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Organization for Security and Co-operation in Europe

**Co-ordinator of OSCE Economic and
Environmental Activities**

Vienna, 29 May 2003

To: **All OSCE Delegations
Partners for Co-operation
Mediterranean Partners for Co-operation**

Subject: Consolidated Summary of the Third Preparatory Seminar for
the Eleventh OSCE Economic Forum, Tashkent, Uzbekistan,
17-18 March 2003.

I attach herewith the **revised version** of the Consolidated Summary of the Third Preparatory Seminar for the Eleventh Economic Forum “National and International Economic Impact of Trafficking in Drugs”, Tashkent, Uzbekistan, 17-18 March 2003 to be disseminated to all OSCE Delegations.



Organization for Security and Co-operation in Europe

**Co-ordinator for OSCE Economic
and Environmental Activities**

Vienna, 26 May 2003

CONSOLIDATED SUMMARY

**THIRD PREPARATORY SEMINAR FOR THE ELEVENTH OSCE ECONOMIC FORUM:
NATIONAL AND INTERNATIONAL ECONOMIC IMPACT OF
TRAFFICKING IN DRUGS**

TASHKENT, UZBEKISTAN, 17-18 MARCH 2003

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EXECUTIVE SUMMARY

Introduction

The Tashkent Seminar, the third seminar that was held in preparation for the Economic Forum in Prague, in May 2003, underpinned the economic impact of trafficking in drugs and assessed the economic effects of the current strategies to combat this illicit trade. The event was organised by the Office of the Co-ordinator of OSCE Economic and Environmental Activities in close co-operation with the Chairmanship of the Netherlands, as well as in collaboration with the National Centre on Drug Control of the Cabinet of Ministers of Uzbekistan and the OSCE Centre in Tashkent. The topic, "The National and International Economic Impact of Trafficking in Drugs" attracted an overwhelming number of participants, in spite of the overall international tension at the time. Over 160 representatives from 37 OSCE participating States and Partners for Co-operation, from academic circles and 15 International and Non Governmental Organisations as well as several OSCE institutions and quite a number of the OSCE Field Missions engaged in the discussions. A representative of the Embassy of Afghanistan to Uzbekistan attended as a special guest of the OSCE Chairman-in-Office. The seminar was inaugurated by the Deputy Minister of Foreign Affairs of Uzbekistan, Mr. Ilkhom Nematov as well as by the Personal Representative of the Chairman in Office, Ambassador Daan Everts.

Trafficking has a rapidly growing role on the international agenda. It affects all OSCE participating States in all its dimensions. Economic perspectives such as the root causes, the links between trafficking networks, financial flows, transportation routes and the impact on the overall national and international economy still need more in depth analysis.

This seminar was the third and last of a series of three addressing the topic of trafficking. The first was held on 11-12 November 2002 on the economic impact of trafficking in small arms and light weapons and the second was held on 17-18 February 2003 on the economic impact of trafficking in human beings. In all three events the security related and economic aspects were analysed and discussed in order to prepare concrete suggestions for the Economic Forum in Prague, in May 2003.

Objectives of the Third Preparatory Seminar

The seminar aimed to complement the work being done in other international settings, such as the UN and the EU, as well as by NGO's and to build on the foundation of OSCE – UNODC co-operation in the field of combating drugs trafficking in Central Asia in the year 2000. The OSCE can provide added value in the international debate on the economic impact of the trade in illicit drugs, on the one hand because it is a geographically broad based international organisation and on the other from its position as an organisation to build political commitment. Furthermore the seminar aimed to contribute to the formulation and implementation of a policy agenda on trafficking in drugs from an economic perspective.

Experts from the participating States and the major international organisations as well as non governmental organisations in this field were invited to present their inside knowledge and explain their views in order to stimulate discussion on the economic angles of this kind of trafficking. Lively discussions led the debate towards concrete suggestions for further consideration by national governments in the Economic Forum.

Structure of the Seminar

The Seminar was structured around three plenary working groups, containing short presentations on a specific subject of trafficking in drugs. They covered: heroin, synthetic drugs and precursors chemicals, being the most dominant problems in the OSCE region. This set-up was

chosen because it was considered that in these areas there is still need for additional suggestions on policy and co-operation among participating States.

The focus of the Seminar.

The key note speaker zoomed in on the link between the growth of organised crime and the associated problem of drug trafficking. Countries that pay inadequate attention to the rule of law generally have high levels of organised crime. It has been widely believed that economic growth and development will undercut problems associated with weak state institutions, poor governance and the inability to enforce laws fairly and effectively. But nowadays it is increasingly understood that the relationship is an inverse one: unless effective institutions, forms of governance and the rule of law are in place first, the process of development will itself be subverted by organised crime and corruption.

