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DRUG CONTROL

U.S. Supported Efforts in Burma, Pakistan, and Thailand

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Comptroller General
of the United States

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To the President of the Senate and the
Speaker of the House of Representatives

The Anti-Drug Abuse Act of 1986 requires the Comptroller General to examine the effectiveness of the international narcotics control assistance provided pursuant to the Foreign Assistance Act of 1961 (22 U.S.C. 2291) and to report to the Congress periodically as portions of the investigation are completed.

This report responds to the legislative requirement and covers our review of U.S.-supported drug control efforts in Burma, Thailand, and Pakistan.

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of State; the Attorney General; and the Administrator, Agency for International Development.

Frank C Conahan

for Charles A. Bowsher
Comptroller General
of the United States

Executive Summary

Purpose

The U.S. international narcotics control program supports foreign governments' efforts to control the cultivation, production, and refinement of illicit drugs. The Anti-Drug Abuse Act of 1986 (Public Law 99-570) requires the Comptroller General to determine the effectiveness of this program and to report to the Congress periodically.

This report examines U.S. efforts in Burma, Pakistan, and Thailand—three key countries in the U.S. control program.

Background

The Department of State's Bureau of International Narcotics Matters (INM), the Drug Enforcement Administration (DEA), and the Agency for International Development (AID) share responsibilities under the international narcotics control program. This program assists in controlling drugs by providing financial and technical assistance for crop control and law enforcement activities and, in some countries, by providing development assistance. During fiscal year 1987, these agencies provided $35.9 million to Burma, Thailand, and Pakistan to assist host governments in crop control, interdiction, law enforcement, and training and development assistance.

Results in Brief

U.S.-supported crop control, enforcement, and interdiction efforts in Burma, Thailand, and Pakistan have not produced major reductions in opium production, and it is not likely that such reductions will be achieved in the near future. Law enforcement organizations in these countries have basic problems which inhibit effective enforcement and interdiction, including narcotics-related corruption and weak narcotics laws. Also, crop control programs were not effectively managed and development efforts did not fully support narcotics reduction goals.

Principal Findings

Enforcement Programs

Burma, Pakistan, and Thailand have problems that inhibit effective drug enforcement programs and interdiction. All three countries have problems with narcotics-related corruption. Also, U.S. officials believe Thailand and Pakistan need to strengthen their narcotics laws. There are also country-specific problems; for example, the Burmese government lacks the mobility and military capability to deal simultaneously with narcotics control and various insurgencies.

INM Crop Control Programs

Burma, Pakistan, and Thailand report increased eradication of opium poppy. However, during the last four growing seasons, only in Thailand has reported production consistently fallen. Because INM project agreements lack quantifiable goals, progress in crop control is not easily measured. Required annual project evaluations had not been done in the three countries.

The inaccuracy of cultivation, yield, and eradication statistics for all three countries has also made it difficult to evaluate crop control program results. Incomplete and/or late aerial surveys, coupled with limited U.S. on-the-ground evaluation of host government eradication results, have contributed to the problem of inaccurate data.

Development Assistance Programs

Projected reductions in opium production in Pakistan and Thailand rest in part on the successful implementation of rural development projects. Both governments have chosen development as a means to reduce traditional opium cultivation and avoid political problems and possibly violent confrontation.

AID's program in Pakistan is clearly focused on reducing opium poppy cultivation. AID actively monitors narcotics cultivation in project areas and coordinates eradication efforts closely with the host government.

In Thailand, AID's contribution to the narcotics control effort is limited to one area development project, which is only marginally directed at narcotics control objectives, and several small drug awareness projects. AID's country strategy does not include opium poppy control as an explicit priority, and AID staff do not actively monitor narcotics production in the project area. Under the Foreign Assistance Act of 1961, as amended, AID is required to give priority to narcotics-related development assistance projects.

Development Coordination and Cooperation

INM has funded short-term development in narcotics-producing areas in Pakistan and Thailand, and officials of the U.S. embassies' Narcotics Assistance Units (NAUs) believe that long-term AID development projects will be needed in these areas to ensure continued enforcement of the bans on opium poppy cultivation. However, GAO found that AID has no plans to develop follow-on projects in the INM project areas.

Recommendations

GAO recommends that the Secretary of State direct the INM to seek to develop more specific, quantifiable goals in project agreements, perform required evaluations, encourage host governments to perform more complete and timely aerial surveys, and require NAU's to more systematically validate reported host government eradication results.

GAO also recommends that the Secretary of State and the AID Administrator take steps to ensure that AID and State work together to make certain that the most effective approach is followed in providing narcotics-related development assistance to Pakistan and Thailand.

Agency Comments

The State Department fundamentally agreed with GAO's findings and recommendations for procedural and managerial changes. State also generally concurred in the usefulness of coordinated planning and delivery of State/AID development efforts.

AID concurred with GAO's assessment of its activities; however, it disagreed with GAO's proposal to consider the need for more long-term development assistance in Thailand to complement State Department short-term assistance. AID believes that, in Thailand, there are higher development priorities.

State plans to continue providing short-term development assistance to Thailand. Without complementary long-term development assistance from AID, the effectiveness of State's development efforts would be questionable, according to NAU officials in Thailand.

Because State and AID officials disagreed about the appropriate program in Thailand, GAO believes that these agencies need to work together to identify the most effective and efficient use of U.S. resources available for narcotics-related development activities. GAO modified its recommendation to call for such collaboration.

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Contents

Executive Summary		2
Chapter 1 Introduction		8
	U.S. Agencies Involved in International Narcotics Control	8
	Other Nations' Involvement in International Drug Control	10
	International Narcotics Control Goals	10
	Trends in World Opium Production	11
	Objectives, Scope, and Methodology	13
Chapter 2 INM Crop Control Activities		15
	Program Results and Problems	15
	Crop Control Projects Lack Measurable Goals and Required Evaluations	17
	Production, Yield, and Eradication Statistics of Questionable Validity	18
	INM Crop Control Development Assistance Results	19
	Conclusions and Recommendations	22
	Agency Comments	23
Chapter 3 INM Enforcement Activities		25
	Program Effectiveness Limited	25
	Burmese Enforcement and Interdiction Problems	26
	Pakistani Enforcement and Interdiction	27
	Thai Enforcement and Interdiction Problems	30
	Conclusions	32
Chapter 4 Narcotics-Related Development Assistance Programs		33
	AID Projects in Thailand and Pakistan	33
	Progress and Problems in Development Assistance Programs	36
	NAU and AID Coordination	39
	Conclusions and Recommendation	41
	Agency Comments and Our Evaluation	42
Appendixes	Appendix I: Comments From the Department of State	44
	Appendix II: Comments From the Agency for International Development	55
Tables	Table 1.1: INM Funding to Burma, Pakistan, and Thailand	9

Table 1.2: Drug Enforcement Administration Operating Costs: Pakistan and Thailand 9
Table 1.3: AID Program Disbursements: Pakistan and Thailand 10
Table 1.4: World Opium Production, 1982 and 1987 12
Table 2.1: Estimated Opium Cultivation, Eradication, and Yield 16
Table 3.1: Narcotics-Related Seizures, Arrests, and Destroyed Laboratories 26

Abbreviations

AID	Agency for International Development
DEA	Drug Enforcement Administration
GAO	General Accounting Office
GOP	Government of Pakistan
INM	Bureau for International Narcotics Matters
NAU	Narcotics Assistance Unit
ONCB	Office of the Narcotics Control Board
PNCB	Pakistan Narcotics Control Board
SDEP	Special Development and Enforcement Plan for the Opium Producing Areas of Pakistan
TADP	Tribal Areas Development Project
UNFDAC	United Nations Fund for Drug Abuse Control

Chapter 1

Introduction

The U.S. international narcotics control program supports foreign governments' efforts to control the cultivation, production, and refinement of illicit drugs. The program assists in narcotics control by providing financial and technical assistance for crop control and other law enforcement activities and, in some countries, by providing development assistance. We examined narcotics control programs in Thailand, Pakistan, and Burma to determine their effectiveness in controlling the production and export of narcotics.

U.S. Agencies Involved in International Narcotics Control

The major responsibilities for U.S. international narcotics control programs are assigned to three agencies in Thailand and Pakistan: the Department of State's Bureau of International Narcotics Matters (INM), the Drug Enforcement Administration (DEA), and the Agency for International Development (AID). The main U.S. agency involved in Burma is INM.[1]

INM has the lead role in all three countries and is responsible for developing, coordinating, and implementing the overall U.S. international narcotics control strategy. INM accomplishes its mission through diplomatic efforts, assisting the host governments in crop control and interdiction, training foreign personnel, participating in international organizations, and providing technical assistance to reduce demand. U.S. missions in Pakistan and Thailand have narcotics affairs counselors, each supported by a deputy and foreign service staff. The mission in Burma has a narcotics affairs counselor supported by an aviation advisor and foreign service staff.

During fiscal year 1987, INM budgeted $118 million in assistance for 11 major narcotics producing and transmitting countries, 2 international organizations, and several lesser producing countries. Of the $118 million, about $21 million (17.8 percent) was provided to Burma, Thailand, and Pakistan. Table 1.1 shows INM's actual and proposed funding for fiscal years 1985 through 1988.

[1] DEA does not operate in Burma because the Burmese government does not allow the presence of foreign law enforcement agencies; AID does not have any narcotics-related projects in Burma because the government prefers to deal with a single donor—the United Nations Fund for Drug Abuse Control (UNFDAC).

Table 1.1: INM Funding to Burma, Pakistan, and Thailand

(millions)

Country	Fiscal year 1985 Actual	1986 Actual	1987 Actual	1988 Actual
Burma	$5.5	$6.3	$9.4	$13.0
Pakistan	3.0	3.4	6.9	6.3
Thailand	2.7	3.6	4.7	6.8
Totals	**$11.2**	**$13.3**	**$21.0**	**$26.1**

DEA's international narcotics control efforts are implemented through its Foreign Cooperative Investigative Program. DEA provides expertise, technical assistance, and training to Thai and Pakistani law enforcement officials; participates in collecting and sharing narcotics intelligence; and, when authorized, assists in investigations. DEA helps the host governments develop programs to reduce the supply of drugs at or near their agricultural source, immobilize refineries, identify export staging areas, and interdict illicit drug shipments.

DEA's program funding was $49.9 million in fiscal year 1987. Of the $49.9 million, about $5.6 million (11 percent) was provided to Thailand and Pakistan. DEA has 28 agents in Thailand, supported by 26 additional staff, and 17 agents in Pakistan, supported by 16 additional staff. Table 1.2 shows estimated DEA operating costs, including personnel and benefits over the last 3 years.

Table 1.2: Drug Enforcement Administration Operating Costs: Pakistan and Thailand

(millions)

Country	Fiscal year 1985	1986	1987
Pakistan	$1.4	$1.5	$1.6
Thailand	3.9	3.9	4.0
Totals	**$5.3**	**$5.4**	**$5.6**

AID addresses narcotics control in Pakistan and Thailand through area development projects and narcotics awareness activities, such as establishing a drug information and research center in Pakistan. Disbursements for AID narcotics-related projects for fiscal years 1985 through 1987 are shown in table 1.3.

Table 1.3: AID Program Disbursements: Pakistan and Thailand

(millions)

Projects	Fiscal year 1985 Actual	1986 Actual	1987 Actual	Life of project
Area Development				
Pakistan	$2.65	$3.47	$7.55	$30.00
Thailand	3.46	1.90	1.55	10.00
Drug Awareness				
Pakistan	•	0.09	0.30	0.50
Thailand	•	•	0.04	0.04
Totals	**$6.11**	**$5.46**	**$9.44**	**$40.54**

Other Nations' Involvement in International Drug Control

The United States is not alone in its efforts to curb illicit drug production and abuse. Germany, Australia, Norway, and the Netherlands have funded narcotics-related projects in Thailand. However, the UNFDAC field advisor in Thailand told us that, other than the United States, UNFDAC is the major source of funding for narcotics-related development assistance in Burma, Pakistan, and Thailand.

