquillo, where speed boats set out for different destinations: the Great Antilles, the Archipelago of San Andrés and Providencia, and Central America.; and the Gulf of Urabá, an area commonly associated with the contraband of weapons and other elements coming from Panama, as well as with the traffic of drugs to Central America, using speedboats and merchant ships.

The three first areas preferred destinations are the islands of the Caribbean and some locations in Mexico, from where the drugs continue to markets in the United States.

The results of the operations in 2002 have allowed us to deduce the bi-functional use of fishing boats and of speedboats by drug traffickers who use the Pacific Ocean routes. They use the fishing boats both for re-provisioning fuel to the speedboats and for transporting cocaine to its final destination. Likewise, speedboats are used for transporting cocaine from the coast to where they meet up with the fishing boat to be loaded or, as we have normally seen, to take it to its final destination.

In the South Pacific, that is to say, along the coasts of the provincial departments of Valle, Cauca and Nariño, the custom is to concentrate a great quantity of the drugs in determined points transported on a low profile motorboat and modest ships and canoes. There, the illegal shipment is boarded on to high performance speedboats that transport it to the first delivery area where it is loaded onto the fishing boat that makes the second delivery or that transports it to the final destination. This activity is quite discrete because of the favorable configuration of the terrain and ideal vegetation; the manglars offer an ideal cover for the boats and the rushes favor the unseen transit of the motorboats and canoes.

Experience has shown that the motorboats run several hundred miles in a western direction, along what are known as "deep transit areas" to stay considerably far from the Pacific Coast of Central America and the territorial waters of those countries, and to try to avoid the control of its authorities. Therefore it is not surprising that the delivery area for the shipment on a motorboat may be located near the Galapagos Islands.

As far as the North Pacific is concerned, along the border with Panama, we have seen cocaine merchandising using motorboats that navigate close to the coasts of Colombia and Panama. This business is run by outlawed armed groups.

2.2.1.2 Results of the Control Carried Out

- During 2002 there were 82 inspections at sea with the operational support of the United States. Of them, 73 occurred in the Pacific Ocean and 9 in the Atlantic Ocean. This proves that drug trafficking groups have notoriously increased transportation of drugs by sea using the Pacific Coast, which, due to the jungle vegetation on its shores, offers opportunities to transport drugs avoiding the control of the authorities.

- On land and by sea, the National Navy has achieved conclusive hits against drug trafficking groups, mainly in the provincial departments of Nariño and Cauca, places where the seizure of cocaine hydrochloride amounted to over 9 tons.

- The results of the operations against drug trafficking show the existence of an alliance between outlawed armed groups and drug traffickers. In the South Pacific, the drug trafficking infrastructure destroyed as well as the drugs and inputs seized correspond mainly to illegal paramilitary groups.

- In 2002, the National Navy seized 57,13 tons of cocaine, at an estimated value of USD 1 billion 650 million. The amount of cocaine seized greatly exceeded the totals reached in previous years. During 2000 the National Navy seized 50,78 tons (USD 1 billion 523 million) and during 2001 it seized 36,6 tons (USD 1 billion 98 million).

- In the National Navy's anti-narcotics strategy, seizure of shipments of inputs used in processing narcotics is a fundamental action. During 2002 it seized 168.948,23 gallons of liquid chemical inputs and 184.916,23 kilos of solid chemical inputs. These events occurred mainly on the navigable rivers controlled by the Marine Brigades in the rural areas of the provincial departments of Putumayo, Caquetá, Nariño, Guainía and Vichada; thus neutralizing part of the production that outlawed armed groups have in the rural areas and in the jungle zones.

- Although at a lesser scale, we also observed activity in the production of marijuana. The National Navy seized 1,6 tons of pressed marihuana.

- The structure of the drug trafficking groups was seriously affected by the arrests made by the National Navy. In 2002, 173 drug traffickers were arrested.

- As to planning the operations, direct coordination with the Illicit Crop Monitoring System (SIMCI is the Colombian acronym) was set up enabling obtaining satellite images of the illicit crop areas under the jurisdiction of the National Navy, and thus increasing the efficiency of the operations.

- The Coastguard Bases development project continued progressing with the construction of the Santa Marta and Leticia Coastguard Bases. The latter is of vital importance for the control of the navigable river network of the provincial

department Amazonas, where intelligence units have detected the traffic of inputs mainly by outlawed armed groups.

- During 2002 in sea and river operations, 226 ships used for drug trafficking were detained and 49.237 were inspected.

2.2.2 Port Security Program[46]

As a consequence of the use of the terminals to send illegal drugs since 1995, some sea terminals requested the presence of DIRAN in the ports to detain these illegal activities. However, their operations have been limited by the insufficient resources and lack of professional training. That is why in 1998, through an initiative of the United States of America Embassy in Colombia Narcotics Affairs Section (NAS), the Port Security Program (PSP) was formalized through an Agreement of Intent signed between the public sector represented by DIRAN and FGN and the private sector represented by the ports with the support of the United States Government.

The basic objective of the Port Security Program is to protect the legal foreign trade moved through the sea ports from any illegal activity of merchandising narcotic substances.

2.2.2.1 Activities of Each Party to the Agreement

- **United States Embassy**

From the very beginning of the agreement, the labor of the Embassy through its Narcotics Affairs Section (NAS) and of the United States Customs Service has been to give PSP support in the form of assessment training, technology, follow-up on the budget and follow-up on the processes, with resources of near USD 1,5 million.

Special support has been given since the program began, in the form of assessment on canine units, which includes a canine advisor, continuous training for the dogs and their human partners approximately every three months, verification visits, and the contribution of placebos.

- **National General Prosecutor's Office (FGN)**

The activity of the FGN within the PSP is limited to meeting its legal and constitutional obligations as an investigation agency. What it seeks through its participation in PSP is to speed up criminal proceedings and ensure the success of the investigations by having the support of the DIRAN authorities and of the port authorities themselves.

- **National Police**

The National Police is represented by its Anti-Narcotics Division (DIRAN) that has four anti-narcotics port bases, in the cities of Santa Marta, Barranquilla, Cartagena and Buenaventura. These bases are almost exclusively dedicated to the PSP.

---

[46] Report by the United States of America Embassy Narcotics Affairs Section and by DIRAN.

The work forwarded is shown below.

- Documental analysis of 100% of the merchandise to be exported
- Physical container inspection
- Container cargo inspection
- Motorboat inspection
- Motorboat underwater inspection
- Spot checks. These inspections are made anywhere in the terminal, and have a dissuasive nature.
- Intelligence tasks
- Canine Inspection. Canines are used in any of the Anti-Narcotics Police activities.

These activities are carried out based on the risk profiles defined by the Anti-Narcotics Police.

- **Maritime Terminals**

Since before the creation of PSP, maritime terminals have Security Divisions widely equipped with technology and training as well as resources allotted to all of the security areas.

The presence of the Anti-Narcotics Police has not decreased the terminals' responsibility for their own security. Therefore, they continue their security labors: industrial safety, strict control of the perimeters and of the access areas (land vehicles and persons), customer analysis and evaluation, etc.

The information with which the Anti-narcotics Police works in the Analysis Room is supplied by the terminals that enable it access to their databases.

In addition to the commercial and security labors that the maritime terminals perform on their own, it is fundamental for the PSP that the terminals be the entities that support the economic weight of the PSP, because resources are allotted annually to sustain the bases. The amount of the budget varies depending on the port, the number of terminals in each port, the number of Police officers, the size of the port, the movement of merchandise, etc. The budget topic is perhaps the topic that deserves most attention at present because the terminals are reducing their budgets due to the economic crisis in Colombia and therefore actions need to be taken regarding this point.

2.2.2.2 Drug Seizures in Colombian Ports

Port Anti-Narcotics Control activities are carried out in the main public terminals in Colombia in a unified fashion for the foreign trade users to have equal treatment for their cargo, no matter what port they choose to export from.

The authorities have been reinforcing controls in the ports and this has resulted in a decreasing trend in drug seizures. In 1998, 80 tons of drugs were seized, in 1999, 20 tons and in 2002, 2,8 tons of drugs were seized using either the method known as legal shipment contamination or the method with motorboats. So far in 2003, we highlight "Operation Monterrey" carried out in Barranquilla, where 1.273 kilos of cocaine hidden in two gas boilers were seized before they left for their final destination in Mexico.

In the year 2002, the largest drug seizures were made in the port of Barranquilla with 1.386 kilos of cocaine and 12 of heroin; followed by the port of Cartagena with 702 kilos of cocaine, 26 of heroin and 50 of marihuana; the port of Buenaventura where 599 kilos of cocaine, 26 kilos of heroin and 1 kilo of marijuana were seized; and finally the port of Santa Marta where 54 kilos of cocaine were seized.

2.2.2.3 Controls in the Colombian Ports

Control in the Port of Santa Marta

This maritime terminal is mainly devoted to banana exportations made by various merchants, so the logistics are different because they are for the storage, transportation, quality control, and shipment of this fruit. Most of these exports are done in containers or on pallets, which implies ample Police deployment during the operations on the dock, some of which take over 24 hours of work per ship.

The muddy water in the bay is propitious for drug traffickers who wish to attach torpedoes to the hulls of the boats. That is why a group of certified police scuba divers started the activity of inspecting the motorboats underwater before they set out.

Control in the Port of Barranquilla

The Anti-Narcotics Police are present in the public maritime terminal and in the two private docks. 70% of the exports of this port are local production; therefore, carrying out the Port Anti-Narcotics Business Security Front, a schedule of visits to the exporting companies was made, to become familiar with their production process and minimize the risk profiles of this merchandise. This practice has had the best of results because the inspectors have been able to devote more attention to unknown cargo arriving from other provincial departments.

Control in the Port of Cartagena

In this port city, there are three public maritime terminals that move a great number of containers, most coming from other regions in Colombia. This situation demands a great labor of analysis to establish the risk profile of the merchandise.

The Cartagena Port Society has consolidated itself as an international container transshipment maritime terminal, as well as a seaport for cruise ships. These factors generate some special control measures in order to avoid the containers being transshipped from getting contaminated with drugs during their stay in the freight yards and others to detect passengers who try to take drugs that they have acquired during their visit in the city back on board the cruise ships. The latter activity has given satisfactory results with heroin seizures and the arrest of foreign passengers.

Control in the Port of Buenaventura

Last year more than 8 million tons of cargo were mobilized through this terminal. The Anti-Narcotics Police carried out inspection labors on the sheathing platforms and in the warehouses, which demanded a great number of personnel and very long hours. The coffee and sugar exports were supervised with satisfactory results according to foreign authority reports.

In compliance with the commitments acquired in the competitiveness and productivity agreements with the production chains, the Anti-Narcotics Police carried out several inspection procedures for certain products, keeping a good balance between control and commodity. A good example is the production chain of shrimp fishing.

Chart No. 23. Inspections in Colombian Ports in 2002

Containers	Cartagena	Barranquilla	San marta	Buenaventura	Total
Inspected on sheathing platform	9.458	3.961	621	14.321	28.361
Inspected in pre-stowing or upon approach	4.985	1.768	2.232	11.505	20.490
Imports inspected	1.624	d	d	105	1.729
Filled in warehouses with the presence of the anti-narcotics police	8.477	4.835	6.356	23.508	43.176
Boxes of banana exported	n/a	n/a	15.206.000	n/a	15.206.000
Inspection of motorboats	245	245	313	653	1.456
Underwater inspection	D	n/a	386	n/a	386

Source: National Police – Anti-Narcotics Division

2.2.3 Control over Air Space[47]

The Colombian Air Force (FAC is the Colombian acronym) increased its actions to control the use of Colombian air space for criminal purposes, through its program for flight follow-up and verification of landings in non-controlled aerodromes. During 2002, it detected 218 suspicious flights and carried out operations for each suspicious flight detected, as compared to 38 operations in 2001. Also it increased the number of the aircraft checked in controlled aerodromes, from 2.548 in 2001 to 5.348 in 2002 and the check of coordinates rose from 4.431 in 2001 to 13.718 in 2002.

Notwithstanding the above, to reinforce controls and increase the operational capacity to detect tracking and the effectiveness of interception or interdiction operations, the bi-national air interdiction agreement with the Government of the United States of America, suspended in 2001, must be reactivated. That will permit an early warning, would increase the radar coverage, and would give more mobility to support FAC actions.

Chart No. 24. Tracking of Suspicious Flights by Route and Detection Area 2002

Putumayo	10
Atlantic Coast of Central America	5
Pacific Coast of Central America	1
Colombia-Venezuela (La Guajira –Santander)	11
Colombia – Venezuela (Zone 3)	12
Colombia – Peru	5
Colombia – Ecuador	3
Colombia – Brazil (Amazonas)	12
Colombia – Brazil (Vichada)	5
Colombia-The Caribbean-Venezuela	1

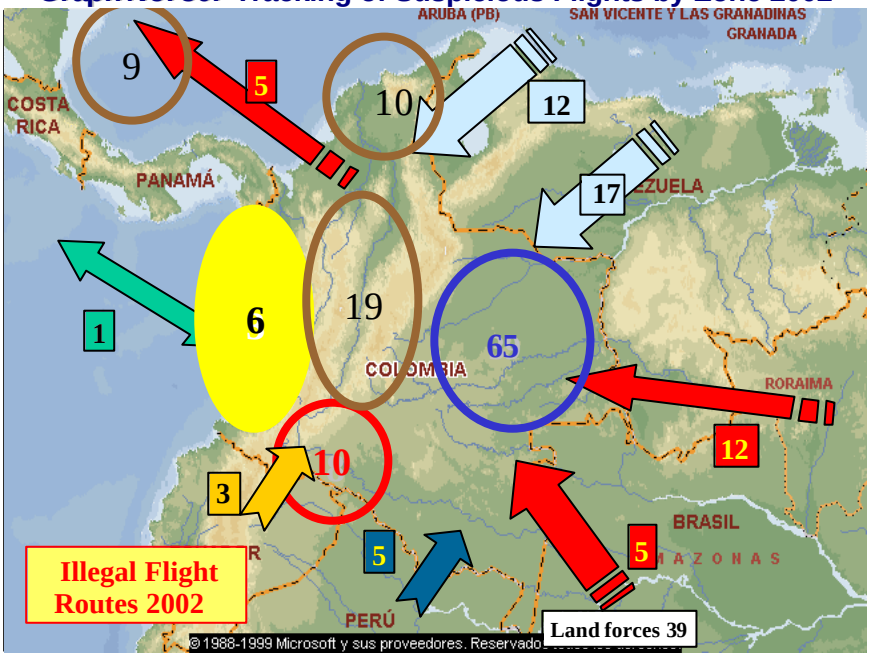
[47] Colombian Air Force Report

Chart No. 24. Tracking of Suspicious Flights by Route and Detection Area 2002	
San Andrés	9
Atlantic Zone	10
Pacific Coast	6
Andean Region	13
Eastern Plains	60
Former Demilitarized Zone	5
Bogota	6
Venezuela	5
Surface Forces	39
Total Tracking of Suspicious Flights	**218**

Source: FAC

Out of the 218 suspicious flights, most of them were recorded in the Eastern Plains and in the border areas. The reports of flights in the area of Urabá, Magdalena Medio and the Pacific region have decreased due to the lack of coverage and the limited scope of radar monitoring.

Graph No. 30. Tracking of Suspicious Flights by Zone 2002



The Land Forces have increased the number of reports, due, among other aspects, to the restructuring of the Air Force Command and Control Center (CCOFA is the Colombian acronym), which has enabled centralizing all of the Colombian Air Force operations and communications in one office and permanent communication with all of the public force units in the Colombian territory.

The number of aircraft shot down dropped from 7 in 2001 to 6 in 2002. Five of these were shot down upon visual contact with illegal aircraft during FAC air patrols; two of them were in the provincial department of Arauca, the border zone with Venezuela and two more on the runway in Arara, near the Brazilian border. The aircraft shot down dropped from 11 in

2001 to 5 in 2002; the diversion of aircraft to other countries increased from 6 in 2001 to 15 in 2002, which confirms the drug traffickers' use of border areas.

Failed operations increased from 9 in 2001 to 43 in 2002. One of the main reasons for the failure of these operations is the loss of radar contact (28%), bad weather conditions (25%), no platform availability (11%), technical radar problems (11%), and others such as not having radar coverage in that area or cases of he Land Forces reports not being accurate (19%).

Chart No. 25. Main Results of Air Space Control Operations

Item	2001	2002	Variation %
TTD	147.080	213.673	45,3
Checking Coordinates	4.353	13.718	215,1
Operability (%)	89	88	-1,1
Aircraft Checked	2.548	5.384	111,3
Flight Hours	582	669	14,9
Aircraft Destroyed on Land	5	1	-80,0
Aircraft Destroyed in the Air	2	5	150,0
Total Destructions	**7**	**6**	**-14,3**
Aircraft Immobilized in Colombia	10	5	-50,0
Aircraft Immobilized Abroad	1	0	-100,0
Total Immobilizations	**11**	**5**	**-54,5**
Motorboats	3	4	33,3
Diversion of Aircraft	6	15	150,0
Operations Carried Out	**39**	**218**	**458,9**

Source: Colombian Air Force

2.2.3.1 Routes Used for the Trafficking of Narcotics and Weapons in 2002

The main routes used by organized crime for trafficking narcotics and weapons are listed below.

- **Route No. 1**. Aircraft departing from or arriving in Central America (Guatemala, Honduras and Mexico) on the Pacific Coast and on the Atlantic Coast, especially to and from the provincial departments of Chocó, Valle del Cauca and Córdoba and Urabá Antioqueño.
- **Route No. 2**. This route was the most important one for aircraft coming from Brazil and Surinam, with a final destination of the provincial departments of Vichada, Guainía and Vaupés. They exchange narcotics for weapons for outlawed armed groups. This has been evidenced by the growing importance of the Amazon Front of the FARC and by the destruction of two aircraft on the illegal runway in Arara.
- **Route No. 3**. In 1999 and 2000 this route used the provincial department of La Guajira as a gathering point to send alkaloids to the Caribbean islands, such as Cuba and Haiti. The route moved to the Colombo-Venezuelan border area, due to the intense control by the Air Force Combat Command personnel stationed in Barranquilla. The route was completely moved to the border area near the provincial departments of Arauca and Vichada. Very short flights are made between the production centers in Colombia and the shipment points in Venezuela.

- **Route No. 4**. Illegal flights to the interior of Colombia are made mostly from the eastern regions of Colombia. We presume these flights are made by aircraft with "legal flight plans" that leave airports such as Villavicencio and Yopal and fly to aerodromes that are difficult for the public forces to control. After they arrive at these aerodromes, they make illegal short flights in which they move narcotics from the production centers to the gathering and transfer runways.

Special Operations

- **Operation "Yurupari 1 and 2".** FAC, using its intelligence unit and combat aircraft discovered that the border area between the provincial departments of Vaupés and Amazonas, which extends from Aracuara to La Pedrera, has constant illegal activity. It was able to locate clandestine runways and intercept aircraft.

- **Operation "Flash I-II-III – Runway Plan".** FAC has destroyed illegal runways devoted to the traffic of narcotics and weapons. It has destroyed 5 illegal runways in the provincial department of Amazonia (one of which had to be destroyed 4 times as it was quickly repaired 3 times), 2 runways in Vaupés and 4 in Caquetá, which were used by organized crime.

2.2.3.2 Control over the Aeronautics Sector

Within the framework of the Inter-institutional Aeronautics Affairs Committee and, through a three-party agreement, DNE was able to make a network connection with the Administrative Civil Aeronautics Department and the National Police Civil Aviation Control Group, to enable consultations on runways, aerodromes and heliports, asset acquisition, and changes in the operator for an aircraft; air service company operation permits, permits for air schools and air clubs, operator permits for aeronautic mechanical workshops and airport service companies; as well as information on aeronautics personnel.

There is access from the National Police Civil Aviation Control Group database to information on the aircraft inspected in Colombia, the inspection date, the date on which the inspection expired, certifications of technical identification, and serial numbers of the sticker placed on the inspected aircraft.

Obtaining such information speeds up the formalities for issuing the Narcotics Traffic Lack of Reports Certificates that go to the Administrative Civil Aeronautics Department and information on the administration of aircraft made available DNE. Also, along with the Civil Aeronautics, DNE works at regulating ultralight planes, for operations made with ultralight planes to be submitted to the same control as that of other aircraft. It also regulates air clubs and their landing fields, because they have stopped being used exclusively for aviation as a sport and have been discovered to provide services to the illegal industry.

The project includes adjustments to the characteristics of the aircraft (weight, flight autonomy, communication equipments, etc.); requirements for operation in special zones and landing on controlled runways; rules and procedures for construction and affiliation in the different regional offices around the country, etc.

Preventive Control

23 Resolutions of Abstention and 5 Resolutions for Unilateral Annulment of Certificates were issued; as well as 1,823 Narcotics Trafficking Lack of Reports Certificates.

2.3 Control of Chemical Substance Trafficking and Diversion

To obtain drugs from substances of a natural origin, chemical substances are used for the purpose of creating the conditions needed to facilitate the extraction and purification of the alkaloids, by means of acid base extraction reactions and precipitation processes. To purify the alkaloids extracted through oxidation and adsorption of impurities, other substances such as potassium permanganate and activated carbon, respectively, are used.

It is perfectly logical to establish a direct correlation between the substances seized and those used in the processes of extraction and refining, that is to say, the substances that are most frequently seized in the largest quantities are those most used by illegal drug producers[48].

Chart No. 26. Chemical Substances Seized 1999 – 2000

Controlled and Non-Controlled Solid and Liquid Input Seizures

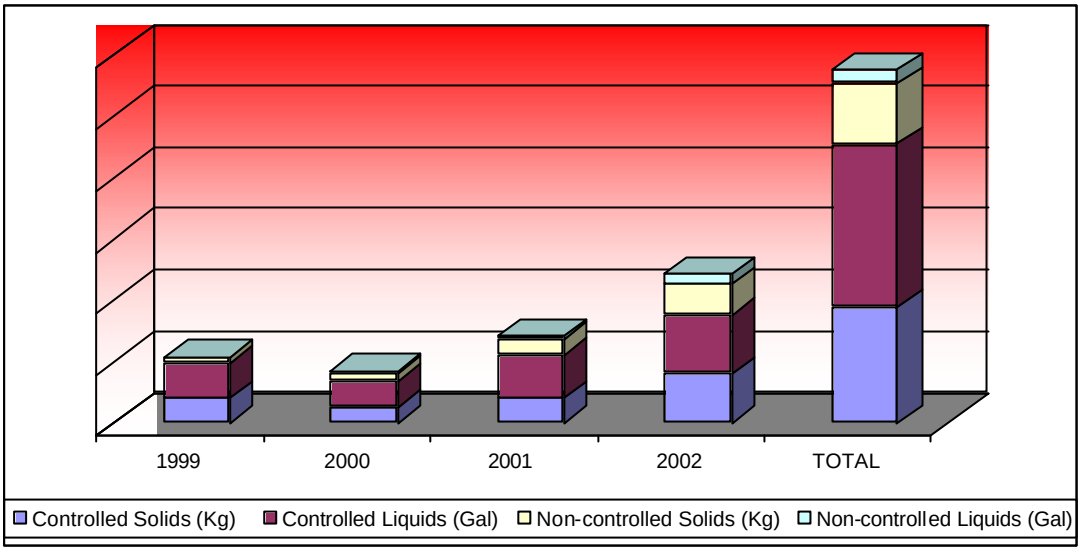
Substance	1999	2000	2001	2002	Total
Controlled Solids (Kg)	807.882,46	545.574,71	838.957,94	1.621.737,86	3.814.152,97
Non-Controlled Solids (Kg)	199.315,51	251.528,91	520.968,45	1.005.431,51	1.977.244,38
Total Solids	**1.007.197,97**	**797.103,62**	**1.359.926,39**	**2.627.169,37**	**5.791.397,35**
Non-Controlled Liquids (Gl)	12.334,50	49.923,99	83.113,24	328.417,20	473.788,93
Controlled Liquids (Gl)	1.141.693,51	849.062,30	1.376.873,14	1.900.957,76	5.268.586,71
Total Liquids	**1.154.028,01**	**898.986,29**	**1.459.986,38**	**2.229.374,96**	**5.742.375,64**

Source: SIDCO

The Drug Information System of Colombia (SIDCO is the Colombian acronym), under the administration of DNE reports that most of the seizures during the period included from 1999 to 2002 were made during 2002. As in the years before, chemical substances and solid finished products were the substances most seized. This indicator makes sense to the extent that the chemicals that are used in the greatest amounts, especially in the extraction processes, are alkaline products, among which, we highlight gray cement.

[48] It is probable that this correlation is not direct in the case of acetic anhydride.

Graph No. 31. Chemical Substances Seized from 1999 to 2002



So, we may deduce that there are no essential substances used in the illegal production process of narcotics of a natural origin[49], because, as it is not a synthesis process but an extraction process, the substances may easily be substituted for others that give the final results that the traffickers are seeking, no matter how efficient they are in the process.

Graph No. 32. Chemical Substances Seized by the Control Authorities

Chart No. 27 shows an exercise aimed at classifying the substances that have been seized in Colombia from 1999 and 2002. Above all, we may notice that the number of non-controlled substances is similar to the number of controlled substances, taking into account the products under control in the provincial departments and municipalities characterized by high levels of drug production. The only substance that does not report any seizures during these four years is di-acetone alcohol. However, it is necessary to clarify that not all of the chemical inputs seized are used directly in production processes, that is to say, in the extraction and refining of alkaloids. Some are used in the clandestine

[49]The only substance that can be considered essential in the production processes is acetic anhydride, indispensable for supplying the acetyl radical in the semi-synthesis of the di-acetyl-morphine (heroin).

manufacture of controlled substances, others in recycling processes or as farming chemicals for illicit crops.

Chart No. 27. Controlled Solid Chemical Substances Seized from 1999 to 2002					
Total Controlled Solid Input Seizures (in Kg.)					
Substance	**1999**	**2000**	**2001**	**2002**	**Total**
Sodium Carbonate	531.094,99	248.136,40	59.520,98	128.571,00	**967.323,37**
Gray Cement	142.818,05	197.645,50	502.856,51	1.053.371,50	**1.896.691,56**
Potassium Permanganate	71.284,42	61.798,31	50.186,45	79.558,80	**262.827,99**
Urea	62.685,00	37.994,50	226.394,00	360.236,56	**687.310,06**
Total	**807.882,46**	**545.574,71**	**838.957,94**	**1.621.737,86**	**3.814.152,98**

Source: DNE SIDCO

Chart No. 28. Controlled Liquid Chemical Substances Seized from 1999 to 2002					
Total Controlled Liquid Input Seized (in Gallons)					
Substance	**1999**	**2000**	**2001**	**2002**	**Total**
Butyl Acetate	6.270,04	124,00	3.458,00	3.146,00	**12.998,04**
Ethyl Acetate	25.818,40	20.120,40	6.152,85	4.051,69	**56.143,34**
Isopropyl Acetate	1.680,00	875,00	-	-	**2.555,00**
Acetone	440.283,80	236.214,00	408.626,34	486.620,97	**1.571.745,11**
Hydrochloric Acetate	38.257,22	16.460,63	33.522,75	37.159,71	**125.400,31**
Sulfuric Acid	80.246,31	52.946,92	63.910,90	75.325,72	**272.429,85**
Diesel	8.476,00	85.931,32	91.535,00	250.484,30	**436.426,62**
Isopropyl Alcohol	15.688,06	1.833,00	4.335,00	5.107,00	**26.963,06**
Ammonia	34.637,70	40.734,41	27.083,84	113.998,57	**216.454,52**
Acetic Anhydride	2.625,62	75,12	2.868,00	276,00	**5.844,74**
Butanol	212,05	2.363,20	10,00	3,30	**2.588,55**
Chloroform	122,80	385,00	0,26	72,00	**580,06**
Solvent No. 1	53.791,98	30.778,80	115.143,00	74.219,50	**273.933,28**
Solvent No. 2	1.718,55	1.009,00	1.485,00	3.155,00	**7.367,55**
Ethyl Ether	54.421,17	17.887,50	14.264,00	29.088,00	**115.660,67**
Gasoline	164.250,00	273.416,00	532.008,00	690.309,00	**1.659.983,00**
Hexane	9.501,57	1.188,00	-	4.489,00	**15.178,57**
Kerosene	33.637,00	24.004,00	42.224,00	55.590,00	**155.455,00**
Methyl Ethyl Ketone MEK	23.355,95	18.285,00	2.820,00	10.920,00	**55.380,95**
Methanol	71.077,11	3.727,00	782,20	928,00	**76.514,31**
Methyl isobutyl Ketone MIBK	14.780,24	-	-	551,00	**15.331,24**
Thinner	59.882,94	20.649,00	26.639,00	53.754,00	**160.924,94**
Toluene	959,00	55,00	5,00	1.709,00	**2.728,00**
Total	**1.141.693,51**	**849.062,30**	**1.376.873,14**	**1.900.95,76**	**5.268.586,70**

Source: DNE SIDCO

Most of the solid substances are used directly for extraction and refining, processes in which hydroxides, oxides and basic salts or basic salt compound finished products (lime and cement) are the most common. Another group of substances that attract our attention

are those used for recycling, specially organic solvents and substances used as precursors for the controlled substances[50].

During the period under study, we observe that the quantity of unidentified chemicals substances is increasing considerably. Unidentified solids rose from 60,000 kilos in 2001 to 294,000 kilos in 2002. A similar phenomenon occurs with liquid chemical substances that rose from 80,000 gallons in 2001 to 312,000 gallons in 2002. If we compare these figures to those of previous years, the differences are even greater. These results are a warning signal for the control authorities who carry out operations, because they prove the need to have a classification for such drugs before they are seized, or, if that is not possible, they prove the importance of giving feedback on the information from the forensic labs that determine the nature of the seized drugs.

Chart No. 29. Controlled Chemical Substances in Solution Seized from 1999 to 2002

Total Seized Controlled Solid Inputs in Solution (in Gallons)					
Substance	**1999**	**2000**	**2001**	**2002**	**Total**
Potassium Permanganate*	250	40	10	4,422	**4.497**
Urea in Solution				220	**220**
Total	**25**	**40**	**10**	**4,642**	**4.717**

Source: DNE SIDCO
* in Solution

There were near 60 different substances seized, out of which 23 are controlled throughout the country, and 5 in the provincial departments and municipalities known for their high drug production.

2.3.1 Controlled Chemical Substances Seizures

Inorganic Acids

Among the acid substances used, the inorganic ones continue to be inorganic acids, hydrochloride acid and sulfuric acid. Inorganic acids are always used to make cocaine sulfate (coca paste) whereas hydrochloride acid is necessary to contribute the chloride ion, indispensable for making the end product, cocaine hydrochloride. Hydrochloride acid seizures have remained practically stable, but those of sulfuric acid have shown a slight increase. However, we must take into account that to make the hydrochloride, apparently, hydrogen chloride is being used, a gas produced by the reaction of sulfuric acid with sodium chloride. This fact could explain the increase in the seizures of this last-mentioned salt.

