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**The United States Agency for International Development
and Counter-Narcotics: An Overview**

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The Evolution of A.I.D.'s Counter-Narcotics Portfolio

The United States Agency for International Development (A.I.D.), the principal provider of United States overseas development assistance, has been involved with international counter-narcotics activities since the late 1960s. From the late 1960s to the early 1990s, A.I.D. has actively financed counter-narcotics activities in more than twenty-five developing countries. A.I.D. funding for counter-narcotics in the 1980s exceeded \$100 million, and annual spending for narcotics programs in the early 1990s is slated to be double the entire 1980s level, reaching over US\$200 million in FY 1991 and close to \$300 million in FY 1992. (See Figure Below). This significant increase in funding is primarily the result of new resources arising from President Bush's Andean Initiative.

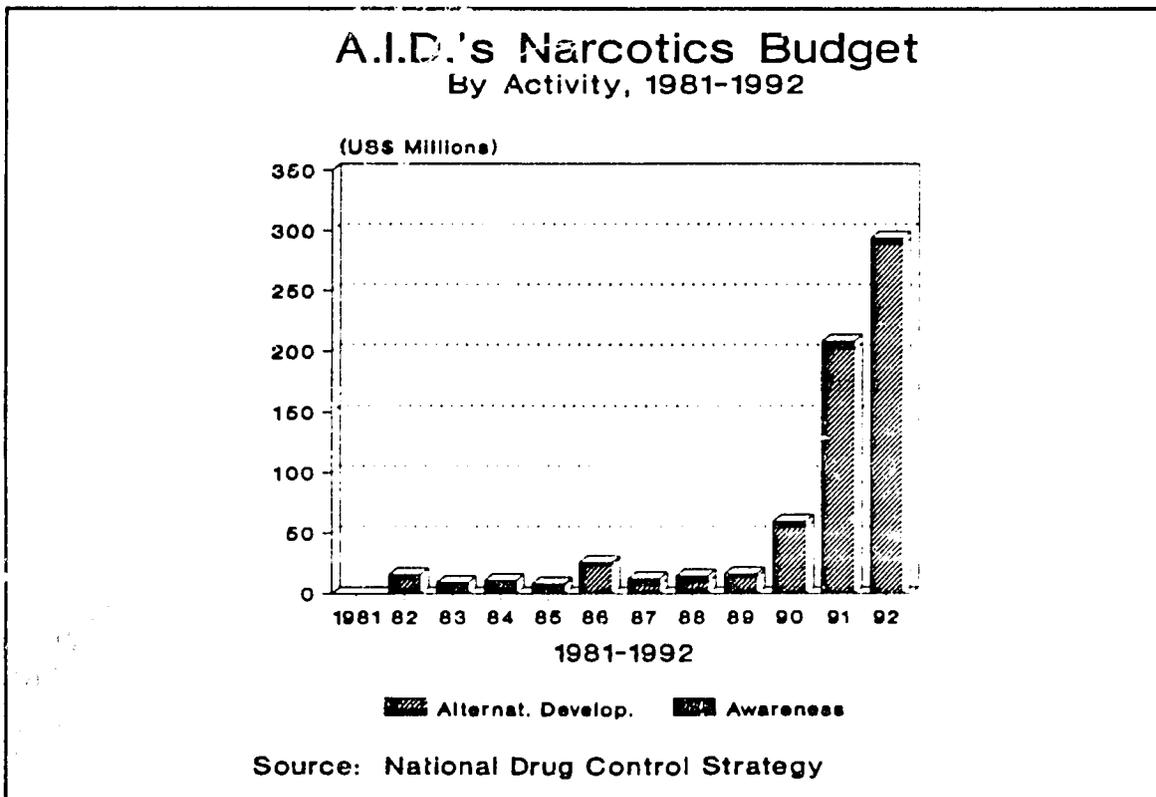


Figure 1

A.I.D.'s portfolio in counter-narcotics activities has evolved significantly over the last two decades from crop substitution to comprehensive alternative development programs.

Initially, A.I.D. provided counter-narcotics assistance toward crop substitution and public-safety programs. By 1975, however, the United States Congress prohibited A.I.D. from providing assistance in the areas of public safety and law enforcement. Subsequently, the United States Department of State absorbed the law enforcement components of A.I.D.'s counter-narcotics portfolio.