UNFDAC is essentially a trust fund that began operating in 1971 as a funding agency, planner, coordinator, and evaluator of narcotics control projects around the world. The Fund is financed by voluntary contributions from various donor nations. UNFDAC programs concentrate on preventive education and information, addict treatment and rehabilitation, crop replacement and agricultural development, research, and drug law enforcement. UNFDAC projects are executed by host governments, nongovernmental organizations, U.N. specialized agencies, or other parts of the United Nations system.

International Narcotics Control Goals

INM's primary objective is to control the cultivation and production of illicit narcotics in those regions that export primarily to the United States and to achieve significant and lasting reductions in availability. INM's highest priority is crop control in source countries through eradication and national bans on narcotics production. INM's second priority is the interdiction of drugs transported to the United States from producing countries.

The principal U.S. goal in Burma is to support the Burmese government in suppressing opium production, processing, and export to international markets. INM support to Burma has four major components—aerial

eradication, aviation support for narcotics interdiction operations, communications, and support for five People's Police Force task forces. Aviation support represents 91 percent of overall program funding.

The primary U.S. goal in Thailand is to reduce opium and marijuana cultivation. The secondary goal is to limit drug trafficking through Thailand. U.S. objectives include sustaining and enhancing the Royal Thai government's commitment to drug control, disrupting heroin trafficking routes and border refining complexes, denying Thai territory to paramilitary trafficking organizations, and eliminating opium poppy cultivation and trafficking. To accomplish these goals and objectives, the United States funds Thai narcotics crop eradication efforts and provides limited short-term aid to farmers in opium poppy growing villages if they agree to stop growing opium poppy. In addition, the United States provides Thai law enforcement agencies with training, equipment, and operational and technical support, and supports Royal Thai Army operations against insurgent trafficking groups on the Thai/Burmese border.

The principal U.S. goal in Pakistan is to eliminate cultivation, production, and trafficking of opium and its derivatives. The United States assists the government of Pakistan in enforcing a ban on opium cultivation, production, refining, and trafficking. U.S. objectives are to (1) institutionalize crop production law enforcement in areas where opium poppy cultivation is to be prohibited and in former opium poppy growing areas to prevent recurring cultivation, (2) enhance Pakistani law enforcement capabilities against heroin refining in tribal areas, and (3) implement an aerial spraying program to destroy opium poppy crops.

Trends in World Opium Production

Worldwide opium production has been on the increase since at least 1982. Table 1.4 compares production in 1982 with production in 1987.

Table 1.4: World Opium Production, 1982 and 1987

Country	Metric tons produced 1987	Metric tons produced 1982
Thailand	10—15	• 57
Mexico	10—30	• 16
Pakistan	100—130	50—75
Laos	100—290	• 50
Iran	200—400	• 600
Afghanistan	400—500	250—300
Burma	660—1,060	450—550
Totals	**1,480—2,425**	**1,150—1,648**

Source National Narcotics Intelligence Committee

The National Narcotics Intelligence Committee estimated that Thailand would produce about 1 percent, Pakistan 5 to 7 percent, and Burma 43.7 to 44.6 percent of the world's opium in 1987.

Despite eradication efforts, Burma produces the world's largest illicit opium poppy crop—partly because it lacks political, military, and police control in primary growing areas. In the 1985/86 growing season, an estimated 81,400 to 127,900 hectares of opium were cultivated in Burma, and an estimated 700 to 1,100 metric tons of opium were produced. INM expects similar production in the 1986/87 growing season. Most opium produced in Burma is grown in remote areas under the control of insurgent groups, which use narcotics revenue to finance their activities.

INM officials in Thailand reported a 47 percent decrease in Thai opium cultivation in 1986. However, Thailand is a minor opium producing country that is principally important to the global control effort as the major conduit for opiate products leaving the area. Because of its superior communications and transportation infrastructure, Thailand provides the major transit route for Burmese and Laotian opium. U.S. officials in Thailand stated that about 20 percent of heroin consumed in the United States comes from Southeast Asia.

U.S. intelligence information indicates that opium production and trafficking are increasing in Laos, possibly resulting from increased enforcement and eradication efforts in Burma and Thailand. Laos produced an estimated 100 to 290 metric tons of illicit opium in 1986, compared to 30 tons in 1984. The Department of State believes that Laotian opium is supplied to refineries in Thailand and Burma. The Laotian government

claims it has banned production and trafficking of opium for private gain but permits production to sell to the Communist bloc for licit processing. The United States has made preliminary overtures to the Laotian government to determine the possibility of assisting in a program to curb opium production.

Opium poppy cultivation in Pakistan is rising after 5 years of reductions. The Department of State attributes the setback to the Pakistan government's failure to respond quickly when growers strongly opposed control policies in the 1985/86 growing season. Pakistani opium production increased in early 1986 to an estimated range of 140 to 160 metric tons compared to 50 to 70 metric tons in 1985. The government has taken steps to control planting in some areas but faces a difficult task controlling growth in the historically autonomous areas of the Northwest Frontier Province where most of the cultivation is now concentrated.

Even if Pakistani opium production is eliminated, the supply may not be reduced unless Afghan production is also curtailed. Historically, the tribal areas of the Northwest Frontier Province in Pakistan have been the distribution centers for Afghan and Pakistani opium. According to the Department of State, Afghanistan continues to be a major producer of opium and hashish for the world's illicit drug markets, and there is no indication that the Soviet-imposed regime in Kabul has the capability or the political will to deal with the problem. Afghan production is about 400 to 500 metric tons.

Objectives, Scope, and Methodology

The objectives of our review were to evaluate the scope, purpose, and effectiveness of U.S. narcotics control efforts in Burma, Thailand, and Pakistan. Additional reports on U.S. programs in Mexico, Colombia, and Bolivia, as well as an overall report on the worldwide program will be issued separately. In conducting our review, we interviewed representatives and reviewed records at INM and AID in Washington, D.C. We reviewed applicable foreign aid legislation, congressional reports, and congressional hearings. We also reviewed INM, AID, and DEA studies and reports and prior GAO reports relating to U.S. international narcotics control efforts.

In addition, we interviewed representatives and reviewed records from INM, AID, DEA, United States Information Service, UNFDAC, and host government narcotics control agencies in Rangoon, Burma; Bangkok and Chaing Mai, Thailand; and Islamabad and Peshawar, Pakistan. We also

made field visits to observe host government opium poppy eradication efforts in Thailand and Pakistan.

We examined the effectiveness of U.S. international narcotics control programs in Burma, Thailand, and Pakistan and determined the adequacy and accuracy of reported information on the production, yield, and eradication of opium poppy in all three countries. Field work was performed over the period January through June 1987. We conducted our work in accordance with generally accepted government auditing standards.

INM Crop Control Activities

INM's highest priority is crop control in source countries through eradication and national bans on narcotics production. INM views crop control as a cost-effective and efficient strategy because eliminating narcotics-producing crops as close to the source as possible minimizes the amount of drugs that can enter the international market. Crop control can be achieved through host government bans on cultivation, chemical or manual eradication, and, under certain circumstances, development assistance leading to alternative sources of income for growers.

Burma, Thailand, and Pakistan have banned illicit opium poppy production and have instituted crop eradication programs. Burma and Pakistan manually destroy poppy plants and apply herbicides aerially. Thailand limits its eradication activities to manual destruction. These countries also provide short-term development assistance to farmers accepting eradication.

United States assistance is aimed at helping these countries effectively implement their programs. In Burma, the United States supports a multiyear program to operate and maintain U.S.-provided aircraft used by the Burmese Air Force in opium poppy eradication and interdiction operations. The U.S. narcotics production control project in Thailand supports crop eradication efforts of the Royal Thai government, provides emergency relief supplies for farm families in areas where eradication takes place, and supports projects where villagers agree to stop opium poppy cultivation. The United States supports Pakistani crop control efforts by providing agricultural and technical assistance and small infrastructure projects to assist the government of Pakistan (GOP) in enforcing its ban on opium poppy cultivation in the Northwest Frontier Province.

Program Results and Problems

As shown in table 2.1, available statistics on opium cultivation, eradication, and yield indicate that, while eradication has increased in Burma, Pakistan, and Thailand, only in Thailand has opium production been consistently reduced throughout the last four growing seasons.

Table 2.1: Estimated Opium Cultivation, Eradication, and Yield

Country	Growing seasons 1983/84	1984/85	1985/86	Projected 1986/87
Gross Opium Cultivation				
			(hectares)	
Thailand	6,933	8,777	4,125	3,840
Pakistan	1,750	1,880	6,100	7,420–7,900
Burma	not presented		96,000–141,500	95,000–141,000
Production Eradicated				
			(hectares)	
Thailand	99	517	1,770	2,880
Pakistan	70	10	200–300	2,350–2,910
Burma	not presented		13,600	18,000
Net Production Yield				
			(hectares)	
Thailand	40	35	23	12
Pakistan	38–48	50–70	133–153	100–130
Burma	not presented		700–1,100	660–1,060

Source: Department of State International Narcotics Strategy Reports

Factors contributing to the less than satisfactory reduction in narcotic crop production include ineffective eradication, changing production patterns, and limited aerial spraying. For example, in Pakistan opium production has risen because of increased and shifting areas of production and ineffective eradication. According to a U.S. official, the setback is due in part to the shift from a military to a civilian government, which stopped enforcing the ban on growing opium poppy when growers in the Gadoon area violently protested the eradication campaign in 1986. In addition, the GOP limits poppy eradication to areas that receive some form of development assistance or that have not been traditional growing areas. We were told that opium production in areas not receiving assistance has increased from 30 percent to about 50 percent.

In Burma, limited control by the Burmese government in primary growing areas, coupled with inefficient aerial spraying tactics, has limited the effectiveness of the eradication effort. U.S. officials told us that an offensive begun by insurgents in December 1986 forced the government to divert the Army from performing narcotics suppression activities to fighting insurgents.

As shown above in table 2.1, the Royal Thai government has made progress in reducing opium production; hectares devoted to cultivation

decreased from an estimated 8,777 hectares in the 1984/1985 growing season to 4,125 hectares in the 1985/1986 season. Thai and U.S. embassy officials believe that further reductions are possible but will come more slowly. To achieve better eradication results, aerial spraying of herbicides may be needed, but the Thais have consistently resisted such application since they fear the side effects of environmental degradation and damage to food crops.

Crop Control Projects Lack Measurable Goals and Required Evaluations

According to INM, the challenge facing the Department of State is how to translate the goal of reducing the worldwide supply of narcotics into individual government project commitments leading to verifiable progress in controlling narcotics production, trafficking, and abuse. Standard provisions in INM project agreements with host governments require a joint evaluation of project goals, design, and progress at least once each year during the life of the project to help meet this challenge.

Project agreements in all three countries lacked quantifiable goals; consequently, progress made towards achieving goals was not easily measured or evaluated. Moreover, required annual project evaluations were not being done in any of the three countries.

For example, the U.S. country goal in Burma is to suppress the illicit production and processing of opium and its derivatives and to interdict the illegal export of narcotics to international markets. According to the agreement, the project goal is to provide increased capability to the Burmese government for the eradication and interdiction of illicit narcotics in Burma. The agreement sets no quantifiable targets, such as hectares of opium to eradicate, or milestones against which to measure project results. Moreover, although INM has required annual evaluations of the project's progress as a standard provision, the Narcotics Assistance Unit (NAU) had not formally prepared such an evaluation. The narcotics affairs counselor advised us that he viewed the annual renegotiation of the project agreement with the host government as the required evaluation. We found a similar lack of evaluations in Pakistan and Thailand, with the same justification offered.