Acetic Anhydride

During 2002, the seizures of acetic anhydride in Colombia decreased by nearly 90%. This may be a consequence of the effectiveness of Operation "*Topaz*", which made the domestic legal needs for this substance known and, in that fashion, adjust the importation

[50] From a purely chemical perspective, a precursor is a substance that completely or partially loans or donates its molecule to the end product.

and distribution of the substance to the users with National Narcotics Traffic Lack of Reports Certificates, thus avoiding the diversion of this product from the legal industry to the illegal one.

However, we must highlight that acetic anhydride is practically the only chemical substance that does not have an efficient substitute used in acetylating morphine to obtain di-acetamorphine (heroin). That is why, it is important to reinforce controls on all levels, to avoid traffickers' access to this substance.

Solvents

In solvents, we include some substances, such as some alcohols and fuels that from a chemical point of view should not be included in this group. We do so because they are used in the process of extracting and refining alkaloids are used for that purpose. This document has used a classification system that is more practical than technical in preparing the whole of the statistics and their analysis. In addition, the same classification may be used for storage and final disposal, except in a case of incompatibility.

From 1999 to 2002, 23 different solvents have been seized, of which four are non-controlled substances. When we compare the figures, it is clear that the volumes of non-controlled solvents, except for petroleum ether, are negligent as compared to the controlled solvents. This fact indicates that the 19 controlled solvents (including fuels) offer enough supply for the illegal drug producers. That is why, we must strengthen the control mechanisms over these substances, both in interdiction and administration control processes.

Among the acetates, butyl acetate and ethyl acetate had similar figures in 2001 and 2002, where as isopropyl acetate was not reported in 2002; at any rate, ethyl acetate recorded the highest seizure figures from 1999 to 2002.

In the group of controlled ketones, acetone is still the most used in illegal processes. During the 1999 - 2002 period, the highest seizure figures were those of 2002, whereas the seizure figures for methyl ethyl ketone (MEK) and methyl isobutyl ketone (MIBK) as compared to acetone, are quite low. Only 551 gallons of MIBK were seized from 2000 to 2002, whereas there were no seizures of di-acetone alcohol from 1999 to 2002.

Upon analyzing the seizures of controlled or non-controlled alcohols, we observe that their use has dropped during the years covered by the study. This situation ratifies that in Colombia alcohol is not used in the extraction process. The alcohols most seized are methyl alcohol, isopropyl alcohol and isobutyl alcohol. However, it appears that methyl alcohol is not being used as much because in 1999 more than 71.000 gallons were seized, whereas from 2000 to 2002 seizures dropped to 5.383 gallons. In 2003, only 928 gallons have been seized so far.

In Colombia almost all coca base producers use fuels, especially gasoline, kerosene and ACPM, for the initial alkaloid extraction process. From 1999 to 2002, the seizures of these products increased considerably, especially in the cocaine production zones, reaching a volume of over 2,2 million gallons. These results are a consequence of the increase in the controls over these fuels, through regulations and the effective action of the authorities in the illicit crop zones. At any rate, gasoline continues being the most used fuel for alkaloid extraction followed by ACPM and kerosene.

Colombia is the only country in the world that exercises control over the distribution, transportation and merchandising of fuels and gray cement, basic necessity products. It has enormous costs generated from improving logistics, legal, and personnel mechanisms.

With the exception of acetic anhydride, this analysis established that there is a direct relation between the substances seized and those used. In this sense, Aliphatic Solvent No. 1 is used more frequently than Aliphatic Solvent No. 2, because the latter only represents 2,7% of the seizures of these two products. It is probable that the preference in use is due to the efficiency of the process directly linked to the boiling points of the mentioned substances.

Potassium Permanganate and Other Oxidizing Substances

Potassium permanganate is still the preferred substance in the oxidation process of organic matter due to its indicator characteristic, which we do not see in other oxidizers that can be used for this process. During 2002, more amounts of this salt were seized than in the immediately previous years, representing 37% more volume seized than in 2001. Since the implementation of the World Plan for Potassium Permanganate Control, controls over this substance have been reinforced, not only in countries that experience the problem of production of alkaloids of a natural origin but also in most of the countries that industrially produce this substance.

When we make a balance of Operation “Purpura” in Colombia and, consequently, of the development of the National Action Plan for Potassium Permanganate Control, Colombia shows the best seizure results worldwide, thanks to the interdiction and administration controls made during technical visits to users authorized to do operations with that substance.

Likewise, since the implementation of Operation “Purpura”, we have reinforced the measures aimed at decreasing technical and open contraband, by specialized tasks with customs agents and timely response to the prior notifications regarding the exportation of this substance by producer countries to Colombia.

The efficiency of the State agencies in applying controls over potassium permanganate originated a scarcity of this product that is used in the oxidation process of the organic substances that accompany the process of extraction of alkaloids in cocaine. Due to this difficulty, groups specialized in obtaining chemical substances for illegal drug production implemented in Colombia a rustic process for producing this substance in clandestine labs. Although this process is not used in the large legal labs that produce potassium permanganate (because of its low profitability), apparently it has given good results to illegal chemical substance providers.

In 2000, the first potassium permanganate clandestine lab was dismantled. To date, the Drug Information System of Colombia (SIDCO) has reported the dismantling of 26 clandestine labs of which 13 are found in the rural zones of Antioquia, surely due to the presence of potassium manganate mines and to the formation of groups specialized in trafficking that substance. The other 13 labs were found in different provincial departments, most in rural areas; only two labs were found in urban areas. Practically all of

the dismantled labs employed the same methodology to produce the substance using potassium manganate as a precursor.

Chart No. 30. Dismantled Potassium Permanganate Labs

Year	Laboratories	Prov. Department
2000	4	Antioquia
	1	Magdalena
	1	Bogotá
2001	4	Antioquia
	1	Guaviare
	1	Bogotá
	1	Magdalena
	2	Nariño
	1	Santander
2002	5	Antioquia
	2	Meta
	1	Nariño
	1	Valle
Total	25	

Graph No. 33. Clandestine Potassium Permanganate Laboratories

Considerable amounts of potassium permanganate have been seized from these clandestine labs, both in a solid state (already finished product) and in solution (product in process). Of the total seized solid substance from 1999 to 2002, 5% corresponds to seizures in illegal production zones. On many occasions, potassium permanganate in solution has been seized, both in clandestine refining labs and in labs that are devoted to producing the permanganate itself.

In the potassium permanganate labs, other substances that are used as precursors for the potassium permanganate have been seized, such as potassium manganate. From 1999 to 2002 potassium manganate has shown very concerning indicators; another substance is sodium hypochlorite solution that is used for processing the preparation of potassium permanganate.

Chart No. 31. Solid Chemical Substances Seized in Potassium Permanganate Clandestine Laboratories

Solid Substances Seized	Quantity (kg)
Potassium Permanganate	11.942
Potassium Manganate	13.535
Urea	9.750
Sodium Hydroxide	100
Potassium Chloride	900
Gray Cement	500
Activated Carbon	1.090
Total	**37.817**

Source: DNE SIDCO

Liquid Substances Seized	Quantity (Gallons)l
Sodium Hypochlorite	1.344
Potassium Permanganate (Solution)	16.403
Ammonia	1.200
Acetone	550
Diesel	200
Total	**19.697**

Source DNE/ SIDCO

Gray Cement and Other Alkalinizing Substances

During the 1999-2002 period, there were most seizures of gray cement in 2002. That fact may suggest:

1. The displacement of illegal crops to zones that facilitate the entry of cement through contraband from neighboring countries, in particular in the border provincial departments of Putumayo, Norte de Santander, Nariño and Arauca
2. an increase in the amount of cement seizures, due to the greater activity of the Armed Forces, through regulatory provisions that control cement, urea, gasoline, kerosene and ACPM in special zones
3. A decrease in the use of alkalinizing substances, such as sodium carbonate and sodium bicarbonate in favor of gray cement, given the fact that gray cement is easier to obtain, does not cost much, and is difficult to control.

Upon comparing of alkaline substance seizures, we verified that cement contributed to 51% of the total, considering both controlled and non-controlled alkaline substances. In accordance with the premises of our study regarding the above-mentioned direct relation between seizures and use, we may assume that the same percentage of producers use this substance. The provincial departments that show the largest cement seizures are those that also have the largest areas of coca crops.

Based on the seizures reported by the authorities to SIDCO, in the provincial department of Putumayo cement is almost exclusively used in the first phase of alkaloid extraction (almost 88% of the coca base producers use it). Calcium oxide, a non-controlled substance, is used by less than 7% of the coca base producers. Also, we observed that in 2001 and 2002, seizures quintupled those of the immediately previous two years.

Cement enters the cocaine production zones through open contraband and diversion of legal trade. In the border provincial departments, the entry of the cement from neighboring countries is facilitated by the existence of a large number of streams, rivers, and penetration roads.

Due to the above, it is important to take the following aspects related to cement and other alkalinizing substances into account:

- Cement seizures correspond to 51% of the total seizures of solid alkaline substances.
- It is important to reinforce the controls over non-controlled substances, as the percentage of seizures are considerably high, if we take into account that they are not controlled by the competent authority.
- We must implement mechanisms to restrict the presence of industrial chemical substances (controlled or non-controlled) in the provincial departments where their presence is not justified, where there are no legal industries to transform them.
- The controls made by the authorities, especially by the National Tax and Customs Agency (DIAN is the Colombian acronym), must be reinforced in the border provincial departments, because the analysis of the figures indicates that a considerable percentage of cement enters through open contraband.
- The human resource assigned to the control institution is deficient both in the number of officers and in the clarity that they have on how to apply existing regulations.
- We must develop training on technical and legal mechanisms to control chemical substances.

2.3.2 Seizure of Non-Controlled Chemical Substances

During 2002, 26 different solid chemical substances were seized, which, generally speaking, can be classified based on their function in the processes of extraction and purification of alkaloids. The groups are alkalinizing substances, oxidizing substances, and those needed for recycling processes, especially solvents.

There are other solid substances frequently found in clandestine labs, especially when the labs are near production zones, which are used on the crops because they supply nitrogen, such as urea, ammonia sulfate and ammonia nitrate, among others.

Most of the solid substances seized from 1999 to 2002 (87%) substitute those controlled by the National Anti-narcotics Council. That may be the result of the increase in DNE administrative controls and of the interdiction operations carried out by the Military Forces and by the National Police.

Chart No. 32. Non-controlled Liquid Chemical Substances Seized from 1999 to 2002

Total Non-controlled Liquid Inputs Seized (in Gallons)					
Substance	**1999**	**2000**	**2001**	**2002**	**Total**
Acetic Acid	3	3,59	55	56,13	**61,59**
Nitric Acid	15,50	1,59	0,26	1.400,29	**1.417,64**
Isobutyl Alcohol	45	-	0,79	300	**345,79**
Benzene	1	1,50	-	-	**2,50**
Ammonia Chloride *	-	-	0,53	-	**0,53**
Calcium Chloride *	-	-	-	2	**2,00**
Methyl Chlor	110	1	12	1.105	**1.228,00**
Potassium Chloride *	-	-	-	480	**480,00**
Ethanol	-	-	601,93	5	**606,93**
Petroleum Ether	-	-	-	9.400	**9.400,00**
Potassium Hydroxide *	110	-	-	-	**110,00**
Sodium Hypochlorite *	20	574,32	2.731,82	2.832	**6.158,84**
Potassium Nitrate *				110	**110,00**
Hydrogen Peroxide				50	**50,00**
Sodium Carbonate *				45	**45,00**
Unclassified Chemical Inputs (Liquids)	12.030	49.342	79.710,90	312.687,21	**453.770,11**
Yearly Total	**12.334,50**	**49.923,99**	**83.113,24**	**328.417,20**	**473.788,93**

*Solid Substances in Solution
Source: DNE SIDCO

Seizures of non-controlled chemical substances are a warning for control authorities. They must analyze these figures not only for the percentage that they represent, but also taking into account that these substances, as they are not controlled, are seized in the act of transporting controlled substances or in clandestine labs. That is to say, these substances go right past the controls when they are transported alone or with other non-controlled substances. This analysis implies that the correlation between the seizure indexes for

these substances and the possible frequency of their use is very much below the real level.

Chart No 33. Non-controlled Solid Chemical Substances Seized from 1999 to 2002					
Total Non-controlled Solid Chemical Substances Seized (in Kilograms)					
Substance	**1999**	**2000**	**2001**	**2002**	**Total**
Sulfur	2	68,10	-	560	**126,10**
Boric Acid				0,50	**0,50**
Sodium Bicarbonate	52	4.826,73	8.538	9.938.92	**23.355,65**
Lime	24.806,50	49.783	155.506,50	220.259	**450.355,00**
Calcium Anhydride	100	750	198	-	**1.048,00**
Activated Carbon	36.680,90	49.323,10	84.141,15	93.057	**263.202,15**
Calcium Carbonate	500	150	255	1.570	**2.475,00**
Potassium Carbonate	252	804	30		**1.086,00**
White Cement	-	-	-	18.700	**18.700,00**
Ammonium Chloride	480	7	450	350	**1.28700**
Calcium Chloride	7.371	33.072,89	56.985	146.039,82	**243.468,71**
Potassium Chloride	2.290	4.766	1.456	34.750	**43.262,00**
Sodium Chloride	28.154	17.046	31.594	35.161,30	**111.955,30**
Potassium Dichromate	-	-	20		**20,00**
Calcium Hydroxide	-	-	-	300	**300,00**
Potassium Hydroxide	375	1.425	-	4.700	**6.500,00**
Calcium Hypochlorite				2	**2,00**
Sodium Hyp ochlorite	-	16	4.208	1.720	**5.944,00**
Unclassified Solid Chemical Inputs	18.719	8.421,50	58.199,60	293.820,76	**379.160,86**
Potassium Manganate	-	11.000	1.455	1.080	**13.535,00**
Ammonia Nitrate	-	-	2.390	9.350	**11.740,00**
Potassium Nitrate	2	-	2.150	2.390	**4.542,00**
Sodium Carbonate	73.776,11	69.099,60	111.540,20	122.619,21	**377.035,12**
Ammonia Sulfate	-	-	-	900	**900,00**
Sodium Sulfate	5.755	970	1.852	8.667	**17.244,00**
Yearly total	**199.315,51**	**251.528,91**	**520.968,45**	**1.005.431,51**	**1.977.244,38**

Source: DNE SIDCO

Non-controlled Alkaline Substances

Most of the non-controlled solid substances that the authorities have seized correspond to alkaline compounds, especially those frequently used in alkaloid initial extraction processes, possibly due to the supply on the market either as finished products (cement, lime, fertilizers) or as pure substances (carbonates, bicarbonates, hydroxides).

It is worth highlighting the seizures of calcium oxide that is merchandised as lime - a frequently used finished product -, sodium hydroxide and sodium bicarbonate, substances that represent 97% of all of non-controlled alkaline compounds, followed by minimal percentages of other substances. However, upon comparing the seizures of controlled alkalines to those of non-controlled alkalines, we can see that the former contribute the largest indicators.

Chart No. 34. Solid Alkaline Substances Seized from 1999 to 2002		
Substance	**Quantity in Kg.**	**%**
Cement	1,896,691	50,1
Sodium Carbonate	967,323.37	25,8
Non-controlled Alkalines	871,229.79	23,3

Source: DNE SIDCO

We can deduce from these figures that illegal drug producers will hardly suffer the scarcity of these substances as many of them are essential products, especially in zones that are clearly in the process of development.

Chart No. 35 Non-controlled Alkaline Substances Seized from 1999 to 2002		
Substance	**Quantity Seized (in Kg.)**	**%**
Lime (Calcium Oxide)	451.053	51.78
Sodium Hydroxide	374.560,14	43.00
Sodium Bicarbonate	23.355.65	2.68
White Cement	18.700	2.15
Calcium Carbonate	2.175	0.25
Potassium Carbonate	1.086	0.12
Calcium Hydroxide	300	0.03
Total	**871.229,79**	**100**

Source: DNE SIDCO

No alkalinizing substance was seized among the non-controlled liquid substances; however, on some occasions, especially in the labs, solid substances in solution and some hydroxides were found.

✍✍ Substances Used for Recycling and Production of Other Substances

An analysis made in 2001 stating that potassium chloride and sodium chloride are used in the direct production of the chloride ion that is needed for the formation of the alkaloid salt in the end process seems to be more and more well-founded. This situation is based on a huge increase in seizures of these substances in the refining labs, from near 33.000 kilos seized in 2001 to near 70.000 kilos seized in 2002.

So as probable as it is that sodium chloride and potassium chloride are being used in the direct production of hydrogen chloride, it is just as likely that calcium chloride and sodium sulfate are being used in the dehydration of solvents. In 2002 sodium sulfate seizures were equal to those in the three previous years. That may well indicate more organic

solvent recycling. At any rate, we should pay a lot of attention to these substances considering their presence in refining labs.

Ammonia chloride recorded stable seizure levels from 1999 to 2002, except for a drop in 2000; at any rate, we do not expect voluminous seizures of this substance or of the others used in extracting morphine and in the semi-synthesis of heroin because they are used in small quantities, if we compare the heroin production processes and productivity to those of cocaine.

Since the start-up of Operation "Púrpura" that resulted in a low availability of potassium permanganate, unknown substances have begun to appear in the panorama of controlled chemical inputs.

In order to supply needs for potassium permanganate, traffickers began processes to produce it clandestinely; at that moment, sodium hypochlorite solution and potassium manganate began to be reported among the substances seized. At any rate, it is strange that the authorities have not reported any seizures of manganese dioxide because there is information that that substance is also being used in this process or to camouflage the technical contraband of potassium permanganate.

Ammonia Nitrate and Other Nitrogen Salts

Taking into account that the nitric ion (NO_3) is efficient in the measure that plants assimilate it directly, in the illicit crop zones it is frequent to find substances, such as potassium nitrate and ammonia sulfate used in the crops as a nitrogen supply to generate more biomass production.

As to ammonia nitrate, this substance is frequently used for homemade explosives, especially ANFO[51]; from 1999 to 2002 11.740 kilos were seized. That is why, the National Government issued February 28, 2002 Presidential Decree No. 334, through which restrictions for its importation, production, distribution, and use were set forth. That regulation makes a classification of ammonia nitrate based on the concentration of nitrogen - an element that gives the mixture its explosive power – and determines provisions for its control in the national territory.

Therefore, the authorities must strengthen controls over this substance, especially in the border zones because it must not enter the national territory in any fashion, as we expect it will not be used for agronomic purposes - in licit or illicit crops -, but most assuredly in manufacturing explosive mixtures to perpetrate terrorist attacks.

One of the most important points in the regulations to control ammonia nitrate sets forth that importers, manufacturers and distributors must be registered as such with the Colombian Farming and Livestock Institute (ICA is the Colombian acronym) and inscribed in the Military Forces General Command Weapons, Ammunition, and Explosives Trade Control Department and they must keep a record of sales to users. In addition, stores that are not registered cannot have an ammonia nitrate stock and, if they do, they must immediately inform the Brigade in the jurisdiction, for it to decide what to do.

[51] ANFO is the abbreviation for ammonia nitrate and fuel oil.

Chart No. 36 Ammonia Nitrate Regulation		
Category	**Nitrogen Concentration**	**Disposition**
I	With more than or equal to 28%	Restricted to importation Distribution and sale prohibited
II	Liquids with less than or equal to 28% Solids with less than or equal to 26%	Production and importation for the production of compound fertilizers Production and importation for use in technologically-improved crops, upon ICA authorization. Strict control over merchandising and consumption must be ensured.
III	Compound fertilizers with a maximum content of 21% (NH_4NO_3 weight/volume proportion)	Of free use with distribution, merchandising and controlled sale

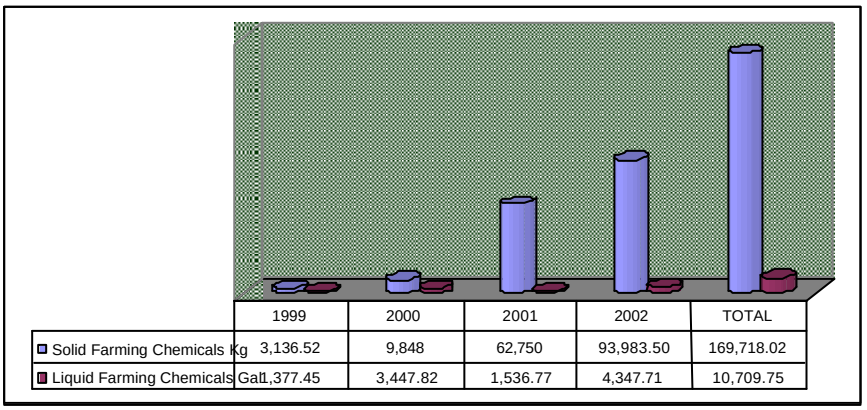
2.4 Farming Chemical Substances Seized in Illicit Crops and in Narcotics Production Labs

The soils where illicit crops are located, especially coca crops, are characterized by being agronomically poor with high concentrations of aluminum and iron, factors that determine high indexes of acidity leading to low crop productivity.

That is due, among other factors, to the introduction of enhanced varieties, to better cultivation techniques (planting density, distance between the ditches and rows, etc.) and in particular to enormous amounts of farming chemicals in all of the cultivation phases, even in soil preparation and plant pre-emergence. Generally speaking, all of these activities are aimed at increasing the biomass production.

During the period of time that this study covers, the authorities have seized near 35 fully identified farming chemical substances, a considerable number of unidentified ones, in many cases, because they were found in recipients other than the original ones to camouflage them or because they are homemade mixtures of several substances. However, field studies show that coca producers frequently use more than 75 farming chemicals.

Graph No. 34. Farming Chemical Substances Seized from 1999 to 2002



	1999	2000	2001	2002	TOTAL
Solid Farming Chemicals Kg	3,136.52	9,848	62,750	93,983.50	169,718.02
Liquid Farming Chemicals Gal	1,377.45	3,447.82	1,536.77	4,347.71	10,709.75

Keeping in mind that farming chemicals are basic necessity substances in Colombian farming and that, in general, using them does not require a special permit or a certificate[52], the seizure figures are quite concerning and indicate that illicit crop producers are seeking high productivity. In this sense, we must mention that practically all seizures are directly made in the illicit crops, in "warehouses" nearby where the substances are stored or in the production labs.

The greatest volume of farming chemical seizures corresponds to solid substances, especially fertilizers, whereas liquid substances are mostly pesticides (herbicides, insecticides, fungicides, etc.). The largest farming chemical seizures have occurred in recent years, particularly in 2002 when they represented 55.4% of all of the solid substance seizures and 40.6% of the liquid ones for the period under study, as compared to 1999 when they did not reach 2% for the solid ones and 12% for the liquid ones. Most seizures can be correlated to the increase of farming chemical use, which, at the same time, is proportionate to the increase in the number of harvests and, consequently, to the productivity.

As is logical, the largest seizures are in the provincial departments with the greatest densities of illicit coca crops. At any rate, it is concerning that in 21 out of the 32 provincial departments this kind of substance has been seized.

Chart No. 37. Farm Chemicals Seized by Provincial Department

Department	1999		2000		2001		2002	
	Solids In Kg	Liquids In Gal	Solids In Kg	Liquids In Gal	Solids In Kg	Liquids In Gal	Solids In Kg	Liquids In Gal
Amazonas	99,54	5,79	319	4,0	1.408	210	-	-
Antioquia	4	8,0	1.950	-	320	-	31.206	1,0
Arauca	-	-	-	-	472	465	2.000	935
Bolívar	-	-	-	2,0	3.650	-	1.250	-
Boyacá	-	-	-	15	-	-	-	-
Caquetá	57	-	36,5	37	6.244	70,67	400	5
Casanare	-	-	-	-	-	-	150	24
Cauca	-	-	-	-	-	-	2	-
Cesar	-	-	-	-	100	-	-	-
Córdoba	-	-	-	3	-	-	25	10
Cundinamarca	-	-	-	-	-	-	440	-
Guainía	-	-	-	-	-	-	96	150
Guaviare	-	-	-	-	1.620	248,31	6.340	-
Huila	-	-	-	-			100	-
Meta	-	-	-	-	701,8	35	4.950	55
Nariño	-	-	-	-	253	3,11	27.647,5	3.050,26
Norte de Santander	-	-	-	-	13.412		14.850	30
Putumayo	-	1.363,66	7.542,5	3.378,9	13.456	449,68	2.548	87,44
Santander	-	-	-	7	250	10	-	-
Valle	-	-	-	1	-	-	-	-
Vichada	-	-	-	-	20.864	45	1.979	-
Total	**160,54**	**1.377,45**	**9.848**	**3.447,9**	**62.750,8**	**1.36,77**	**93.983,5**	**4.347,7**

Source: SIDCO

[52] With the exception of ammonia nitrate, a substance that was evaluated in this report.

Among the herbicides most used by the producers, we mention Glyphosate in all of its presentations and Gramoxone (Paraquat); other pesticides frequently used are prohibited in the country, which suggests that they are introduced by contraband. The most used fertilizer is Triple 15 (N:15-P:15-K:15). At this point we have not taken into account urea that was analyzed among the controlled chemical substances.

Chart No. 38. Liquid and Solid Farm Chemicals Seized

Substance	Amount Seized (in kg)	Amount Seized (in Gl)
Unidentified Fertilizers	112.129,5	-
Unidentified Farming Chemicals	30	5.027
Anikil	240	0,53
Batalla	-	3,17
Benlate	2.470	-
Crecifol	16	-
Curación	643	3,17
Desarrollo	-	-
Faena	-	40
Fertilizantes sin identificar	5.744	130
Foliar	636	45
Funadan	-	4
Furadan	-	524,26
Glyphostae	-	256,56
Gramafin		4,8
Gramoxone	301,42	1.495,58
Unidentified Herbicides	2.054	2.386
Karmex	105,5	5
Malathion	15	-
Methavin	5	-
Manzate	1.565,5	-
Monitor	-	3,95
Nadir	-	121,06
Nutricosecha	4	-
Nutrifolia	-	32
Nutrimon	30	-
Nutrimin	27	-
Copper Chloroxide	2.432	-
Panzer	6,34	6,34
Parathion		4.5
Poliquel Multi	-	3,17
Sevin	65	-
Socar	-	6,34
Tamarón	182	36,05
Thiodan	-	4,11
Thordon	-	15
Todo en uno	25	-
Triple 15	5.401	55
Waxal	1	150

Source: SIDCO

2.5 Importation of Controlled Chemical Substances

As in previous years, the country with the greatest volume and diversity of controlled chemical substances exports to Colombia is the United States with approximately 55% of the total chemical substances that legally entered Colombia during the January - November 2002 period. Trinidad and Tobago contributes near 18% of the volume of imports, but unlike the USA that supplies Colombia with almost all of its controlled substances, this island only sends one substance to Colombia: ammonia. Bulgaria and Rumania do much the same; Colombia imports considerable volumes of sodium carbonate from these countries.

We import ammonia and toluene from Venezuela for our domestic industry, whereas most of the substances imported from Germany are analytic-type reactives. The other countries contribute minimum percentages of substances; however, some have representative amounts. Such is the case of Mexico that provides 99% of the acetic anhydride that enters Colombia and China has a similar percentage for its supply of potassium permanganate in the last year.

Chart No. 39. Chemical Substance Importations by Country

Exporter Country	Quantity (in Kg.)	Percentage
USA	102.199.915,23	54,57
Trinidad and Tobago	32.836.321,00	17,53
Bulgaria	22.414.151,00	11,97
Venezuela	10.708.340,10	5,72
Rumania	10.560.000,00	5,64
Germany	6.029.279,48	3,22
Mexico	766.692,53	0,41
Turkey	605.000,00	0,32
Netherlands (Holland)	589.563,00	0,31
France	300.000,00	0,16
Republic of South Africa	100.000,00	0,05
Argentina	99.990,00	0,05
Brazil	55.103,30	0,03
China	20.000,00	0,01
United Kingdom	5.772,14	0,00
Canada	1.796,31	0,00
Undeclared	312,18	0,00
Chile	100,8	0,00
Poland	75,6	0,00
Italy	20,7	0,00
Switzerland	9	0,00
Republic of Korea (South)	4	0,00
Total	**187.292.446,37**	**100,00**

Source DIAN. Consolidated SIDCO

When we analyze the imports by substance, we can see that the greatest percentage corresponds to sodium carbonate that contributes approximately 65% of the total controlled chemical substances that legally enter our territory. It is particularly used in manufacturing glass. The number two substance in volume is ammonia, followed by solvents, substances that have many applications in our domestic industry.

Chart No. 40. Importation by Volume of Substances

Substance	Quantity (in Kg.)	Percentage
Sodium Carbonate	122.010.359,94	64,98
Ammonia	49.129.224,65	26,17
Ethyl Acetate	5.674.579,30	3,02
Methyl Ethyl Ketone – 2	3.499.362,18	1,86
Isopropyl Alcohol	3.405.371,83	1,81
Butanol	1.447.252,52	0,77
Acetic Anhydride	736.263,64	0,39
Toluene	614.858,58	0,33
Ammonia Chloride	467.666,90	0,25
Thinner	282.284,41	0,15
Acetone	238.554,24	0,13
Methyl Isobutyl Ketone	74.737,20	0,04
Hexane	45.304,75	0,02
Methanol	38.916,37	0,02
Sulfuric Acid	23.468,05	0,01
Hydrochloride Acid	20.830,04	0,01
Potassium Permanganate	20.106,14	0,01
Butyl Acetate	17.026,11	0,01
Chloroform	12.260,08	0,01
Ethyl Ether	1.686,34	0,00
General Total	**187.760.113,27**	**100,00**

Source DIAN. Consolidated SIDCO

2.6 Sale of Chemical Substances Seized

For the purpose of seeking mechanisms to enable minimizing the impact that the chemical substances seized may generate, through DNE substance transformation processes were designed, which, in the case of sulfuric acid, gave very positive results, especially in water treatment for aqueducts. Another of the actions carried out to diminish the stocks of substances consists of selling them directly to user companies who have a Narcotics Trafficking Lack of Reports Certificate, basically to those who are consumers.

Along the above lines, during 2001 and 2002, DNE was able to make available to the legal domestic industry, to users with the Narcotics Trafficking Lack of Reports Certificate, near 74.288 kg. and 18.289.5 gal. of substances, among which we highlight potassium permanganate. The sale of these substances generated approximately COP 634 million.

2.7 Administrative Control of Chemical Substances

Special Operations

DNE participated in Operation "Andes" coordinated by the INTERPOL General Secretariat Drugs for the Americas Subdivision and the Police Forces and Customs Agencies of Argentina, Bolivia, Chile, and Peru. The purpose of this operation was to control the contraband of precursors in South America, especially methyl isobutyl ketone (MIBK), methyl ethyl ketone (MEK), and potassium permanganate.

Operation "Andes" was devoted to:

- Detecting false customs declarations on chemical products, preventing attempts to divert MEK, MIBK, and potassium permanganate and verifying the legality of their end use
- Gathering police information and general data to test and develop risk evaluation methods and country profiles, in addition to improving communications and the exchange of police information among the participating States
- Intensifying the cooperation among the various customs agencies and the police to fight drug precursor contraband.