In 1981 the United States Congress amended the Foreign Assistance Act, which serves as A.I.D.'s legislative mandate, by directing A.I.D. to "give priority consideration to programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities." In 1982 the Administrator of A.I.D. issued a policy determination paper on counter-narcotics, officially establishing the Agency's position. Some of the main mandates of that paper were to:

A.I.D. Administrator's Statement on Narcotics - 1982

- Provide economic alternatives to farmers in narcotics growing areas, including support for appropriate local non-governmental organizations (NGOs)
 - Obtain assurances from host-country governments that narcotic crops will not be permitted within A.I.D. project areas
 - Coordinate with the Department of State on a yearly narcotics analysis and in obtaining the necessary commitments from host-country governments
 - Encourage other bilateral and multilateral organizations to provide assistance to narcotics-producing areas
-

Since the first Administrator statement in 1982, A.I.D. involvement in counter-narcotics has evolved to include a wide-ranging set of new activities dependent on countries' needs. The increasingly comprehensive nature of A.I.D.'s narcotics portfolio is part of a deliberate strategy for major supply countries to target not only illicit-crop growing areas but entire countries and subregions. This strategy, based on A.I.D.'s experience in previous projects, reflects a preventative approach to counter-narcotics by improving economic opportunities for those within and outside growing areas.

In 1991 the A.I.D. Administrator has readied a new policy statement on counter-narcotics that further underscores the Agency's commitment to the American War on Drugs and President

Bush's *National Drug Control Strategy*. A.I.D.'s international efforts complement other U.S. Government efforts to aggressively reduce domestic demand for narcotics. The A.I.D. Administrator's message sets the goal for A.I.D. to be at the "forefront in assisting countries as they struggle to:

A.I.D. Administrator's Statement on Narcotics - 1991

- Stimulate broad-based, sustainable economic growth
 - Develop sound macro-economic policies
 - Create innovative alternative development programs including agricultural as well as other income-generation activities to replace lost drug-related revenues
 - Foster improved administration of justice programs, particularly in drug producer, transiting, and trafficking countries
 - Provide support for drug education and awareness programs to help create the 'political will' for countries to confront the drug industry and to respond to their own domestic use problems
-

The Administrator's message adds that A.I.D. is committed to being an integral player in U.S. and international counter-narcotics initiatives through an expanded and improved program. The Administrator also reassures his staff that the U.S. foreign policy concerns of narcotics will remain a key part of country programs and that the expectations for the Agency's participation will be for one that is "responsive, integrated with other United States Government agencies' efforts, and results-oriented."

By the late 1980s and the early 1990s, A.I.D.'s Narcotics Portfolio included:

- | | |
|-------------------------|--------------------------|
| ■ Drug Abuse Prevention | ■ Judicial Strengthening |
| ■ Financial Markets | ■ Export Promotion |
| ■ Rural Infrastructure | ■ Economic Policy Reform |
| ■ Employment Generation | ■ Enterprise Development |
-

The matrix on the following page, which provides a one-page synopsis of A.I.D.'s portfolio by country and program.

A.I.D.'s Counter-Narcotics Portfolio by Country and Program Area**

Country	Administration of Justice	Alternative Development	Awareness & Education
Afghanistan		■	■
Belize			■
Bolivia	■	■	■
Brazil			■
Brunei*			■
Bulgaria			■
Colombia	■	■	■
Costa Rica	§		■
Czechoslovakia			■
Dominican Rep.			■
Ecuador	§		■
El Salvador	§		■
Guatemala	§		■
Haiti			■
Honduras	§		■
Hungary			■
India			■
Indonesia			■
Jamaica			■
Laos*			■
Malaysia*			■
Mexico			■
Nepal			■
Pakistan		■	■
Panama	§		■
Paraguay			■
Peru	■	■	■
Philippines			■
Poland			■
Romania			■
Singapore*			■
Sri Lanka			■
Thailand			■

* Not an official A.I.D. country.

§ Development Assistance Administration of Justice projects in these countries are not explicitly counter-narcotics projects, although support counter-narcotics aims indirectly.

** This matrix represents only A.I.D. projects that most explicitly address counter-narcotics issues. Of course, many of these countries are involved with other A.I.D. projects often related to alternative development, such as economic policy reform, administration of justice, export promotion, employment generation, financial market development, etc.