Production, Yield, and Eradication Statistics of Questionable Validity

The accuracy of existing production, yield, and eradication statistics to evaluate crop control program results is questionable. U.S. officials in Burma, Pakistan, and Thailand told us that they consider such statistics suitable only for establishing trends and not for estimating actual production.

Cultivation Statistics

Opium poppy cultivation statistics reported for the three countries are estimates based on aerial survey, other photographic information, and intelligence gathered on the ground. A comprehensive aerial survey is needed to provide a reliable baseline for reporting production statistics and for verifying eradication statistics. Until a complete survey is done, estimates will be questionable and a reliable baseline will not be available to evaluate the effectiveness of crop control programs.

In addition, it is essential to conduct aerial surveys at the right time of the growing season. Delayed surveys will distort cultivation estimates.

U.S. officials in Burma told us that the Burmese government has not completed a comprehensive aerial survey and does not perform aerial surveys in areas not controlled by the central government. The United States has provided camera equipment and has trained the Burmese to perform an aerial survey. However, according to U.S. officials, the Burmese government has used survey assets primarily for tactical purposes, such as determining where to eradicate.

The aerial surveys performed by the GOP and the Royal Thai government were delayed about 3 months in 1987 due to aircraft problems. The survey in Pakistan was incomplete in that aerial surveyors did not photograph a 10-mile strip along the Pakistan/Afghanistan border, which is a major producing area, and tribal areas where the GOP does not conduct eradication activities. They consider the areas too hazardous to photograph.

Yield Statistics

U.S. officials also view the yield factors—the amount of opium produced per hectare—as unreliable. U.S. advisors in Pakistan estimated that it takes about 10 years to establish a reliable yield factor, but the United States has been gathering information on yield statistics in Pakistan for only about 4 years. U.S. officials in Thailand and Burma stated that they lacked confidence in yield statistics because of the number of

variables that have to be considered in estimating yields, such as weather, irrigation, use of fertilizer.

Production and Eradication Statistics

Net production figures are based on cultivation, yield, and eradication estimates. Net production estimates in Pakistan, Thailand, and Burma are of questionable validity not only because yield estimates vary widely, but also because host government eradication statistics are questionable. Optimistic reporting of eradication results in all three countries has caused U.S. officials to be concerned about the accuracy of host government reporting.

Determining the extent of eradication achieved by host governments is difficult. To assess the efficiency and effectiveness of eradication programs accurately, it is necessary to verify eradication results systematically. However, U.S. agencies in these countries do not systematically verify the results of government eradication efforts. Based on limited U.S. spot checks, NAU officials have reason to doubt reported statistics. For example, at an eradication site used by the Thai government in its public awareness campaigns for the 1986/87 growing season, U.S. officials found that the Thai Army had been less than 50 percent effective in eradicating opium and had left a significant poppy crop intact in surrounding areas. U.S. officials made similar observations from additional on-site visits.

During our visit to an eradication site in Thailand, we observed that eradication took place after the crop had been at least partially harvested. U.S. mission officials in Burma told us that Burmese eradication estimates had been overstated and that they had documented cases of overreporting. The narcotics affairs counselor in Pakistan told us that he did not know how effective aerial spraying had been, but limited verification had indicated that about one-third of what the GOP claimed to be manually eradicated had not been successfully eradicated. We viewed sprayed areas from a helicopter in March 1987 and found that sprayed fields did not sustain consistent damage. Some poppies had been only partially destroyed 2 weeks after aerial spraying.

INM Crop Control Development Assistance Results

INM funds crop control development assistance in Pakistan through an area development project in the Malakand region and an agricultural outreach project. In Thailand, INM provides short-term assistance to farmers who agree to stop producing opium commercially. During our review of these projects, we found some temporary success in reducing

poppy cultivation, a lack of formal project evaluations by the NAUs, and questions about the long-term sustainability of project results.

INM Development Assistance in Pakistan

In fiscal year 1982 the NAU in Pakistan began an area development project in the Malakand region—a highly populated, mountainous area short of cultivatable land—aimed at reducing opium production. In 1981, production in the Malakand region was estimated at 8,150 kilograms of opium on 1,100 acres.

Although originally intended to be a 3-year project funded by INM at approximately $4.5 million, NAU has extended the project to 5 years and has increased INM funding to $6.1 million. About $5 million of the total funding has already been expended on roads, irrigation, electrification, reforestation, and other subprojects. About 100 jobs have resulted from the project's agricultural and water supply/irrigation schemes. In addition, provincial officials have created about 200 police force jobs and have requested an additional 200 to 400 similar jobs from the GOP.

Poppy cultivation was eliminated for one growing season (1984/85) in the project area but has recurred over the last two growing seasons. In the 1985/86 growing season, project area residents planted 100 to 150 acres of poppy, which rose to about 250 to 300 acres in the 1986/87 growing season.

The Malakand project director attributed the resumption of cultivation to the changeover from martial to civil law in December 1985. He stated that the farmers perceived that the civil government had a weaker commitment to poppy eradication and that they were testing that commitment. Local officials had eradicated about 200 acres of the 250 to 300 acres of poppy cultivation at the time of our visit in March 1987 and were attempting to achieve voluntary eradication of the remaining acreage.

The NAU in Pakistan has not completed a formal evaluation of the Malakand project. The narcotics counselor considers the project successful because poppy cultivation has decreased from 1,100 acres in 1981 to the 250 to 300 acres planted in the 1986/87 growing season, and the project has provided area residents with an enhanced quality of life. However, we believe that the recurrence of cultivation after the poppy-free 1984/85 season raises questions about what will happen after assistance is terminated.

The NAU in Pakistan also began an agricultural outreach project in fiscal year 1982. Since that time, NAU has provided agricultural assistance in the Malakand Agency, Dir District, Bajaur Agency, Mohmand Agency, and the Black Mountain area of Mansehra. The project has provided farmers fertilizers, improved traditional crops, and introduced new crops. Other types of development assistance include improvements to existing roads and wells and land leveling. INM funding has totaled $2.4 million since fiscal year 1982.

Project officials stated that the project has improved the income of many area farmers. However, they lack reliable data to compare the income from substitute and improved crops to income from opium.

INM Development Assistance in Thailand

Although the NAU's crop control program in Thailand principally funds eradication efforts, it also provides limited short-term aid to farmers in villages who agree to stop growing opium. In fiscal year 1987, INM provided about $1.9 million under this program, which involves about 160 villages.

The program links development assistance to formal agreements by villagers to terminate commercial opium poppy cultivation. In return for this commitment, the program provides assistance for conversion to alternate crops prior to the next opium poppy growing season. If villagers plant commercial quantities of opium poppy, the Thai authorities are required to eradicate or seize the opium and terminate assistance. However, the project agreement emphasizes commercial quantities and concedes that with this approach villagers will continue to produce opium for local consumption.

The NAU in Thailand has not evaluated the effectiveness of this program, despite the project agreement requirement for an annual evaluation. NAU officials consider the program successful and cited the 50-percent decline in Thai opium cultivation in the 1984/85 growing season as a measure of success. However, they also viewed the Royal Thai government eradication efforts as a major factor in this decline. U.S. officials in Thailand agreed with our observation that evaluation would be useful in determining the effectiveness of development aspects of the program.

Conclusions and Recommendations

It is difficult to assess the results of the crop control assistance provided to these three countries given the lack of measurable statements of program goals and objectives and the absence of annual project evaluations. Nonetheless, only in Thailand has production consistently fallen during the last four growing seasons.

Some fundamental constraints inhibit reductions in opium poppy production. For example:

- Pakistan limits eradication of opium poppy crops to areas that receive development assistance or that have not traditionally been growing areas, thus limiting the amount of potential eradication.
- Burma uses aerial application of herbicides to eradicate illicit opium poppy crops but only in limited areas.
- Thailand opium production has consistently fallen in the last growing seasons, but Thailand has been unreceptive to using aerial spray to achieve further eradication.

In addition, problems with the accuracy of production, yield, and eradication statistics compound the problem of developing reliable estimates of program results. U.S. officials have found that host government reported production and eradication statistics are not accurate. Complete and more timely aerial surveys are needed, as is more U.S. on-the-ground evaluation of host government eradication results.

Also, the NAUs in Pakistan and Thailand have not formally evaluated the effectiveness of development assistance components of crop control projects. Consequently, the NAUs cannot judge program success or link assistance to progress made in curbing opium cultivation.

To address these problems, we recommend that the Secretary of State direct the INM to

- seek to develop more specific, quantifiable goals in project agreements and perform the required evaluations, including evaluating the results of development assistance, and
- encourage host governments to perform complete and more timely aerial surveys and require more NAU validation of host government eradication results to improve the accuracy of production and eradication statistics.

Agency Comments

The Department of State fundamentally concurred with our findings and recommendations for improving program management. The Department noted, however, that overall program performance needs to be assessed over a much longer term than covered by our review and needs to be seen in the context of potentially far more serious outcomes had crop control and enforcement efforts not been undertaken.

The Department agreed that when recent narcotics control efforts are viewed in the context of the operational environments in Burma, Pakistan, and Thailand, it is clear that major reductions in Southeast and Southwest Asian opium production have not been achieved.

AID, however, took issue with our conclusion that major reductions in Southeast and Southwest Asian opium production have not been achieved, and pointed out that production decreases have been achieved in Pakistan since 1979. While progress was made in Pakistan over the period 1979 to 1984, production doubled from 1985 to 1987. Also, overall regional production, as noted on page 12 of this report, continues at very high levels. Regional opium production increased from an estimated 1,134-1,632 tons in 1982 to 1,470-2,395 tons in 1987.

Both the Department of State and AID noted that the supply of heroin reaching the United States from Southwest Asia has decreased from 52 percent in 1984 to 40 percent in 1987 and that this decrease represents a measure of program success. Many factors influence the relative source of opium supplied to the United States, including competing supply availability from other areas of the world. For example, historically, when Mexican heroin is readily available to U.S. markets, the percentage received from Southwest Asia declines. In 1985, for example, when Mexican heroin supplied 39 percent of U.S. demand, Southwest Asia supplied 47 percent. Conversely, in 1984, when Mexican heroin supplied 32 percent of U.S. demand, Southwest Asia supplied 51 percent. Probably the best measure of program performance in any particular country is production decreases measured against quantifiable goals and objectives. Since such measures have not been established, it is difficult to evaluate the relative performance of U.S. programs in drug-producing countries in reducing supply availability to the United States.

The Department of State agreed that insufficient effort has been placed on establishing concrete, quantifiable goals and objectives and said that steps have been taken to bring more management rigor to the programming system by establishing project milestones, performance targets,

and specific project objectives and by installing a project-based performance and financial monitoring system. The Department also said that it and each U.S. mission are working to develop improved crop estimation techniques and that, in 1988, it will establish a staff to evaluate program performance in a more systematic way.

INM Enforcement Activities

INM views enforcement as an essential complement to crop control. Interdiction, immobilization of narcotics trafficking networks, and improvements to the legal and judicial systems in host countries are necessary and contribute to the overall success of the U.S. government's narcotics control program. INM's highest enforcement priority is to provide interdiction assistance to producer countries.

In Thailand, the United States provides Thai government law enforcement agencies with training, equipment, and operational and technical support. The United States also supports Royal Thai Army operations on the Thai-Burmese border against armed Burmese and other insurgent drug trafficking groups. In Pakistan, the United States provides law enforcement agencies with training, equipment, and operational and technical support, including vehicles, and communications and office equipment to support 15 joint narcotics task force units and equipment for the Pakistani customs service.

Through its Foreign Cooperative Investigative Program, DEA has stationed agents in Thailand and Pakistan and has helped the host governments develop programs to reduce the supply of drugs, immobilize refineries, identify export staging areas, and interdict illicit drug shipments.

United States support is intended to improve law enforcement capabilities and operations in these countries, thereby contributing toward the overall U.S. objective of reducing opium production in-country and the supply ultimately available to the United States.