By virtue of this operation, DNE committed itself to supplying to the DAS INTERPOL Colombia Office the information on companies authorized to import such substances and to participating, in coordination with DIRAN, in carrying out inspection visits.

In this manner, representative companies were visited, based on those selected upon agreement with the DNE Chemical Precursor Control Group. The results of these administrative control activities were that the companies visited during Operation "Andes" that use these substances are complying with the legal parameters in force for their importation. Also, by studying the users, DNE was able to determine the real use given to the substances that were the subject of this operation.

At present, we are studying actions to follow, based on the results obtained.

Preventive Control

In 2002 DNE made seventy-six (76) visits to companies that handle controlled chemical substances or that requested for the first time to be issued the Narcotics Trafficking Lack of Reports Certificate. These visits are for the purpose of verifying the infrastructure and the adequacy of the installations, of evaluating industrial safety measures, the use of appropriate equipment, and the consumption of the substances, among other control activities.

Pursuant to legal provisions in force, during 2002, DNE granted 946 Narcotics Trafficking Lack of Reports Certificate for the handling of chemical substances. Also, through technical, administrative and documental analyses, serious administration faults were detected in 37 companies, which originated the issuance of 14 Resolutions of Abstinence and 23 Resolutions of Unilateral Annulment of the Certificate.

✍✍ Prior Notification of the Importation of Controlled Chemical Substances

Within the framework of the commitments acquired internationally, the DNE Narcotics Assessment Office answered fifty-five (55) prior notifications of the importation of controlled chemical substances to Colombia.

Chart No. 41. Notifications Received and Answered in 2002	
Country of Origin	**Notifications**
Holland	6
Germany	16
Belgium	7
United States	19
Spain	5
Argentina	1
Panama	1
Total	**55**

✍✍ Intelligence Information

In addition to the reports that FGN, the National Police, and DAS send to DNE, as of September 2002, for the issuance of the Narcotics Trafficking Lack of Reports Certificate, DNE requires information from the intelligence centers of the National Navy, the National Army, and the Colombian Air Force, in order to have specialized information on each one of the areas and to have more effective, real control.

2.8 Synthetic Drug Trafficking in Colombia

It is not surprising that Colombia is not immune to the international trafficking of synthetics, a phenomenon that began with endemic characteristics and little by little has grown to its now pandemic connotations. Thus, at the end of the 90's a growing trend to traffic synthetic drugs from industrialized countries appeared and, with it, the consumption of synthetic drugs, mainly among the young.



The problem of drugs, whether they be of a natural or synthetic origin is their great mobility and capacity for transformation. Thus, in a very short period of time, the phenomenon goes from a local environment to a regional one, and then it becomes universal. Therefore, State agencies concerned with the increase in synthetic drug seizures in most of the provincial department capitals in Colombia have been working in different fields, especially

in the total prevention of the problem. On one hand, they are developing consumption prevention actions and, on the other, they are carrying out training processes with the authorities in charge of controlling supply and with the law enforcement authorities, teaching them how to characterize these drugs, identify them, and interpret the legislation to see how it covers them, among other issues.

Prosecutors and judges have expressed how difficult it is for them to apply the law in crimes related to the distribution of this type of substances, given the fact that when the National Anti-narcotics Statute was promulgated, there were no synthetic drugs in Colombia. The lack of an explicit mention of this type of substances confuses those in charge of applying said law.

Just as administrators of justice have difficulties fitting this new synthetic drug phenomenon into the existing legislative framework, control authorities have not had an easy time of facing the new methods used to traffick these drugs. In Colombia, as most certainly in all of the countries in this region, we are accustomed to and trained for control and interdiction of drugs of a natural origin, so the entry into the market of synthetic substances demands ample training.

As part of their production and marketing strategy, illegal substance dealers are in the habit of lowering the purity of the drugs and mixing them with other more toxic, dangerous elements, to increase their profits[53]. This makes the labor of the authorities difficult because in our media, we do not have a manner to preliminarily determine the presence of these substances, and they can only be determined by definitive laboratory tests.

Moving the consumption from traditionally consumer countries was technically proven in 1996 by a study made by the Bogota Mayor's office Total Prevention Coordination Unit (UCPI is the Colombian acronym)[54]. Using an "intentional sampling" of persons involved in prevention, merchandising and consumption and, using a "spontaneous sampling" on potential users. The study showed that the consumption of meta-amphetamine derivatives was established in some sectors of Bogota, above all among groups of youths. According to the consumers, Ecstasy has been known in the cities since 1993 and people coming from traditionally producer and consumer countries brought it into Colombia. 61% of the university population surveyed stated that they knew something about Ecstasy, 10% said that they had consumed the substance, and 16% stated their desire to do so.

Later, the Presidential Program Rumbos[55] made the National Drug Consumption Survey in 1999 of young persons from 10 to 24 years old[56]. The study showed a lifetime prevalence for the consumption of Ecstasy in all of the provincial department capital cities in Colombia, with a particularly high index in Pereira (3,2), Yopal (3,2), Bogota (2,7) and Manizales (2,6). The greatest lifetime prevalence was found in the university population in Bogota (4,2), Medellín (4,9), Florencia (4,8) and Ibagué (4,0). These studies clearly show the consumption of these substances in Colombia, which had not appeared in the epidemiological study on substance consumption that DNE did in 1996.

---

[53] Newspaper El Espectador – Ecstasy Is on the Net -, Wednesday, January 31, 2001.

[54] Ecstasy, the New Promise? Exploratory Study on the Consumption of MDMA in Bogota, D.C. Bogota Mayor's Office Total Prevention Coordination Unit, First Edition, October 1998.

[55] The Presidential Program to fight psychoactive substance consumption.

[56] This was an exploratory pilot study done with the voluntary participation of 305,000 youths from all of the provincial department capitals in Colombia.

Amphetamine-type Substance (ATS) Trafficking including Ecstasy and Similar Substances

According to SIDCO, from 1999 to December 31, 2002, State control agencies reported the seizure of 198,000 ATS and Specially Controlled Substance[57] pills and 283 kilos of precursors - ephedrine and amphetamine -.

The entry of synthetic drugs into the Colombian market is a serious threat because various factors make their production and trafficking attractive as compared to drugs of a natural origin.

- **Financial Factor.** Synthetic drugs generate more economic earnings than drugs of a natural origin, if we compare the price of the active product. The following chart shows the differences between the wholesale sales price of cocaine, heroin and Ecstasy. In the case of Colombia, the active product price of MDMA is ten times greater than that of heroin and 100 times greater than that of cocaine. This factor alone may be the trigger for a change from the production of drugs of a natural origin to that of synthetic drugs in Colombia.

Along these lines, the authorities have already seen that Colombian traffickers are exchanging drugs of a natural origin for synthetic drugs, not only to provide the internal market but also for the international market.

Chart No. 42. Drug Prices

Place	Cocaine Gram	Heroin Gram	Ecstasy Pill*	Ecstasy (mdma) active principle - gram
Colombia	COP 3.500 to COP 5.000 *1	COP 24.000 to COP 40.000 *1	COP 30.000 to 40.000 *2	COP 300.000 to COP 400.000
United States	USD 25 to 35 *1	USD 70 to 110 *1	USD 30 *3	USD 300
Europe (Average)	USD 60 to 70 *1	USD 35 to 40 *1	USD 20 *3	USD 200
Spain	USD 63 *3	USD 76,20 *3	USD 9,60 *3	USD 96
Italy	USD 109,70 *3	USD 99 *3	USD 50,60 *3	USD 506
Germany	USD 57,10 *3	USD 47,80 *3	USD 14,60 *3	USD 146

Sources: *1 DIRAN - *2 National Police, regional Anti-Narcotics Police groups - *3 UN ODCCP, Illegal Drug Trends, 2001 - *Considering a Pill with 100 mg. of Active Product MDMA or ATS – Prepared by SEI, September 2002.

- **Production. Colombia is not a Country that Produces Synthetic Drugs**. This statement is easily corroborated by comparing the statistics presented by international organizations (INTERPOL, EUROPOL, DEA, etc.) regarding the world supply for these substances. This does not mean that Colombia is immune to a world problem; however, until the existence of production involving the implementation of international trafficking is

[57] Raw material or specially controlled substance is any pharmacologically active substance that produces immediate and mid-term effects of physical or psychic dependency on a human being, those whose use may to some degree be dangerous because of the possibility of addiction or those that have been classified as such in international agreements and accepted by the Ministry of Social Protection Pharmaceutical Products Review Commission.

proven, we must not accept, because we produce drugs of a natural origin, being classified among the countries who produce synthetic drugs[58].

The production of synthetic drugs does not require large laboratories nor production complexes nor specialized apparatus for recycling (distilling and redistilling) solvents. In general terms, clandestine laboratories for synthetics are contained in small spaces (a kitchen or a bathroom), and they use a small quantity of inputs. They are located near the consumption centers to avoid large displacements of inputs and final product.

Another of the factors that makes production attractive is the versatility of synthetics and their final products. Constantly we see mechanisms published for synthesizing designer drugs (specially on the Internet). That is because it is possible to use many processes to obtain many different substances, which is not the case of drugs of a natural origin. To illustrate, from coca leafs you can only obtain cocaine derivates and from opium you can only obtain morphine derivates.

- **Precursors and Inputs.** To produce one kilo of cocaine you have to cultivate near one hectare of coca, use near 200 kilos of inputs, among which we include acids, solvents, bases and salts, in addition to other substances such as activated carbon, screening paper, etc. In summary, to obtain one kilo of cocaine hydrochloride or of heroin, it is essential to use great quantities of inputs and chemical substances. To the contrary, to produce one kilo of synthetic drugs, you only need five kilos of inputs, an amount that can vary depending on the precursor that is used. The organic synthetic processes have an efficiency from 1:1 to 1:3, that is to say, one to three kilos of inputs per one kilo of finished product.

Also, the precursors needed to synthesize designer drugs, specifically amphetamine-type substances (ATS), are easier to obtain, whether on the legal or the illegal market, than those needed to extract and purify drugs of a natural origin. In fact, many substances that are not controlled can be used as secondary precursors (substances used to manufacture primary controlled precursors).

According to the information reported by control authorities in Colombia to SIDCO, only two seizures of ATS precursors have been made. The first seizure was made by the Coastguards on the Atlantic Coast in Turbo. While inspecting a motorboat they discovered an amphetamine cargo. However, it was impossible to determine whether that precursor was aimed at synthetic production in Colombia or if it was in transit to the traditionally producer countries. At any rate, the amount seized was enough to synthesize a considerable amount of amphetamine derivates.

The second seizure was made in a joint operation (Operation Ecstasy II), in which authorities from Colombia, Ecuador and the United States intervened. Based on the information supplied by the authorities (DIRAN), this operation enabled dismantling an international network that was producing and trafficking amphetamine derivates abroad, specifically meta-amphetamine. This operation proves the trend to diversify the illegal drug market.

[58] We frequently hear in international forums that Colombia is a large producer of synthetic drugs. Along these lines, our delegations in these forums and our missions abroad must be emphatic in proving that Colombia does not produce precursors nor the final product involved in international trafficking indicators.

Chart No. 43. Synthetic Drug Precursor Seizures				
Prov. Department	**Year**	**Precursor**	**Quantity**	**Unit**
Antioquia	2000	Amphetamine	83	Kilo
Valle	2002	Ephedrine	220	Kilo

Source: Drug Information System of Colombia (SIDCO), National Anti-Narcotics Agency Strategic Investigations Subdivision. 2002.

Experience with Drugs of a Natural Origin. Another factor that determines a serious threat of synthetic drugs in Colombia is the experience in the illegal drug market that has been acquired by Colombian traffickers over 30 years. They already have good knowledge of domestic and international trafficking routes, contacts for drug distribution both in Colombia and abroad, mechanisms to obtain chemical precursors, whether diverting them from the domestic industry or acquiring them through technical or open contraband, among others. In this sense, the traffickers' know-how is one of the greatest threats for establishing synthetic drug production and trafficking in Colombia. Thus, in addition to the appearance of new groups specialized in the production and trafficking of synthetics, we can expect that groups already specialized in or that have a tradition of producing and trafficking drugs of a natural origin may diversify to the market of ATS.

Chart No. 44. Seizure of Synthetic Drugs, Pharmaceutical Precursors and Specially Controlled Medicine, 1999-2002			
Year	**Drug**	**Quantity**	**Unit**
1999	Ecstasy	709	Pill
2000	Amphetamine	83	Kg.
2001	Activan	2	Pill
	Ecstasy	19.142	Pill
	Retrovil	22	Pill
	Rivotril	3.376	Pill
	Rohypnol	208	Pill
2002	Benzocaine	7	Pill
	Diazepam	54	Pill
	Ephedrine	220	Kg.
	Ecstasy	170.882	Pill
	Rivotril	4.261	Pill
	Rohypnol	143	Pill

Source: DNE SIDCO

The trend seen to take advantage of the experience acquired is to exchange drugs of a natural origin for synthetic drugs or to be partially paid in synthetic drugs for cocaine or heroin shipments. However, authorities must be alert because it is probable that the drug trafficking groups may implement laboratories specialized in the production of synthetics in Colombia.

Interdiction. The control authorities (Police, CTI, DAS, Military Forces) in Colombia have broad experience in interdicting the production complexes and organized groups for trafficking drugs of a natural origin, but their technical knowledge of synthetic drugs is quite limited because the trend is so novel. Its novelty itself represents yet another threat

because it makes it easy to implement the production and trafficking of synthetics in Colombia.

To complicate matters even more, synthetic drug trafficking is easier than trafficking drugs of a natural origin. The methods used to hide them are less complex because of the presentation of the drug. In general, it is not necessary to send large shipments or tons of finished product. One pill weighs an average of 250 milligrams and 4000 pills can be smuggled in a package weighing 1 kilo, which in many of the customs offices worldwide could pass for medicine (depending on the way they are packed).

In spite of the difficulties that broaching the phenomenon of synthetic drugs in Colombia in a total manner presents, control authorities have reported to SIDCO the seizure of some 152.000 ATS pills, mostly corresponding to MDMA and others similar[59]. According to the statistics, most of the seizures were made in Bogota, Cali and Ibagué; however, we know that these substances are already being merchandised in most of the provincial department capitals in Colombia.

Rules and Regulations regarding ATS

Synthetic drugs have been on the domestic market for a short period of time, and their consumption has been restricted to a specific community, without major epidemiological incidence. Nonetheless, our legislation is not prepared to confront them firmly. The prosecutors have differences of opinion regarding how to approach this topic from a legal point of view[60]. These legislative weaknesses and the administrators of justice's lack of knowledge of these technical aspects make the production and trafficking in Colombia easier.

Consumption

Without it being a problem of concerning epidemiological dimensions, the consumption of synthetic drugs, specifically ATS, in Colombia and in the countries in our region[61] has increased in recent years. The problem worsens as consumption becomes more popular, in particular because there is more merchandizing of highly adulterated products, not only of drugs of a natural origin but of any substance, no matter what toxic effects it may have on its consumers.

Suggestions

Some suggestions to face the threat that synthetic drugs represent in Colombia are listed below.

[59] At present, DNE is coordinating research aimed at chemically characterizing the synthetic drugs that are merchandized in Colombia. To date, the first exercise of characterizing the synthetic drugs that were seized in Bogota has been done.
[60] At present, research is being done on the problem that the administrators of justice face in cases of synthetic drugs. This is being coordinated by the Ministry of the Interior and of Justice, with the participation of DNE, National Narcotics Fund, and FGN. The research will serve as input to strengthen the existing legislation.
[61] The unanimous concern of the representatives in the High Level Specialized Dialog between the Community of Andean Nations and the European Union on Drugs, held in Brussels in June 2002.

- Strengthen the mechanisms for a fluid information exchange between control authorities, at domestic and international levels on the new trends in drug production and trafficking.
- Strengthen the mechanism for prior notification of the exportation of pharmaceutical substances used in synthetic drug processing.
- Do investigation to establish routes and precursor and finished product trafficking methods.
- Design and carry out training processes on the control and interdiction of synthetic drugs.
- Implement methods for the preliminary analysis of ATS.
- Implement ATS consumption prevention programs.

2.9 Control Over Weapons and Ammunition Trafficking

Weapons and ammunition trafficking is a crime that threatens the security of all nations. It is also a perpetration of violence committed by the transnational organized crime that supports it. Colombia is a vulnerable country for weapons and ammunition trafficking because of its internal conflict and because of its relation to drug trafficking and terrorism. Therefore, this illegal trafficking has an impact of great proportions on the populations throughout our territory. Outlawed armed groups violate our human rights and International Humanitarian Law, often leading to internal displacement and along with it the impoverishment of the population. It hinders the monopoly of the legitimate State forces and it enormously impedes humanitarian action by organizations devoted to such activities, in addition to endangering their safety.

That is why Colombia has taken various internal actions to control it and constantly promotes conclusive international actions by the producer countries and those that are used as transit points, urging them to control the production and trafficking of weapons and ammunitions which in Colombia have led to an increase in terrorism and to strengthening outlawed armed actors.

Weapons trafficking is done using several routes directly related to border countries. Many of the weapons are remnants of the war in Central America and come specifically from Nicaragua and El Salvador. Most of the firearms come from the United States because they are easy to obtain there. On the clandestine weapons market in Colombia, we have detected that some weapons come from countries in Central Europe and States that are part of the former Soviet Union (Rumania and Bulgaria), from North Korea, Portugal, South Africa, Singapore, Holland and Italy[62].

The method most used to do illegal trafficking of weapons, ammunition and explosives is to divert a legal sale to an illegal transfer. In this process from a legal transfer to an illegal one, there is a chain of intermediaries who intervene in any stage of the process. In this chain, we find, for example, brokers who, based on investigations made take care of most of this profitable, illegal business. They are in charge of contacting the provider and the receiver; the set up the conditions of the deal, the means of payment and choose the routes to be used. Likewise, transportation agents intervene; they are paid by the brokers to camouflage and hide the shipment on the needed routes.

[62] Colombia and the International Control of Guns. Ministry of Foreign Relations. July 2002.

Due to its geographical location, Colombia has been affected by the illegal entry of weapons and war elements in general using three methods: by air, on land, and by sea. When entering the weapons by air, depending on the country of origin, weapons traffickers choose various intermediary points before the final destination, seeking to erase all clues, to make tracking more difficult or to fill up the tank of the aircraft. For example, in a case with weapons from Jordania, the weapons left Aman, passed through the Canary Islands, Mauritania, and Grenada and finally reached the Colombian territory.

When entering the weapons, ammunition and explosives by sea, generally speaking, the traffickers take advantage of the intense traffick congestion in international ports where it is more difficult to control all of the merchandise entering the country or where supervision decreases when it is merchandise in transit. The trafficking is mainly done using the following methods[63]:

- High hull merchant marine ships with containers.
- Lobster boats or fishing boats that are used as "mother ships"; in both cases the contraband material is hidden among the fish, and specially n the refrigerated containers on the fishing boats. The material is later moved to smaller boats that transport it to their destination on land.
- Cabotage ships or fishing boats that transport the weapons directly to places along the seashores.
- Use of luggage, merchandise or food supplies to transport explosives on board motorboats and small tonnage ships that enter at night.

During 2002, the National Navy carried out a series of operations, on some occasions jointly with other agencies, to neutralize this crime. Especially under the agreement made in the Bilateral Intelligence Meetings with countries such as Ecuador, Peru, Colombia and Panama; mechanisms for information exchange in this issue were established, which have contributed to intelligence analysis that has been disseminated to the Navy Units and to other Intelligence Agencies.

Main Conclusions

- It has been proven that the materials introduced into the country by sea are mainly for illegal paramilitary groups, whereas the weapons introduced from the East and South through our land borders on land, by river by and air are for the subversive groups.

- It is necessary to make the exchange of judicial information among countries effective, in accordance with the internal regulations of each country, and to deepen the information exchange on the following issues:

  - International weapons traffickers and offenders of crimes associated with the manufacture and illegal trafficking of weapons, ammunitions, explosives and other related materials.
  - Tracking weapons and ammunitions sold and deviated for illegal purposes.
  - Exchange of investigation, technical, scientific and technological experiences that enable to dismantle organized crime and their support networks.

[63] National Navy.

- Keep a detailed, demanding record of all of the brokers who deal with private companies and sell to States.
- Have verification systems for the respective licenses and authorizations for all of the actors involved in the legal sale of weapons, as the most used method is to divert a legal sale to an illegal one.
- Standardize weapon entry or exit authorization documents, as well as End User Certificates.
- Control the international financial system to detect the flows of capital with which weapons traffickers are paid.
- Explore the internal and external possibility of keeping a complete, transparent record of the States' legal weapon imports and exports, in order to be able to more effectively track their origin.
- Standardize domestic legislations to obtain a clear, transparent legal sale process, so that the traffickers cannot take advantage of the inconsistencies in this process between the various States.
- International technical cooperation to destroy weapons surpluses or to confiscate them, to avoid the risk of theft or diversion.
- Disarmament Programs at municipal, regional and national that enable taking illegal weapons away from unauthorized civilians, as they generate more violence.

3. ADMINISTRATION OF GOODS SEIZED, ASSET FORFEITURE, AND ASSET LAUNDERING

3.1 National Government Strategy[64]

For asset laundering control and asset forfeiture of goods acquired illegally, the present Government's policies contained in "National Development Plan Foundations, towards a Community State" were aimed at strengthening provisions regarding the prevention of trust companies, workers' credit unions, and financial institutions; at reinforcing the institutional agencies specialized in detecting, controlling, and penalizing; at improving the report process for suspicious operations and the warning system; at developing strategies to evaluate the risk factors that lead to detecting asset laundering in the banking system, and at reinforcing international cooperation mechanisms for investigations and legal actions.

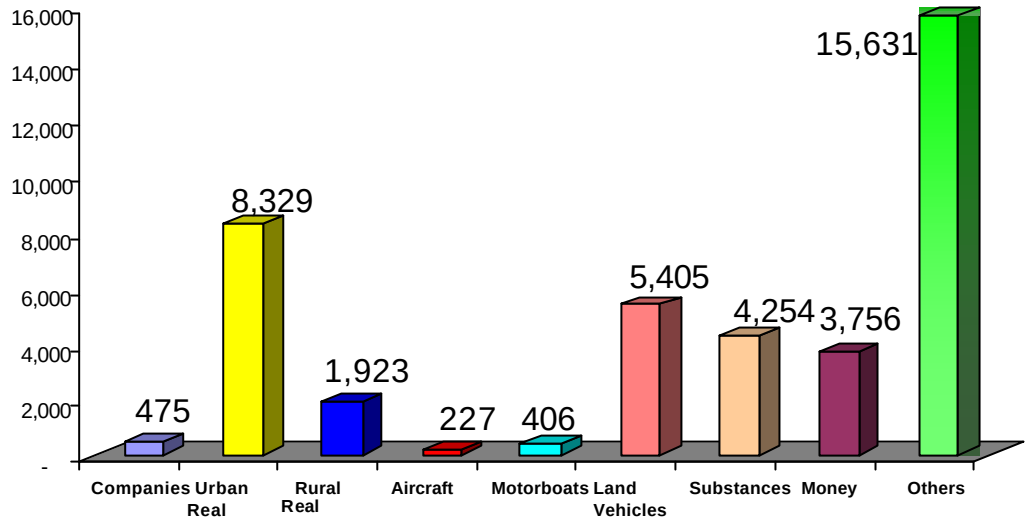
For asset forfeiture, 2003 Act 793 was issued. It seeks to make the legal action that enables transferring the right to the assets over to the State more dynamic, for near 38,000 seized goods made available to the National Anti-narcotics Agency (DNE is the Colombian acronym). Also, an information system is being implemented to enable identifying and characterizing the goods and assets in such a fashion that they be a source of resources to carry out programs or projects related to social investment, security and the fight against organized crime[65].

3.2 Administration of Seized Goods Turned over to to the National Anti-narcotics Agency

Within the actions for fighting illegal drugs, one of the National Government's priorities is to attack organized crime, and more specifically, to attack the economic benefits obtained from their illegal activities. During 2002, judicial authorities and competent organizations followed the practice of seizing assets associated with trials under 1986 Act 30 (National Anti-narcotics Statute) or with asset forfeiture. National Anti-narcotics Agency is the depositary for the embargoed goods or those placed under the care of administrators; in this sense, it is the responsible party for their correct administration in such a fashion as to ensure their productivity and their continuous generation of employment. From 1989 to 2002, the authorities made available to National Anti-narcotics Agency goods of various natures located throughout the Colombian territory. This means that National Anti-narcotics Agency requires a physical, technological and organizational infrastructure to correctly administer such assets and goods. It also requires economic resources to enable on-site verification of the status and conservation of the seized goods.

[64] Chapter I Offering Democratic Security, Number 2 Fighting the Problem of Illegal Drugs and Organized Crime in 2002-2006 National Development Plan Foundations. National Planning Department. www.dnp.gov.co.
[65] 2002 Act 793, Article 12, Sole Paragraph

Graph No. 35. Goods Seized and Made Available to DNE
Accrued at December 31, 2002: 40,406 Goods



Source: DNE Assets Subdivision
Note: In the groups Substances and Money, the figures correspond to court dossiers with records of this kind of assets.

In Colombia, the regulations regarding the administration of goods are dispersed in various codes and decrees. This situation did not give the sufficient legal security to the National Anti-narcotics Agency when it needed to make administrative decisions regarding such goods or regarding those to be administered when it was given that public administration function.

It was not until the end of 2002 that the legislative branch concentrated its efforts on gathering the various procedures and the systems that the National Anti-narcotics Agency could use for proper administration and issuing them as one sole regulation. As of that moment, it was established that the goods not only had to be socially profitable but also economically profitable. The National Anti-narcotics Agency was given the responsibility of preventing the conservation and custody of such goods from generating outlays of the public budget. It was thus empowered to enter into leasing, administration and trust contracts, pursuant to the rules and regulations of Colombian private law.

Also, as a result of the issuance of 2002 Act 785, the National Anti-narcotics Agency's functions in the administration of seized goods have been conceived more as an **activity of a commercial nature.**

The procedure that the National Anti-narcotics Agency must follow to select administrators for the goods is described below: 1) Invitation to bid, 2) Bid evaluation, 3) Publicly announced contract award. Timewise, these phases of the process depend on the complexity of the good to be administered because a prudential time must be conceded for all of the interested parties to participate under equal conditions.

Finally, it is worth mentioning that the rules contained in the provisions in said law respond to the daily needs that the agency has, to the extent that the law sets forth options to solve inconveniences, such as the maintenance and custody that the goods due to their nature generate.

3.2.1 "Administration of Goods" Lighthouse System

The National Anti-narcotics Agency has been carrying out a vigorous, effective strategy for the correct administration of seized goods. Among the great efforts it has made, we include the implementation of the "Lighthouse System"[66]. The purpose is to have an automatic tracking system to enable improving the control in managing present and future inventories and for this system to be complete, flexible and efficacious in order to respond to the community's requirements. The project includes:

1. Technological structure strengthening
2. Inventory of goods with their representative value
3. Redesign of processes for the administration of goods

"LIGHTHOUSE SYSTEM" Administration of Goods

The Lighthouse System Execution Plan includes two phases. The first phase carried out from January to June 2002 evaluated the current system and the processes used in the administration of seized goods (personnel, processes, information, technology, and organizational models) and determined the viability of the technological infrastructure for a long-term solution.

The second phase includes the period from July 2002 to June 2003, during which time the system of administration of goods will be developed, implemented, documented, tested and accepted based on the execution plan.

The information to be recorded in the database corresponds to the minimum information required for making an inventory and doing follow-up on the goods. It includes information on the court proceeding, the seizure act, general and specific information on the goods, and information on the administration of goods.

The implementation plan prepared by the company UNISYS is carried out in three stages.. The first to be delivered in January of 2003 includes everything regarding inventory of the goods, putting the goods information into the system, basic financial information on the goods, information search, inventory and auditing reports. The second and third parts will be delivered by the month of March and June of 2003 respectively. They include the following activities: leasing processes, sale, administration of companies, temporary of goods, money management, devolution and asset forfeiture, application forms, internal interfaces, and reports, performance management, external interfaces, answer to requests, background, notification formats.

[66] The Lighthouse Project is developed with Plan Colombia resources (USD 4.500.000).

3.2.2 Fund for Rehabilitation, Social Investment and the War against Organized Crime (FRISCO is the Colombian acronym)

FRISCO is a special account without a legal corporate entity administered by the National Anti-narcotics Agency, pursuant to the policies pronounced by the National Anti-narcotics Council. The National Anti-narcotics Agency handles the accounting accounts separately and the General Comptroller's Office of the Republic does the management and budget control.

The goods and resources that are definitively seized or that undergo asset forfeiture and are turned over to the State, become part of said Fund. The National Anti-narcotics Council definitively allots the goods and resources for purposes of social investment, security, and the war against crime (2002 Act 793, Article 12, Sole Paragraph).

Graph No. 36 FRISCO Goods and Resources

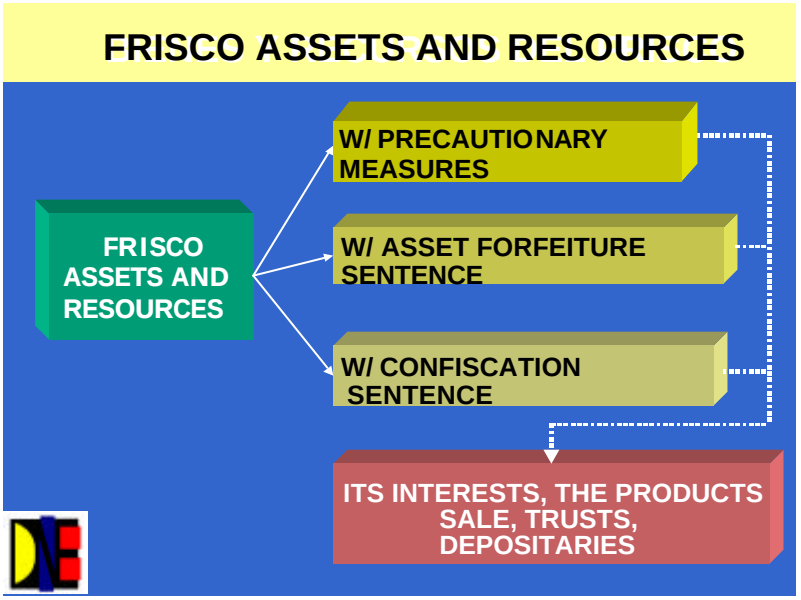


Chart No. 45. Goods Definitively Seized and Determined as Asset Forfeiture Turned over to the State	
Type of goods	**Quantity**
Rural real estate	81
Urban real estate	30
Land vehicles	268
Aircraft	9
Companies (holdings)	7
Motorboats	8
Total	**403**

Definitive Assignment of Goods and Resources Authorized by the National Anti-narcotics Council

The National Anti-narcotics Council definitively allotted the Building Mónaco, located in Medellín, to the National Army, six rural pieces of real estate located in the municipality of Puerto Boyacá in the Provincial Department of Boyacá to the National Army, three aircraft one each to the Governor's Office of Arauca, to the National Army and to the National Navy. The summary of the financial resources allotment is summarized in the following table.