An Overview of A.I.D.'s Counter-Narcotics Program By Region

LATIN AMERICA AND THE CARIBBEAN

The Latin America and Caribbean (LAC) region has been the primary focus of A.I.D.'s counter-narcotics activities. The LAC Region, and the Andean sub-region in particular, has increased in importance as a result of the surge in cocaine production and consumption in the 1980s. The two major trends of A.I.D.'s counter-narcotics programming in the 1990s are the vastly increased funding for Andean nations and the widespread implementation of narcotics awareness and education programs in most A.I.D. countries in the hemisphere.

Andean Region

As the producers of most of the world's cocaine, the Andean subregion has become the primary focus of the Agency's counter-narcotics efforts. On February 16, 1990 President Bush met with the presidents of Bolivia, Colombia, and Peru to forge the Andean Initiative, a cause to which the United States has pledged \$2.2 billion over a five-year period. A.I.D. will provide roughly half of this assistance. The goal of the Initiative is to strengthen the Andean nations economically, socially, and politically so that they can pursue broad-based economic growth in a democratic society without the scourge of narcotics production and trafficking.

Bolivia

A.I.D. has financed counter-narcotics programs in Bolivia since 1975. For most of the 1980s A.I.D.'s counter-narcotics efforts focused on the coca-growing region of the Chapare. Since the late 1980s, however, A.I.D. has expanded its alternative development activities to encompass a wide-range of projects. This is clear from the list of counter-narcotics related projects displayed below. USAID/Bolivia works extensively in the area of narcotics awareness and education, mainly at the community level through a counterpart private voluntary organization, SEAMOS.

In addition to the projects enumerated below, USAID/Bolivia also provides non-project policy advice and technical assistance on a variety of narcotics-related issues.

USAID/Bolivia's Counter-Narcotics Portfolio, Expected Expenditures

Project Title	FY 1991	FY 1992
	(\$000)	(\$000)
Program Development and Support	1,200	1,100

Chapare Regional Development	12,083	completed
Economic Stabilization	6,000	0
Export Promotion	5,500	6,000
Strengthening Democracy	0	1,500
Narcotics Awareness	600	0
Microenterprise Development	1,400	2,500
Strengthening Financial Markets	2,527	1,560
Economic Recovery	66,000	191,000
Justice Sector	1,086	704
Democratic Institutions	398	150
CLASP II (Leadership Training)	300	1,100
Rural Electrification II	500	3,500
Roads for Alternative Development	0	1,000
Drug Awareness	2,300	2,000
Alternative Development	5,500	14,780
Alternative Development, T.A.	800	1,600
MIS-Andean Counter Narcotics	180	80
Totals	106,374	229,174

Colombia

As a result of Colombia's rapid development under the Alliance for Progress, A.I.D.'s assistance to Colombia has declined steadily since the 1960s. In the late 1980s, however, A.I.D. increased its assistance to improve the Colombian judicial system. This has included protection and training for judges and more recently an upgrading of the judicial system. The goal of the programs is to provide Colombia with the capacity to effectively prosecute drug traffickers, thereby eliminating the controversial issue of extradition. A.I.D.'s counter-narcotics program in Colombia also emphasizes narcotics awareness and education activities to better inform the Colombians of the implications of the drug trade nationally and internationally. Educational and awareness activities are also designed to effectively address Colombia's own internal drug abuse problem.

USAID/Colombia's Counter-Narcotics Portfolio, Expected Expenditures

Project Title	FY 1991	FY 1992
	(\$000)	(\$000)
Judicial Protection	2,000	5,000
Economic Revitalization	41,000	41,000
Administration of Justice	1,000	N/A
Education Training	600	1,100
Narcotics Public Awareness	500	1,000
Narcotics Demand Reduction	N/A	N/A
MIS-Andean Counter Narcotics	130	120
Totals	45,230	48,220

Peru

A.I.D. has financed counter-narcotics activities in Peru since 1981. Progress there, however, has been greatly hampered by deep economic problems and the guerrilla insurgency in the Upper Huallaga Valley where most of the world's coca is grown. Depending on future access to Peru, A.I.D. also envisions a rather comprehensive counter-narcotics strategy there. That strategy includes area development, improved administration of justice, macro-economic policy reform, employment generation, and investment and export promotion.

For several years now, however, A.I.D. has maintained a successful relationship with the Peruvian Center for Information and Education for the Prevention of Drug Abuse (CEDRO). CEDRO, according to independent evaluations, has already proven to be an effective institution in awareness and education activities.