Program Effectiveness Limited

The three countries have centralized organizations for coordinating narcotics control within their borders: Thailand's Office of Narcotic Control Board (ONCB), Pakistan's Narcotic Control Board (PNCB), and Burma's Central Committee for Drug Abuse Control. These organizations are the focal points for all in-country narcotics-related efforts. Narcotic law enforcement programs planned and coordinated by the ONCB in Thailand and the PNCB in Pakistan are, for the most part, executed by police or paramilitary groups. In Burma, the Burmese Peoples Police Force is responsible for narcotics enforcement and interdiction activities in areas controlled by the central government.

The supply of narcotics available in these countries, as well as the amount exported to the United States, has not been substantially reduced over the last four growing seasons. Available statistics, shown

in table 3.1, indicate the magnitude of narcotics-related seizures and arrests in Thailand and Pakistan; data on Burma are incomplete.

Table 3.1: Narcotics-Related Seizures, Arrests, and Destroyed Laboratories

	1985	1986	1987 (estimated)
Seizures (metric tons)			
Opium			
Burma	a	1.05	3.00
Pakistan	2.30	2.10	3.00
Thailand	1.40	3.20	2.20
Heroin			
Burma	a	.15	20
Pakistan	5.50	4.20	4.00
Thailand	1.20	70	70
Cannabis/Marijuana			
Burma	a	a	a
Pakistan	90.00	80.00	80.00
Thailand	83.00	106.00	112.00
Arrests			
Burma	a	a	a
Pakistan	10,072	26,306	15,000
Thailand	34,686	31,671	29,714
Labs destroyed-heroin			
Burma	a	a	a
Pakistan	5	19	a
Thailand	4	10	10

[a]Not reported

Source: International Narcotics Control Strategy Report, March 1987

Law enforcement organizations in these countries have basic limitations which limit or inhibit effective enforcement and interdiction. All three countries have problems with narcotics-related corruption. According to U.S. officials, Thailand and Pakistan need to strengthen narcotics laws. In addition, Pakistan and Thailand have weak enforcement agencies, and Burma lacks armed forces mobility.

Burmese Enforcement and Interdiction Problems

The Burmese government has problems with narcotics-related corruption in the lower levels of the military and police forces and in effectively dealing with insurgents active in the drug trade. However, Burma continues its efforts to fight narcotics corruption, and U.S. officials could not identify other ways of dealing with the problems.

A major stumbling block to effective anti-narcotics operations continues to be the lack of mobility of the Burmese forces. In Burma, about 60 to 70 percent of the opium poppy is grown in remote areas with little or no

road access that are under the control of insurgency groups. The Burmese government has virtually no military, administrative, or governmental control over eradication and enforcement activities in these areas. Major military operations are required to secure the areas for eradication spraying and for caravan and refinery interdiction.

In many cases insurgent forces' equipment is more modern and is superior to government forces' equipment. There is some concern about the ability of the Burmese military to deal effectively with insurgency and narcotics control problems at the same time. For example, an insurgency offensive that started in December 1986 effectively halted Burmese government narcotics eradication and interdiction efforts and highlighted its limited military resources.

Increased Burmese army mobility is needed to strengthen eradication and interdiction efforts. Mobile strike forces using helicopters, coupled with improved tactics and training, would be useful. However, the Burmese government, because of its nonaligned status, is reluctant to accept military-related aid from the United States.

Pakistani Enforcement and Interdiction

We identified several enforcement and interdiction problems in Pakistan, including law enforcement narcotics-related corruption and the need to strengthen narcotics laws. In addition, U.S. officials believe that Pakistan needs to improve PNCB effectiveness, do more to identify and prosecute major traffickers and immobilize heroin labs, increase regulation of a chemical used to refine heroin, and uphold its commitment to the existing U.S./Pakistan extradition treaty.

Narcotics Corruption

Pakistan has a narcotics corruption problem. Law enforcement personnel in Pakistan are poorly paid and tend to be susceptible to bribes from traffickers. One reason given for Pakistan's reluctance to move against major traffickers is alleged protection monies paid by major traffickers.

Pakistani Narcotics Laws

According to U.S. officials, on February 10, 1979, the GOP promulgated a law banning opium cultivation throughout the country. A complete ban has also been imposed on the production, possession, processing, manufacture, sale, and use of all intoxicant drugs. Pakistan's narcotics laws have been improved in recent years. In December 1983 a maximum punishment of life imprisonment was provided for trafficking in opium or its derivatives and for possession of 10 grams of heroin or one kilogram

of raw opium. The minimum punishment provided for offenses is not less than 2 years imprisonment.

Pakistan currently does not have asset seizure or narcotics conspiracy laws, although an asset seizure bill has passed the Pakistan Senate and is awaiting Assembly approval. U.S. officials believe that the new punishment, combined with the proposed asset seizure law, could provide an improved legal deterrent to narcotics-related activities. Although no court interpretation has yet been made, the law has been criticized because it appears that assets can be forfeited only if life imprisonment is imposed. If this interpretation is correct and if past practice of the courts prevails, it is unlikely a sentence of life imprisonment will ever be imposed.

PNCB Weaknesses

U.S. officials are concerned with the operations of the PNCB and progress being made towards improving its capabilities, and cited several PNCB weaknesses:

- PNCB has no funds in its budget to pay for information. Without money to pay informants, law enforcement is extremely difficult.
- PNCB's Chairman requested an additional 25 Narcotic Task Force units to be funded in fiscal year 1987 but was provided funding sufficient for only 3 new units.
- Most of the PNCB staff are drawn from other law enforcement groups, which generally send PNCB their less experienced staff.
- PNCB does not provide weapons, and unless an officer has his own gun, he may not carry one. According to U.S. officials, PNCB law enforcement officers receive no hand gun training.

Major Traffickers Not Targeted

U.S. officials believe that the GOP needs to develop a comprehensive program aimed at identifying, arresting, prosecuting, and incarcerating major narcotics traffickers. For the past 4 years, U.S. officials have emphasized the necessity for GOP cooperation in stopping major traffickers and have provided GOP enforcement agencies information necessary to develop cases against major traffickers. They have not, however, seen any substantial increase in GOP action against them.

According to U.S. officials, not a single significant international Pakistani trafficker is known to have been imprisoned prior to 1984. During 1985, a few major traffickers were arrested, tried, and sentenced to 1 or 2 years imprisonment. Most of those defendants were quietly released

after serving only a few months. During the past year the GOP has not developed any new cases to the point of arresting any major trafficker.

U.S. officials identified several reasons for the lack of effective action against major traffickers, including the inability or unwillingness of law enforcement agencies, except in a few cases, to arrest major narcotics traffickers, financiers, or organizers because of protection monies paid by the traffickers to enforcement officials and to various officials at airports, seaports, and other checkpoints to facilitate smuggling. Another reason is that while GOP-specialized narcotics investigation units have interdiction responsibilities and understand interdiction techniques, they are unfamiliar with the specialized investigative techniques required to develop cases against major traffickers.

Limited Heroin Lab Immobilization

U.S. officials believe that the GOP should expand its program to immobilize heroin labs in the Khyber and other tribal areas. The United States estimates that 55 heroin labs are located in the Khyber area. According to U.S. officials, the GOP does little to control the heroin lab situation in the tribal areas of the Northwest Frontier Province. The GOP's rationale is that they are legally restricted from taking action in the tribal areas and that there is a general lack of law and order on the Afghan border.

According to U.S. officials, when GOP action is taken against laboratories, the GOP official in the laboratory's geographic jurisdiction contacts the operator and uses political pressure to persuade the operator to turn in his equipment and quit producing heroin. The operator may comply by giving up some of his nonessential equipment. The official will also threaten to fine the operator if later caught producing heroin. U.S officials believe that many of the laboratories closed using the above method are reopened soon after closure.

Regulation of Precursor Chemicals

A primary INM interdiction objective is to halt the flow of precursor chemicals, such as acetic anhydride, used to convert opium to heroin. The GOP customs agency recently began regulating the import of acetic anhydride by requiring the importer to document receipt of the chemical by the original purchaser. This does not determine who buys or sells beyond the original importer or purchaser. As a result, layers of protection exist between the importer and the heroin labs. Also, this chemical is manufactured in Pakistan, and in-country production is not regulated. U.S. officials agreed with our observation that GOP needs to provide

more comprehensive regulation of transfer and distribution of acetic anhydride in country.

Extradition Treaty Not Successfully Used

INM has urged all missions to press for adoption of workable extradition treaties covering narcotics-related offenses. The United States has an extradition treaty with Pakistan; however, according to U.S. officials, the treaty has not been successfully used to extradite a Pakistani citizen to the United States for a narcotic offense. The U.S. government is still working on an extradition request made to Pakistan in October 1984, which was denied because the individual was in prison in Pakistan for possession of heroin. In October 1985, the U.S. Embassy again requested extradition, which was again denied because the individual had been fined and was then imprisoned in Pakistan for heroin trafficking. According to U.S. officials, however, the individual was released early in 1985 and continued to supply narcotics to traffickers in the United States. The United States requested extradition for a third time in February 1986. In the request, it was pointed out that the individual was out of prison and that U.S. charges were totally separate from Pakistan's charges. As of April 1987, Pakistan had put out a warrant for the individual's arrest.

U.S. officials said that they were prepared to take action when and if this case is ever decided in favor of extradition and were also preparing to request 6 other possible extraditions. However, the outcome of the case in progress could affect these extraditions.

Thai Enforcement and Interdiction Problems

We found that the Royal Thai government has enforcement and interdiction problems that include endemic corruption, a lack of asset seizure and conspiracy laws, and the need for more effective enforcement agency efforts. It is believed that success in achieving better Thai enforcement and interdiction will depend on continued U.S. representations and economic and technical assistance.

Corruption

Narcotics-related corruption is a major barrier to effective enforcement in Thailand. Police corruption is widespread in Thailand and is accepted as a means of supplementing police salaries, which are considered low even by Thai standards.

A major U.S. mission objective is to influence Thai government leadership to acknowledge the endemic corruption that exists among officials

charged with narcotics control responsibilities. To accomplish this goal, carefully selected incidents of corruption will be brought to the attention of host government officials at the highest level to encourage prosecution and punishment of corrupt officials, rather than transfer to less visible posts as has been done in the past. The creation of a climate that encourages anticorrupt activities is also needed to make narcotics corruption unacceptable.

Asset Seizure and Conspiracy Laws

U.S. officials view Thai laws relating to narcotics as adequate with two exceptions. Thailand's current narcotics law does not have adequate narcotics conspiracy and asset seizure provisions. The special characteristic of a narcotics conspiracy law, according to law enforcement officials, is that a person who conspires with others in planning, preparing, or attempting to traffic in illicit narcotics would be presumed to be as guilty as those actually caught in an illegal act. The availability of a conspiracy provision would allow law enforcement organizations to reach all levels of a trafficking organization that were involved in the illicit operation.

ONCB appears interested in upgrading Thai laws regarding both conspiracy and asset seizure provisions and in 1983 drafted and submitted to the Parliament legislation pertaining to both. However, Parliament has not acted on the draft legislation. ONCB, with U.S. encouragement, has continued to push for conspiracy and asset seizure legislation.

The United States is not optimistic about the passage of effective legislation because asset seizure has been used in the past by ruling political parties to quell political opposition. There is concern that the law, if passed, will be a weakened version of the original ONCB draft or will even be a new narcotics control act without the vital conspiracy and asset seizure provisions.

Thai Enforcement Agencies

In the opinion of some, Thailand's police and government agencies are capable of dealing more effectively with the problems of narcotics production and trafficking. The problem is often not a lack of resources as much as the relative priorities set by Thai government officials. Effective U.S. political and diplomatic pressure, coupled with continued economic and technical assistance, may result in better Thai performance in this area.