Chart No. 46. *Resources*

Agency	Purpose	Value in cop	Value in usd
Ministry Of The Interior And Of Justice	Purchase Of The First Floor Of The Ministry Headquarters	1.928.253.691	653.855,88
Administrative Security Department (Das)	Acquisition And Supply Of High Technology Equipment	25.066.925.000	8.500.000,00
National Army – Army Fast 2Deployment Task Force	Acquisition And Supply Of Training Center Lodgings	2.900.000.000	983.367,53
National Army - José Maria Córdova Military School	Construction And Supply Military Training Center	4.202.679.868	1.425.096,17
National Army La Ceiba - Nilo Cundinamarca Military Training Center	Construction Military Training Center Installations	1.660.000.000	562.893,14
National Army – Armored Car Division	Modernization Of Armored-Vehicle Shooting Systems	3.200.000.000	1.085.095,20
National Anti-Narcotics Agency	Relocation Of Dne Headquarters	750.000.000	254.319,19
High Council Of The Judicature	Creation Of Five Offices For Decongestion	446.854.576	151.538,49
Presidency Of The Republic - Plan Colombia	Recovery Of Forests Forestry Family Program	14.745.000.000	5.000.000,00
National Attorney General's Office		*1.474.500.000,00*	*500.000,00*
National Police		46.540.629.645,60	15.781.834,40
Total		**102.914.842.781,52**	**34.898.000,00**

Source: DNE

3.2.3 Main Actions by Groups of Goods

The National Anti-narcotics Agency Goods Subdivision divides its functions into seven working groups, namely companies, land vehicles, urban real estate, rural real estate, aircraft, motorboats and money, substances and others. For the purpose of correctly administering the seized goods turned over to the National Anti-narcotics Agency by the judicial authorities, each group carries out the four main activities summarized below:

1. Include the turned-over goods into the Lighthouse System
2. Prepare the resolutions appointing provisional depositaries, temporary assignments, and definitive return
3. Follow up on the goods being administered by others
4. Process requests and claims

Below we give a balance of the results corresponding to the year 2002 by group of goods.

Group of Companies

It administers, supervises, and coordinates the management of the 475 dossiers for the companies and commercial establishments turned over to the National Anti-narcotics Agency by the judicial authorities, out of which near 70% of the companies (361) and commercial establishments (114) are located in Cali and Bogota.

At the beginning of 2002, all of the dossiers for the companies and commercial establishments seized were reviewed, for the purpose of identifying them, determining their legal status, and classifying them according to that status. The result was there were 68 companies and/or commercial establishments in operation, 38 in liquidation, and of the remainder, there were 10 that had been embargoed before the National General Prosecutor's Office and the National Anti-narcotics Agency embargoed them, 46 without cautionary measure materialization; 36 being returned 36, and 11 returned. The status of the remaining 266 has not been determined (if they are in operation or if they are shell companies); however, the corresponding measures to identify them have already been taken.

The National Anti-narcotics Agency aims its efforts at reactivating seized companies for the purpose of maintaining their productivity and thus generating employment. Due to the above and to the fact that the economic units were dismembered and the assets that were part of these companies were administered independently, studies have been made that concluded in the reactivation of several companies and the appointment of temporary depositaries for their correct administration.

Of the 34 companies and commercial establishments that were reactivated and/or for which the temporary depositary was changed, we highlight Promocon S.C.A. in Barranquilla, and Diario Deportivo, Cacimpre, and La Torrefactora de Café owned by Coexcafé S.A. in Bogotá. The last one has been inactive since 1996 and was delivered in temporary deposit to the National Coffee Growers Federation in December, to supply the new "Juan Valdez" coffee shops.

The domestic hotel chains were invited to a public bid for the administration of seized hotels. After an exhaustive analysis of the received bids, Hotel Prado was awarded to the hotel chain Dann and Hotel Sunrise Beach was awarded to the hotel chain GHL, two of the largest in Colombia.

For the companies in liquidation, the corresponding technical card was prepared, for the purpose of requesting Superintendence of Companies support in appointing the liquidators.

2002 Act 785 set forth the authority for the National Anti-narcotics Agency to enter into leasing, administration or trust contracts for the purpose of ensuring that the goods may become or continue being productive and generate employment, for it to continue with liquidation proceedings under the orientation and supervision of the Superintendence of Companies, and for it not to charge any remunerative or late payment interests during the asset forfeiture proceeding.

Group of Chemical Substances

The judicial authorities turned over 33.239 kilos and 36.311 gallons of chemical substances to the National Anti-narcotics Agency. To mitigate the sanitation and environmental problems that the seized chemical substances create while their final disposition is being defined, during the second half of 2002, a storage warehouse was opened in Bogota and in 2003 there will be one each in Villavicencio, Medellín, Cúcuta, Barranquilla, Pasto, Tunja, and Florencia, under the custody of State security agencies.

In the light of 2002 Act 785, chemical substances may be sold or exported. In the event that it is not possible to sell or export them, the judicial authorities, the judicial police, and the administrative, environmental, and sanitation authorities will coordinate with the National Anti-narcotics Agency their disposal or destruction. In 2002, the sale of chemical substances rose to COP 316.117.063, which were proceeds from 86 contracts.

The chemical substances seized in the greatest volumes are potassium permanganate, sulfuric acid, hydrochloride acid, solvents, and acetates. These are sold to the national industry pursuant to the regulations that govern their sale in the amounts authorized to each one of the legally constituted companies.

Group of Urban Real Estate

The National Anti-narcotics Agency administers and coordinates 8.329 pieces of urban real estate seized throughout the territory. To perform such administration activities, in mid 2002 an inter-administrative agreement was signed with the real estate company Cundinamarquesa for it to administer 180 pieces of real estate located in Bogota and in surrounding municipalities. Also, formalities were initiated to contract the administration of 2.236 pieces of real estate seized in Cali.

In 2002, rentals from seized goods represented COP 6.207.059.638.

Group of Aircraft and Motorboats

The National Anti-narcotics Agency coordinates the administration of 227 aircraft and 406 motorboats. In order to know their true state of conservation, during the second semester

of 2002 sight inspections and technical inspections of approximately 80 aircraft and 50 motorboats were done and a legal update of 31 aircraft was made.

The National Anti-narcotics Agency temporarily assigned a Beech Aircraft B200 Super King Air twin-motor aircraft to the Civil Aeronautics Administrative Department, which represents an estimated savings for the National Budget of COP 3.500.000.000 a year. Also, nine motorboats were assigned to municipality town halls, generating a savings in their annual budget of COP 908.000.000.

Group of Money

The National Anti-narcotics Agency administers money in cash, deposits in custody that represent foreign currency, jewelry, savings accounts, current accounts, and airline tickets. The most representative in value are cash and airline tickets.

Chart No. 47. Cash and Deposits in Custody Representing Foreign Currency 1989-2002

Currency	Total value	Value entered Dne - FRISCO	Percentage entered
Dollars	82.119.941,08	79.830.504,81	97%
Colombian pesos	18.382.575.004,93	9.810.925.277,90	53%
Other currencies	38.428.556,00	428.290,00	1%

The main actions forwarded during 2002 related to the administration of cash and deposits in custody that represent foreign currency are listed below.

- Establishment of a new internal procedure to maintain updated the information regarding money seized and turned over to the National Anti-narcotics Agency.
- Review of dossiers, to validate the information that appears in the database.
- Request to courts or prosecution offices for them to effectively turn the money over to the National Anti-narcotics Agency. A positive answer was obtained in 310 such requests. This formality enabled the entry into the National Anti-narcotics Agency of USD 1,980,000 and COP 805.700.000.
- Request to courts or prosecution offices for them to inform the status of the proceedings. 150 answers accompanied by the corresponding sentences and certifications of writs of executions were obtained.
- The National Anti-narcotics Agency and Banco de la República entered into an agreement to obtain information on deposits in custody taken out by the judicial authorities in the name of the National Anti-narcotics Agency, the National Anti-narcotics Council, and FRISCO.

Group of Airline Tickets, Jewelry, Savings Accounts, and Current Accounts

Most of the airline tickets correspond to those seized during illegal trafficking procedures involving mules. Out of the 913 dossiers, we have identified 83 with sentences of Definitive Seizure or of Asset Forfeiture, the remaining 830 are still undergoing the court proceeding and the National Anti-narcotics Agency has requested the definition of these legal actions to the competent authorities.

Among the main actions forwarded for airline ticket administration, we include:

- Requests to courts and airlines for sentences and writs of execution, the original tickets and their monetization. As a result of this labor, the National Anti-narcotics Agency counts on the collaboration of American Airlines, Copa Airlines, Alianza Summa, and Lufthansa, who have reimbursed tickets in the total amount of COP 337.000.000.
- In 2002, COP 13.424.891 was collected corresponding to reimbursement of tickets that have already obtained a sentence of Definitive Seizure or Asset Forfeiture and are turned over to the State with their due writ of execution.
- In coordination with THE NATIONAL GENERAL PROSECUTOR'S OFFICE , we were able to establish a new procedure for turning the tickets over to the National Anti-narcotics Agency. Specifically, the procedure indicates that they must physically arrive at the National Anti-narcotics Agency maximum 10 days after tickets are seized, in order to avoid loss of money due to expiry.

Group of Land Vehicles

The National Anti-narcotics Agency has the administrations of 5.405 land vehicles including automobiles, campers, pick-up trucks, trucks, 16-wheel trucks, buses, and motorcycles. At the end of 2002 the first auction of useless land vehicles was carried out and the study for selling models older than 1990 that are considered useless was begun, using the same system.

The land vehicles are temporarily assigned preferentially to territorial entities. During 2002, 163 vehicles were temporarily assigned to official entities or to common-benefit entities, successfully developing the policy of generating savings for the State through the temporary assignment of goods.

Group of Rural Real Estate

Pursuant to 2002 Act 785, rural real estate with a characterized farming and livestock or fishing vocation will be assigned pursuant to the provisions set forth in 1994 Act 60. To do so, pursuant to the provisions set forth in 1998 Decree 182, the Colombian Agrarian Reform Institute will have a term of three months as of the moment when the National Anti-narcotics Agency furnishes the corresponding information, to issue its concepts on the particular rural vocation for farming and livestock or fishing production that the rural real estate has.

The National Anti-narcotics Agency has 1.923 pieces of seized rural real estate throughout the territory under its administration and coordination. During 2002, 82 lots were seized representing approximately 9.450 hectares and temporary assignments were made of approximately 1.400 hectares, out of which 500 were assigned to Corporación Minuto de Dios for its Agrarian Reform project with the displaced population in the region of Dorada, Caldas.

Among the definitive assignments, we highlight one made to the 14th National Army Brigade consisting of 2.100 hectares in the jurisdiction of the municipality of Puerto Boyacá. Out of these, 1.500 will be used to build Bárbula Battalion and the remaining 600 hectares will be used for the agrarian reform project with retired Army soldiers.

Group of Miscellaneous

The greatest volume of goods is recorded in the group of miscellaneous, among which we find communications equipment, farming and industrial machinery, works of art, boilers, cell phones, and office equipment. In 2002, we highlight the delivery in temporary deposit to the Ministry of Culture of 57 works of art by various artists, 2 of which alone have an approximate value of USD 2,000,000.

3.3 Asset Forfeiture

The great number of goods accrued over the years, the high cost originated by their administration, the fact that the goods occasionally end up being returned to the drug traffickers, and the lack of a legislation to enable disposing of illegal earnings derived from drug trafficking, led the present Government to initiate an offensive to fight organized crime and attack the economic benefits obtained from its illegal activities, which are integrated into the legal economy or used in a criminal manner to promote such activities.

Therefore, in December 2002, through the initiative of the Ministry of the Interior and of Justice, supported by the National Anti-narcotics Agency and by the National General Prosecutor's Office (FGN) the Congress of Colombia issued **Act 793** for asset forfeiture, through which it adopted a speedy procedure to be able to pronounce definitive decisions in a short period of time with autonomy regarding the criminal proceeding and **Act 785** which enabled starting up a much more agile, transparent system of administration of goods and of promoting the productive use of the seized goods in favor of the community.

It is worth mentioning that Colombia has done an outstanding job in complying with the recommendations made by international organizations such as the International Drug Control Board (IDCB), the Inter-American Commission for Drug Abuse Control (IACDAC/OAS), the International Financial Action Task Force (FATF), and the South American Financial Action Task Force (FATF SOUTH). Also, it has been updating its legislation to be able to confront organized crime based on the new reality. In fact, upon making a comparison of efficiency between the application of the former 1996 Act 333 and the new September 2002 Legislative Decree 1975, we can see that from January to August 2002 (an 8-month period) 22 decisions to proceed and 6 sentences were pronounced. From September 3 to December 2002 (a 4-month period), 22 decisions to proceed and 15 sentences were pronounced. We can appreciate a notable increase in the number of sentences pronounced by the judges.

National General Prosecutor's Office (FGN)

The National Unit for Asset Forfeiture and against Asset Laundering, initiated asset forfeiture proceedings for 3.694 goods, USD 1.175.115 and COP 2.774.593.550 in 2002. 44 decisions to proceed and 21 sentences were pronounced.

National Anti-narcotics Agency (DNE)

In 2002, the National Anti-narcotics Agency filed six lawsuits for asset forfeiture. Among the goods affected we mention: 42 shares of Corporación América de Cali, 10 public service buses, one Mazda 1992 truck with license plate MZB-836, a boat called Los

Buzos, 1 membership title to Club Deportivo Cali, and holdings in the company Ucotrans Ltda with domicile in Bosa.

As of the effective term of 2002 Decree 1975, the National Anti-narcotics Agency was no longer empowered to file lawsuits. That is why it did not continue to do so.

During the period understood from August to December 2002, the Circuit Specialized Criminal Courts throughout the country forfeited the assets of the following real estate and private property goods: 18 apartments, 11 parking lots, 21 lots (100% ownership) and 4 (50% ownership), 8 companies, 2 urban buildings, 1 estate, 2 farms, 4 lots, 1 warehouse, 2 commercial locales, 2 aircraft, 1 land vehicle, USD 35.150.403 and COP 195.027.000. Already 13 of the asset forfeiture sentences have due writs of execution and 10 are under appeal.

Scope of 2002 Act 793[67]

1996 Act 333 set forth a sole legal mechanism in the international ambit aimed at impeding obviously non-existing rights from being exercised over goods acquired from illegal practices and at making the consequent declaration of asset forfeiture and turning the goods over to the State. This responded to a historical need of adopting adequate measures against organized crime structures. Notwithstanding, delaying tactics used during investigative proceedings and during the trial, which led to the accused finally keeping the goods, motivated the legislative branch to seek more efficacious regulations.

To attend to this matter, the National Government issued 2002 Legislative Decree 1975, a transitory mechanism aimed at preventing the eventual difficulties embodied in Act 333, by ensuring of a speedy proceeding. Although this measure was issued in order to generate positive results at a short term, a regulation to fully cover the matters that were temporarily treated in this decree needed to be permanently incorporated into the legal framework. Thus 2002 Act 793 was issued.

2002 Act 793 was prepared during more than five years by the Colombian legislation, giving us the advantage of the total experience of its development and jurisprudential progression. The most relevant characteristics of this regulation are described below.

Autonomy to Act

The provisions contained in the new regulation reaffirm the autonomous nature to act totally independently from the criminal proceeding.

Grounds for the Action

For the State to file this action, it is sufficient to prove the existence of some net worth whose source or consolidation is not properly explained. Even though it is most likely that the legal action forwarded to forfeit ill-gained assets are initiated within a criminal proceeding and that both the legal action and the criminal proceeding have the same

[67] Ministry of the Interior and of Justice. Text based on the exposition of grounds presented to the Congress by the National Government.

origin, by virtue of the principle of autonomy to act, it is essential to precise the fundamental grounds that gave origin to the asset forfeiture proceeding.

We repeat, these grounds can be deduced by simple comparison of the assets from one year to the next. This shows how there was enrichment without justification. The years compared may be years that passed long before the proceeding begins.

The Burden of Proof

The State must prove the existence of an asset of suspicious origin, that is to say, an asset that is not justified pursuant to the regulations in force that require proving that it is legitimate. In the case of a sudden increase in assets, the State must prove a lack of supporting documents to justify such increase. Once this fundamental fact has been established, it is up to the accused to prove the legitimate origin of its ownership of the assets under discussion, proving that they came about while the accused was performing established business activities of an origin that cannot be objected. Taking a glimpse at casuistic doctrine, we can see that a person investigated must prove that an asset was obtained as a result of a legitimate trade operation; however, such affirmation will not be accepted if the accused cannot establish the legal origin of the trade operation.

Precautionary Measures

In this type of proceeding being real legal actions, nothing is more important than the authority to attach or freeze the assets that we are looking to forfeit. As long as the prosecutor's office or the judge who is trying the case does not have that authority to its fullest extent, the efficacy of the final sentence will always be questioned. Therefore, the recent regulation contains granting the authority to proceed to attaching these assets or to financially freezing them if they are monetary resources or resources that can be absorbed, at any rate making them available to the National Anti-narcotics Agency for it to proceed to set up temporary trusts or deposits, not only to protect the goods but also to determine their rational use until a definitive sentence is issued. Doing this overcomes the historical difficulty that existed in the former regulation when thousands of very valuable goods wasted away in temporary warehouses or, even worse, continued in the hands of their deforcers.

The Procedure

As this is not a criminal action, nor even a personal action of a civil nature, but a real *sui generis* action taken to protect the rights of the society against the crimes that afflict it, it is obviously explainable that, always within the strictest rules of due process, its formalities should be speeded up and unnecessary and unjustified delaying tactics should be avoided.

That is why any such incident must conclude in the writ that closes the investigation in the Prosecution Office or in the definitive sentence made by the judge trying the case. And for the same reason, there will be no remedy of appeal against the proceeding because any vestige of interlocutory writ disappears and because the defeasances, admittedly very few and only provided for in a conditioned manner, will only be resolved in the definitive writs for the investigation or for the trial.

Protection of Third Parties in Good Faith

This regulation gives privilege to the rights of third parties in good faith who are affected by the results of the legal action and gives them procedural mechanisms aimed at ensuring the protection of their assets upon their presenting proof to establish the legitimate origin of such assets.

With this measure, a guarantee is given in favor of persons who acquired an asset believing that they had legally acquired it, but the asset turns out to have been illegally acquired and these persons face the imminent risk of losing the asset if the State proves that its origin was related to direct or indirect involvement in illegal acts.

3.4 Asset Laundering

3.4.1 Ministry of the Interior and of Justice Actions Forwarded to Fight Drug Trafficking and Related Crimes in 2002

3.4.1.1 Colombia's Participation in FATF SOUTH[68]

The Financial Action Task Force for South America against Asset Laundering (FATF SOUTH) is a regionally-based inter-governmental organization that unites the countries of South America to fight asset laundering and financing terrorism, through the commitment to continuously enhance their domestic policies against both of these crimes and to broaden the various cooperation mechanisms shared among the member states.

FATF SOUTH was formally created on December 8, 2000 in Cartagena de Indias, Colombia, when the Memorandum of Understanding that gave birth to the group was signed by Ministers representing the governments of nine nations: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, and Uruguay. Colombia held the positions of President and *pro tempore* secretary during the period from December 2000 to December 2001.

Asset laundering in Colombia is characterized by the important presence of criminal illegal activities that generate economic benefits (drug trafficking, subversion, kidnapping for extortion purposes, tax evasion, and contraband). Their effects have forced Colombia to respond to such threats, through regulatory policies and the institutions devoting personnel and financial resources to persecute these illegal activities. This, in turn, led to FATF SOUTH's acknowledgment of Colombia's commitment to fight asset laundering.

During the FATF SOUTH 2nd Plenary Session of the Representatives held on June 2001 the representatives agreed to initiate the mutual evaluations program by evaluating Colombia and Uruguay after these countries volunteered to be the first evaluated. The initial preparation phase for these evaluations started in 2001. The evaluations were made during the first semester of 2002 and the reports thereon were presented and approved in the 5th Plenary Session of the Representatives held in Buenos Aires in May 2002.

[68] Ministry of the Interior and of Justice Report. Actions Forwarded to Fight Drug Trafficking and Related Crimes in the Year 2002.

Colombia actively participated in the 6th Meeting of the Plenary Session of Representatives held in Uruguay on December 11-12, 2002. This meeting focused on continuing to perfect the domestic systems against asset laundering and terrorism financing and on developing international cooperation.

3.4.1.2 Inter-institutional Commission against Asset Laundering

To comply with the provisions set forth in Article 7 of the Memorandum of Understanding that organized FATF SOUTH, the Mutual Evaluation Mechanism (MEM) was established and the procedure was approved during this group's 2nd Plenary Session of the Representatives held in June 2001 while Colombia was President of the organization.

Applying this mechanism, in April 2002, the Colombian system against asset laundering was evaluated by FATF SOUTH experts. The report on the evaluation, approved during the 5th Plenary Session of the Representatives held in Argentina in May 2002, concluded that *"Colombia has a complete system against asset laundering, which basically meets the 40 FATF Recommendations. It is well-consolidated and is progressing thanks to projects for perfecting the system".*

In addition, the Group of Evaluation Experts made a series of special recommendations aimed at optimizing the anti-laundering system in Colombia. Following one of the mentioned recommendations, Recommendation VI, through the issuance of 2002 Resolution 0704, the Ministry of Justice and Law created an Operational Support Committee for the Inter-institutional Coordination Commission for the Control of Asset Laundering.

This Committee is a permanent work group of a technical nature. It is in charge of submitting to the Commission proposals for enhancing the anti-laundering system in Colombia especially regarding legal, operational, and financial matters. Among its functions, we list:

1. Suggesting anti-laundering system enhancement proposals to the Inter-institutional Coordination Commission for the Control of Asset Laundering.
2. Submitting to the Inter-institutional Coordination Commission for the Control of Asset Laundering a balance of the actions forwarded by all of the agencies involved in this issue.
3. Designing international cooperation strengthening mechanisms against asset laundering.
4. Verifying the impact of the policies and measures adopted against this crime and submitting proposals to optimize them to the Commission.
5. Identifying operational and/or legal difficulties that hinder taking persons involved in asset laundering to court.
6. Doing follow-up on the international commitments that Colombia has acquired and ensuring meeting them.
7. Preparing the necessary studies to implement preventive measures and/or control in vulnerable sectors.
8. Submitting initiatives to create or modify regulations to the Inter-institutional Coordination Commission for the Control of Asset Laundering.

3.4.1.3 Proposals to Implement the FATF SOUTH Recommendations

The work groups that make up the Operational Support Committee for the Inter-institutional Coordination Commission for the Control of Asset Laundering, have submitted the initiatives below, for the purpose of following the Recommendations made.

Recommendation I. Study a formula to enable defining the above crimes within a classification for all felonies. Through its National Unit for Asset Forfeiture and against Asset Laundering the National General Prosecutor's Office submitted a proposal to modify Criminal Code Article 323 - Asset Laundering.

The initiative eliminates the list system and suggests adopting for the above crimes the minimum sentence for felonies, that is 4 years of prison, using objective criteria to determine additional years based on the severity of the crime, with the understanding that such demand is based on the definition of "felonies" embodied in the Convention against Transnational Organized Crime. At present, the agencies devoted to these issues are analyzing the submitted initiative, for the purpose of making comments and reaching an agreement on the text, for its eventual presentation to the Congress of the Republic.

Recommendation II. Continue the process of improving the quality of the Suspicious Operations Reports (SOR's) and offer general or statistical feedback to the entities making the reports on their final determination. Taking into account that the effect of the SOR's is transversal because it involves various sectors of the economy, the Financial Information and Analysis Unit (UIAF is the Colombian acronym), the Securities Superintendence, the Banking Superintendence, the Health Superintendence, and the Workers' Credit Union and Associations Superintendence, as well as the National Tax and Customs Agency (DIAN is the Colombian acronym) have formed secondary work groups to apply this Recommendation. The following progress has been made:

Proposal	Agencies in Charge	Pending Items
Prepare a new circular to regulate the prevention and control of asset laundering, pursuant to the regulation set forth in 2001 Act 643. Health Superintendence, UIAF.	Health Superintendence, UIAF	Agree upon work commitments and define an activities work plan.
Reform Securities Superintendence and Banking Superintendence circulars. General criteria for standardized application.	Securities Superintendence, Banking Superintendence, and UIAF	Define general criteria.
Sign an inter-administrative agreement for information exchange.	Securities Superintendence, UIAF	Prepare a circular to include stock market brokers who act as foreign exchange brokers in the groups obliged to report.
Study the possibility of eliminating the rejected operations report.	Banking Superintendence, UIAF	Specify the minimum information contained in the SOR's.
Make a report on operations related to goods as payment in kind.		Adopt an SOR format.

Proposal	Agencies in Charge	Pending Items
Have money exchange bureaus report all foreign exchange transactions.		Banking Superintendence must study and answer.
Have a report on automatic teller operations.		Study and define the mechanism.
Have foreign exchange brokers report foreign exchange transactions over USD 500.	DIAN, UIAF	DIAN must study and answer. Foreign exchange broker census.
Fill out an SOR for foreign exchange entering and leaving Colombia.	DIAN, UIAF	Study and define the mechanism.

Recommendation III. Develop existing plans for strengthening the asset laundering prevention provisions relating to trust companies, to workers' credit union and association cooperatives, and to financial credit unions. Although the Banking Superintendence and the Financial Information and Analysis Unit consider that trust companies meet the corresponding regulation, the Financial Information and Analysis Unit has contacted the trust company association ASOFIDUCIARIA to incorporate trust products (for example, trust in guarantee) into the suspicious operations report.

Through 2002 External Circular 46, the Banking Superintendence incorporated financial credit unions into those entities' actions aimed at complying with the Recommendation.

Also, the Workers' Credit Union and Association Superintendence, in coordination with the Banking Superintendence and The Financial Information and Analysis Unit, is forwarding a study regarding the measures that must be adopted by the credit unions under its supervision.

Recommendation IV. Facilitate the supply of more technical means and asset investigation means to the Central Unit for Asset Forfeiture and against Asset Laundering and develop training on asset laundering for judges. The National General Prosecutor's Office National Unit for Asset Forfeiture and against Asset Laundering created a Real-time Analytical Intelligence Database (RAID) to "exploit documents" with access for multiple users (prosecutors and investigators) that generates data files in Microsoft Access-Oracle format. This group also gives support in court by presenting court evidence in a multimedia format: video, audio, photographs, document projection, graphs, etc.

Recommendation V. Have information gathering and aggregation mechanisms that enable consolidating statistics on the fight against asset laundering, as an instrument to improve the efficiency of the system. At present, with the support of Banco de la República, the National Anti-narcotics Agency, and the Financial Information and Analysis Unit, the possibility of creating an information system against asset laundering is being studied. With continuous updating, the system would enable quantifying State efforts against asset laundering.

Recommendation VII. Develop studies on this issue [risks that represent elevated monetary circulation]. To date, we have studies from the Ministry of Treasury and Public Credit, from Banco de la República, and from the National Planning Department (DNP is the Colombian acronym).

Recommendation VIII. [Broaden asset laundering prevention obligations to other sectors and professions]. Give priority on treating casinos and gambling as sectors obliged to report. The study of individual foreign exchange agents and real estate activities is being forwarded. As to gambling and lotteries, the regulation for 2001 Act 643 is being worked on, "through which the policy for the revenue monopoly from gambling and lotteries is set".

In conclusion, Colombia has fully accepted the recommendations made by the FATF SOUTH Group of Expert Evaluators and has started to implement them through the steps taken by the Operational Support Committee for the Inter-institutional Coordination Commission for the Control of Asset Laundering.

3.4.2 Actions Forwarded by the Special Administrative Financial Information and Analysis Unit (UIAF)

The Financial Information and Analysis Unit is a Colombian State entity devoted to the prevention and detection of asset laundering, which centralizes, systemizes and analyzes information to identify cases potentially related to this felony and deliver them to the competent authorities and disseminate the knowledge obtained in order to forward policies and develop prevention and control instruments for this criminal activity.

3.4.2.1 Centralizing Data: Proposing and Developing Policies, Procedures and Tools to Strengthen the Fight against Asset Laundering

Centralizing the data related to possible operations of asset laundering is defined as the first service provided by the Financial Information and Analysis Unit. This labor has demanded efforts on the following fronts:

- Coordination with inspection, supervision and control agencies in issuing regulations for collecting the Suspicious Operations Report (SOR's), foreign exchange transactions and cash.
- Coordination with other agencies devoted to labors of detecting asset laundering operations for analyzing the cases, training and access to other sources of information.
- International cooperation to speed up the exchange of financial intelligence information, experiences and technology with other homologous agencies abroad.

Issuance of Regulations for the Suspicious Operations Report

The backbone for a suspicious operations reporting system is the regulation that obliges financial and non-financial institutions to report information related to transactions or operations that may be involved in criminal activities to the competent authorities. The Organic Financial System Statute Articles 102 and 107 are considered the pillar of the Suspicious Operations Reporting System in Colombia. Article 102, Number 2, Letter d), sets forth the following:

"Immediately and sufficiently report to the Financial Information and Analysis Unit any relevant information on fund handling when its amount or characteristics are not in tune with the economic activity of its clients, or information on the transactions of its users, which, due to the number or the quantities transacted or due to the particular characteristics of the transactions, may reasonably lead one to suspect that they are using the institution to transfer, handle, take advantage of, or invest moneys or resources from criminal activities".

This regulation served as a reference for 1995 Act 190, in its Articles 39 and 43, that extended the obligation of reporting suspicious operations to the entities submitted to Securities Superintendence inspection, supervision, or control and those professionally devoted to foreign trade activities, casinos, and gambling.

To implement the obligation to report, the Financial Information and Analysis Unit has worked with different authorities on issuing regulations that specify the characteristics, frequency, and controls needed to collect the SOR's and foreign exchange transactions and cash transactions that are over a determined amount.

The entities below periodically report this type of operations to the Financial Information and Analysis Unit.

- Financial institutions including high-level union credit organizations and money exchange bureaus
- Customs brokers
- Foreign exchange brokers
- Credit unions specialized in savings and loans, or multiple-activity total credit unions with a section for savings and credit
- Notary Public Offices

Also, it has been working with the Banking Superintendence for money exchange bureaus to report to the Financial Information and Analysis Unit all the foreign exchange transactions that are over a determined amount. This information enables identifying fund splitting operations sent from and/or to Colombia and the exchange of great amounts of foreign exchange that possibly enter as contraband into the country.

Inter-institutional Coordination

Including the Financial Information and Analysis Unit into the Suspicious Operations Reporting System in Colombia and the need to create awareness in public and private entities regarding the importance of attacking and preventing the asset laundering crime have required great efforts of inter-institutional coordination, a labor of great importance to obtain operational results in the fight against asset laundering. To attend to this need, courses aimed at some intelligence organizations were organized for the purpose of giving an introduction on the topic and ensuring cooperation ties. The Financial Information and Analysis Unit intends to act as a financial intelligence and field intelligence information reconciliation center which enables effectively connecting the crime that led to the asset laundering with a financial operation aimed at hiding capital.