USAID/Peru's Counter-Narcotics Portfolio, Expected Expenditures

Project Title	FY 1991	FY 1992
	(\$000)	(\$000)
Upper Huallaga Area Development	2,300	3,500
Narcotics Edu./Public Awareness	1,022	300
Administration of Justice	800	691
Policy Analysis, Plan., & Impl.	1,000	2,000

Economic Stabiliz. & Recovery	50,000	70,000
Selva Economic Revitalization	0	3,000
Investment & Export Promotion	200	3,000
National Employment Generation	0	1,000
Administration of Justice II	0	700
MIS-Andean Counter Narcotics	0	350
Totals	55,322	84,541

Ecuador

Although an Andean nation, Ecuador is not strictly speaking part of the Andean counter-drug initiative. Nonetheless, A.I.D. has been working since 1987 with Fundacion Nuestros Jovenes, an Ecuadorian organization, to increase awareness of drug problems and to influence government policy on drug production, trafficking, and abuse through a program of research and information dissemination. Ecuador is particularly interested in quantifying the extent of its own drug abuse problem. A.I.D.'s strategy in Ecuador is essentially preventative, seeking to help Ecuador avoid the coca dependency of its Andean neighbors. Ecuador has also participated in an Agency-sponsored Administration of Justice project. Although not directly focused on counter-narcotics, that project helps Ecuador achieve some of its anti-drug objectives.

Other South America

Besides the Andean Initiative, A.I.D. is actively promoting narcotics education and awareness programs in several South American countries to retard the spread of drug abuse and sensitize other nations as to the negative ramifications of drug production and consumption.

Brazil

In FY 1991 A.I.D. plans to spend \$200,000 for drug abuse awareness and education activities with a special focus on schools and work places. Brazil is presently the site of limited coca cultivation but considerable narcotics consumption and trafficking. This project, largely focused on demand reduction, represents a significant portion of A.I.D.'s small program in Brazil. A.I.D. finances the Brazilian counterpart of Partners of the Americas, who in turn work's with Brazil's Federal Council on Drugs in developing specialized materials for narcotics prevention education.

Paraguay

The A.I.D. mission in Paraguay is providing technical assistance and program support for a national drug program, which is a joint effort of Paraguay's public and private sectors, called the National Anti-Drug Council. Two year funding is expected to reach \$400,000. Paraguay faces growing drug abuse problems and is a transit point for narcotics and precursor chemicals used in narcotics processing. A.I.D.'s activities in Paraguay complement earlier efforts by UNFDAC.

Mexico and Central America

Although Central American countries are not as extensively immersed in the international narcotics problem as their South American neighbors, the region is the site of both sizeable narcotics production and trafficking. Mexico and Belize are both marijuana producers, while Mexico and Guatemala are growers of poppies. Throughout Mexico and Central America, there is heightened concern about the increase in drug abuse, narcotics trafficking, and money laundering.

Besides the project activities discussed below, most Central American nations have also benefitted from A.I.D.-sponsored activities to strengthen the isthmus's political and judicial systems. The improvement in the judicial systems through Administration of Justice projects is directly related to the ability of these countries to deal with growing problems of production, consumption, and trafficking of narcotics. Special police training by A.I.D. in Central America has also supported these same goals.

Belize

A.I.D. has financed a drug awareness program in Belize for most of the 1980s with cumulative funding in excess of \$1 million. The program in Belize has a strong demand reduction component to educate Belizeans about the effects of alcohol and drug abuse. Belize is also a producer of marijuana, and awareness activities educate the public of the consequences of narcotics production, trafficking, and consumption. Until recently, the A.I.D.-funded awareness project in Belize was that country's only major drug education program.

Costa Rica

USAID/Costa Rica currently funds a three-year drug awareness and education project through a grant to a local organization called the Professionals' Association for the Development of the Costa Rican Family. The project's philosophy is based on "training trainers," 800 of which will be enrolled from over 91

communities. Another organization has mounted a media campaign to pass on the anti-drug message.

Guatemala

USAID/Guatemala is initiating a narcotics awareness and education effort in an attempt to deal with Guatemala's own drug abuse problems and to reverse recent growth in poppy levels there. The government of Guatemala has shown increasing interest in drug abuse education and prevention. A.I.D.' involvement thus far had consisted of drug prevalence studies in three major urban centers.

Honduras

Although not yet funded, the A.I.D. mission in Honduras hopes to provide technical assistance in the development of narcotics awareness activities.

El Salvador

With local currency funds, USAID/El Salvador provides technical assistance and training in support of a national awareness and education campaign. The core of this support has been with a \$2 million dollar grant to El Salvador's Anti-Drug Foundation which is planning a national drug abuse survey.