There is concern about the lack of commitment shown by Thai enforcement agency officials. For example, from February 1986 to February 1987, there were only nine operations against heroin refineries in Thailand.

Similarly, inspecting for drugs is not a priority for Customs. Thai customs agents share in any duty collected on items they help seize but make nothing on seizures of illegal, and therefore non-duty, narcotics. It has been the case, however, that Thai Customs readily cooperates if definitive information about narcotics smuggling is available. However, Thai Customs has done nothing on its own to promote or encourage narcotics seizures.

Thai enforcement agencies directly involved with narcotics have steadily improved their operations and are better trained and funded than they were 10 years ago. However, narcotics enforcement improvement is needed in the areas of action against trafficking organizations, gathering intelligence on trafficking organizations, and controlling of the opium poppy crop within Thailand.

Conclusions

Despite U.S. and host country efforts, opium production remains high, and the flow of large amounts of narcotics from these countries to the United States continues. Law enforcement organizations in these countries are limited or inhibited in effective enforcement and interdiction.

All three countries have problems with narcotics-related corruption. According to U.S. officials, Pakistan and Thailand need to strengthen narcotics laws. In addition, all three countries have country-specific problems that need to be resolved, including lack of armed forces mobility in Burma and weak enforcement agencies in Pakistan and Thailand. Also, while recognizing that these countries have increasingly cooperated with U.S. narcotics reduction programs, the United States needs to continue to try to influence the governments of Burma, Pakistan, and Thailand to place increased emphasis on narcotics law enforcement and interdiction efforts to decrease the amount of illicit drugs available in country and for export to the United States.

Narcotics-Related Development Assistance Programs

AID's role in the U.S. international narcotics control program is to provide development assistance to reduce illicit production in countries where narcotic crops are grown. Section 126 of the Foreign Assistance Act instructs AID to give priority consideration to programs that would help reduce illicit narcotics cultivation by stimulating broader development opportunities.

AID funds area development projects in Pakistan and Thailand to improve the quality of life of residents of narcotics-producing regions and to provide agricultural research, alternative or substitute crops, roads, and irrigation assistance. AID includes poppy clauses or other conditions in project agreements, which provide for the termination of assistance if opium poppy is cultivated in project areas. AID also has drug awareness projects in Thailand and Pakistan and is considering a regional program to include these countries. AID drug awareness projects are designed to inform source country opinion leaders, parents, community action groups, and users of the harmful effects of narcotics production, trafficking, and abuse on their societies.

AID expended approximately $9.4 million on narcotics control development assistance in Pakistan and Thailand in fiscal year 1987. AID has no projects in Burma since the Burmese government prefers dealing with a single agency—UNFDAC—rather than with multiple foreign donors.

AID Projects in Thailand and Pakistan

Projected reductions in opium production in both Pakistan and Thailand rest in part on the successful implementation of rural development projects sponsored by U.S. and other donors.

Both host governments have chosen development as a means to reduce traditional opium cultivation. Government officials in Pakistan and Thailand believe that eradication attempts in rural areas that have not received some visible development benefits could result in political problems and possibly violent confrontation.

AID narcotics control development assistance projects in Thailand and Pakistan play an important role in the U.S. government's narcotics control effort for several reasons. The projects help demonstrate U.S. commitment to eliminating illicit narcotics supplies at the source, introduce a government presence in remote narcotics-producing areas, and relieve the financial hardships imposed by enforcement measures.

AID is currently implementing one narcotics-related area development project in Thailand—the Mae Chaem Watershed Project, funded by an $9.2 million AID grant. The project aim is to eliminate the economic necessity of growing opium by achieving food self-sufficiency. The project hopes to increase the productivity of existing cropland, develop additional cropland, and provide ancillary facilities for irrigation, agricultural credit, and research, in addition to maintaining the environment of the watershed. However, only a small percentage of the funds allocated for the project are directly associated with narcotics reduction goals, since the project is located in a marginal production area and only a few of the inhabitants are engaged in opium poppy cultivation.

AID is also implementing several drug awareness projects in Thailand. An AID Thailand official told us that a project funded by a $344,000 AID grant will develop a monthly magazine for elementary and secondary school children focusing on environmental and health issues. About 1 issue out of 10 will be devoted to drug awareness.

AID/Thailand also supports a detoxification and rehabilitation program for addicts in Bangkok as well as an adolescent peer group drug awareness program being developed by the Thai Population and Community Development Association. These programs are managed by private voluntary organizations and supported by $467,000 of AID funds. AID plans additional support to Thailand's drug awareness needs through a new Regional Narcotics Education project currently being developed. Funding for these activities was provided in August and September 1987 after we completed our field work in Thailand.

In Pakistan, AID has made the eradication of illicit opium a priority throughout its project portfolio. AID addresses narcotics control through (1) a project specifically designed to eliminate opium cultivation, (2) support for an UNFDAC narcotics control program, and (3) poppy clauses included in other AID projects (discussed later in this chapter).

AID's Northwest Frontier Area Development Project is the only project in its portfolio specifically designed to eliminate poppy cultivation. AID describes the project, funded at $30 million, as a comprehensive attempt to promote integrated rural development intended to eliminate opium poppy cultivation and change the project area—the Gadoon-Amazai—from an opium-based economy to a diversified agricultural and nonagricultural economy. It funds activities designed to increase traditional food crop yields, promote new substitute cash crops, improve livestock and range management practices, and build physical infrastructure.

According to a September 1986 AID contract evaluation, the project's long-term development results may fall short of what was originally planned. According to the evaluation, short-term expenditures of resources are being made in the project to reach a peaceful and effective compromise on banning opium poppy cultivation, and these decisions are essentially political and may result in a lower level of overall development in the future. The evaluation stated that the project has become oriented towards welfare transfer payments and quieting the area's leaders rather than towards long-term area development.

AID has also funded narcotics awareness activities in Pakistan. AID has, in cooperation with INM and UNFDAC, provided the GOP with assistance for a long-term effort to educate the public through a series of public awareness campaigns and the establishment of a drug information and research center.

AID officials told us that opium is so ingrained in the culture in narcotics-producing areas that 5- to 10-year projects do not allow enough time to accomplish the necessary changes. AID and UNFDAC officials believe that without a continuing demonstration of commitment to the poppy ban, locals would revert to opium cultivation. In Thailand we were told that after withdrawal from individual project area villages, the villagers returned to opium cultivation.

In Pakistan and Thailand, AID and UNFDAC have extended or plan to extend their crop substitution and area development projects until follow-on projects have been initiated by AID, UNFDAC, or other donors. For example:

- AID has expanded the scope of its 5-year, $20 million Gadoon-Amazai project in Pakistan, increased its funding by over $11 million, and plans to extend project time frames. A follow-on Gadoon project has already received preliminary approval, and mission officials estimate a continued AID presence in the area for at least another 5 years.
- AID's Mae Chaem Watershed Development Project in Thailand was initiated in fiscal year 1980 and scheduled to run until 1987. An extension to 1989 has been approved.
- An UNFDAC project initiated in Thailand in 1973 has been succeeded by two more development assistance projects. The current project is scheduled to continue until 1990.
- In 1976, UNFDAC initiated a project in Pakistan, which was initially planned for completion in 1985 and was subsequently extended to 1987. The UNFDAC field advisor told us that UNFDAC was ready to pull out in

1982 when poppy was virtually eliminated from the area. However, the field advisor stated that UNFDAC was reluctant to withdraw before another donor volunteered to continue development activities. UNFDAC's involvement will end in 1987 when it is hoped that the European Economic Community will assume several project activities.

Progress and Problems in Development Assistance Programs

AID's program in Pakistan is more clearly focused on reducing opium cultivation than is its program in Thailand. In Pakistan, AID has identified narcotics control as a country goal and has combined development assistance with a commitment by the GOP to enforce a prohibition on cultivation. AID projects in Pakistan contain poppy clauses, and one, which is specifically aimed at narcotics control, has an enforcement schedule. AID actively monitors narcotics production in project areas in Pakistan and coordinates eradication efforts closely with the host government. AID Pakistan is currently developing a follow-on to its narcotics-related area development projects and will soon begin supporting a drug abuse information resource center in Islamabad.

In contrast, AID's contribution to narcotics control efforts in Thailand has not been as focused. AID's narcotics-related project is only marginally related to narcotics reduction objectives, it contains a weak poppy clause, and AID staff have not monitored narcotics production in the project area as actively as in Pakistan. AID's plans for future narcotics-related work in Thailand are confined to drug awareness and detoxification efforts, and AID's country strategy for Thailand does not include opium control as an explicit AID objective.

AID Use of Poppy Clauses and Other Conditions

We found more extensive use of poppy clauses and conditions in Pakistan than in Thailand. All 12 AID energy, rural development, irrigation, and agriculture projects in Pakistan contain poppy clauses, which essentially state that if AID determines that poppy cultivation or heroin processing is occurring in any area benefiting from the project, all assistance to that area will be suspended. In addition, both the Gadoon-Amazai and UNFDAC-implemented components of the Northwest Frontier Area Development Project call for the complete elimination of opium poppies from project areas, link project benefits with GOP enforcement of Pakistan's ban on poppy cultivation, and are accompanied by a GOP narcotics enforcement schedule.

AID officials told us that the GOP is fully aware of the requirements of the poppy clauses and their consequences. One project officer told us that

threatening to invoke the clause is usually sufficient to have an opium plot destroyed. In fact, as of April 1987, AID has had to invoke the clause only twice, both times in the Tribal Area Development Project (TADP), which is located in a major poppy growing region of the Northwest Frontier.

AID first invoked the TADP's poppy clause in April 1984, after the discovery of poppy acreage within the project area. In response, the mission received official notification from the Pakistani government that the poppies had been destroyed.

The clause was invoked again on March 25, 1987, after poppies were discovered within another project area. The provincial government requested that AID relax the poppy clause, explaining that the area residents insist on seeing the benefits of the projects before they destroy their poppy fields. According to AID, this is a common argument, and the provincial government will eventually comply with the poppy clause as it has in the past.

AID was preparing to invoke the clause again in April 1987. An AID official accounted for the increased use of the poppy clause by explaining that the project had just recently expanded into the Bajaur and Mohmand tribal agencies, which are both major growing areas.

In the case of AID's Northwest Frontier Area Development Project, delivery of project benefits is linked to a phased government enforcement schedule. Under this schedule, the GOP was required to eradicate all poppies in the Gadoon-Amazai area of the project area by April 15, 1987. Considerable progress had been made towards meeting that goal at the time of our March 1987 visit. AID officials stated that they expected the provincial government to meet or come close to meeting the complete eradication target.

Under the UNFDAC portion of the Northwest Frontier Area Development project, partially financed by AID, project benefits are also time-phased with GOP enforcement of its ban on opium cultivation in the project area. By signing the project document, the GOP agreed to implement a total ban on opium poppy cultivation in the Dir District by the 1988/89 growing season. The GOP also agreed to enforce to the maximum extent possible the laws of Pakistan against refining, storing, transporting, and trafficking illicit opium or opium derivatives in the Dir District.

In Thailand, only the AID Mae Chaem Watershed Project has a poppy clause. In contrast to the poppy clauses used in Pakistan area development projects, which provide for the termination of assistance if opium poppy is discovered growing in project areas, the Mae Chaem poppy clause, according to AID's legal adviser, calls for the termination of assistance only if project inputs, such as AID-supplied fertilizer, are being used directly for opium cultivation. The Mae Chaem project also addresses opium production through a land use certificate program. The program provides farmers with land use certificates stipulating that if recipients produce narcotics, they will lose their rights to the land.

The Mae Chaem Watershed Project poppy clause is of questionable utility. AID program officials in Thailand told us that under the clause, direct use of AID-supplied project inputs to grow opium would be needed to invoke it. AID's legal advisor in Thailand stated that since most project benefits are indivisible public goods, such as roads, opium growers in project areas would derive incidental project benefits as opposed to direct benefits. In his view, the poppy clause would be virtually unenforceable under such circumstances.