Also, the great need to have sources of information and databases has led the Financial Information and Analysis Unit to make rapprochements with public and private sector entities, and this has resulted in the signing of a series of agreements related to providing information.

Chart No. 48. Inter-administrative Agreements with Public Entities

Date	Entity
2000	Bogota Chamber of Commerce
2000	National Marital Status Registration Office
2000	Administrative District Cadastre Department
2002	National Police
2002	National Tax and Customs Agency (DIAN)
2002	Committee to Fight against Subversion Financing (1)
2002	National Anti-narcotics Agency (DNE)
2002	Administrative Security Department (DAS)
2002	Securities Superintendence
2002	National Attorney General's Office

(1) Loan by the UIAF of computer equipment for the purpose of giving technical and information technology support in joint labors with the Committee.

Chart No. 49. Information Supply Agreements with Private Entities

Entity	Number
Financial institution associations	2
Universities	1
Financial institutions	2
Stock market brokers	1
Money exchange bureaus	12
Foreign exchange brokers	30

Being the only entity of its kind in the country, the Financial Information and Analysis Unit is starting to use and disseminate the term 'financial intelligence', which enters to compete with the already known term of 'military intelligence' that focuses on field work. That is how it began to use other tools to analyze financial information. To the extent that the Financial Information and Analysis Unit was becoming known, different State organizations started more concrete rapprochements with the Unit, which offered its services and know-how to train different institutions and complement their field work.

Three training courses were prepared aimed at the Administrative Security Department Unit against Asset Laundering, at operational personnel in the Central Judicial Police Division (DIJIN is the Colombian acronym) and at a group of National Army intelligence and counterintelligence officers and junior officers. Furthermore, a conference on "Euro Security Elements" was organized with the collaboration of the Central Bank of Spain and two conferences were organized by the United States Embassy Treasury Department Internal Revenue Department. These courses were taught by the Financial Information and Analysis Unit officers specialized in the topic and trained to teach this kind of events.

In turn, the authorities made 35 visits to management and operational areas in the different Government agencies.

Chart No. 50. National Inter-institutional Coordination				
Classification	**2000**	**2001**	**2002**	**Total**
UIAF Training to National-level Agencies			6	6
National Inter-institutional Coordination	13	8	14	35
Total	**13**	**8**	**20**	**41**

International Cooperation

Asset laundering is a transnational activity that demands excellent coordination with other international agencies devoted to fighting it. On this front the exchange of experiences regarding case analysis and identification of typologies, financial intelligence information exchange to track capitals abroad and technology transfer for data processing and information analysis are very important.

As of the consensus reached during the 1988 Vienna Convention, where, for the first time, asset laundering derived from illegal trafficking of narcotics and psychotropic substances was classified as a crime in an international instrument, the nations and international organizations turned their attention to observing, analyzing and designing tools to enable fighting this crime. In theory, it was thought that if the profitability of the criminal organizations devoted to drug trafficking was attacked, they would be weakened and reduce the production and consumption of illegal drugs. Therefore, the international exchange of financial intelligence information became one of the most effective instruments against transnational organized crime.

Through their international participation in conferences and specialized seminars, representatives from 24 nations and 8 international organizations were establishing informal contacts and coordinating their efforts to hold the first meeting of Financial Intelligence Units (FIU's) in Belgium in 1995. During this meeting, it was agreed to create the Egmont Group whose main objective is to strengthen international cooperation for detecting asset laundering through the exchange of information and experiences among its member nations. Thus, the Egmont Group became the international forum *par excellence* on this matter, which issues the basic criteria that every Financial Intelligence Unit must have to ensure the effectiveness of its actions.

To comply with the provisions in 1999 Act 526, which promotes international cooperation for the prevention and detection of asset laundering, it was determined that one of the first international actions that the Financial Information and Analysis Unit would carry out was to obtain membership in the Egmont Group. Colombia was able to enter in the 8th Plenary Session that was held in Panama City in May 2000, only a few days after the Financial Information and Analysis Unit began operating on February 29. The Financial Information and Analysis Unit's entry was supported by the Financial Information Units of the United States of America, France and Spain. The Financial Information and Analysis Unit entry won Colombia international acclaim because this procedure normally takes years. It was an express acknowledgment of the Colombian State's policy against asset laundering.

The Financial Information and Analysis Unit's entry into the Egmont Group initiated information exchange with more than 69 Financial Information Units along with its active participation in the Group's training, communications, and international relations work groups. While carrying out its international activities, the Financial Information and Analysis Unit developed the profile of being a support point for the Financial Information Units in the region for their assessment, training, and exchange of experiences. Thanks to the acknowledgement that the Financial Information and Analysis Unit has achieved in areas such as data processing and information analysis, it has organized training and experience exchange events for the officers of its homologous entities in Mexico, Bolivia, Peru, Guatemala, and Honduras. Also, the Financial Information and Analysis Unit has been invited as a lecturer to nine international training events organized by entities such as the United States of America Internal Revenue Service (IRS), the Egmont Group, the World Bank, and the International Monetary Fund (IMF), among others.

Chart No. 51. International Cooperation

Classification	2000	2001	2002	Total
International Inter-institutional Coordination	16	28	11	55
UIAF Training for International Entities	1	2	2	5
International Conferences and Forums	1	4	4	9
Total	**18**	**34**	**17**	**69**

During the 10th Plenary Session of the Egmont Group, held in June 2002, its participants decided to create the Egmont Group Council, as an instrument to design international cooperation tools. The acknowledgment that Colombia has obtained in detecting and preventing asset laundering was highlighted by the 69 members of the Groups when they elected the directors of the Financial Information Units of Colombia and of Austria Council Vice-presidents and the director of the Financial Information Unit of the United States of America President for a period of two years.

Also, the Financial Information and Analysis Unit led the establishment of virtual meetings in the Andean Community of Nations (CAN is the Spanish acronym) with the support of the Andean Development Corporation (CAF is the Spanish acronym). In May 2002, the *1st Satellite Event of Authorities in Charge of the Fight against Asset Laundering in the Andean Countries* was held. Its objective was to establish procedures and methodologies to define the typology of this crime, to understand it and for the competent authorities in the member nations to take effective prevention and detection actions.

The Financial Information and Analysis Unit has entered twelve (12) information exchange agreements with homologous entities abroad to reinforce the cooperation regarding the exchange of information experiences and technology. As a result of the agreement signed with the United Kingdom, that country donated computer equipment for information analysis to the Financial Information and Analysis Unit (for more details, see 'International Donations Administration').

Chart No. 52 Information Exchange Agreements with Homologous Entities Abroad		
Year	**Country**	**Institution**
2000	France	TRACFIN
2000	Spain	SEPBLAC
2000	Portugal	Judicial Police
2000	Venezuela	UNIF
2000	Brazil	COAF
2001	Bolivia	FIU
2001	Panama	FAU
2002	Guatemala	IVE
2002	Costa Rica	CICAD
2002	Belgium	CTIF-CTF
2002	United Kingdom	NCIS-ECU
2002	Honduras	FIU

Also, the Financial Information and Analysis Unit has made contacts with authorities in other countries to coordinate joint actions regarding asset laundering operations detection. The Financial Information and Analysis Unit also supported the labor of the Colombian State regarding inter-institutional coordinators to represent Colombia in international forums such as the Crime and Narcotics Prevention Commission as well as the United Nations Security Council, the Organization of American States (OAS) Inter-American Commission against Drug Abuse (IACDC), and the OAS Inter-American Committee against Terrorism (IACAT), Specialized Dialogues with the European Union (EU), Andean Community of Nations (CAN) Policy Agreement Mechanisms, and Bi-national, Bilateral and Border Commissions.

Centralized Information Consultation System

To comply with its information centralizing, systemizing and analysis functions to detect and prevent asset laundering in Colombia, the Financial Information and Analysis Unit must collect from different sources the data to be used as its raw material. Although 1999 Act 526 empowered the Financial Information and Analysis Unit to establish inter-institutional cooperation agreements to share information, that was not enough to ensure its performing its work. Executing agreements and the physical exchange of information involve a very varied logistical, technological component depending on the characteristics of each agency. And even more important is the amount of time that the Financial Information and Analysis Unit and other agencies spend gathering information. This gives organized crime a definite advantage when it comes to hiding the illegal origin of its income.

The Centralized Information Consultation System (SCCI is the Colombian acronym) was created to respond to the need for integrating sources of information on individuals or companies in order to speed up the analysis aimed at detecting illegal activities related to the crime of asset laundering. It is important to mention that this source of data will not be exclusive to the Financial Information and Analysis Unit activity because all of the cooperating agencies will interchange the information related to their particular mission.

The resources for financing the project were obtained through Plan Colombia, thanks to the collaboration of the United States Treasury Department and, in particular, FINCEN. The participation and collaboration of domestic agencies was achieved through work sessions in which the nature of the project was explained and its advantages and disadvantages debated. As a result of these sessions, the definition of the project was perfected and this enables obtaining better results.

Consequently, the end purpose of SCCI was defined as *"the creation of an information system that enables the various State agencies related to the fight against asset laundering to share information, where each agency maintains the control over the information for which it is responsible, but allowing the other agencies involved to consult on line the information that the legislation authorizes".*

SCCI is designed as a centralized information consultation system that extracts information directly from the sources where it resides (distributed databases), based on the requirement requested by any of the agencies involved in the project. Each agency is the owner of its own information and each agency determines (based on several factors) the level of access that it wants to grant any of the other participating agencies.

The advantages that have been identified in creating SCCI are the definition of a sole information source and the implementation of a sole technological infrastructure. Also, it is feasible to take advantage of the existing infrastructure and offer tools to the authorities that help speed up the processes in the various agencies. Finally, SCCI will maintain and strengthen information reporting channels that the State agencies receive.

3.4.2.2 Information Systemizing. To Improve the Quality of the Information Received from the Different Domestic and International Sources.

The second service provided by the Financial Information and Analysis Unit is data systemizing. When the Financial Information and Analysis Unit was created in 1999 and when it began its operational labors in March 2000, it started the process of designing and implementing a technological platform allowing the efficient processing of data and analysis of information related to asset laundering operations. This process has required action in the following areas:

- Developing the technological infrastructure regarding the storage and processing of data, communications and information security
- Electronic data capturing, especially of the SOR's
- Designing and administering financial information databases and third party information databases
- Training the reporting sectors to improve the quality of the information

Electronic Data Capture

One of the main bottlenecks in data systemizing has been the capture of a great volume of SOR's. Since 1998, the Financial Information and Analysis Unit has received 40,316 SOR's from the institutions obliged to report. Before the Financial Information and Analysis Unit was established, the control institutions supplied formats in paper on which the suspicious operations data was recorded. Until 2002, 24,511 SOR's were received in a paper format.

To solve this problem, a SOR capture was designed and its construction contracted. It has been distributed to 207 institutions, mainly of a financial nature, which periodically report suspicious operations to the Financial Information and Analysis Unit. Likewise, an SOR capture application via Internet was contracted to be built. It will aimed at entities that give occasional reports.

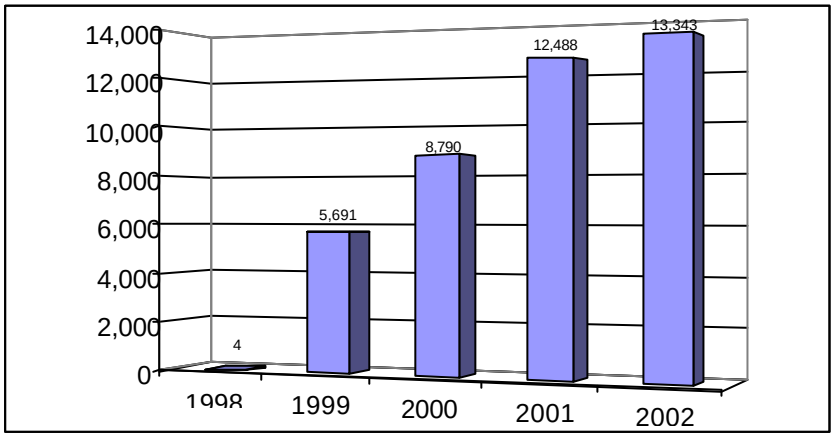
In 2001, 2,690 SOR's were received in a digital format and 9,798 in a paper format. For 2002, these figures were reversed, 13,343 SOR's were received in a digital format and 228 in a paper format. The Financial Information and Analysis Unit's objective is to reach 100% electronic data capture.

Chart No. 53. Suspicious Operations Report

Type of Institution	1998	1999	2000	2001	2002	Total
Custom Agents		1	179	196	82	458
Financial Institutions(1)	4	5.690	8.609	12.098	11.903	38.304
Notary Public Offices					22	22
Public Institutions			2	59	56	117
Credit Union Entities(2)					8	8
Stock Market Brokers				135	1.271	1.406
Others					1	1
Total	**4**	**5.691**	**8.790**	**12.488**	**13.343**	**40.316**

(1) This includes fully authorized money exchange bureaus and upper level credit union organizations.
(2) This only includes savings and loan credit unions and multiple-activity and total credit unions with a savings and loan section.

Graph No. 37. Suspicious Operations Reports



Design and Administration of Databases and Consultation Applications

For the Financial Information and Analysis Unit the access to different sources of information is a priority to carry out its function of analyzing asset laundering operations. However, much of the information needed to identify an organized crime financial network is not found consolidated in one sole agency but disseminated throughout different institutions. For example, Colombia does not have one sole record for savings accounts

which converts this financial product into one of the favorite financial instruments for launderers. To counteract the weak control over the use of this type of products, the Financial Information and Analysis Unit decided to create and administer databases with information on foreign exchange and financial transactions, asset ownership and third-party sources.

Also, to develop the Financial Information and Analysis Unit mission, the Strategic Analysis Subdivision designed and implemented the 'Information System for SOR Administration and Consultation' and a digitalized information process for financial intelligence reports delivered to THE NATIONAL GENERAL PROSECUTOR'S OFFICE .

1. Foreign Exchange Transaction Information

The Financial Information and Analysis Unit signed agreements to furnish information on foreign exchange transactions with the 12 fully authorized money exchange bureaus supervised by the Banking Superintendence and with 30 foreign exchange brokers supervised by the National Tax and Customs Agency. Likewise, this type of agreement has been signed with 2 financial institutions that offer foreign exchange draft services to and from foreign countries and with 1 stock market broker who carried out foreign exchange purchase and sale activities.

2. Automatic Teller Transaction Information

Based on the intelligence information supplied to the Financial Information and Analysis Unit, the use of unusual transactions with debit or credit cards issued abroad has been detected using automatic tellers located in Colombia. The analysis established the need to accede to this type of transaction through information furnished by the financial institutions that own the automatic teller networks.

In most cases, these transactions corresponded to persons or groups of persons working in 'arbitration of exchange'. They would buy United States dollars in Colombia, deposit them in accounts abroad and then withdraw the same money in Colombian financial institution automatic tellers. The purpose of such an operation is the profit obtained from the difference that exists between the value of the United States dollar in money exchange bureaus and through foreign exchange brokers and its value based on the Representative Market Rate.

In addition to these persons who carry out apparently legal activities, we have detected groups of persons who use this same means to transfer large quantities of money from other countries. In some cases such money may correspond to earnings from illegal activities. However, the Financial Information and Analysis Unit has had limited progress in this area due to the fact that it is impossible to obtain the identity of the persons who own the cards used in such operations.

3. Asset Ownership

To build a criminal network financial map, it is very important to know the ownership of an asset in order to relate money movements to the purchase of real estate or personal property. The Financial Information and Analysis Unit has forwarded actions to create purchase and sale databases for precious metals, savings accounts, non-profit organizations, and vehicle titles.

Also, databases have been acquired with information on companies and the financial statements of the main companies in Colombia.

4. Third-party Sources

Another type of information of great use to analyze cases in the Financial Information and Analysis Unit is obtained from third-party sources, that is, information that appears in freely circulated publications or data that is delivered to the Financial Information and Analysis Unit regarding suspicions, capture and sentences for crimes related to asset laundering.

To do its daily updating, the Financial Information and Analysis Unit has a provider that delivers all of the information related to asset laundering that is published in the main newspapers and magazines with national distribution. The historical information is obtained through a collaboration agreement signed with the Banco de la República Operations Investigations Unit. Also, the Financial Information and Analysis Unit has acquired databases of addresses and telephone numbers for the main cities in Colombia, information that is needed to geographically analyze asset laundering.

5. System of Information for SOR Administration and Consultation

The Information System for SOR Administration and Consultation was conceived as a work tool for the operations analysts. The systems intends to increase efficiency in generating strategic analysis and financial intelligence reports. Also, it enables the users of the Financial Information and Analysis Unit to consult the different SOR's that have been received and generate a variety of reports on the information stored in the database. The system also provides tools for reading, analyzing and classifying all of the SOR's that are received. Furthermore, it has automatic processes that facilitate selecting the SOR's to be investigated by the Unit analysts and to find existing relationships between the different reports.

It also provides an automatic statistical system based on a multidimensional system using OLAP tools that enables generating all types of figures, combining the following variables: time, geographical location, reporting entities, reported products, report value, report quality, and economic sector involved. In addition, an application was developed that enables doing follow-up on the information requests that have been sent to the different reporting entities to ensure the effective delivery of information and avoid requesting the same information more than once.

6. Digitalization the Information for the National General Prosecutor's Office

The Financial Information and Analysis Unit acquired the hardware and the software that allows digitalizing all of the documents in a particular case in order to classify them and consult them in a simple, rapid manner. So, every time a case is delivered to a prosecutor, the prosecutor receives a CD that contains the digitalized image of all of the documents for the case and a software that enables him/her to consult and visualize these documents.

Training for Reporting Sectors

Many public and private sector entities did not know of the existence of the Financial Intelligence Units. After the Financial Information and Analysis Unit was created, the

paradigm regarding the fight against asset laundering changed because financial intelligence became one of the weapons that governments have to fight organized crime and avoid filtering illegal moneys into the economy. Also, the dissemination of international regulations, upon which the world system against asset laundering is based, has been fundamental in understanding this crime from a global perspective.

In Colombia, we began speaking about the obligation to report suspicious operations when the Organic Financial System Statute was issued in 1993. When UIAF was created six years later, we saw that most of the institutions that were subjected to reporting filled out the SOR only to meet a legal formality. But, in reality, they did not know much about the crime of asset laundering, much less how important it was to fight it.

Both the quality and the quantity of the information received by a Financial Information Unit is essential to detect asset laundering operations. The Financial Information and Analysis Unit has developed an SOR classification system that seeks to improve the quality of the data received. The classification system showed that 43% of the SOR's received by the Financial Information and Analysis Unit had information deficiencies. This situation obliged the Financial Information and Analysis Unit to take action on two fronts; first, the SOR's that did not meet the minimum quality standards were returned to the reporting entities to be correctly filled out or their information complemented and, second, training was given to the reporting entities to help make them aware of the Financial Information and Analysis Unit's functions and to teach them how to fill out the digital SOR's as well as give them the information quality requirements that had to be reflected in the SOR's.

Chart No. 54. Training on Asset Laundering Prevention

Classification	2000	2001	2002	Total
Prevention Conferences for Reporting Entities	19	32	19	70

The Financial Information and Analysis Unit made presentations to sensitize the reporting entities to the importance of preventing asset laundering and of reporting suspicious operations with all relevant information, for them to be analyzed and to take the persons involved in such suspicious operations to court. In turn, it sought the rapprochement of the reporting entities and promotion of cooperation which, based on the experience of other countries, have been key factors in fighting organized crime and thus bettering the protection of the economy.

Since 2000, the Financial Information and Analysis Unit has held 70 training events aimed at entities from all of the sectors obliged to report. The effectiveness of the training and the introduction of digital SORs has been reflected in the quality of the SOR's being reported. Whereas in 2001, 50% of the SOR's were classified as deficient or bad (Classifications 1 and 2), in 2002 only 31% of the SOR's obtained those low classifications.

Traditionally speaking, the financial sector is considered the sector most used by organized crime to camouflage its illegal resources with a legal appearance. That is why the Financial Information and Analysis Unit's efforts have been focused on training and dissemination of this topic in that sector. Training has also been extended to other sectors susceptible of being used for this activity, such as notary public operations and foreign exchange brokers.

It is worth mentioning that to meet the above objective and properly carry out this labor, it has been necessary to constantly train and update the Financial Information and Analysis Unit officers on new practices, techniques and typologies of asset laundering. Therefore, some training programs have been coordinated with the help of international cooperation.

3.4.2.3 Information Analysis: Detecting and Informing Competent Authorities of Cases Potentially Related to Asset Laundering

The analysis of information related to asset laundering operations is the last service that the Financial Information and Analysis Unit provides. The data to which UIAF has access and its data processing are the pillar for the financial intelligence reports and the requirements made by domestic and international entities. To fulfill its mission, the Financial Information and Analysis Unit makes two kinds of analysis; one is *operational analysis*, for the purpose of finding the capitals related to an asset laundering operation reported in one or various SOR's and the other is *strategic analysis*, to analyze the universal data that arrives at the Financial Information and Analysis Unit and observe it as a whole in order to identify trends, detect typologies or find new sectors that are affected or that are susceptible to being used for asset laundering.

The function of information analysis has required efforts in the following areas:

- Strategic analysis of asset laundering, of a geographical and statistical type, as a prevention tool for the reporting entities and as a control tool for the inspections and supervision authorities.
- Operational analysis and development of methodologies to speed up the labor of detecting structured asset laundering operations and delivering financial intelligence reports to competent authorities.
- Financial intelligence information exchange with domestic and international entities to counterattack the transnational nature of organized crime.

Strategic Analysis of Asset Laundering

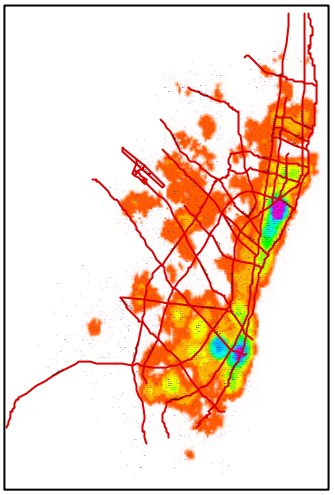
The Financial Information and Analysis Unit has the legal obligation to do the studies needed to identify sectors that are affected or susceptible of being used for asset laundering in order to design the respective prevention and protection mechanisms. Likewise, it must coordinate studies to identify the practices, techniques and typologies used for asset laundering in the different sectors of the economy, as well as identification of profiles for persons and companies allegedly responsible for such activities. To meet these obligations, the Financial Information and Analysis Unit has used two types of analysis in which it is considered to be a pioneer both regionally and worldwide: geographical analysis and statistical analysis of structured asset laundering operations.

1. Geographical Analysis of Asset Laundering

One of the tools that enables analyzing large volumes of information efficiently is the Geographic Information Systems (GIS). These are defined as a set of tools to obtain, store, recover, transform, and deploy spatial data aimed at visualizing and analyzing the information graphically and, therefore, in a more versatile manner that is easy to understand.

The Financial Information and Analysis Unit implemented a GIS to detect and prevent asset laundering. As to prevention, periodically the geographical zones where there is most concentration of SOR's are delimited both at the municipal level and at the urban level, for the seven main cities in Colombia. Then, an analysis of the information in each SOR is made in order to seek some correlation among them. For detection, models have been designed to do complementary studies with other databases associated with outlawed armed groups. Also, an analysis is made of the concentration of persons in the geographical zones related to the operational analyses.

GIS has become an information feedback tool for reporting entities. The periodic calculation of risk zones enables identifying the geographical areas that show the most concentration of SOR's in the main cities throughout Colombia. We have observed that some of the zones are in constant movement. That is why this information is very useful to compliance officers for them to identify global trends in capital movements related to illegal activities.



For detection, GIS is used to find behavioral patterns for the transactions involved in a case being analyzed. For example, some times it is possible to connect groups of related persons in different cases thanks to their spatial behavior.

2. Statistical Analysis

Since its creation the Financial Information and Analysis Unit has given priority to using statistical models to detect asset laundering operations. At the beginning, models were elaborated to detect atypical behaviors in different economic sectors. Also, models were developed to analyze cases that sought to detect the concentration of moneys in determined financial products.

At present, statistical analysis is used to identify trends in the Financial Information and Analysis Unit databases. The objective of this analysis is to detect capital splitting operations. Based on the evaluation of similar behaviors in some parameters in the SOR's and in foreign exchange transactions, an automatic process was prepared supported by software tools, that seeks to identify groups of persons who may be involved in this type of operation.

Structured Asset Laundering Operation Detection

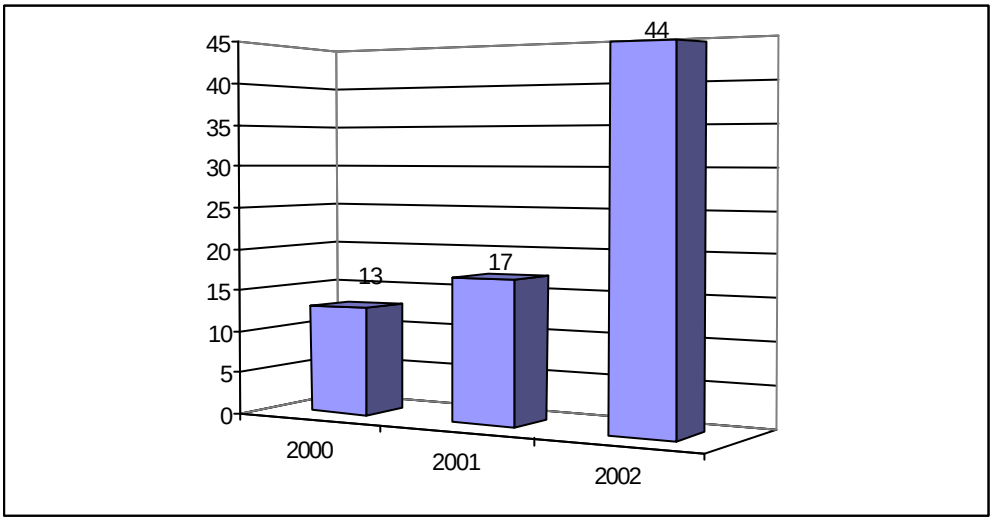
The labor of detection may be indicated as a continuous improvement process. The product of the Financial Information and Analysis Unit analysis labor is financial intelligence reports for competent authorities, mainly for the National general Prosecutor's Office.

Since its creation, the Financial Information and Analysis Unit has worked at preparing a case analysis methodology. This task seeks to standardize processes as the needs of prosecutors and of investigation organizations are identified. When characteristics are

found that can be common to all cases, the analysis methodology is standardized and a procedure to be followed in the future is established. As time passes and the methodology is applied to the cases, it is broken down and enriched by each analyst. This process has made it possible for the analysts to devote more time to case analysis and increase their productivity: in 2001, 17 intelligence reports were delivered to competent authorities whereas in 2002, 44 were delivered .

The methodology developed in the Financial Information and Analysis Unit that has proven most useful is the digitalization of a person's financial information, in order to extract the most relevant data. For this task, special formats were created after identifying the most important information found in different documents. Thus, the problem of great volumes of information being sent by financial institutions was solved and the analysis process was converted into a simple task that takes little time and energy. Before, the analysis of a case would take months and was costly in terms of analyst/hour spent in digitalizing. Today, information digitalizing to analyze a case is done by personnel contracted for that purpose.

Graph No. 38. Delivery of Intelligence Reports to Competent Authorities



Since 2000, the Financial Information and Analysis Unit has delivered 74 financial intelligence reports related to 2.427 SOR's that sum COP 1.200.000.000. This figure must be used carefully as it corresponds to the amount reported in the SOR's; it could be an underestimate of the amount of money related in the financial intelligence report. By delivering reports, the Financial Information and Analysis Unit has been able to associate 4.153 individuals and 458 companies to alleged asset laundering operations. Also, the entity that received most Financial Information and Analysis Unit-produced reports is the National General Prosecutor's Office. It has received 58 financial intelligence reports. Also, financial intelligence reports have been sent to the Military Forces, the Administrative Security Department, the National Tax and Customs Department, the National Police, the Ministry of Foreign Affairs, and the National Attorney General's Office.

Information Exchange with Domestic and International Entities

The Financial Information and Analysis Unit not only furnishes financial intelligence reports to competent authorities but also furnishes the information in its databases regarding SOR's, foreign exchange and financial transactions, asset ownership, and third-party sources. Thus, the Financial Information and Analysis Unit answered 28 information requests in 2001 and 105 in 2002, involving 1.098 persons.

Also, to comply with the provisions in the information exchange agreements signed with homologous entities and other international instruments signed by Colombia, the Financial Information and Analysis Unit answered 21 international information requirements in 2001 and 98 in 2002, involving 563 persons. When so requested by a foreign authority, this information is complemented by financial intelligence reports that may later be used in international organized crime trials.

Chart No. 55. Domestic Entity Information Requirements Answered by UIAF 2000-2002

Type	2000	2001	2002	Total
Number of Requests	Not available	28	105	133
Number of Persons Involved	Not available	231	867	1,098

Chart No. 56. International Entity Information Requirements Answered by UIAF 2000-2002

Type	2000	2001	2002	Total
Number of Requests	Not available	21	98	119
Number of Persons Involved	Not available	110	453	563

Chart No. 57. Consolidation of Financial Intelligence Reports Delivered to Competent Authorities 2000-2002

Competent Authority to Which Report Was Delivered	Number of Reports Delivered	Number of SOR's Associated with the Reports	Amount Associated with the Report SOR's (in COP) [1]	Number of Individuals Involved	Number of Companies Involved
FGN	50	1.542	1.135.352.698.627	1.597	423
DAS	9	329	35.030.835.282	1.786	2
FFMM – FGN	4	7	5.421.662.000	130	3
FGN - DIAN	3	48	79.901.155.568	106	28
FFMM	3	492	457.508.000	514	0
PN	1	1	-	3	0
PGN	1	1	3.909.367.360	5	1
FGN – Chancellery	1	4	14.862.857.345	9	0
FFMM – DIAN	1	1	-	1	1
FFMM – DAS	1	2	4.676.243.209	2	0
Total	**74**	**2.427**	**$1.279.612.327.391**	**4.153**	**458**

Initials: FGN: National General Prosecutor's Office; DIAN: National Tax and Customs Agency; PN: National Police; DAS: Administrative Security Department; FFMM: Military Forces; PGN: National Attorney General's Office.