Mexico

Since the late 1980s, A.I.D. has funded a narcotics demand reduction program with cumulative funding well in excess of \$1 million. A.I.D. funds help the government's health secretariat analyze and disseminate the results of a 1988 national survey of addiction problems. In addition, A.I.D. works with numerous grassroots organizations who work at the community level in various Mexican cities to fight the pressing problem of adolescent drug abuse. As in the case of Brazil, counter-narcotics comprises a substantial portion of the relatively small A.I.D. portfolio in these advanced developing countries.

Panama

The A.I.D. mission in Panama had recently undertaken a needs assessment study to examine the utility of further narcotics awareness activities there. During the mid-1980s A.I.D. funded a drug abuse prevention project in Panama targeted at youths through schools, colleges, and youth-to-youth programs. In addition, the A.I.D. mission, in cooperation with other United States Government agencies, is in dialogue with the Panamanian government concerning money laundering in its extensive off-shore banking industry.

Caribbean

Caribbean countries pose a particularly challenging problem for donor countries because of the vulnerability of these small island nations to powerful international trafficking organizations. Increased trafficking and money laundering throughout this region during the 1980s has also resulted in greater drug abuse problems. Some Caribbean countries, most notably Jamaica, produce narcotics, mainly marijuana.

Dominican Republic

As with Panama, the Dominican Republic is presently funding a needs assessment to determine the importance of a narcotics awareness and education program there. The A.I.D. mission is particularly interested in the extent of drug abuse and the ability of the public sector and private organizations to carry out an awareness and education program.

Haiti

A.I.D. has funded a narcotics awareness and drug abuse prevention program in Haiti since the late 1980s. Through a cooperative agreement with the Association for the Prevention of Alcoholism and Other Chemical Dependencies, USAID/Haiti has conducted a national needs assessment to determine the prevalence of drug use, attitudes, and practices. The project has also developed numerous awareness and education material for the awareness activities of the Haitian Association.

Jamaica

For much of the 1980s, USAID/Jamaica has funded a narcotics awareness initiative to educate the Jamaican people on the ramifications of marijuana production and cocaine consumption and trafficking. Working with Jamaica's National Council on Drug Abuse and the Pan American Health Organization, USAID/Jamaica financed two household and school surveys on drug abuse in 1985 and 1989. The mission is presently providing \$500,000 in funding to Jamaica's National Council through the direct cooperation of the Prime Minister's office. This project will include twelve separate sub-projects aimed at a variety of youth groups.

ASIA REGION

Much of A.I.D.'s previous interventions in counter-narcotics focused on the Asia region. A.I.D. historically has been a key player in attempting to thwart the cultivation and trafficking of poppy in Asia. This has included A.I.D. programs in Turkey, Pakistan, Thailand, and Afghanistan. Previous A.I.D. projects in Pakistan and Thailand, in particular, represented major interventions that mobilized the resources of host-country

governments, other multilateral and bilateral donors, and other U.S. government agencies. Although A.I.D. projects have yet to cause major reductions in poppy throughout Asian countries, they have accomplished their project objectives of substituting most poppy in designated project areas.

Regional Asia Activities

Through a series of regional narcotics awareness conferences in Bangkok, Thailand, A.I.D. has been able to reach a growing number of countries in the Asia region on the narcotics issue. This has included several "non-A.I.D." countries through a special cooperative relationship with the United States' Department of State' Bureau for International Narcotics Matters. This has included the following Asian countries: Pakistan, Thailand, India, Nepal, Sri Lanka, Bangladesh, Malaysia, Singapore, Indonesia, Laos, Philippines, Laos, and Brunei.

South East Asia

Indonesia

USAID/Indonesia is providing training, technical assistance and program support for epidemiological research and to conduct national awareness and education programs in the private sector. A.I.D. has supported the non-governmental organization, Institution for Cooperative Non-Governmental Organization Action Program for the Reduction of Illicit Demand for Drugs, to strengthen its documentation center and begin a public awareness campaign. A.I.D. also supports the efforts of the Indonesian Women's Congress in its community-based prevention programs. Technical assistance to the Indonesian Epidemiology Network in the design of multi-city prevalence surveys is another major initiative.