AID Monitoring

In Pakistan, AID frequently monitors compliance with the conditions of the poppy clauses. For example, although the Northwest Frontier project agreement holds the GOP responsible for monitoring opium poppy cultivation, AID project staff routinely monitor poppy cultivation in project areas. Although project staff describe monitoring as informal, their system appears to be well established and comprehensive. According to the project officer, agronomists and agricultural extension staff report weekly on all crops cultivated in the NWFADP area, including opium. The project officer visits the project weekly and surveys project lands. AID staff also informally verify eradication actions in project areas, although this is primarily an NAU responsibility.

AID also relies on the Pakistan Narcotics Control Board, UNFDAC, and NAU for information on possible narcotics-related activities taking place in areas benefiting from AID assistance. In addition, AID has access to aerial survey data for areas where poppy is most likely to be planted.

In contrast, in Thailand AID monitoring of opium cultivation in project areas is less frequent and too informal to produce reliable evidence of violations. Project staff have not determined the amount of opium acreage under cultivation. A 1986 AID Inspector General report recommended increased monitoring; however, project staff have continued

monitoring on an infrequent basis. Moreover, the staff's observations are not verified against available aerial survey data provided by the Thai government to the NAU.

AID officials in Thailand told us that they rely on the Royal Thai government to monitor poppy production in the Mae Chaem project area. We believe that more AID monitoring is warranted because poppy has been found growing in the Mae Chaem district. In 1986, AID project staff discovered opium poppy cultivation in the project area and informally asked the Thai government to eradicate. The Royal Thai Army conducted the eradication in December 1986.

AID Thailand staff also do not systematically monitor land distributed under the land use certificate program to ensure that opium is not being grown. Thailand is responsible for enforcing the prohibition against opium cultivation on project land, but AID does not monitor the government's enforcement activities.

NAU and AID Coordination

The Foreign Assistance Act of 1961, as amended, requires AID, when planning assistance programs for countries in which there is illicit narcotics cultivation, to give priority consideration to programs to help reduce such cultivation by stimulating broader development opportunities.

NAU officials in both Thailand and Pakistan believe that additional AID funds could be used for development in areas where the Thai and Pakistani governments are attempting to bring opium cultivation under control. As discussed earlier, INM has funded short-term development in narcotics-producing areas in both countries, and NAU officials believe that long-term development projects with enforcement agreements are needed in these areas to help ensure continued enforcement of the bans on cultivation.

However, we found that AID has no plans to develop follow-on projects in the INM project areas. We believe that joint INM and AID long-term planning of development assistance efforts in Pakistan and Thailand would be beneficial and could assist in sustaining the narcotics-control results achieved through development assistance efforts.

Also, despite the legislative mandate to give priority to narcotics-related development assistance projects, AID's country plan for Thailand does not include such assistance as a priority concern. Moreover, current AID

plans do not call for additional narcotics-related development assistance projects in Thailand.

The NAU and AID in Thailand have disagreed with AID headquarters over the feasibility and priority of additional AID projects in narcotics-producing areas. AID currently has only one narcotics-related area development project in Thailand. AID officials in Thailand attempted to initiate another area development project in a narcotics-producing area in 1985. The proposed project included opium elimination as a major project goal and included activities aimed at achieving that goal.

The country team endorsed the project. However, AID Washington disapproved the project for the following reasons: area development projects have proven ineffective worldwide, the proposal was inconsistent with AID Thailand's Country Development Strategy Statement (which does not include opium reduction as a goal), and the requested Economic Support Fund money was not available.

In Pakistan, AID and NAU have disagreed over whether AID should take a bilateral or multilateral approach to development assistance in narcotics growing areas. Two years ago AID moved in the direction of funding multilateral UNFDAC development projects rather than bilateral AID projects. AID's first major step in that direction was contributing $10 million to UNFDAC's implementation of the Pakistani Special Development and Enforcement Plan as a component of the Northwest Frontier project. The NAU disagreed with the strategy and favored more U.S. bilateral assistance.

UNFDAC's lack of progress has led AID to reevaluate its position toward multilateral projects and to consider additional bilateral projects in Pakistan. AID is considering how to proceed with a new effort of $400 million in projects to benefit the Northwest Frontier Province in Pakistan, which is a major narcotics-producing area.

As part of this new effort, we believe that AID should consider long-term development projects in Pakistan in areas where INM has funded small-scale development and agricultural outreach projects. The narcotics affairs counselor in Pakistan agreed and stated that the longer development assistance to the tribal areas in the Northwest Frontier Province is delayed, the more difficult it will be to extend enforcement of the ban on opium cultivation into these areas.

Conclusions and Recommendation

Projected reductions in opium production in both Pakistan and Thailand rest in part on the successful implementation of rural development projects. Both governments have chosen development as a means to convince farmers to reduce traditional opium cultivation and avoid political problems and possibly violent confrontation. AID narcotics control development assistance projects in Thailand and Pakistan help demonstrate U.S. commitment to eliminating illicit narcotics supplies at the source.

AID's program in Pakistan is clearly focused on reducing opium cultivation. AID has identified narcotics control as a country goal, combined development assistance with a GOP commitment to enforce a prohibition on cultivation, made extensive use of poppy clauses and conditions, and actively monitored narcotics production in project areas. AID Pakistan is currently developing a follow-on narcotics-related area development project and will soon begin operating a drug abuse information resource center in Islamabad.

Despite this, NAU officials in Pakistan believe that there is a need for better integration of short-term assistance funded by the State Department with longer term development efforts funded by AID. This would ensure that the beneficial effect of the short-term assistance would be sustained through a longer term development approach.

In Thailand, there is disagreement over continuing AID-funded development assistance to support U.S. goals of reducing narcotics production and sustaining results achieved to date. NAU officials believe that long-term AID-funded development assistance is needed to complement the short-term projects funded by the State Department, as well as continued long-range area development efforts. AID officials in Thailand do not believe that they have sufficient funding to support additional development efforts and are unwilling to divert resources toward new narcotics-related initiatives. Also, AID Washington does not support additional funding for narcotics projects in Thailand, despite the congressional mandate that requires AID to give priority consideration to programs to help reduce narcotics cultivation by stimulating broader development opportunities.

We believe, therefore, that the Department of State and AID need to examine their differing assessments of U.S. needs in Thailand and Pakistan to ensure that total U.S. resources available for narcotics-related development efforts are used in the most effective and efficient manner.

Accordingly, we recommend that the Secretary of State and the AID Administrator take steps to ensure that the NAUs and AID missions work together to make certain that the most effective approach is followed in providing narcotics-related development assistance to Pakistan and Thailand.

Agency Comments and Our Evaluation

The Department of State generally concurred in the usefulness of coordinated planning and delivery of State/AID development efforts. State, however, did not specifically comment on our recommendation for joint State/AID programming of development assistance.

AID disagreed with the recommendation in our draft report that it, in conjunction with the State Department, consider the feasibility of joint long-term planning of development assistance projects to sustain, support, and reinforce INM and AID development assistance efforts in Thailand. AID believes that Thailand's major drug problem is one of drug abuse and illegal trafficking/transport. Thus, it believes that its program should focus on drug abuse, to which it allocated about $1.2 million in fiscal year 1987. Most of this allocation was made late in fiscal year 1987, after we completed our field work in Thailand. AID does not believe that it should support additional long-term development type projects in Thailand, since its development relationships with that country will place increased emphasis on science and technology transfers, private sector growth, and natural resource management.

The Department of State intends to continue to support short-term development assistance as part of its strategy to combat the narcotics problem in Thailand, and in fiscal year 1988 has earmarked $4.0 million for this purpose. NAU officials in Thailand believe that the effectiveness of its short-term development effort will be lessened without complementary long-term development support from AID.

Because of this basic disagreement between State and AID officials about the appropriate program in Thailand, we believe that these agencies need to work together in a more collaborative and cooperative way to identify the most effective use of U.S. resources available for narcotics-related development. We have modified our recommendation to call for this collaboration.

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Comments From the Department of State

United States Department of State

Comptroller

Washington, D.C. 20520

December 23, 1987

Dear Mr. Conahan:

I am replying to your letter of November 19, 1987 to the Secretary which forwarded the draft report entitled "Drug Control: U.S. Supported Efforts in Burma, Pakistan and Thailand" for review and comment.

The Department's comments are enclosed. As stated in the comments, the Department agrees not to classify the report providing the remarks in the report are attributed to U.S. Government officials and host country officials rather than to specific agencies, offices or individuals.

We appreciate the opportunity to review and comment on the draft report.

Sincerely,

Roger B. Feldman

Roger B. Feldman

Enclosure:
As stated.

Mr. Frank C. Conahan
Assistant Comptroller General,
National Security and
International Affairs Division,
U.S. General Accounting Office,
Washington, D.C. 20548

GAO DRAFT REPORT: DRUG CONTROL - U.S. SUPPORTED EFFORTS IN BURMA, PAKISTAN AND THAILAND

The Draft Report, when viewed in the realistic operating framework of the international narcotics control environment, is accurate and well presented. The Bureau of International Narcotics Matters (INM) has long been aware of the problems inherent in joint United States/host country efforts in all three countries and agrees with the recommendations cited in the report. It must be noted, however, that the policy of reduction of illicit narcotic products reaching the United States market and efforts at public diplomacy/demand reduction in user and producer countries is not a short term undertaking. The GAO report reviews relatively short-lived operational and diplomatic intitiatives in each country. The report should, however, take into consideration the cultural, political, economic, and even criminal forces that are difficult to modify in the normal course of foreign relations.

When recent narcotics control efforts are viewed in the context of the operational environments in Burma, Pakistan and Thailand, it is clear that major reductions in Southeast and Southwest Asian opium production have not been achieved--as observed in the draft report. The State Department and other U.S. Government agencies are concerned about the increased production of opiates that has occurred in recent growing seasons and the continued volume of trafficking in opium and heroin. INM has responded to the Congress in written and oral testimony setting forth the causes of these increases. One major cause is the rapidly expanding consumption of illicit opiates in both Southwest and Southeast Asia.

The GAO report recommends procedural and managerial changes to improve the programs in all three countries, but it does not provide any recommendations for changes of strategy or policy direction, except in the case of the Agency for International Development's program in Thailand.

INM fundamentally agrees with the report's findings. INM is convinced that the focus on supply reduction and related efforts in the international sphere is a sound approach. Results have to be measured over a much longer term than than the GAO report suggests, however, and program performance needs to be seen in the context of potentially far more serious outcomes had crop control and enforcement efforts not been undertaken.

In our response to the GAO report, INM has drawn on Embassy resources and concentrated on addressing points raised in the report as they relate to programs managed by the Department of State. We understand that other agencies will provide GAO their separate comments on each country. Where there are shared responsibities, or joint program objectives are set, comments will reflect INM's viewpoint. Clearances on these comments have been obtained from the Drug Enforcement Administration (DEA) and the Agency for International Development (AID).

The final report, to remain unclassified, should attribute statements to only U.S. Government and host government officials and not to specific agencies or persons from either government. In some cases, publication of comments with direct attribution could cause problems in future cooperative efforts with host country counterparts.

Prior to providing specific comments, a general statement is in order. INM agrees with GAO's conclusion that insufficient effort has been placed on establishing concrete, quantifiable goals and objectives in its agreements with foreign governments. This problem has recently been addressed by INM; consequently, steps have been taken over the past year to bring more management rigor to the programming system. A brief discussion of the the new system is reflected in the section on Burma.

The detailed comments that follow are set out in a country-specific format and cover basic elements of programs described in the draft report. INM has provided copies of the draft report to the three missions visited and has received comments from each post. All agreed that the report was well prepared and that it pointed to specific areas for improvement in each country program. Discrepencies in the report were noted by the posts and will be repeated below. Each mission is pleased to have participated in the study and in preparation of these comments.