3.4.3 National General Prosecutor's Office (FGN)

Asset Laundering Proceedings

119 persons were arrested, and the following types of currency were seized during these proceeding:

United States Dollars:	*24.885.973*
Spanish Pesetas:	*61.889.314*
Italian Florins:	*175.800*
British Pound Sterling:	*271.400*
Euros:	*884.350*
Colombian Pesos:	*506.690.000*

Seizure of financial products such as. Securities. FTDs: COP 34.251.375.979,39

Investigations

Investigations Underway	*678*
Preliminary Summary	*312*
Judgments Pronounced	*366*

The following definitive decisions have been proffered:

Restraining Orders	*97*
Resolutions of Indictment	*175*
Resolutions of Estoppel	*182*

Legal situation of those investigated:

Securing Measures	*456*
Preventive Arrest	*407*
Home Arrest	*49*
Abstain from Measures	*117*

Cases Completed:

Early Verdicts	61

3.4.4 Actions Forwarded by Banco de la República (Colombian Central Bank)

Among its functions, the Colombian Central Bank has implemented controls aimed at avoiding asset laundering in its operations with individuals (controls over payment and administration of government bonds and over purchase of gold) and at detecting suspicious operations by using the information that it receives as a central bank (information on foreign investments, loans and foreign currency and clearing accounts abroad). It is necessary to clarify that Banco de la República does not supervise the financial system nor does it have regulatory functions regarding the prevention of asset laundering.

Below, we summarize the main actions forwarded during 2002, which have been executed and or coordinated by the Operations Analysis Unit. This unit is in charge of applying the asset laundry prevention policy in the Colombian Central Bank, ensuring compliance with asset laundering regulations, establishing appropriate controls over the risks that this institution faces and verifying their compliance, submitting cash transaction reports to the Banking Superintendence and investigating any suspicious operation that has occurred in the Bank and reporting it to the Financial Information and Analysis Unit.

Internal Actions

1. It established computerized systems that facilitate detecting suspicious operations, using the information on foreign investments and loans in foreign currency.
2. It put an information system into practice that detects negotiations of public securities among high risk persons, and soon will implement a pilot procedure to detect statistically unusual operations made through the Centralized Securities Deposit (DCV is the Colombian acronym).
3. It initiated a distance checking system to verify compliance with controls in the different areas and branches of the Bank, based on better use of its information systems.
4. It continued the permanent update of its internal procedures against asset laundering, specially those applicable to its contractual relationship with third parties, such as government bond payment through the tellers' window and Bank purchases of gold from individuals.
5. It reviewed its daily operations with individuals, thus enabling to discover those made with high risk persons in a timely manner.
6. It attended information requests in a timely fashion regarding 270 persons under inquiry by judicial and police authorities for asset laundering and it sent the Financial Information and Analysis Unit all of the detected suspicious operations reports, the quality of which was positively evaluated by said Unit.

External Actions

1. It issued July 2002 Resolution 03 (issued by the Banco de la República Board of Directors) and 2002 Regulatory Circular DCIN-30, which submit foreign exchange brokers to strict asset laundering prevention obligations.
2. It participated in the FATF SOUTH Mutual Evaluation Mechanism (MEM) and the meritorious labor of Banco de la República against asset laundering contributed to that organization's positive evaluation of Colombia. The report read, *"It is worth highlighting how Banco de la República has made important efforts to prevent asset laundering, by establishing an Operations Analysis Unit made up of 6 members and by making an annual investment in analytical costs for the different areas of the Bank in the amount of COP 1.584.000.000".* The Bank also coordinated the answer to various questionnaires sent from the International Monetary Fond regarding the Colombian system against asset laundering and against financing terrorism.
3. It provided training to various public and private entities and shared its experiences in asset laundering prevention with the Central Banks of Guatemala and of Costa Rica.
4. In the ASOBANCARIA (Banking Association) Compliance Officers Committee, it collaborated in preparing the *Second Pan-American Congress on Asset*

Laundering Prevention and the Second Meeting of Compliance Officers of the Americas, carried out in Cartagena in October 2002. It also formed the subcommittee in charge of formulating financial system observations for the draft of the circular on asset laundering issued by the Banking Superintendence.

5. It participated in the *Operational Support Committee for the Inter-institutional Coordination Commission for Asset Laundering Control* coordinated by the Vice-ministry of Justice, especially in aspects regarding the movement of cash through the borders, the professional activity of foreign exchange brokering, and the improvement of statistics on asset laundering.
6. One of its officials was a member of the FATF SOUTH Group of Experts that evaluated the system against asset laundering in Bolivia.

3.4.5 Actions Forwarded by the Banking Superintendence

The Banking Superintendence verifies the compliance of the institutions that it supervises with the regulations imposed upon them due to their obligation of adapting appropriate, sufficient control mechanisms to avoid being used for asset laundering. In general, the supervised institutions[69] have properly complied with regulations issued both domestically and internationally regarding the control and prevention of asset laundering.

Among the main activities developed in 2002, we list the following:

External Circular 046 included the annex "Knowing your Customer" was issued on October 29, 2002. It contains the general rules and regulations for the supervised institutions to acquire customers. Also, it updated and adapted the rules that govern the prevention and control of asset laundering in the supervised sectors and in money exchange bureaus, based on the continuous evolution given this issue in the international ambit, and it clarified the concepts and procedures that must guide such institutions for them to appropriately comply with the respect of provisions in the Organic Financial System Statute regarding this matter.

The instructions set forth in this circular constitute the minimum rules that the supervised institutions must follow when designing and implementing their own systems. It highlights the responsibility that the institutions have to do everything possible for the asset laundering control and prevention systems to function properly, in order to prevent their being used, while they make their operations, as vehicles for criminals to carry out their illegal activities.

As far as training is concerned, a seminar for trust company compliance officers was held within the Superintendence, to make the contents and scope of Circular 046 better known.

In coordination with the Board of Directors of Banco de la República, the Banking Superintendence, as a monetary, exchange and loan authority of the Colombian State, carried out actions for the same controls as those demanded of the other foreign exchange market brokers to be applied to professional buyers and sellers of foreign exchange who make similar operations of foreign exchange purchase and sale. This proposal became law when it issued June 7, 2002 External Resolution 03, through which 2000 External Resolution 08, Article 60, Paragraph Nos. 2 and 7 and Article 75 were modified.

[69] Financial institution, insurance company, pension plan company sectors and money exchange bureaus.

In 2002, the inspection visits shown below were made.

Chart No. 58. Inspection Visits Made by Colombian Banking Superintendence Officials, Which Included Verification of Compliance with the Total System for Asset Laundering Prevention (SIPLA is the Colombian Acronym). 2002

Institutions	Total Supervised	Total Visited	(%)	Penalties	
				Fines	Warnings
Financial Intermediaries *	248	92	37,1	2**	1
Insurance Companies and Insurance and Re-insurance Brokers	123	28	22,8	-	10
Money Exchange Bureaus	12	2	16,7	-	-
Total	**383**	**122**	**31,8**		

* Also classified in this group are the institution that make up the pension plan sector, the companies that administer pension funds and severance pay funds, companies that administer the bonuses for workers, and companies that administer professional risks.
** The amount was COP 6 million

Also, we should highlight that, during 2002, compliance with the function of supervising the asset laundering prevention and control mechanisms made by the supervised institutions, represented an expense for this Superintendence of COP 219.322.000, an amount that is equal to 0,37% of the executed budget.

3.4.6 Actions Forwarded by the Securities Superintendence

Delegation for Issuers

For the purpose of verifying compliance with the regulations in force regarding asset laundering contained in 1998 External Circular 4, Number 4.1., this Delegation made 24 visits of a general nature to securities issuers submitted to the exclusive control of this Superintendence. Generally speaking, it found that the companies had properly complied with regulations. Of the analysis made, no new trends or typologies of asset laundering were detected.

This Delegation considers it necessary to modify 1998 External Circular No. 4 in the part regarding securities issuers, for the purpose of establishing the following:

- The concept of customer
- A clear definition of the coverage of the asset laundering prevention measures, expressly indicating the treatment that the company must given to its operations while meeting its business purpose
- The concepts of unusual and suspicious operations

Delegation for Stock Market Inspection and Supervision

Evaluation of the visits made in 2002

The reports submitted by the officials who made the visits were evaluated to make a diagnosis of the situation of each one of the stock market brokerage companies visited, regarding the prevention, control and repression of criminal activities. As a result of that evaluation, the Delegation drew the conclusions below.

- Specific cases of lack of formality in the process of "knowing your customer", specifically when filling out the new account form, with the excuse of public disorder, the situation of insecurity that the country is facing or the fact that the official doing the processing personally knows the customer.
- Absence of criteria in identifying suspicious operations. This process should not be the result of a subjective appreciation or of an isolated analysis of each one of the characteristics of the operations. To the contrary, it must be an objective study based on analyzing the characteristics of the operations as a whole.
- Low standards for appointing compliance officers, because they are not management level in the institution nor do they have decision-making power.
- Compliance officers' apparent use of a form to submit their reports to the Board of Directors.
- Outdated customer information.
- Procedure manuals without clear mechanisms or criteria for identifying unusual suspicious operations.

In addition, this Delegation has the following perceptions:

- There is a general belief that designating a compliance officer excuses the other officers in the stock market brokerage companies, no matter what position they hold, from meeting their obligation of reporting any operations that they have knowledge of that they consider suspicious.
- The officers fear reporting suspicious operations because they do not want to become involved in criminal proceedings.

Due to the above, the Delegation deemed it pertinent to make some suggestions to the supervised institutions. This was done within the framework of a conference held by this Delegation in a seminar called "The Prevention of Asset Laundering through the Securities Market and Strategies to Control it" organized by the Superintendence in December 2002. Notwithstanding, for 2003, visits to stock market brokerage firms will be scheduled for the purpose of re-verifying compliance with the regulations on asset laundering, and if necessary, claims will be made to the entities that do not comply with the provisions in force regarding this issue.

- The need to modify the regulations contained in 1998 External Circular 4 and 15, for the purpose of updating them and strengthening asset laundering prevention mechanisms.
- The need to adopt new methods to use while making visits, due to the fact that the entities subject to inspection and supervision by this Delegation may incur in violations. In this manner, we may ensure that the discussion during the visit will include a total review of all of the topics at hand.
- The need to do permanent studies of the criminal methods and mechanisms used to give an appearance of legality to reproachable practices in the stock market, characterized by their dynamic nature and high technological level.

Activities Forwarded after Evaluating the Visits

Modification to 1998 External Circulars No. 4 and 15

In addition to what has been set forth regarding securities issuers, the Superintendence established the priority of modifying the regulations in force regarding asset laundering, with the following objectives:

- To standardizing the regulations issued by the Banking Superintendence and the Securities Superintendence regarding basic concepts such as customers, users, suspicious operations and unusual operations.
- To establish the obligation of periodically remitting to the Financial Information and Analysis Unit a series of reports, among them: the SOR (to the stock market brokerage companies in their dual condition as securities brokers and foreign exchange market brokers), a report of cash operations, and a report of multiple transactions. The above, in addition, is for the purpose of standardizing the contents in the frequency of the reports remitted by the institutions submitted to inspection and supervision by the Banking Superintendence so that that Unit can cross reference information as needed.
- Establish the obligation of designing and implementing proper procedures to ensure "knowing your customer.
- Establish the obligation of implementing instruments to properly apply the control mechanisms (warning signals, market segmentation).
- Establish regulations for farming and livestock and farming industry products and goods stock markets, for their members, and for the clearing houses and their liquidators, as they are agents submitted to inspection and supervision by the Securities Superintendence as of September 2002.

Supervision Function Reengineering Project

This superintendence has an initiative to improve its supervision and control plans. To do so, it has undertaken a supervision function reengineering project, which includes the prevention of criminal activities as an essential topic. This project seeks to strengthen this control agency's capacity to supervise, investigate and penalize its supervised and controlled entities.

Relations with other State entities

As a consequence of the evaluation of the visits made in 2001 and to complement the project mentioned above, this Superintendence has entered into the following agreements:

- With the Financial Information and Analysis Unit. For the purpose of the superintendence supplying to the unit, the information available in its databases, attending specific requests that may be made to it.
- With the Banking Superintendence. For the purpose of exchanging technical assistance and support on regulation and supervision topics.

In addition, this agency started executing a work agenda with the National General Prosecutor's Office National Unit for Asset Forfeiture and against Asset Laundering, for the purpose of obtaining support on regulatory topics, exchanging technical assistance, and

establishing the trends and typologies of asset laundering in the stock market and in the farming and livestock and farming industry products stock market.

Compliance with the FATF SOUTH Recommendations

In compliance with the recommendations made by this organization, we need to "Continue with the improvement process for the quality of the SOR and offer some type of general feedback to the obliged entities regarding the final use of the reports".

To do so, the Financial Information and Analysis Unit and the Securities Superintendence set forth the mechanism described below which will be implemented in 2003.

- The Financial Information and Analysis Unit will deliver to the supervised entities the information-gathering software for it to fill out and send the SOR to that Unit. The Financial Information and Analysis Unit will also give training on how to use that software.
- The Financial Information and Analysis Unit will give feedback to the supervised entities on the information it receives in the SOR's.
- The Financial Information and Analysis Unit will generate a report to the Securities Superintendence advising a supervised entity's reporting non-compliance, for the Securities Superintendence to take the corresponding measures.

Visits made in 2002

For the purpose of verifying compliance with the regulations in force regarding asset laundering, from May to December 2002, the following visits were made:

- Four visits to non-supervised intermediaries (money boards). Three of the visits have been completed and filed. The fourth visit has been made and at present the commissioned officers are preparing the corresponding report.
- Within the framework of a general visit made to a brokerage company for the purpose of studying the viability of giving it authorization to constitute a securities fund, we reviewed it for asset laundering and the report is being evaluated at present.

Delegation for Stock Market Promotion and Development

This Delegation held the seminar "The Prevention of Asset Laundering through the Stock Market and Strategies to Control it", in which the policy, strategies and procedures that the Securities Superintendence and other State organizations forward to prevent and combat this scourge were presented.

Also, the domestic and international regulations in force regarding asset laundering prevention and the new typologies associated with this crime were analyzed.

This event had the participation of 240 officers belonging to the following entities: Bolsa de Valores de Colombia S. A.; stock market brokerage companies; farming and livestock and farming industry products and goods stock markets, their members and the clearing house of one of the products stock markets; securities funds, investment management companies, mutual funds associations, rating companies, Deposito Centralizado de

Valores de Colombia – Deceval (Centralized Securities of Colombia); one securitization company; and some public entities.

3.4.6 Actions Forwarded by the Superintendence of Companies

The Superintendence of Companies supported the National Anti-narcotics Agency and the National General Prosecutor's Office in the legal interpretation of corporative law, for the purpose of clarifying aspects on how to handle companies in asset forfeiture proceedings.

Also, it answered some the Financial Information and Analysis Unit requests for information on supervised companies. It also put into practice sending periodical information from supervised companies regarding companies that make transactions with international debit or credit cards in Colombia.

3.4.7 Actions Forwarded by The Workers' Credit Union and Associations Superintendence

The Worker's Credit Union and Association Superintendence prepared the draft for the Basic Legal Circular, in which it updates and standardizes into one sole body of law the regulation applicable to the workers' sector that is made up of eight thousand organizations including different types of workers' credit unions, workers health companies, mutual fund associations, employee funds, farming and livestock professional associations, communal or community companies, and workers' association companies.

The draft of the Basic Legal Circular is in the final review stage, after a broad participation procedure both inside and outside the Superintendence as it was published in the internet portal and observations made by the general public were gathered.

An institutional action plan was designed to fight asset laundering. The plan starts with acknowledging the need to act on different fronts, among which we include reviewing the appropriateness of regulations, defining responsibilities within the entity, promoting inter-institutional coordination summaries, creating an information system, incorporating the topic of asset laundering into the training plan within the entities and institutions that make up the workers' credit union and association sector.

In compliance with 2002 External Circular 006 and 014, the records obtained by virtue of the *extra situ* analysis made show that 80% of the entities remitted the respective information. The remaining 20% were sent the relevant requirement to do so.

Also, the Workers' Credit Union and Association Superintendence entered into a technical cooperation agreement with The Colombian Confederation of Workers' Credit Unions (Confecoop), whose objective is to make 86 visits, aimed at gathering information on the different aspects related to this sector. One of the aspects is information on applying tools to prevent asset laundering in the workers' credit union and association sector, such as using compliance officers, having a procedure manual, doing market segmentation, consolidating operations made by customers, and doing technological development and training.

In the field of inter-institutional cooperation, it participated jointly with the Financial Information and Analysis Unit and the Banking Superintendence in the Committee to strengthen the regulations applicable to the detection and prevention of and the fight against asset laundering in the workers' credit union and association sector, based on the of the FATF SOUTH Mutual Evaluation Mechanism recommendations approved within the framework of the 5th Plenary Session of the Representatives held in Buenos Aires, Argentina on May 22 – 24, 2002.

3.4.8 Actions Forwarded by the National Health Superintendente

The National Health Superintendence is the superintendence in charge of the inspection, supervision and control of the General Health Social Security System. Regarding prevention, supervision and control of asset laundering, it issued 1996 External Circular 001.

4. REDUCING THE DEMAND

4.1 The Consumption of Psychoactive Substances in Colombia[70]

In 1999, the Presidential Plan Rumbos, along with the then existing National Drug Investigation Commission[71], made a survey among persons from 10 to 24 years old throughout the country, as a rapid, low-cost measure to obtain data on drug consumption. For 2001, the National Drug Investigation Commission was in charge of the National Survey on Psychoactive Substance Consumption of Persons from 10 to 24 years old, with the coordination of the Presidential Program Rumbos and, in particular of the Colombian Observatory on Psychoactive Substance Consumption. The purpose of the survey was to determine the status of drug consumption in our country, specifically among children, youths and young adults that are the highest risk population, for which prevention actions must be a priority for these groups. The results appear below.

4.1.1 Alcohol Consumption

Alcohol is the psychoactive substance most consumed by the persons surveyed. Due to the social acceptance that this substance has, the percentage of persons having consumed it once in their lives reaches 90% in the city where we observe the greatest consumption. There were no differences over 10 percentage points when comparing the data on consumption sometime in their life (consumption in lifetime) to consumption during the past year (consumption in the past year). The percentage of persons who have consumed some alcoholic beverage in the past year is very similar to those who have consumed some alcoholic beverage sometime during their lives and near half of the persons surveyed had consumed some during the past month.

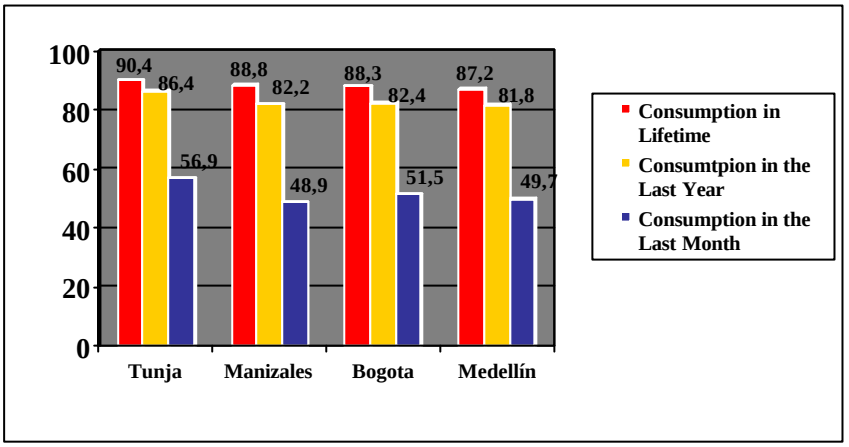
The cities with the lowest levels of alcohol consumption in lifetime were Arauca, Leticia, Sincelejo, Montería, and Valledupar and the cities in which the highest levels of alcohol consumption in lifetime were Tunja, Manizales, Bogota and Medellín.

Although the difference between the data from the cities where the least consumption in lifetime was observed and the trend observed in most of the cities could be explained by the absence of University-age persons, given the fact that they are the age group that most contributes in the consumption in lifetime data. In these cities, we can also observe the lower percentage of young persons who have consumed alcohol in the last year and in the last month. This confirms that, although the population surveyed in these cities was younger, their present consumption and their recent consumption are low as compared to that in the other cities surveyed.

[70] 2002 Presidential Program RUMBOS Report. At present the Reducing the Demand policy is coordinated by the Ministry of Social Protection.
[71] In the Commission the following agencies participated: National Anti-narcotics Agency; Bogota, D. C. Total Prevention Coordination Unit; National Police Anti-narcotics Division; Bogota, D. C. Health Secretariat; Ministry of Education Youth Vice-ministry; National Anti-narcotics Fund, and invited entities.

As to consumption percentages according to education level and gender, in most of the cities we saw that, although men consume more, there is a greater number of new cases of female consumers in all of the cities, except in Armenia where we saw a higher percentage of new cases of consumption in males in junior high and high school and in higher learning institutions. The cities with the greatest percentages of new cases of consumption for junior high and high school-age students are Riohacha, Valledupar, Puerto Inírida, Santa Marta, and Sincelejo.

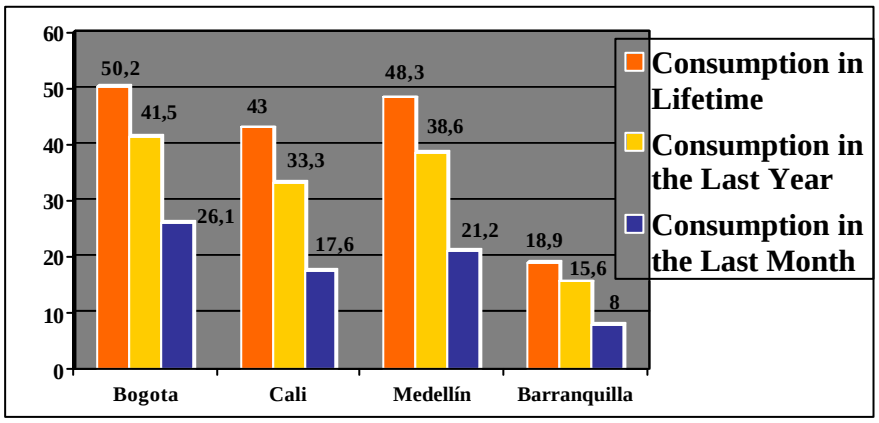
Graph No. 39. Cities with Most Alcohol Consumption



4.1.2 Cigarette Consumption

Cigarettes are the number two psychoactive substance most consumed by young students from 10 to 24 years old. Although, cigarettes are also a socially accepted psychoactive substance and their use is relatively frequent, the consumption percentages are lower than those for alcohol. Cigarette consumption prevalence proportions are more heterogeneous among the various cities.

Graph No. 40. Cigarette Consumption in the Main Cities



In general terms, we observed a similar behavior in the cigarette consumption and in the alcohol consumption indicators in the breakdowns by educational level as well as in the order of the cities by prevalence percentages and in the new cases. Only the analysis of cigarette consumption according to gender shows differences as compared to alcohol consumption.

4.1.3 General Consumption Based on Cities

The general consumption indicator is defined as the consumption of one or more substances in any group of substances. For the National Survey, general consumption indicators correspond to two groups of substance consumption: one of them is the group of alcohol and/or cigarette consumption and the other is the group of marihuana, cocaine, heroin, and/or ecstasy consumption, some time during the person's life, some time during the last 12 months, and some time during the last 30 days before the survey was taken. In this manner, we are able to establish the most prevalent general consumption of legal and illegal substances by using these indicators.

The consumption in lifetime of alcohol and/or cigarettes is quite high for all of the cities. Ten cities (Tunja, Manizales, Bogotá, Medellín, Cali, Mocoa, Villavicencio, San Andrés, Ibagué and Quibdó) obtained a consumption in lifetime of alcohol and/or cigarettes higher than the other provincial department capital cities that answered the survey. Most of the remaining cities obtained a consumption in lifetime of 80% to 84%, and only four cities (Arauca, Leticia, Sincelejo, and Montería) obtained a consumption in lifetime of 58.4% and 75.3%. Arauca, the city with the lowest consumption, obtained an indicator lower by 31.1% than the consumption in lifetime in the other provincial department capitals surveyed.

The greatest general consumption of alcohol and cigarettes corresponds to the cities of Tunja, Manizales, Bogota, and Medellín. The comparison of consumption in lifetime and consumption in the last year shows that a large proportion of young persons who have consumed these substances some time during their life still consume them now. The high percentages of consumption some time in the last month are an indicator of the consumption frequency of these substances. The consumption proportions in the cities based on gender show that, although it is tending to balance out, the overall consumption of these two substances is greater among males.

Regarding general consumption of marihuana, cocaine, heroin or ecstasy, we discovered that Medellín is the city with a much higher consumption of at least one of those substances than the other cities and the consumption in lifetime percentage is higher than the consumption in lifetime for all of Colombia by 82.9%. Manizales, Pereira, and Armenia are the cities that follow for greatest consumption of one or more of these substances. Santa Marta, Riohacha, Valledupar, Sincelejo, and Arauca are the cities with the least general consumption of illicit substance consumption.

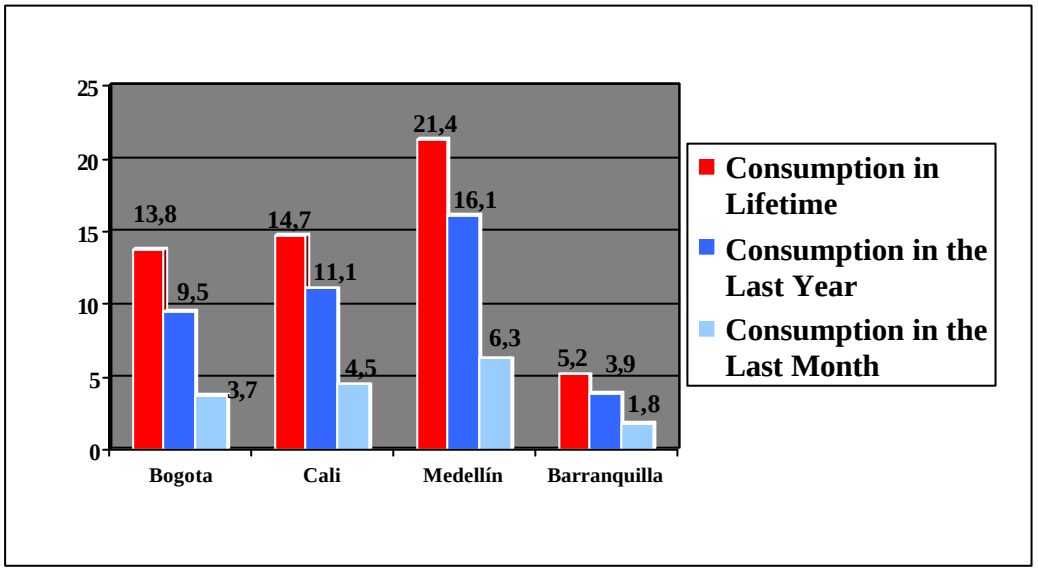
In Medellín the percentages of males and females who consume marihuana, cocaine, heroin and/or ecstasy are practically twice the general consumption indicators for the sum of all of the other cities. In all of the cities, except Arauca, the consumption of illegal substances is greater among males. In Arauca, we observed an equal proportion of males

and females who reported having consumed at least one of these substances some time during their life, whereas present consumption, especially the number of cases of consumption of these substances, is greater among females.

In cities where we see high percentages of illegal substance consumption, such as Medellín and the coffee growing zone cities, the percentage of cases of persons reporting having consumed some time in their life and who do not consume now is low as compared to that percentage in most cities. That means that in these cities there is a greater consumption in lifetime than present consumption where present consumption corresponds to the number of cases of persons who started consuming in the last year, plus a large proportion of consumers who have been using these substances for a while.

Out of all of the persons who reported having consumed one or more of these illegal substances at some time in their life, almost 27 out of every 100 had not used them in the last year; whereas out of all of the persons who had consumed alcohol and/or cigarettes at some time in their life, approximately 6 out of every 100 had not used these substances in the last year.

Graph N0. 41 Overall Consumption of Marihuana, Cocaine, Heroin and Ecstasy in the Main Cities



Conclusions

Alcohol is the psychoactive substance most consumed among young persons. Tunja and Bogota are the cities in Colombia with the greatest percentage of young persons who have consumed alcohol and with the least new cases in the last year. That means that the high percentage of consumption corresponds to consumers who have been consuming for a while and that, in comparison to the other cities, few young persons have recently started consuming alcohol. Arauca, Leticia, Sincelejo, and Montería are the cities with the least alcohol consumption.

The greatest number of new cases of alcohol consumption are in some cities in the provincial department of Atlántico (Santa Marta, Riohacha, and Sincelejo) and in Puerto

Inírida. However, the low percentages of consumption in the last month in Santa Marta and in Puerto Inírida indicate that young persons who started consuming in the last year are not habitual consumers and that it is likely that they are cases of experimental or occasional consumption.

In all of the cities we found the greatest alcohol consumption among males and among university students. Nonetheless, new cases are more frequent among females and junior high and high school students.

The greatest cigarette consumption is seen in the cities in the interior of Colombia, Tunja, Bogota, Medellín, and Manizales, and the lowest consumption in Arauca, Quibdó, Sincelejo, Valledupar, and Riohacha. University students most consume cigarettes and most new cases of consumption are among junior high and high school students. Except for Arauca, in all cities most of the consumers are male; but new cases are relatively equally distributed among males and females.

In all of the cities, the age when most young persons start consuming alcohol and cigarettes is from 10 to 14 years old. The average age of starting to smoke cigarettes is 13.7 years old and the average age for starting to drink alcohol is 12.9 years old. In Arauca, we observe the greatest percentage of children who smoked cigarettes for the first time before they were 10 years old (16%). Most youths who have recently started smoking (in the last year) are from 15 to 19 years old. This indicates that nowadays youths are starting to smoke later than youths did before.

Marihuana and cocaine are the illegal substances most consumed by young people in Colombia. The city of Medellín and the cities in the coffee growing zone (Manizales, Armenia, and Pereira) are those that show the greatest consumption of these substances and the greatest number of youths consuming them for the first time in the last year. Cali is also one of the cities with most youths who have consumed cocaine. In the cities in Atlántico we see the lowest number of young persons who have consumed marihuana and cocaine, as well as the least number of new cases of consumption of these substances.

Generally speaking, the consumption of marihuana and of cocaine is greater in males and in university students. In all of the cities, most youths first started consuming these substances from 15 to 19 years old, followed by children from 10 to 14 years old. However, the notable predominance of new cases of youths from 15 to 19 years old indicates a present trend of starting to consume a little later on in life. Only in Arauca, a high percentage (20%) of children started consuming marihuana before they were 10 years old; also in Arauca and in Leticia we found that most of the children that started consuming marihuana in the last year were from 10 to 14 years old.

Tunja, Manizales, and Bogota are the cities with the highest percentage of youths who have consumed alcohol or cigarettes. In Medellín, Manizales, Armenia, and Pereira we find the highest percentage of youths who have consumed at least one of the following substances: marihuana, cocaine, heroin and/or ecstasy.

The cities with the lowest percentage of youths who have consumed alcohol and/or cigarettes are Arauca, Leticia, and Sincelejo; also in Arauca and in the cities in Atlántico in general we find the smallest number of youths who have consumed marihuana, cocaine, heroin and/or ecstasy.

In general, the consumption of crack and inhalants is more frequent among junior high and high school students than among university students. To the contrary, most of the youths who some time in their life have consumed ecstasy, mushrooms, acid, tranquilizers, amphetamines and heroin are university students.

The substances most consumed with least frequency we find inhalants, tranquilizers and ecstasy and those least consumed are acid and heroin.