Philippines

USAID/Philippines provides technical assistance and program support for national awareness and education activities in the private sector. This has included funding for the ASEAN Center for Drug Abuse Prevention Education, the Dangerous Drugs Board, and the University of the Philippines. Funding to the latter is to conduct a prevalence survey of high school and college students. The project has also provided technical assistance to awareness and education programs of several other organizations.

Thailand

A.I.D. closed the last phase of the crop substitution/area development project of its Mae Chem Watershed Project in 1989. As in Pakistan, A.I.D., buttressed by the intense support of the

Royal Thai Government, recorded reductions in poppy cultivation within project areas.

Also like Pakistan, however, Thailand is now a net importer of opium. Therefore, A.I.D. is focusing its counter-narcotics efforts there on demand reduction and drug awareness to reverse the local drug abuse problems beyond solely narcotics production.

South West Asia

Afghanistan

A.I.D. presently funds a narcotics awareness and control project in Afghanistan toward a possible future project in full-scale alternative development. The present project aims at strengthening Afghan resolve against the production and use of narcotics. It involves a pilot income substitution activity to provide economic alternatives to poppy farmers. The project also supports new research to better define Afghanistan's opium problem in order to better monitor, analyze, and evaluate the impact of the project. Although in its early stages, A.I.D. foresees a sizeable counter-narcotics program in Afghanistan.

Pakistan

A.I.D. has financed major counter-narcotics activities in Pakistan since 1983. This has included both narcotics awareness and education and a substantial area development/alternative development in Pakistan's North West Frontier, its major poppy growing area. This multi-million dollar investment encompassed serious rural infrastructure development, a key component of the narcotics control strategy in this strategic growing and transiting region.

The Pakistan project, through excellent coordination among donors, was able to begin to reduce poppy cultivation in project areas. A.I.D.'s coordination with the UNFDAC has been particularly noteworthy. The project demonstrates the types of results that can be achieved when donors and host-country governments cooperate fully.

Since Pakistan faces a growing internal abuse problem, A.I.D.'s counter-narcotics efforts are also targeting demand reduction and awareness programs to complement alternative development projects.

Sri Lanka

The A.I.D. mission in Sri Lanka has supported awareness and education issues through financial support and goods in-kind to the Sri Lanka Anti Narcotics Association and the National Dangerous Drugs Control Board. A.I.D. has also worked to help

computerize these organizations, to strengthen their institutional capacity, to improve their outreach programs. As in other countries, A.I.D. is financing a nationwide survey on public awareness of narcotics.

EASTERN EUROPE

Many Eastern Europe countries are revealing substantial drug abuse problems as they move toward democracy. Poland alone is estimated to have as many as 500,000 heroin addicts. A.I.D. is performing a needs assessment for drug awareness and education activities in Eastern Europe. This will entail assessments and regional training workshops in Poland, Romania, Bulgaria, Hungary, and Czechoslovakia.

Some Lessons Learned from the A.I.D. Experience

After more than two decades in counter-narcotics, A.I.D. has learned many important lessons from previous projects. This includes lessons learned from project failures. One of the most fundamental lessons learned is that A.I.D. will be only one of many important key actors that will need to be well coordinated to accomplish the objectives of counter-narcotics programs. These actors include other U.S. government agencies, bilateral and multilateral donors, and, of course, host-country government institutions. The need for cooperation also spans numerous program areas, such as crop substitution, awareness and education, law enforcement, judicial systems, and economic policy reform. A synopsis of these and other lessons learned appear below.

A.I.D. Lessons Learned in Counter-Narcotics

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- **Comprehensiveness** - Projects need to be comprehensive given the nature of the narcotics problem; this includes alternative development beyond illegal growing areas and opportunities outside of agriculture.
 - **Coordination** - Active coordination is integral to counter-narcotics projects. Coordination must occur at many levels and involve host-country institutions, other donors, NGOs, and various agencies within the donor nation.
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- **Flexibility** - Counter-narcotics activities require flexible, innovative, and timely project implementation. Projects must also be able to weather the strains of implementation and be flexible enough to change course when obstacles and failures arise.
 - **Economics** - Substitution and alternative development projects will continue to face the challenge of identifying and delivering substitutes or incentives that can match those of narcotics. Demand, supply, and interdiction will all affect price trends.
 - **Enforcement** - Effective enforcement by host-country institutions and appropriate bilateral agencies is key to program success, particularly in the short and medium term.
 - **Impact** - The narcotics problem is immense, and the impact of one agency, even one bilateral donor, is likely to be limited, further underscoring the need for coordination.
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