BURMA

As the draft report correctly points out, the major goal, which commands the bulk of resources in U.S. Government's anti-narcotics programs in Burma, is crop control; that is, the United States seeks to achieve maximum reductions in opium production through cooperative efforts with the host government. Enforcement assistance is also provided via Burmese counterpart organizations. The bulk of U.S. Government funding supports aviation programs.

While it is true that production of opium in Burma has increased recently, it should be realized that the relatively new aerial eradication program, cut short last season by a major insurgent offensive, is still developing and should be more successful over the next few years. Neither INM nor Embassy Rangoon is satisfied with results to date and both agree that improvements in operational techniques and in verification are required. The Burmese Governments's policy of strict non-alignment and self-sufficiency, insurgent activity, and a lethargic economy, have complicated narcotics control efforts. The fact that major production areas are not under host government control is perhaps the most basic problem confronting the crop control program.

Since the 1970's, providing the Government of Burma with aviation support has resulted in the eradication of more opium poppy than in any other country. Success in eradication must be balanced against wider cultivation by trafficking groups and movement of labs into areas not controlled by the host government. These reactive measures on the part of traffickers are performance indicators of program success. As a result of the fixed-wing (Turbo Thrush aircraft) eradication effort, the last two seasons have seen a clear trend away from poppy cultivation in large areas of northeastern Burma and more intensive planting in Burma Communist Party controlled areas, as well as in Laos, as accurately reflected in the draft report. Laos, however, has no opium control program. In short, the aerial eradication program has effectively denied many former producing areas to grower/trafficking groups.

INM and Embassy Rangoon are aware of the need to expand spraying to areas where ground security cannot be guaranteed and the host government has been approached on this matter. Better systems of crop surveying and verification are also high priorities for the joint program. In fact, the Burmese Government plans a comprehensive aerial survey of production this year, the first since its 1982/83 agreement to conduct aerial surveys. The draft report is incorrect, however, in its claim that a survey has never been undertaken--one program was mounted in 1982 but did not produce results when the host government shifted priorities. INM has provided the support for a survey and is confident that the survey will begin in early 1988.

The report states that yield and eradication statistics provided by Burma and other cooperating governments are not as accurate as needed to support our programs. This is true but it is an area that will improve as more experience is gained by both sides involved in our programs. Present statistics may

only show trends but the focus of the program is valid and we expect improvement over the near term, i.e., INM believes that each succeeding crop year will see greater an increase in Burmese efforts. As survey and eradication accuracy increases, the wide range in hectare estimates and metric tonnage produced will gradually decrease. Again, part of the difficulty in estimating crop yields is due to the fact that production areas are outside of Burmese Government's control.

With respect to program procedures, the draft report cites a deficiency in clearly defined goals and objectives as well as a lack of project evaluation. Embassy Rangoon responds that while no separate project evaluations are prepared, renegotiation of project agreements and annual, as well as bi-monthly, reporting required by INM provide current performance data that can be assessed. It should be noted that INM did conduct an overall evaluation of the Burma program in 1982.

INM has recently instituted a system of quarterly project-based performance and financial monitoring with each Narcotics Assistance Unit (NAU) in the field. Each operating plan must take into consideration the National Drug Policy Board's international narcotics control strategy, as well as the program objectives of both operations staff in the field and policy-level officials in Washington. Missions will now provide program financial status reports against approved operating plans. Each post's operating plan will establish project objectives, targets of performance, milestones of activity and measures of effectiveness, as well as resource estimates by quarter. This valuable internal management tool often has more detail than that reflected in negotiated bilateral project agreements, but it should be understood that the letter of agreement will remain in place as the basic documentary evidence of joint cooperation with the host government. Such project agreements often represent the best joint statement of objectives that can be negotiated with a sovereign government. INM also plans to create a program evaluation staff in 1988 and will continue to produce the congressionally-mandated International Narcotics Control Strategy Report (INCSR).

Enforcement initiatives in Burma have been hampered by the same political and economic factors that inhibit crop control. Comparing prior year enforcement effectiveness with recent results, one can readily see progress by the Peoples Police Force (PPF). It is the PPF, not the Burmese Army, which has responsibility for enforcement in areas controlled by the central government. INM agrees with the report's conclusion that the enforcement situation in areas controlled by insurgent/trafficking groups will have to improve to show

appreciable results in interdiction and refinery seizures. Host government enforcement efforts will not, however, solve fundamental political problems which are compounded by the attractiveness of profits gleaned from narcotics trafficking. Opium will, unfortunately, remain the principal cash crop in many regions of the country. In Burma, development activities in opium growing areas are limited to the program initiatives of the United Nations Fund for Drug Abuse Control (UNFADC). We see no near term change in Burma's narcotics control policy.

THAILAND

Narcotics control efforts in Thailand are more widely focused than those in Burma and require a multifunctional approach to programming. As the report states, in recent years appreciable results have been achieved in reducing the cultivation and production of opium. Positive gains made possible by INM and other agency programs are nonetheless countered by continued trafficking and growing domestic abuse.

INM's multi-faceted programs in Thailand are concentrated on crop control, short term or bridging development assistance, support for enforcement activities, and assistance to demand reduction efforts. Both the Embassy and INM accept the draft report's description of INM activities, and we agree with its general recommendations.

Crop control has succeeded in limiting hectares cultivated over each of the last three years, but Embassy Bangkok believes that eradication efforts may be reaching a point of diminishing returns; only modest reductions were reported last season. While enforcement, manual eradication, and short-term bridging assistance programs designed by INM have had good results to date, INM agrees better reporting procedures are needed and is taking steps to improve management by establishing the project-based program and financial management system described earlier. The NAU in Bangkok has already submitted the first of its operating plans which will be reviewed by the Assistant Secretary for International Narcotics Matters shortly; quarterly reviews will also be conducted by the Assistant Secretary throughout FY-1988. It should be noted that significant success has been achieved in other Thai Government programs which are funded from solely Thai resources and contributions from other international donors.

INM agrees that improvements should be made in cultivation and eradication estimates, and Embassy Bangkok is continually working with counterpart organizations to improve systems and evaluate results. Reporting of production and eradication reports needs to be more accurate.

INM is fully aware of the major problem that Thai opium and heroin trafficking present for the United States and other countries. Efforts to strengthen asset seizure and conspiracy laws will continue to be a high priority. Reducing the effects of corruption is a key priority in the enforcement area but the problem of corruption will not be solved in the short term. Thailand is now a net importer of opium and still a major conduit to international markets of Golden Triangle heroin. Profits for corrupt officals can be immense and the visable damage to Thai society is growing. Fundamental societal changes can only be hastened by continued contact with the international narcotics control community and the exercise of positive influence by its members. Activities such as training, joint exercises, and diplomatic interaction will be continued by the U.S. Government in our effort to reduce the potential for waste, fraud, and abuse by corrupt officials.

Development assistance provided by INM is short term and linked to the host government's commitment to enforcement and eradication. Major long term development assistance projects are administered by the host government and partially funded multilateral and bilateral programs.

The draft report is critical of the AID strategy in Thailand and cites a lack of a focused crop substitution activities within AID programming. It is INM's understanding that AID will respond independently to this aspect of the GAO report. For the record, INM notes that AID has substantial involvement in drug awareness and narcotics abuse programs in Thailand, an important focus in a country which, like the United States, is a net importer of illicit drugs.

The report also suggests that coordination at the agency level between the Department of State and AID should be improved to better address long term development needs in plans for anti-narcotics projects in Thailand. INM agrees that interagency coordination is critical to successful development activities and shall continue to pursue such coordination in planning and delivery of the Thailand program.

Despite the problems highlighted in the draft report, INM's narcotics control program in Thailand is one of the more effective programs in the world. The main reason for its effectiveness is the Government of Thailand's support and close cooperation with the United States in this struggle. In fact, INM often uses the example of Thailand to raise the awareness in other countries that drug abuse and trafficking threaten all peoples but can be confronted with international cooperation.

PAKISTAN

As with the sections on Burma and Thailand, the report on Pakistan is generally accurate, thorough, and well written. The comments expressed in the report highlighted areas for improvement that have been reviewed by the mission and by INM Washington. The narcotics control program in Pakistan is one of the largest, most highly visible and diversified efforts of the bureau. This program involves one of the more politically sensitive initiatives that INM has undertaken. The three agencies funding the Pakistan program (State, AID, DEA), have had considerable success in coordination of their respective activities through the country team mechanism, but the report's points regarding the need for even more coordination are duly noted.

Joint United States/Pakistan crop control efforts have been encouraging in the past several years. As the mission has pointed out in its response to the report, the evolution of Pakistan from a licit producing country to an illict producer, through institution and enforcement of the opium ban has been a major accomplishment. Prior to the banning of production, over 80,000 acres of opium were cultivated in the country. This has been reduced to approximately 15,000 acres which is the current target of our crop control and development strategy.

The mission also points out the decrease in percentage of Golden Crescent production reaching the United States market: current estimates show that since 1984 the Golden Crescent heroin has dropped from 52 percent to 40 percent of all heroin reaching the United States. This would indicate that the programs in Pakistan have met with considerable success in achieving the primary INM goal of reducing international supply reaching the United States. In fact, given Pakistan's skyrocketing domestic heroin addiction rate, it appears that Pakistan is now a net consumer of opium. Notwithstanding INM program success and a growing domestic drug abuse problem, unhindered production in Afghanistan has meant that considerable amounts of Southwest Asian heroin still reach international markets.

The territorially-oriented crop control strategy, which has its goal the extension of the enforcement of the opium ban, does not include specific benchmarks for production. These programs are not geared to produce a rapid reduction in production in a short period of time but to achieve long-term, sustained decreases in overall production. The Embassy notes that another four to ten years will be required to obtain significant reductions in current production. In addition, the

war in Afghanistan and its concomitant of unsettled border areas must be taken into account when searching for positive short term results in crop control efforts in Pakistan.

In coming years, the increasing focus of eradication efforts will be the semi-autonomus tribal areas. It will be necessary to work with the Government of Pakistan on a long-term strategy aimed at increasing social services and the overall presence of the GOP in these areas--important prerequisites to crop eradication in this region. AID's Tribal Area Development Project has adopted this strategy focus.

The INM-supported rotary-and fixed-wing aerial spraying program, introduced in 1986-87, will increase the operational capabilities of the host country and the mission. The use of aerial eradication, either in fact or as a psychological method of reducing production will advance the joint objectives in areas that have been resistant to changes in production patterns. The aerial program is new, but it has already led to successful eradication efforts in the Gadoon region. Over the next three to four growing seasons, we expect to see substantial results elsewhere.

The report noted that there should be improvements to the reporting and evaluation aspects of the Pakistan program. As with the programs in all three countries there is a difficulty in developing accurate cultivation, production, and eradication statistics. This is especially true in the tribal areas of Pakistan and the Golden Crescent region in general. As noted in the report, areas within close proximity to the border with Afghanistan are not included in the survey because of the very real danger of attack. INM and all missions, however, are working to develop improved crop estimation techniques and also to refine the planning of country programs.

As mentioned in earlier, the bureau has instituted new management initiatives which will provide both overseas missions and Washington policy-makers with well defined goals and objectives for all INM country programs.

Enforcement is a major factor in the overall program effort in Pakistan and the review of enforcement activities was accurately presented by GAO. Significant achievements include a high number of arrests of narcotics traffickers; we are still disappointed about the paucity of actions against the largest traffickers and will continue to pressure the Government of Pakistan for improvement in this area. Factors such as corruption, the vagaries of the host country's legal system, and

organizational problems will have to be overcome if narcotics enforcement activities are to improve. Both the Thailand and Pakistan programs suffer from systemic deficiencies that are not easily changed over the short term.