Chart No. 58. General Consumption per City

Cities	General Alcohol or Cigarette Consumption			General Marihuana, Cocaine, Heroin or Ecstasy Consumption		
	In Lifetime	In Last Year	In Last Month	In Lifetime	In Last Year	In Last Month
Total Cities	**84.8**	**80.4**	**48.0**	**11.7**	**8.6**	**3.4**
Tunja	91.4	88.3	61.1	11.5	7.2	2.7
Manizales	89.9	84.2	53.2	15.6	11.6	4.6
Bogotá	89.8	84.7	56.3	13.8	9.5	3.7
Medellín	88.4	83.8	53.5	21.4	16.1	6.3
Cali	87.3	82.2	49.2	14.7	11.1	4.5
Mocoa	87.3	76.3	46.9	12.2	6.6	3.3
Villavicencio	86.4	81.4	45.4	6.6	4.8	1.6
San Andrés	86.1	77.0	51.8	7.8	4.3	2.5
Ibagué	85.8	81.6	46.1	8.6	4.5	6.1
Quibdó	84.8	79.0	45.0	6.7	3.2	1.4
Bucaramanga	84.4	80.2	50.4	8.1	5.8	2.1
Santa Marta	83.8	79.1	39.0	4.2	2.9	0.6
Armenia	83.1	77.8	46.7	15.0	11.6	5.1
Pereira	82.8	77.6	45.4	15.5	11.5	4.6
Pasto	82.6	78.5	47.3	11.2	8.0	2.4
Puerto Inírida	82.5	73.7	41.7	5.6	***	***
Yopal	82.4	75.4	45.0	7.7	6.9	3.2
Neiva	81.5	77.3	44.7	7.6	5.4	2.3
Popayán	81.4	76.8	46.6	12.7	9.7	3.9
Barranquilla	80.7	75.4	37.3	5.2	3.9	1.8
Riohacha	80.6	75.4	36.8	4.2	2.8	1.2
Cúcuta	78.9	75.1	45.0	7.1	5.2	2.5
Valledupar	77.1	71.2	32.7	3.2	2.3	0.7
Montería	75.3	70.5	38.6	7.1	5.2	1.9
Sincelejo	67.3	63.3	26.1	3.1	2.2	0.7
Leticia	61.0	46.3	22.9	8.8	4.5	***
Arauca	58.4	53.2	26.0	3.8	3.0	***

4.2. Actions Forwarded during 2002 to Confront the Consumption Problem

The Presidential Program Rumbos concentrated its efforts on the processes below, which became the guidelines upon which the total prevention policy was developed.

4.2.1 Decentralization of the National Policy on Consumption Prevention

Many of the actions for reducing demand were possible, thanks to the formation and functioning of regional and provincial department prevention committees. In 2002, we mention the formation of 390 prevention committees, out of which 363 are municipal committees and 27 provincial department ones (19 were regulated through a Government Administration Act and 8 operate as a result of Agreements of Intention). Out of the total number of Municipal Committees, 121 were created through a Government Administration Act, 175 function within the competencies of local entities and 67 were formed thanks to a community initiative or an NGO initiative.

As a result of the consolidation of the institutionalization process and of the decentralization of the domestic policy on drug consumption, in June 2001 the Presidential Program Rumbos adopted a new regional coordination plan from the central level, which contemplates the presence of one sole coordinator and replaces the plan of five coordinators from the central level. This sole coordinator for regional affairs serves as a liaison officer for orienting and unifying the criteria with which prevention is done, for such criteria to be implemented by the provincial department and municipal committees.

The Presidential Program Rumbos gave assessment and financial support to 27 provincial departments[72] and to Bogota for the creation and implementation of local prevention programs for both governmental and non-governmental organizations in the amount of COP 1.038.887.896.

4.2.2 Inter-institutional Coordination

In 2002 an information mechanism was set up for the actions forwarded by the 18 governmental and non-governmental organizations that make up this system, for the purpose of the development plans in this field being coherent with the State policy concerning the activities of developing joint programs and optimizing resources and efforts made throughout the country. In this fashion, by implementing educational events, the technical capacity of the institutions was strengthened, which in turn meant that the various institutions enhanced their mechanisms.

[72] The following are the provincial departments financially supported: Atlántico, Bolívar, Córdoba, Magdalena, Cesar, San Andrés y Providencia, Antioquia, Chocó, Santander, Norte de Santander, Cundinamarca, Boyacá, Caquetá, Putumayo, Huila, Tolima, Cauca, Nariño, Valle del Cauca, Risaralda, Caldas, Quindío, Casanare, Meta, Guajira, Amazonas and Arauca.

4.2.3 Education and Training

This process has benefited the sudent population at elementary, junior high and high school, and university levels, and the non-student population, as well as the Public Forces.

Student Population. A national project was carried out, implemented by Corporación Caminos. The objective was to include total prevention in institutional educational projects (PEI is the Colombian acronym) in schools in 10 provincial department capital cities in Colombia[73]. Thus, work teams were trained in more than 100 schools on work methodologies in the school milieu for psychoactive substance consumption prevention programs; the technical strengthening of 10 provincial department committees, and the motivation to back, through a government administration act, including prevention in the PEI of the participating institutions.

During the last three years, the creation and strengthening of Total Prevention Education Committees (CEPIS is the Colombian acronym) have been supported. In 2002 this goal continued to be met in five provincial departments throughout the country (Norte de Santander, Santander, Tolima, Caquetá and Valle).

In the university ambit, the priority given has been to strengthen the Inter-university and Inter-institutional Consumption Prevention Network with the objective of qualifying prevention action planning in the university milieu, by structuring this Network with four working nodes: education and training, communication, research, and evaluation, as of which inter-institutional work projects were formulated along with the 2003 operational plan, and the process to seek co-financing for the proposals by domestic and international organizations was initiated.

By the end of 2002, this network was made up of 45 higher learning institutions in the city of Bogota and still has the support of the Bogota Mayor's Office Total Prevention Coordination Unit (UCPI is the Colombian acronym), of the Colombian Institute for the Development of Higher Learning (ICFES is the Colombian acronym) and the orientation of the Presidential Program Rumbos. The Network has permanent dynamic processes of training and exchange of experiences and of information. In the hopes of committing the active, decisive participation of the university directing bodies to support the Network initiatives, in November 2002 the 2nd Meeting of University Presidents was held, during which the Network development plan was presented and commitments made.

Non-student Population. The work with this high-risk population has focused on consumption prevention through on-the-job training. Such initiatives have been developed in Atlántico, Nariño, Magdalena, Tolima, Cesar and Antioquia.

Prevention Training to Members of the Public Forces. During 2002 assessment and training were given to:

- Schools all over the country
- Assessment and training on preparing a prevention program aimed at personnel in the Colombian Air Force, in the Army and in the Navy, for a duration of five years with an evaluation component. To add to the program, strategies are being designed to improve the processes of incorporation,

[73]. Manizales, Pereira, Barranquilla, Montería, Neiva, Ibagué, Santa Marta, Cúcuta, Bucaramanga and Popayán.

prevention to specific populations, and training in the education and prevention schools in junior high and high schools.

4.2.4 Information Research, Evaluation, and Systemization

During 2002 a second phase of the Survey on Psychoactive Substance Consumption in Young Persons with Schooling from 10 to 24 Years Old in 82 municipalities in different provincial departments throughout the country was carried out. This study was made possible thanks to the participation of governor's offices, mayor's offices, NGO's, junior high and high schools, universities, and prevention committees.

In addition, during 2002 research was completed on the phenomenon of co-dependency as a clinical situation in consumer and non-consumer families. Also, the second phase was carried out of the study on the relation between the consumption of drugs through injection, HIV infections and risky sexual behavior; on the relation between sexual behavior, PAS consumption and the risk of HIV/AIDS in a population of sex workers and their clients; on the design of the project on the estimation of costs associated with drug consumption for Colombia; and on the consumption of *yahé* (a natural plant originally consumed by native Indian populations) in urban surroundings.

The final report on gangs, violence and drugs, and a cultural map of the youths in the C sector of Ciudad Bolívar was prepared. Also, the National Legal Medicine and Forensic Sciences Institute (INMLCF is the Colombian acronym), sponsored by the Presidneial Program Rumbos, implemented a methodology for detecting the presence of marihuana in urine. The project goal was to validate a low-cost, faster, more reliable methodology for detecting marihuana in urine in cases of lethal and non-lethal injuries.

In view of making the work being performed in reducing the demand known and encouraging the exchange of experiences among entities or experts who work in this field, the following events were supported: National Meeting of Researchers on Psychoactive Substance Consumption on May 23-24, 2002 and the International Seminar on Consumption Prevention in the Workplace.

4.2.5 Communication and Use of Mass Media and Alternative Media

A forum was consolidated to disseminate the prevention policies and activities forwarded by the Presidnetial Program Rumbos. For the first time and with a well-defined image, we made announcements in all of the communications media in Bogota and in the most important newspapers in Colombia. Effective channels for rapprochement among the media and Rumbos officers were created and an agenda of commitments was developed that enabled informing the policies and the results of the Rumbos labor and making it known on radio stations, news reports and TV programs and, as of January 2002, monthly bulletins were published with the Program's achievements and progress.

Domestic and international communities have the following materials to consult: the booklet *Pilas con las drogas (Watch Out for Those Drugs)* published in Spanish and in English; the book *El libro de las drogas: Manual para la familia (The Book on Drugs: a Family Manual)*; the book *Indicadores indirectos sobre consumo de SPA*: *una alternativa a las encuestas de hogares (Indirect Indicators on PAS Consumption: An Alternative to*

Home Surveys); the booklet *La juventud y las drogas (Youth and Drugs)* distributed as an insert in the magazine Cambio; the booklet *La prevention integral en la institución escolar (Total Prevention at School)*; the CD-ROM *Información interactiva sobre el mundo de las drogas (Interactive Information on the World of Drugs)*; two videos on PAS drug and the video of the play *Pagan justos por pecadores (The Innocent Pay for the Sins of the Guilty)*, and numerous communications pieces such as 7 different posters, many radio spots and one TV commercial ("*No seas tan pepa*" ("*Don't Be a Pill Head*") aimed at preventing the use of amphetamines and Ecstasy); and the Interactive Encyclopedia on Drug Use Prevention.

In addition, for the purpose of strengthening the conceptual and methodological framework for consumption prevention work in different areas, during 2002, prevention program evaluation manuals were prepared as was "Rumbo Alterno" ("Alternate Path"), the latter aimed at working with youths in a continuous process over five years.

4.2.6 Health Promotion and Maintenance

As a result of the joint management between the Ministry of Health and the Presidential Program Rumbos, Resolution 196 of February 2002 was issued to regulate the operation of treatment centers. This resolution establishes technical, scientific and administrative regulations for operating the attention, treatment, and total health service centers that provide services associated with psychoactive substance consumption.

During 2002 relevant formalities were forwarded with the different entities involved, to initiate the execution of the project for the reform of treatment centers for drug dependent persons, which has an allotment of USD 322.500 granted by the Inter-American Development Bank (IADB). With this project, Colombia will know the present status of the coverage and quality of its treatment and rehabilitation services, and, in addition, will have a treatment center evaluation system.

4.2.7 Psychoactive Substance Consumption Prevention at the Workplace

The Presidential Program Rumbos and the Total Prevention Coordination Unit (UCPI) have initiated prevention processes at the workplace in the Special Administrative Civil Aeronautics Department, Aeroservicios (an Air Service State company) and the Banking Superintendence. The Presidential Proram Rumbos and the Colombian International Cooperation Agency organized an International Seminar on Consumption Prevention at the Workplace that was held in Bogota on July 4 and 5, in which 11 Ibero-American countries (Colombia, Venezuela, Mexico, Chile, Argentina, Panama, Peru, Costa Rica, Ecuador, Paraguay, and Spain) and 4 international experts participated. At this event, domestic and international experiences in implementing prevention programs at the workplace were presented and there was access to bibliographies that enable backing initiatives to be forwarded throughout Colombia.

Assessment support was given to preparing a prevention program at the workplace working jointly with the SENA (National Apprenticeship Service) Bogota and Cundinamarca Regional Office Occupation Health Division, to be implemented as of 2003.

In this same type of processes there was rapprochement with the National Planning Department and the national headquarters of the Colombian Family Welfare Institute.

4.2.8 Community Participation and Organization

During 2002, 16 regional prevention projects structured as of community initiatives to implement diverse participation and organization strategies were carried out in 10 provincial departments[74]. The projects offer communities tools to develop prevention strategies, to use their leisure time well, to train in economic and labor activities, to strengthen group awareness on the problem of drugs by using communications or production strategies, and to educate community leaders as multipliers for prevention issues. In addition, 15 events were supported in 10 provincial departments, in which different parts of the population are trained in prevention through the community initiative.

During the first semester of 2002, the commitments signed between the Presidential Program Rumbos and the Presidential Program Colombia Joven (Young Colombia) were continued. The objective is to coordinate policies for youth and prevention policies and their implementation at a regional level. As a result, training in workshops were carried out in 8 cities throughout Colombia, aimed at the management of Casas de la Juventud (Hostels for Drug Dependent Youths) with an emphasis on prevention. Written material was produced aimed at this population and virtual information tools were designed.

4.2.9 International Cooperation

Through the steps taken by the Presidential Program Rumbos, resources were obtained in the amount of COP 727.283.670 thanks to the cooperation of the following organizations: the Embassies of the United States of America, Canada, France, Spain, the British Council, and the United Nations Development Program.

To strengthen the actions in reducing the demand, on June 27, 2002 the Presidential Program Rumbos and the Colombian Chancellor's Office organized the Meeting of Cooperating Organizations "*Perspectives on the National Drug Consumption Prevention Policy*", in which 14 embassies participated (Germany, Austria, Canada, Korea, China, Spain, the United States of America, France, India, Italy, Japan, Portugal, United Kingdom, and Switzerland) as well as the following international organizations: European Commission, United Nations Development Program (UNDP), United Nations International Drug Control Program (UNDCP), the Inter-American Development Bank (IADB), and the Foundation for Anti-drug Assistance of Spain.

To make a diagnosis on the present situation of the National Drug Observatories in the Andean nations of Ecuador, Venezuela, Peru, Bolivia, and Colombia, and to establish the technical bases for developing the indicators to be included in the respective domestic information system, the Presidential Program Rumbos and the National Anti-narcotics Agency participated in the *Regional Workshop on Drug Observatories in the Andean*

[74] The development of community participation and organization projects was supported in the following provincial departments: Antioquia, Atlántico, Bolívar, Caldas, Córdoba, Cundinamarca, Magdalena, Nariño, Tolima, and Valle.

Countries held in Cartagena, Colombia during October 2002 within the framework of the "National Drug Commissions Institutional Strengthening Project" managed by OAS IACDAC and under the auspices and financing of Government Delegation for the National Anti-narcotics Plan of Spain and of the Spanish Agency for International Cooperation (AECI is the Spanish acronym).

4.3 This Government's Strategy

Taking into account National Anti-narcotics Council instructions to achieve greater joint coordination of the actions that the State forwards in its war against drugs, the State has redefined competencies and the actors responsible for them. Along these lines, it has decided that the issue of Reducing Demand should be managed at a supra-ministerial level and has put the new Ministry for Social Protection in charge of this issue. When the target is the student population, including university students, it shall coordinate psychoactive substance consumption prevention actions with the Ministry of National Education.

The Ministry must immediately create a National Policy for Reducing PAS Demand. To do so, it will use the General Social Protection System (made up of Labor, Health, and Social Assistance) and the General Social Security Health System as a framework of reference. Also, as a long-term project, based on the new competencies, the Ministry shall gather and redefine the main projects for Reducing Demand that the program RUMBOS was forwarding, among which we highlight the project for evaluating the treatment centers that operate throughout the country and the coming Second National Drug Consumption Survey of the student population, with which, upon comparing it to the first survey, Colombia will be able to analyze trends and methods.

5. INTERNATIONAL POLICY

Pursuant to the commitments that Colombia has made in distinct international scenarios and to those contracted in the international instruments in force to which it is a party, Colombia attended bilateral, regional and multilateral meetings that were held to respond to the different manifestations of the world drug problem, to verify the performance of the agreements in force, and to strengthen joint actions in this issue.

5.1 Actions in Bilateral Forums

5.1.1 Colombia – Ecuador Seminar-workshop on Illicit Crop Eradication

During the second meeting of the Diplomatic Consultations Mechanism held in 2001 in Bogota, the Vice-ministers of Foreign Relations agreed to organize a technical seminar-workshop to broach the topic of illicit crop fumigations. This seminar was held in the Ministry de Foreign Relations on February 13-15, 2002.

During the event the following topics were covered: a) the *National Plan for Colombia's War against Drugs* Contents and Orientation; b) *Plan Putumayo* Contents and Orientation; c) National Police Operations Methodology and Characteristics; d) Illicit Crop Localization Mechanisms; e) Alternative Development Activities in the Provincial Department of Putumayo; f) Illicit Crop Eradication Environmental Aspects ; g) Impact of Glyphosate on People's Health.

The main objectives of this seminar were to present the illicit crop localization systems as bases to carry out forced eradication operations; to disseminate voluntary illegal crop eradication mechanisms; to study the operating procedures needed to carry out the spraying operations and the security measures that the Colombian authorities adopt during the mentioned operations.

5.1.2 Colombia – Jamaica Security Meeting

On April 29-30, 2002, the *Colombia–Jamaica Security Meeting* was held at the Ministry of Foreign Relations of Colombia headquarters. During a first work session the exposition "*Experiences Fighting the Worldwide Drug Problem*" was presented; it expounded on the cases of Colombia and of Jamaica.

The technical meeting with Jamaica was held to conclude the negotiation of the following instruments that were signed in the High-level Meeting of the Ministers of Defense of these countries, which took place in Bogota on May 2, 2002:

- *Police Operations Cooperation Agreement between the National Ministry of Defense of the Republic of Colombia and the Ministry of National Security of Jamaica*. This agreement entered into force on the date it was signed and is for an indefinite term. Regarding the war against the illegal trafficking of narcotics and psychotropic substances and related crimes, the police cooperation will focus, among others: on establishing regular contacts between specialists of both police

institutions in charge of those tasks; on the rapid exchange of detailed, updated information on the illegal drug phenomenon; and on a periodical exchange of information on organizations involved in chemical precursor contraband or diversion.

- *Maritime Operations Cooperation Agreement between the Ministry de National Defense of Colombia and the Ministry of National Security of Jamaica*. This agreement has a two-year term as of the date on which it is signed. One of the objectives of this agreement is to carry out coordinated naval operations in their respective jurisdictional area to prevent and suppress the illegal trafficking of narcotics, psychotropic substances and chemical substances used for illegal production of drugs, as well as the illegal trafficking of weapons, ammunition, and explosives.

5.1.3 Colombia – Brazil 5th Mixed Commission

On October 17-18, 2002, the delegations of Colombia and Brazil met in Bogota for the *5th Mixed Commission Meeting* under the *Reciprocal Assistance Agreement for the Prevention, Control and Suppression of the Use and Illegal Trafficking of Narcotic and Psychotropic Substances* signed in Bogota on March 12, 1981 and of the *Cooperation Agreement for Impeding the Diversion of Precursors and Chemical Substances Essential to the Processing of Narcotics and Psychotropic Substances* signed in Cartagena de Indias on November 7, 1997.

Deliberations on reducing the drug supply were handled by one work group while deliberations on reducing the demand for drugs were handled in another. It is worth mentioning that this commission had not met since 1997 and, therefore, this was an opportunity to examine topics of special relevance to the two States and assume commitments regarding controlling illegal trafficking of narcotics and psychotropic substances, as well as controlling the diversion of chemical precursors; asset laundering; illegal weapons trade and trafficking.

As far as reducing the demand goes, the two delegations shared experiences on creating and developing National Drug Observatories and they promised to strengthen the exchange of information, experiences and studies on addiction made by the respective institutions.

As to reducing the supply, the delegation of Colombia promised to study the possibility of establishing a point of liaison in the border area, specifically in the city of Leticia, for more effective exchange of information and better border control. Likewise, the two countries agreed to strengthen the already existing mechanisms regarding exchange of information for carrying out investigations on drug smuggling organizations. Also, they agreed to strengthen the cooperation for better control over chemical substances and pharmaceutical products and for restricting all types of asset laundering schemes.

5.1.4 Colombia-Peru 1st Meeting of the High-level Security and Judicial Cooperation Mechanism

Pursuant to the provisions in the *Declaration by the Ministries of Foreign Relations of Colombia and Peru* signed on November 30, 2001, the first meeting of this mechanism was held. Seeking to strengthen the cooperation in the war against the world drug

problem, an action plan was adopted that includes the exchange of information on individuals and companies devoted to importing and exporting controlled chemical inputs; information exchange on mechanisms to avoid the contraband and irrational use of specially controlled medicines; information exchange on the methods and routes used in the trafficking of illegal drugs and controlled chemical substances; and the establishment of a joint procedure applicable to techniques of set-ups for deliveries and covert agents.

Also, we decided to advance in the negotiation of an inter-institutional cooperation covenant between the Financial Information and Analysis Unit of Colombia and the Financial Information Unit of Peru. Last, the parties agreed to summon the next meeting of the Mixed Anti-drug Commission.

5.2 Actions in Multilateral Forums

5.2.1 2nd Regular Period of Sessions of the Inter-American Drug Abuse Control Commission (IADACC)

This second regular period of sessions, held in Washington, D. C. on January 18-20, 2002, was for approving the report drafts presented by the Member States of the Multilateral Evaluation Mechanism on the *Implementation of the Recommendations That Were Drawn up during the First Round of Evaluation* as well as the draft of the hemisphere report corresponding to 2001 that contains the evaluation of the progress on this continent in the war against illegal drugs.

In its interventions, the delegation of Colombia alluded to the notable progress recorded by the Multilateral Evaluation Mechanism (MEM), but insisted on the need to overcome the procedural and substantive deficiencies derived from applying it. It also insisted on the need to consolidate the technical nature of the members of the Group of Government Experts, to ensure objectivity and rigorousness in evaluating the actions and results in their territory as well as in the hemisphere.

We consider it relevant for the Colombian State to give all of its support to the MEM; however, an even more proactive joint attitude is necessary to counteract the tendency of putting the brunt of the drug problem on solely a few countries.

5.2.2 45th Period of Regular Sessions of the Anti-narcotics Commission

The Anti-narcotics Commission held this session in Vienna from March 11 to March 15, 2002. The Colombian delegation proposed and negotiated two drafts for resolutions that were adopted by the Anti-narcotics Commission. The first draft *Optimizing Information Gathering Systems and Identifying Best Practices to Confront the Demand of Illegal Drugs* was endorsed by the Latin American and Caribbean Group and approved by consensus.

The second draft *"The Role of Alternative Development in Drug Control and Cooperation for its Development"* also approved by consensus, had the support of Germany, Bolivia and Peru.

Also, Colombia co-sponsored the following drafts for resolutions that were adopted by consensus: Diversion of Precursors and Rapid Communication of All Relevant Information to the Competent Authorities in the Country of Origin and in the Transit Countries and to IDCB; Strengthening the United Nations International Drug Control Program and the Role of the Anti-narcotics Commission as its Governing Body; and Measures to Promote the Exchange of Information on New Patterns of Drug Consumption and on Substances Consumed.

5.2.3 Financial Action Task Force for South America against Asset Laundering (FATF SOUTH)

By invitation of the National Government, from April 15 to 17, 2002 four expert evaluators members of FATF SOUTH, visited various domestic agencies to become familiar with the procedures, mechanisms, and actions that the agencies in Colombia forward in the framework of the fight against asset laundering. This task was summarized in the report submitted to that international organization.

5.2.4 31st Regular Period of Sessions of the Inter-American Commission on Drug Abuse Control (IACDAC)

On April 29 - May 2, 2002, the 31st Regular Period of Sessions of the IACDAC was held in Washington, D. C., during which reformulating and updating the Anti-drug Strategy of the Hemisphere was put to consideration. Although some delegations indicated that the document as a whole can be strengthened and updated, there is a consensus on the ample, accurate nature of the strategy at hand.

In this fashion, the Commission acknowledged that the revision of this document must be the result of an integral work, developed by a group of experts.

Also, some reports on the progress and requirements of the group of government experts of the Multilateral Evaluation Mechanism – MEM – were discussed to optimize the quality and ensure the rigor that must orient the National and Hemisphere Reports produced by said mechanism.

5.2.5 5th High-level Specialized Dialogue on Drugs between the European Union and the Andean Community of Nations

The most important aspects analyzed in the meeting held on June 11, 2002, in Brussels, were:

- General Preference System (GPS), Drug Regime. Notwithstanding the reiterated reference made by the European Union (EU) to the benefits that the GPS, Drug Regime, contributes to the Andean Community of Nations (CAN is the Spanish acronym), the delegations from the countries that form this mechanism insisted on considering the factors that erode the conceded preferences, in particular tariff

reductions for many of the products that are especially relevant for the Andean economies.

- Follow-up of the topics treated during the 4th High-level Meeting between the European Union and the Andean Community of Nations held in Lima, Peru, on March 29-30, 2000.
- Chemical Precursors. The delegation from Colombia, on behalf of the Andean Community of Nations, submitted a training proposal related to chemical precursor control, for the purpose of achieving the required financing.
- Judicial Cooperation. The delegations agreed upon the need to strengthen the exchange of information on intelligence and assistance in judicial matters.
- Asset Laundering, The delegation from Bolivia requested more cooperation from the European Union in the form of information and training for specialized personnel.
- Synthetic Drugs. On behalf of the Andean Community of Nations, the Colombian delegation highlighted quick exchange of information, the communication of experiences for restricting this phenomenon. It also reiterated the urgent need to control special pharmaceutical products and other precursor substances that can be used to produce these drugs.

5.2.6 4th Follow-up Meeting to the Agreement between the European Community and the Andean Community of Nations regarding the Precursors and Chemical Substances Used Frequently in the Production of Illegal Narcotics or Psychotropic Substances

In compliance with the agenda of the meeting held in Brussels on June 12, 2002, the parties discussed the following topics:

- Progress Report on the application and operation of the prior notification system
- Inclusion of new chemical substances not embodied in the agreement. The Andean Community of Nations requested that the European Union start to control sodium carbonate as it is a precursor substance for illegal drugs. On that topic the European Union technical representatives deemed it necessary to submit a report justifying the control of that substance and they alluded to the fact that it was difficult to include it in the agreement lists.
- The Andean Community of Nations reported on the control of specially controlled pharmaceutical products and on synthetic drugs in the region.
- The European Union reported on actions aimed at preventing the diversion of chemical substances used in producing synthetic drugs.
- Technical Cooperation. Three topics were discussed: a) the progress of the technical cooperation project between the European Union and the Andean Community of Nations; b) cooperation aimed at strengthening the administrative structure in the Andean Community of Nations to control chemical substances; and c) technical assistance for implementing a standardized labeling system for controlled chemical substances.

5.2.7 Inter-American Anti-narcotics Forum – Conference on Regional Cooperation against Drug Trafficking in the East Pacific. Miami, June 18-20, 2002

The Inter-American Anti-narcotics Forum, a specialized dialogue that replaced United Against Drugs (UAD), will examine a specific matter regarding reducing supply every year. The United States Office for National Drug Control Policy and OAS IACDAC will preside the Forum whose main objective is to facilitate the identification, discussion, and resolution of key issues regarding drug interdiction and application of the law, seeking a solution with a common regional focus.

Work is developed in four functional groups: a) Foreign Relations Ministries and National Anti-narcotics Councils; b) Maritime interdiction in the East Pacific; c) Customs; and d) Application of the Law. The Forum presented the present status of drug trafficking by sea in the East Pacific and established relevant points regarding cooperation. The Colombian delegation insisted on strengthening international cooperation to confront the world drug problem, indicating that the domestic policy is based on solid principles of integrality, co-responsibility, multilaterality, and balance. Also, it reiterated the need to have a concrete mechanism for information exchange among domestic national authorities, to enable coordinating operational efforts of interdiction by sea.

5.2.8 Inter-American Anti-narcotics Forum – Executive Seminar on Regional Cooperation against Drug Trafficking in the East Pacific. Miami, August 27-28, 2002

Based on the work forwarded by the Preparatory Conference held in Miami on June 18-20, which was aimed at identifying the trends of the drug trafficking phenomenon in the East Pacific, as well as designing or strengthening strategies to fight such trends, the purpose of the Executive Seminar was to evaluate the adoption of such strategies and promote the development of those already in progress.

To comply with the objectives of the Seminar, a consensus was made of the recommendations for regional and domestic action in the following areas:

- Information exchange and operational communication
- Cooperation and operational coordination: investigation, interdiction and going to court
- Port security

Also, Colombia actively participated in the adoption of the Forum Communiqué, in such aspects as the commitment of the countries to strengthen the war against the world drug problem, in all of its manifestations, including fighting the diversion of chemical precursors, the production, distribution, and consumption of narcotics, asset laundering and related crimes, such as weapons trafficking and terrorism, among others.

5.2.9 12th Meeting of the Heads of National-level Agencies in Charge of Fighting Illegal Drug Trafficking in Latin America and the Caribbean (HONLEA), Lima, October 15 - 18

The new regional trends in drug trafficking and the measures to fight it were the main topics of the meeting that was devoted to the study of the following challenges:

- Synthetic Drugs. The undue traffic and use of synthetic drugs, particularly ecstasy, were identified as one of the critical problems in the Latin American and Caribbean Region.
- New Narcotics Trafficking Routes. New trafficking routes are being developed in the region in addition to the classical routes by air.
- Reducing the Demand. Iit was recommended that the developed countries continue adopting measures to control their own population's demand for drugs and give more assistance to alternative development in the producer countries.

One of the obstacles that was identified within the framework of this meeting was related to resources, given the fact that the control activities of the agencies in charge of law enforcement in the region are affected by scarcity of resources.

Along these lines, there was insistence on the need to have more resources for the respective authorities to be able to confront the fast changes in the drug trafficking trends and to be able to establish a better coordinated action. Also, it was concluded that more support in domestic and international plans must be granted to carry out efficacious interception, crop eradication, and alternative development programs.

5.2.10 1st Meeting of the IACDAC Group of Experts on Pharmaceutical Products, Washington, October 22-24

Colombia assumed an important role in its capacity as President of the Group of Experts when it presented the proposal "Elements Reference Guide for a National Pharmaceutical Product Control System" that contains aspects especially relevant to all of the countries in the hemisphere. We mention those related to controlling the exportation and importation of pharmaceutical products; controlling their manufacture and distribution; information exchange among the countries and the national agencies, foundations in legislation and regulatory framework; prevention; and medical and pharmaceutical practice.

The eleven countries that participated in this meeting acknowledged the importance of making joint efforts to combat the diversion of pharmaceutical products towards illegal channels, as well as their irrational use, taking into account the harmful effects that this problem generates on public health. Along these lines, there was a consensus regarding an action plan to strengthen the respective controls that, along with the document proposed by Colombia, would be presented to all of the countries in the hemisphere during the 32nd Period of Regular session of IACDAC, which was held in Mexico on December 2-5, 2002.

5.2.11 Joint Andean Community – European Commission Technical Evaluation Meeting on Taking Advantage of the GPS Drug Regime. Quito, November 21 – 22, 2002

To evaluate the efficiency of the GPS, Drug Regime, the degree to which it is used by each one of the beneficiary States, and the eventual obstacles that could arise in its development, the Government of Ecuador promoted the organization of a joint evaluation meeting between the Andean Community of Nations and the European Union, and, for that purpose, it proposed holding the event in Quito.

The delegations were devoted to discussing the following topics:

- Preferential Plans until 2001. In this point in the agenda, the Andean Community of Nations highlighted the sensitive descent in the volume of eligible imports in the farming and textile sectors.
- Joint Evaluation for the 2002-2004 Period: The Andean Community of Nations requested the European Union Commission be more precise regarding the scope of the provisions contained in Council Regulation Article 25, pursuant to which the following aspects are evaluated for purposes of GPS, Drug Regime: a) actions and results of the beneficiary countries in their war against illegal drug production, manufacture and trafficking; b) promotion and protection of the fundamental labor principles and rights internationally acknowledged; and c) environmental management, specifically related to the sustainable preservation of tropical woodlands.
- Reflections on the Period after 2004: Regarding this matter, the Andean Community of Nations proposed to broaden the gamut of products that benefit from the preferences and, consequently, it promised to remit to the European Union Commission a list of items that could be incorporated.
- Drug Report for the 1999-2001 Period: The Colombian delegation made the presentation of the Drug Report that records the progress and results made both by the Andean Community of Nations as a whole and by each one of its Member States in the fight against all of the phases of the world drug problem and related crimes.

5.2.12 32nd Period of Regular Sessions of the Inter-American Commission on Drug Abuse (IACDAC)

Within the framework of this event, held on December 2-5, 2002 in the Foreign Relations Secretariat of Mexico, and to develop the Multilateral Evaluation Mechanism (MEM), the drafts of national reports that record the actions and results of the policy forwarded by each one of the Member States of this organization in their fight against the world drug problem and related crimes were considered and approved, and the hemisphere report on this issue was approved. By request of the Colombian delegation, it included the commitment to promote the access of alternative development products to international markets.

It is important to indicate that in the mentioned IACDAC period of sessions, the Colombian Delegation's work document made special emphasis on the following aspects:

- The Multilateral Evaluation Mechanism (MEM) has become one of the most important achievements in the Anti-drug Policy for the Hemisphere. Colombia highlighted the importance of this Mechanism as an inter-governmental objective, efficacious, and stable element that ensures transparency, impartiality, and equality to ensure an objective evaluation of the situation of the countries and of the hemisphere.
- Notwithstanding the progress recorded by the MEM, it is necessary to insist with other States in the hemisphere on their indispensable support to encourage the presence in the Group of Governmental Experts (GGE) of technicians and specialists in the matter, taking into account the important task for which they are responsible in preparing the national and hemisphere reports, respectively.
- To correctly implement the MEM, it is essential to define clear procedures for the consideration and approval of the mentioned reports.
- Another of Colombia's concerns is the nature of the recommendations made. They should be framed within the conditions and acknowledgement of the possibilities of the countries to whom they apply; but with very few exceptions, they are still broad, out of context and numerous.
- It is necessary, for the purpose of the evaluation made by the Group of Government Experts on the situation of the countries, to not confuse the difficulties that a determined country may have with weaknesses in its anti-narcotics policy.
- By virtue of the guidelines contemplated by the MEM, Colombia must avoid any attempt of other governments signaling it regarding the particular situation of Colombia concerning illegal drugs, as well as the results of the domestic anti-narcotics policy and the State policies that have been applied to that regard.
- For the second round of the MEM evaluation, the Group of Government Experts made 15 recommendations to Colombia. Six of them (5, 6, 9, 13, 14, and 15) correspond to problems already identified by Colombia and for which concrete action is already being taken. In this sense, we sometimes wonder if these recommendations are pertinent and orient the country in aspects where weaknesses or lacks are observed by contributing, practical novel elements to improve domestic actions against illegal drugs.
- We must take into account that during the 32nd Period of Regular Sessions of the IACDAC, other matters related to modifying the process and dissemination of the MEM and the development of programs to support the countries in applying these recommendations were discussed.
- It is also important to mention that in January 2002, the IACDAC decided that the activity of disseminating and broadcasting the Multilateral Evaluation Mechanism corresponded to the commissions and not to the Group of Government Experts that is strictly a technical body.

This period of sessions showed notable progress, particularly regarding strengthening the Multilateral Evaluation Mechanism that has been consolidated as an expert instrument to weight the results of the actions deployed by the Member States in their war against the world drug problem and related crimes, thus surpassing unilateral procedures.

Also, this mechanism has enabled identifying the fallacies that persist in determined areas, such as diversion of chemical precursors, insufficient attention to the demand for illegal drugs and the still precarious control of asset laundering. In these matters, there is an obvious lack of balance. Whereas States such as Colombia deploy considerable efforts,

others have chosen to delegate the responsibility to third parties and seek to profit from the situation.

5.3 Reciprocal Judicial Cooperation regarding Narcotics Trafficking

Reciprocal judicial cooperation to fight the world drug problem is achieved using as the main tool the United Nations Convention against Illegal Drug and Narcotics Substances Trafficking signed in Vienna in 1988. The authorities in charge in Colombia are the Ministry of the Interior and of Justice, and the National General Prosecutor's Office.

The Ministry of the Interior and of Justice is in charge of making the requests to the authorities designated by the other Member States of the Convention for assistance related to the stage of trial that the Colombian authorities require. And it is in charge of requesting any type of judicial assistance possible under the framework in Article 7 to the authorities designated by Member States of the Convention.

During 2002, the Ministry of the Interior and of Justice made 21 Requests for Judicial Assistance related to the stage of trial that Colombian authorities required to the following countries: The United States of America (10), Ecuador (2), Venezuela (2), Spain (2), Panama (1), Brazil (1), Holland (1), Belgium (1), Peru (1).

The National General Prosecutor's Office presents the diagnosis and the results of the reciprocal judicial cooperation regarding narcotics trafficking. The results obtained are a product of the dynamic nature of the judicial cooperation developed pursuant to the following parameters:

1. In accordance with the plan that had been traced during the effective term of 1991 Decree 2700, the methods to request international cooperation where mainly classified in "… Rogatory Letters and Requisitorial Letters …", definitions that, in accordance with the structure of our diplomatic and consular representations abroad, were the expert means to be able to establish efficacious results regarding the exchange of evidence with other countries.

   This differentiation is due, on a practical level, to the international uses and customs contained in multilateral instruments universally accepted by the international community and approved by the Colombian State. Such is the case of Consular and Diplomatic Relations, regulated by the 1961 and 1963 Vienna Conventions, without forgetting that, among these mechanisms, Rogatory Memorandums aimed at the different foreign diplomatic missions located in our country, as well as those coming from them, are included. These mechanisms are also used in some special rogatory commissions with the same origin and destination.

   It is convenient to indicate that in the task of international judicial cooperation, in addition to the above, a labor of assessment and special formalities is performed (issuance of resolutions, coordination and petitions to foreign authorities) in determined requests that so merit; among them, we mention cases of extradition, of coordination and assistance in foreign authorities' visits, their presence while gathering evidence, special authorizations in the Colombian territory, and joint operations, among others.

Regarding this matter, it is also valid to mention the special request made by the Delegated Prosecutors regarding their trip abroad for gathering evidence, documents, information, and goods derived from punishable acts abroad, etc.

We further mention the labor that is performed in the special requests derived from the bilateral and multilateral agreements that Colombia has signed regarding international judicial cooperation, as well as collaboration in the field of translations, whether directly or through the evidence gathering required in cases that merit official translators and assistance for the judicial missions that require this service.

2. Secondly, under the effective term of 2000 Act 600, the articles corresponding to international judicial assistance regarding criminal matters were recaptured in Articles 503 to 507 of the Criminal Procedural Code, as well as in Articles 508 to 534 for matters concerning extradition.

Based on these assumptions, the judicial assistance relations that have to do with the National General Prosecutor's Office have been developed through January 15, 2002 Resolution No. 00024 (New Manual for Exchange of Evidence with Other Countries).

This regulation conserves the orientation regarding the concepts indicated, without the special requests that are mentioned in the above-point being described in the figures that are expounded upon. That is to say, the data only remits to the traditional mechanisms of judicial cooperation indicated.

3. As to narcotics trafficking, the current use of the various forms of judicial cooperation derived from the 1988 Vienna Convention have been of vital importance. This instrument, given its multilateral structure, has served as an important connection point among the legal systems of various countries around the world for Colombia, especially considering the absence of legal regulations applicable to concrete cases of drug trafficking.

Also, the bilateral agreements signed regarding drug trafficking have been of great use to provide the cooperation with nations that are not Member States to the Vienna Convention.

Finally, in absence of the above, we have used diplomatic formalities between States, abiding by regulations of internal law, a procedure that, given the issue being handled, has shown favorable behavior, given the importance of the cases that have been treated.

5.3.1 The information condensed in the files of the International Affairs Division reveals the following statistical behavior for reciprocal judicial cooperation in the specific area of narcotics trafficking and related crimes.

- Rogatory commissions sent by the National General Prosecutor's Office to foreign authorities using the 1988 Vienna Convention instrument.

Chart No. 59. Rogatory commissions sent by the National General Prosecutor's office to foreign authorities From July 1, 1992 to February 25, 2003			
Country	**Answered**	**Unanswered**	**Total**
Argentina	3	1	4
French Antilles	1	1	2
Germany	12	3	15
Aruba – Dutch Antilles	2	2	4
Austria	2	0	2
Bahamas	1	2	3
Belgium	4	5	9
Bolivia	1	0	1
Brazil	3	1	4
Canada	0	8	8
Czech Republic	0	1	1
Chile	0	2	2
Costa Rica	7	0	7
Cuba	1	0	1
Curacao – Dutch Antilles	1	1	2
Dominican Republic	2	7	9
Ecuador	20	8	28
Spain	21	22	43
France	7	10	17
Great Britain	1	8	9
Greece	1	0	1
Guatemala	4	15	19
Haiti	0	2	2
Holland	12	15	27
Honduras	0	5	5
Italy	17	7	24
Jamaica	0	2	2
Mexico	45	19	64
Nicaragua	1	0	1
Panama	33	13	46
Peru	15	6	21
Portugal	0	1	1
Puerto Rico	0	3	3
El Salvador	1	1	2
Surinam	0	1	1
Sweden	1	0	1
Switzerland	4	3	7
United States	67	154	221
Venezuela	10	9	19
Total	**300**	**338**	**638**

Source: National General Prosecutor's Office

- Rogatory commissions sent by the National General Prosecutor's Office to foreign authorities using bilateral agreements and diplomatic formalities

Chart No. 60. Rogatory commissions sent by the National General Prosecutor's office to foreign authorities using bilateral agreements and diplomatic formalities

From July 1, 1992 to February 25, 2003

Country	Commissions Sent through Bilateral Agreement	Commissions Sent through Diplomatic Formalities	Answered	Unanswered	Total
Argentina		3	3	0	3
Germany		6	6	0	6
Aruba – Dutch Antilles		3	2	1	3
Austria		1	1	0	1
Bolivia		7	5	2	7
Brazil	1	5	4	2	6
Canada		1	0	1	1
Chile		2	2	0	2
Costa Rica		1	1	0	1
Ecuador		2	2	0	2
Spain	1	10	6	5	11
France		4	3	1	4
Great Britain		2	0	2	2
Guatemala		1	1	0	1
Haiti		1	0	1	1
Holland		4	3	1	4
Italy		6	0	6	6
Japan		1	0	1	1
Liechtenstein		1	0	1	1
Luxemburg		1	1	0	1
Mexico		5	4	1	5
Panama		2	2	0	
Peru	1	9	7	3	10
Puerto Rico		1	0	1	1
Russia		2	1	1	2
Santa Lucia Island		1	0	1	1
South Africa		1	1	0	1
Switzerland		1	1	0	1
Turkey		4	1	3	4
United States		39	7	32	39
Venezuela	2	23	12	13	25
Total	**5**	**150**	**76**	**79**	**155**

Source: National General Prosecutor's Office

- Rogatory commissions received by the National General Prosecutor's Office from foreign authorities through the 1988 Vienna Convention

Chart No. 61. Rogatory Commissions Received by the National General Prosecutor's Office from Foreign Authorities through the 1988 Vienna Convention From July 1, 1992 to February 25, 2003			
Country	**Answered**	**Unanswered**	**Total**
Germany	7	3	10
Austria	2	0	2
Australia	1	1	2
Belgium	1	0	1
Brazil	1	0	1
Chile	1	2	3
Cuba	1	0	1
Curacao – Dutch Antilles	1	0	1
Spain	8	0	8
France	3	0	3
Great Britain	5	1	6
Guatemala	1	0	1
Holland	43	11	54
Honduras	1	0	1
Israel	1	0	1
Italy	9	5	14
Mexico	1	0	1
Norway	2	0	2
Panama	40	5	45
Peru	6	2	8
Poland	1	0	1
Sweden	1	0	1
Switzerland	8	0	8
United States	73	39	112
Total	**218**	**69**	**287**

Source: National General Prosecutor's Office

- Rogatory commissions received by the National General Prosecutor's Office from foreign authorities using bilateral agreements and diplomatic formalities

Chart No. 62. Rogatory commissions received by the National General Prosecutor's office from foreign authorities using bilateral agreements and diplomatic formalities From July 1, 1992 to February 25, 2003					
Country	Commissions Received through Bilateral Agreement	Commissions Received through Diplomatic Formalities	Answered	Unanswered	Total
Argentina		4	4	0	4
Germany		4	2	2	4
Austria		2	2	0	2
Brazil	1	1	0	2	2
Czech Republic		1	1	0	1
Chile		1	1	0	1
Costa Rica		3	1	2	3
Republic of Croatia		1	1	0	1
Curacao – Dutch Antilles		1	1	0	1
Ecuador		2	1	1	2
Spain	3	21	19	5	24
France		4	3	1	4
Italy		3	2	1	3
Mexico	7	1	6	2	8
Panama	1	2	3	0	3
Peru		1	1	0	1
Poland		4	4	0	4
Russia		1	1	0	1
Switzerland		2	2	0	2
United States		1	0	1	1
Venezuela	1	1	2	0	2
Total	**13**	**61**	**57**	**17**	**74**

Source: National General Prosecutor's Office

5.3.2 Extraditions for Drug Trafficking and Asset Laundering Crimes

Chart No. 63. Extraditions for drug trafficking and asset laundering crimes		
Country Requesting Extradition	Colombian Citizens Extradited	Crime
Canada	4	Drug trafficking
United States	50	10 for drug trafficking and asset laundering 31 for drug trafficking 9 for asset laundering
Peru	2	Drug trafficking
Argentina	1	Contraband and narcotics trafficking

Source: Ministry of the Interior and of Justice

Chart No. 64. Summary chart		
Country Requesting Extradition	**Foreign Citizens Extradited**	**Crime**
Italy	1 Italian	Drug trafficking
Spain	1 Spaniard	Asset laundering
Brazil	1 Brazilian	Drug trafficking
France	1 Israeli	Drug trafficking

Source: Ministry of the Interior and of Justice

5.4 Technical and Financial International Cooperation

The Colombian International Cooperation Agency (ACCI is the Colombian acronym)[75] coordinates the non-reimbursable technical and financial international cooperation understood as Official Aid to Development[76]. Such aid is agreed upon through framework agreements and specific cooperation agreements signed by the Ministry of Foreign Relations or by other public entities, if they are duly empowered to sign by said Ministry.

The main objective of the Colombian International Cooperation Agency's participation in signing agreements for the performance of projects is for it to do the follow-up on the projects underway to verify the commitments acquired on behalf of the government, identify changes in the lines of work that the source is performing, and coordinate the development of the different domestic and international missions that evaluate projects or programs.

The Colombian International Cooperation Agency, along with other State entities, makes dynamic designs for the projects that represent and satisfy the needs of the different social problems that Colombia faces and, therefore, it promotes the presentation of such projects within the framework of international cooperation. On most occasions, the proposals are worked on with the corresponding Ministry and they have the support of the various National Planning Department Divisions.

When this agency contributes offsetting compensation resources for a project, it does follow-up on the project performance to verify compliance with the commitments that the parties acquire. For 2002, in the war against drugs, the Colombian International Cooperation Agency contributed USD 300.000 in cash as part of the commitment acquired by Colombia in the project "Strengthening the Territorial Entities that Carry Out the PLANTE Program" UNDCP AD/COL/96/B91.

[75] Entity with administrative autonomy under the Ministry of Foreign Relations.
[76] These are all of the resource flows aimed at developing countries and multilateral institutions, furnished by official organizations, including the State and local governments or their executory agencies, for the economic development and welfare of developing countries.

5.4.1 Cooperation Received by Colombia[77]

The United Nations Office of Drug Control and Crime Prevention[78]. During 2002, the projects that are listed below continued to be performed. They started in previous periods, but in this period there was great progress in their performance:

- Alternative development in the South of the provincial department of Meta and in the north of the provincial department of Caquetá. Executed by the United Nations Office of Drug Control and Crime Prevention.
- Promotion of daily activities under the National Alternative Development Plan. Project financed by the United States Agency for International Development. Executed by the United Nations Office of Drug Control and Crime Prevention.
- Training program for drug and precursor control. Executed by the National General Prosecutor's Office.
- National Drug Plan decentralization. Executed by the National Anti-narcotics Agency.
- Total Illicit Crop Monitoring System. Executed by the National Anti-narcotics Agency and by the National Police – Anti-narcotics Division.
- Strengthening the territorial entities for the National Alternative Development Plan. Executed by the United Nations Office of Drug Control and Crime Prevention.

The European Union. The project "Improvement of the Cartography Systems in the Colombian Territory", approved by the European Union in 1999, completed in 2002 its initial phase related to appointing the European co-director and initiating the meetings of the Actions to Protect Fundamental Rights Committee in Colombia. One of the goals of this project is to offer information for decision-making regarding issues related to Colombia's war against drugs.

The Inter-American Development Bank. The Inter-American Development Bank (IADB), with resources from Japan, approved USD 112,500 to be allotted to the Administrative Department of the Presidency of the Republic, to continue with the project "Addict Treatment Center Strengthening", executed by the Presidential Program Rumbos. The resources will be administered by the Colombian International Cooperation Agency through CECAB.

Canada. It granted CD 50.000 to the Presidential Program Rumbos for the development of the project *PAS and Injected Substance Consumption and HIV/AIDS Risk in the Colombian Population.*

United States of America. The Colombian International Cooperation Agency participates in all of the financing agreements that the United States Agency for International Development signs with Colombian public entities. Thus, the Agreement "To Provide Socio-economic Alternatives to Illicit Crop Production", signed in 2000 for a five (5) year period, was amended for the fourth time in June 2002 to stipulate an increase of USD

[77] We present the list of the donations that are channeled through the Colombian International Cooperation Agency for the war against drugs.
[78] The 2002 execution is in course.

250.500.000 in the total covenant amount. Of this sum, in 2002, disbursements were made in the amount of USD 53.564.390[79].

The Embassy of the United States supported small projects in various topics concerning the world drug problem and related crimes, as it has done in past years.

5.4.2 Technical Cooperation among Developing Countries – (TCDC)

Technical Cooperation among Developing Countries is acknowledged as an instrument to support and promote the progress and social development of developing countries or partially developed countries, such as Colombia.

In 2002, Colombia's cooperation in the topic of drugs was reduced to financially supporting the event organized by Rumbos "Psychoactive Substance Consumption Prevention at the Workplace", held in Bogota with the participation of 9 Latin American and Central American countries, in the amount of USD 6.500. There was a request made to Jamaica and to Venezuela to forward in those countries the workshop "Drug problems between Colombia and Your Country", but for political and economic difficulties in the case of Jamaica, this project was postponed until the year 2003.

Although in 2000 there were resources from the Pérez Guerrero Trust Fund (FFPG is the Colombian acronym) (Group of the 77), to design the project "PAS Prevention Strengthening Strategies among Colombia, Ecuador and Venezuela", the Fund did not approve resources to develop the first phase of the project. Thus, these countries have an excellently prepared project on paper that would enable the region to have validated material, both theoretically and methodologically speaking, in the area of total PAS prevention.

5.4.3 Total Project Monitoring and Evaluation System (SIMEP is the Colombian acronym)

Taking into account the needs of both the cooperating sources and the national-level entities for following up on and evaluating international cooperation, in 2002 the Colombian International Cooperation Agency designed this information technology tool to facilitate the flow of information regarding projects being carried out, which functions on the Internet with access through the Colombian International Cooperation Agency web page. The Colombian International Cooperation Agency will share with the sources the scope of this tool and, at the same time, will train the entities on how to use it, as it considers that it is the entities who provide inputs to the system.

[79] USAID / COLOMBIA. Progress Report for the Fourth Quarter of FY02.

6. DECENTRALIZATION, MANAGEMENT, ALLIANCES AND COMMUNITY PARTICIPATION[80]

In March 1999 the National Anti-narcotics Agency (DNE is the Colombian Acronym) and the Colombian International Cooperation Agency (ACCI is the Colombian acronym) signed a covenant effective until 2003 with the United Nations Program for Drug Control, today called Office against Drugs and Crime, to implement the National Plan against Drugs at a local level, the program is called Program for the Decentralization of the National Plan against Drugs - Project AD/COL/99/C-81.

The decentralization process for drug issues has been aimed at strengthening autonomy, sustaining the programs and projects, consolidating inter-institutional coordination, and supporting initiatives. This is done in a permanent fashion, by accompanying and assessing officers and organizations, transmitting knowledge and technical tools, and motivate the political willingness of local and national-level authorities. The above starts by understanding the needs and requirements of the provincial departments and municipalities.

At the end of the third year of the project, Regional Anti-narcotics Councils have been established in 32 provincial departments throughout the country. 29 Provincial Department Structures for Drug Prevention and Control have been formed, out of which 23 are performing their functions, consolidating themselves as technical and operational work teams (made up of governmental and non-governmental inter-institutional and multi-sector groups) who design, implement and evaluate local drug control strategies and who coordinate their work through jointly created plans, programs and projects.

Strategies have been designed and implemented to confront the local problem in 28 provincial departments, of which 88 actions and projects for these operational plans have been technically and financially supported. They are aimed at training, research, communication and dissemination, institutional strengthening, support to municipal work, and intervention projects with the vulnerable population. A pilot research was done in Colombia on the characterization of drug mules. The assembly of a provincial department drug observatory was forwarded in the provincial department of Nariño and the inter-department observatory (Quindío, Risaralda, and Caldas) on drug production, trafficking and consumption is underway. The decentralization of the National Plan against Drugs has been strengthened by 39 local projects carried out by NGO's in 22 municipalities. We have 39 communications and educational products prepared by 19 provincial departments and by the project team.

The level of autonomy reached by the Provincial Department Structures for Drug Prevention and Control is different in each provincial department. The provincial departments who have a high level of autonomy are those who appropriate specific budgets for drug issues in their development plan, reformulate and adapt operational plans, manage resources, systemize and evaluate their processes, assign officers specific

[80] Report prepared by the Technical Coordination of the Program for the Decentralization of the National Plan against Drugs – Project AD/COL/99/C-81. February 2003.

responsibilities to be leader on the topic, and establish alliances to execute the projects. This is the case of 12 provincial departments.

The provincial departments with an average level of autonomy are those who carry out specific activities and projects (not necessarily linked to plans or programs), where there is a turnover of coordinators and officers for the structures, weak inter-institutional coordination, little resource management for the appropriation of specific budgets, difficulty in optimizing local resources, and who sometimes require technical accompaniment in activities for which they have been previously prepared. In general, we do not see constancy in the process and there is relative dependency on the central office. This occurs in 12 provincial departments.

8 provincial departments show a low level of autonomy in the decentralization process for drug issues. The structures do not perform their formal or operational functions, even some do not have teams formed. In these provincial departments, there is no coordination or management, they do not have specific resources allotted, they depend on the central office to develop proposals and they show no political willingness.

Sustaining the processes and projects forwarded has also been supported by the donation of sets of equipment that has been delivered to government organizations and to NGO's: 36 sets for 26 provincial departments.

The project has achieved geographical coverage in 417 municipalities in the 32 provincial departments throughout Colombia. Training has become one of the important fronts in the decentralizing process and a key strategy to orient and develop educational processes, by generating multipliers who become experts not only in drug prevention, but also in strengthening and qualifying human resources. The topics have been varied, based on the needs of each region and on their coherence with the project objective and results. We have given technical and/or financial support to 720 training sessions (among workshops, training, and seminars), as well as to 152 events (meetings, celebrations on Prevention Day, programs, etc.) throughout Colombia, given by or headed by National Anti-narcotics Agency officers, by officers of other national-level, provincial department and municipal entities, by universities and by NGO's.

Another important front for training was the development of a systematic educational process aimed at professionals and technicians, from 26 NGO's throughout the country, to qualify their intervention in, evaluation of and management of drug prevention programs.

During the 2002 term, 12 Provincial Department Structures for Drug Prevention and Control forwarded the evaluation of their total strategies. They determined the importance of inter-institutional coordination, of optimizing resources and appropriating specific entries, of the sustainability of the processes forwarded, of the need to broaden the municipal work, of developing citizen participation, and of forming inter-municipal and inter-departmental alliances.

Inter-municipal alliances have been established in the provincial departments of Cauca, Atlántico, Valle, Cundinamarca and Nariño and inter-departmental alliances have been formed in the Coffee Growing Zone (Risaralda, Quindío and Caldas) and in the Southwest (Cauca, Valle and Nariño). Within the framework of these alliances, achievements have been made in implementing regional dialogs on common problems related to drugs, in building a vision of co-responsibility and in establishing joint mechanisms to confront the

problem expressed in joint projects with greater coverage and impact, with broad offsetting compensations.

Taking into account the priorities that the inter-institutional organizations had, financial and technical support was given to the following projects formulated in accordance with the guidelines and strategies set forth in the provincial department plans:

- Projects aimed at creating and strengthening spaces for culture and sports, artistic expression, folkloric traditions, citizen participation, and prevention for children and youth groups, carried out in the Provincial Departments of Atlántico (70 youths), Chocó (3.000 youths and children), Amazonas (3.000 youths), Caquetá (40 youth clubs), Cauca (80 youths and 40 children), Risaralda (375 youths, women and community leaders) and Guaviare (95 children).
- Farming and Livestock Re-education and Re-training Project aimed at 42 peasants in the provincial department of Huila, displaced from armed conflict zones.
- The information gathering on "The Mules of the Coffee Growing Zone: A Multi-disciplinary Approach to the Phenomenon of International Drug Trafficking Mules" was finished. 2,000 copies were printed, which were distributed throughout the country. Also, this information has been disseminated by different communications media.
- The phase of information gathering began in the provincial department of La Guajira for the historical background and present dynamics of PAS production, trafficking, distribution and consumption problems.
- Strategies for information and prevention dissemination forwarded in the provincial departments of Quindío (10 radio programs and 2 television programs), Cauca (Rioblanco Native Indian Reservation municipal newspaper and 3 department bulletins), Valle del Cauca (information bulletin), Córdoba (bulletin), Antioquia (municipal booklet), Atlántico (two booklets).
- Projects and programs from inter-municipal alliances: Formation of Municipal PAS Prevention and Control Committees in 30 municipalities in Cundinamarca, Second Inter-municipal Meeting of Mayors from the Central Area of Nariño (12 municipalities), Inter-municipal PAS Prevention and Control Network in Cauca (21 municipalities), Valle del Cauca Networking Strengthening of the Municipal Committees for Total PAS Consumption Prevention and Drug Control (26 municipalities), Creative Minds Project aimed at youths in 3 municipalities in Atlántico.
- Projects and programs from Inter-department alliances: Observatory on Drugs and Culture (Coffee Growers Axis), PAS Consumption Prevention in Schools in 35 educational centers in Popayán, Cali and Pasto and formation of local prevention communities (Risaralda, Quindío and Caldas).

In 2002 the first document in the series "La otra mirada: perspectiva cultural para la prevención de la producción y el tráfico de sustancias ilícitas" (The Other Side of the Coin: Cultural Perspective for the Prevention of Illicit Substance Production and Trafficking" was published and shipped throughout the country for the purpose of offering tools to understand the socio-cultural problem surrounding drug production and trafficking and for making proposals to develop regional prevention programs. The first section gives an approach to drug trafficking, contemplating it as a complex, multidimensional phenomenon with many causes, with effects on the economic, political, cultural, psychosocial and ecological aspects of Colombian life. The second section explores the environment that has favored drug trafficking, the geographical characteristics and social and cultural traits that have made possible the excessive growth of this business in Colombia and of its social, political, economic, cultural and institutional consequences on life in this country.

The third and last section gives proposals for preventing and confronting the problem through local projects with broad projection.

The pamphlet “Su turno” (“Your Turn”) aimed at the youth population was prepared and distributed throughout the country. This material seeks to generate reflection on the responsibility that youths have to make their own decisions during their lives, particularly regarding getting involved or not in drug trafficking.

Also, the teaching material “Las semillas mágicas” (“The Magic Seeds”) was prepared to give basic information to Colombian children by using fun elements and concepts. It is written in a clear, simple language and is colorfully illustrated using great imagination, all of which make it easy to understand the problem of illicit crops and the implications that it has on the environment, on the social structure, on families and even on individuals. It is designed to work with children from 6 to 13 years old.

19.201 copies of the teaching material “The Magic Seeds” have been distributed to 430 municipalities and capital cities in the 32 provincial departments in Colombia, in which 243 schools and 14 Native Indian reservations belonging to 10 provincial departments in Colombia have reported having been trained to use it. National Anti-narcotics Agency officers have trained different Inter-institutional Drug Prevention and Control Committees. In addition, the bulletin Decentralization and Drugs Nos. 8 and 9 were prepared and distributed.

We participated in Expocamello (a youth business fair) held in Bucaramanga with a stand where we handed out a variety of informational, educational and promotional material facilitated by various national-level, departmental and municipal entities and by NGO’s.

We had sessions to celebrate the International Day for Fighting Illegal Trafficking and Undue Use of Drugs in Bogota and in 7 provincial departments (Atlántico, Boyacá, Bolívar, Cauca, Quindío, San Andrés y Providencia, and Valle del Cauca). The project supported different educational, sports and cultural activities carried out in these provincial departments.

For the purpose of strengthening, complementing and giving sustainability to some projects and programs, we supported them with equipment, musical instruments and work tools.

During 2002 we continued the NGO qualification process by holding three new National Meetings for Drug Prevention co-financed by the International Mentor Foundation. 52 professional and technicians representing 26 NGO’s from all over the country participated.

The project has implemented a software to gather the information of the national-level, departmental and municipal offsetting compensations provided by the corresponding officers. The system reports detailed information (according to effective term, region, entity, activity, etc...) as well as general and consolidated information.

Finally, the web page www.descentralizadrogas.gov.co on one hand facilitates the worldwide dissemination of the program for the Decentralization of the National Plan against Drugs and the local processes forwarded and, on the other hand, is a tool for national and regional networking.