Not all joint programs in Pakistan focus on development as a means to reduce traditional cultivation. In most of the former opium producing areas, the government has concentrated efforts on enforcement of the opium ban with development used as a follow-on program initiative. In the Northwest Frontier Province, a combined approach of enforcement and development has involved donor country projects and increased host government input, e.g., the creation of jobs and financial incentives. Training opportunities have also been used as incentives for growers. All such projects have quantifiable objectives and the phased elimination of opium crops by manual or aerial eradication is directly linked to the development process.

We believe that additional development can and should be undertaken by AID and others to avoid the need of continued enforcement on the part of the host government. Given opium cultivation patterns of very long standing, it will likely take several years of concerted enforcement effort to convince farmers not to attempt opium poppy planting. The brief history of narcotics-related development does not afford sufficient time in which to judge program success when balanced against the cultural background of the producing areas. The rapidity of change to the cultural environment and the effects of continued multilateral assistance over the long-term should continue to produce results after the limited INM mission has been completed.

As noted earlier, we suggest that comments in the section on enforcement activities be attributed to U.S. Government officials only. Suggestions for specific changes to the report are as follows:

Now on p 27

Page 41, narcotics corruption: Suggested rewrite--"Pakistan has a narcotics corruption problem. Law enforcement personnel in Pakistan are poorly paid and tend to be susceptible to bribes from traffickers. One reason given for Pakistan's reluctance to move against major traffickers is alleged protection monies paid by major traffickers."

Now on p. 28.

Page 42, asset forfeiture: Suggested rewrite--"One criticism of the law, although no court interpretation has yet been made, is that it appears assets can be forfeited only if life imprisonment is imposed. If this interpretation is correct and if past practice of the courts prevails, it is unlikey a sentence of life imprisonment will ever be imposed."

Now on p. 29

Page 43, second paragraph,: Suggested rewrite--remove statement in third line, starting--largely due to--and ending--U.S. Embassy elements. In same paragraph, change last line to--"During the past year the GOP has not developed any new cases to the point of arresting any major traffickers."

Now on p. 29.

Page 44--Suggested rewrite: Remove - "Pakistani narcotics" from the fifth line of text. .

As with other sections of these comments, AID will respond separately to the GAO report. The Department of State appreciates that opportunity to comment on the draft report. Should GAO have further questions, please feel free to contact the INM Program Office.

Ann B. Wrobleski
Assistant Secretary of State
Bureau of International Narcotics Matters

Comments From the Agency for International Development

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

DEPUTY ADMINISTRATOR

January 20, 1988

Mr. Frank C. Conahan, Director
National Security and International Affairs Division
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Conahan:

Thank you for your letter of November 19, 1987, enclosing the draft GAO report "Drug Control-U.S. Supported Efforts in Burma, Pakistan and Thailand." A.I.D. welcomes this opportunity to comment on the report, which we found to be thorough, well written, and (with a few exceptions) accurate. Overall, the audit report reflected an appreciation of the magnitude and complexity of the international drug control task and the difficulties of working in areas of the world that are very remote both in physical and cultural terms.

A.I.D. continues to recognize its responsibilities under Section 126 of the Foreign Assistance Act. In Asia, A.I.D. is supporting the U.S. Government's narcotics control objective mainly through area-targeted development and, increasingly, through narcotics awareness programs designed to create a social environment inhospitable to drug use and trafficking.

To the maximum extent possible our activities are coordinated closely with those of other USG agencies, both in Washington and the field, as well as with other institutions and donors.

Our comments on the individual country sections of the report are included in an annex to this letter. Additional edits of a security-related nature were made, at GAO's request, directly on and attached to a copy of the audit report, which was sent to GAO on December 18.

There is, however, one finding in the draft report with which we have serious concern. The recommendation for long term A.I.D.-funded development assistance in Thailand "to support U.S. goals of reducing narcotics production" does not adequately reflect the nature of the narcotics problem in Thailand, the change in our overall development assistance

program in that country, or our recent efforts to increase assistance to narcotics education in Thailand through a regional project mechanism.

While an opium producing country, Thailand is a net importer of illicit drugs.

Thailand's narcotics problem is a combination of domestic drug abuse and illegal trafficking/transport. Accordingly, the A.I.D. program in Thailand has focused on drug abuse, an area more in line with its mandate and the Thai country program. It is worth noting that between September 1986 and September 1987 U.S.A.I.D./Thailand provided nearly Dols. 1.2 million in bilateral and regional grants for PVO drug prevention activities. We believe this is a significant amount given the overall size of the annual A.I.D. budget for the Thai program. The accompanying Annex provides further details on the A.I.D. program and those of other donors.

In our view, long term A.I.D. involvement in new integrated rural development/crop substitution projects is not appropriate given the high level of involvement of other donors in such projects and the declining level of total A.I.D. resources for the country.

We have, however, recently developed a regional Narcotics Education Project with Thailand as one of the primary target countries.

We believe your report should recognize this attempt to place a high priority on narcotics related development assistance in spite of a changing assistance program in Thailand.

The Bureau for Asia and Near East is prepared to furnish further information on A.I.D.'s role in USG narcotics control efforts in Asia if needed. Please feel free to call upon them.

Sincerely,

Jay F. Morris

Enclosure

ANNEX

Pakistan

While generally accurate, the GAO report's coverage of Pakistan might have been significantly improved if the audit team's terms of reference had permitted a retrospective look at the situation when U.S. narcotics control efforts began in Pakistan, and if the report had permitted a sharper focus on USG goals and objectives in Pakistan; namely, to reduce and ultimately eliminate heroin reaching the U.S. from Pakistan. Had the team been able to examine this objective and results to date, they would have observed that the estimated heroin reaching the U.S. from the Golden Crescent has been decreasing in the last three years - from 52 percent in 1984 to 40 percent in 1987.

Now on p 2

We must also take issue with the report's conclusion (pg. 3) that "major reductions in Southeast and Southwest Asian opium production have not been achieved, nor is it likely that such reductions will be achieved in the near future." Major reductions in Pakistan have occured. First, Pakistan moved from a substantial licit growing country to an illicit opium growing country. Second, the banning of licit growing resulted in substantial decrease in acreage planted in Pakistan from an estimated 80,000 - 82,000 acres to about 15,000 acres, and a yield of 800 tons to about 90 tons. There is no question that the last 15,000 acres have been difficult to eliminate, and we doubt that any major reduction will take place in any one year; but in time, probably the next 4 to 10 years, the ban on poppy cultivation will be extended and enforced in all of Pakistan. A.I.D. is now designing a project in the Kala Dhaka (Black Mountains) area to extend the narcotics-related development work of our current project area in Gadoon-Amazai.

Finally, regarding the level of interagency coordination, I suggest a careful reading of the Mission's comments in ISLAMABAD 25172 (forwarded to GAO under separate cover). To that I would add only that the past and current decisions to pursue multilateral and multi-bilateral support for narcotics control in Pakistan certainly come from policies fully discussed in the Narcotics Coordination Committee at our Embassy in Islamabad. The decision to go international has a number of clear benefits, e.g., bringing in additional staff (as it would be difficult for USAID to move into new areas because of staff limitations), providing additional funds, and showing that narcotics from Pakistan is not simply a U.S. addict problem. We expect continued close coordination of these policy decisions.

Thailand

With regard to the Thailand portion of the audit report, we are concerned about the implicit comparison of the Thailand and Pakistan A.I.D. programs and the omission of certain important aspects of the Thai program's anti-narcotics efforts.

There are major differences in the nature of the illicit drug problems in Thailand and Pakistan, as well as in the magnitude of resources A.I.D. can bring to bear on the problem in each country, which are glossed over in the report. Despite recent reductions in the production of narcotics, Pakistan remains a major producer, consumer and exporter of illicit drugs. Thailand, on the other hand, while an opium producing country, is a net importer of illicit drugs. From the standpoint of A.I.D. resources, the Pakistan program in FY 1987 was sixteen times the size of the Thai program and consequently affords more leverage.

In Thailand, the narcotics problem is a combination of domestic drug abuse and trafficking. Trafficking is best dealt with through law enforcement programs assisted by other U.S. government agencies. Accordingly, the A.I.D. program in Thailand has focused on drug abuse, an area more in line with its mandate and the overall Thai country program. A.I.D.'s efforts also complement other donor programs i.e., the governments of Germany, Norway and Australia are sponsoring narcotics eradication/crop substitution programs with a total value of approximately $18.0 million.

Within its current program, A.I.D./Thailand stresses drug awareness and detoxification activities through such projects as the Mae Chaem Watershed Management and Hill Tribes Education, and various grants to indigenous private and voluntary organizations (PVOs). Many of these activities have successfully pioneered new approaches to drug education and abuse prevention programs in Thailand and are now being replicated by other donors and the Thai Government. In this regard, it is important to note that between September 1986 and September 1987, A.I.D./Thailand provided bilateral ($841,000) and regional ($355,000) grants for drug awareness and abuse prevention to various PVOs. We believe this approximately $1.2 million is a significant amount given the size of the overall A.I.D. budget for Thailand.

We are not of the opinion that additional crop substitution programs beyond Mae Chaem are appropriate for the A.I.D./Thailand program given the high level of involvement of other donors in such projects and the declining level of A.I.D. resources for the country. In addition, over the next few years, we expect our development relationships with Thailand to

undergo significant changes as that country approaches middle income status, and that the Thai program will place increased emphasis on science and technology transfer, private sector growth, and natural resources management. Long-term A.I.D. involvement in integrated rural development/crop substitution projects would not be appropriate in this context.

Now on p. 10

As for A.I.D. drug awareness efforts in Thailand, Table 1.3 (page 13) omits information on the level of expenditures for such activities. Estimated expenditures for drug awareness activities, apart from the Mae Chaem project, totalled $46,000 in FY 1987. Inclusion of this information in Table 1.3 would require modifications to the preceding paragraph on page 13 and page 52 comments on A.I.D./Thailand's contribution to drug awareness and abuse prevention programs.

Now on pp 9 and 33.

Now on p. 33.

On page 52 the statement is noted that "A.I.D. drug awareness projects are designed to inform source-country opinion leaders of the harmful effects of narcotics production, trafficking, and abuse on their own societies." While this is certainly an element of the Thai drug awareness program, activities under this program extend far beyond national opinion leaders and are directed towards parents, community action groups, at risk populations and users as well.

As an example, A.I.D./Thailand supports a detoxification and rehabilitation program for addicts in the Klong Toey district of Bangkok which includes employment and job skills training for detoxified addicts. Further, there is an adolescent peer group drug awareness program being developed by the Thai Population and Community Development Association to work with young abusers and their parents. These programs, managed by local PVOs, are supported by of $467,000 in bilateral funds. In late FY 1987, an additional $355,000 in regional A.I.D. funds were added from a new Regional Narcotics Education project. This $3.0 million activity, which is designed to strengthen drug information/awareness capabilities in eight Asian countries, will give priority attention to Thailand during its further implementation.

Now on p 34

We suggest that this section of the report be revised to include the variety of drug awareness activities being pursued by A.I.D./Thailand and that brief descriptions of these examples be included in the middle paragraph of page 54 to provide a more accurate picture of A.I.D./Thailand's programs in drug abuse prevention.

Burma

The draft report correctly identifies logistical and transport problems as the major constraints to improving narcotics control in Burma. In A.I.D.'s view, the current mix of USG-sponsored narcotics activities in Burma is appropriate and should be continued. Given the Burmese Government's sensitivities, it would be inappropriate to attempt to introduce any major new initiatives at this time. Furthermore, it would be extremely difficult for A.I.D., given its financial commitments to Burma under its modest project portfolio, to finance any new projects in this area in the next few years. Nevertheless, Burma, along with Pakistan, Thailand and several other Asian countries will be assisted in the area of drug awareness under the new Regional Narcotics Education project.

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