It was brought forward that the root causes need to be addressed in order to break the vicious circle of lack of rule of law, lack of good governance, poverty and crime. This needs national mobilisation and international assistance.

The working groups focussed on the root causes of trafficking in drugs, the transportation routes, the trafficking networks involved, the supply and demand chain of both the finished product and the raw materials such as precursor chemicals. Current and alternative strategies to combat trafficking in drugs were presented and discussed. The attention was also directed towards the economic impact of drugs trafficking and the use of drugs on the various countries, their economies and populations. On the one hand this was addressed in terms of the general economic climate in a country with attention for investment and employment. Recent United Nations' research was presented on the short-term economic gain and long-term economic loss in connection with the production of illicit drugs. On the other hand the issue was addressed in terms of the economic costs such as the strain on law enforcement authorities, judiciary and prison institutions, the loss of productivity through addiction and rising costs for health care. Attention was also asked for socio-economic factors by focussing on the vulnerable position of young people and women.

It was voiced more than once that this was the right time and the right place for the in depth analysis of the mentioned economic impact and the assessment of the action that has already been taken. But this was meant as and proved to be a seminar with more than a regional focus. Examples of the trends on and dynamics of the market for illicit drugs as well as the impact of trafficking were given and illustrated with data on Central Asian countries as well as on many of the other participating States. Throughout the deliberations all the participants freely expressed their views and contributed to formulating suggestions.

The scope of the discussions and the suggestions were presented by the rapporteurs in the closing plenary session.

Suggestions

The seminar has seen two-folded contributions.

In the presentations and discussions new perspectives were shed on the economic aspects and impact of trafficking in drugs.

Many useful suggestions were put forward, which can provide valuable input for further discussion and consideration by OSCE participating States in the Economic Forum in May 2003 in Prague. Underneath the addressees of the suggestions are mentioned in brackets.

Research and assessment

- There is a need for a holistic approach to the threat of organised crime. More research should be undertaken on the drugs-crime-terrorism link in relation to the socio-economic environment (participating States, OSCE);

- Support efforts to better understand the economic aspects of the drug trade. These efforts could be conducted, inter alia, through public opinion surveys, focus group discussions, creating a clearinghouse for information and complaints brought from citizens of the OSCE countries (OSCE);
- Make use of trends assessments on organised crime and other research to promote the further development of evidence based policies (participating States).

Addressing root causes and awareness raising

- The national social and political institutions should be strengthened, rule of law promoted and corruption tackled, in order to be better operative and form an essential framework for the fight against drug trafficking (participating States);
- The economic situation of people should be improved, since there is a strong and direct link between poverty and illegal activities. One element in this could be to support the creation of a macro-economic structure within which commodity markets can grow free from the perverse incentives provided by the drug trade (participating States, OSCE);
- International assistance should be delivered in a sensible and co-ordinated manner, to maximise the impact and avoid duplications (participating States, OSCE);
- The OSCE can assist in efforts to attract more assistance to Central Asia from donor countries and international organisations (OSCE);
- Promote the rebuilding of Afghanistan (democracy, rule of law, economy) by, inter alia, supporting alternative means of development for farmers and alternative sources of income for others involved in the drug trade, setting up of a micro-credit system for farmers (OSCE, participating States, UN);
- Support education, especially for girls (participating States, OSCE).
- Promote more oversight directly into programs. This could include more extensive collaboration with local law enforcement by providing assurance of protection to journalists who conduct investigation work (participating States, OSCE);
- Within the context of demand reduction programmes, effective harm reduction policies should be promoted, directed at recreational users as well as chronic drug addicts. This may also mean supporting non governmental organisations working with drug users and the most vulnerable groups (participating States, OSCE);
- Raise awareness of the general public through articles in newspapers on the problems related to trafficking in OSCE member states (participating States, OSCE);
- OSCE could promote the sharing of information on trafficking problems between participating States (OSCE);
- Support prison reform and demand reduction programmes in prisons to prevent the risk of HIV/AIDS and other infectious diseases spreading in prisons (participating States, OSCE);
- Include drug awareness modules in training missions (OSCE);
- In co-operation with the UNODC programme on money laundering, continue supporting governments in setting up and implementing anti-money laundering legislation (OSCE).
- Integrated efforts have to be made to address human rights, gender and other social issues (participating States, OSCE).

Law enforcement

- All countries need to adopt comprehensive money laundering legislation that meet international standards and create corresponding structures, e.g. Financial Intelligence Units to attack the proceeds of drugs trafficking and other crimes (participating States);
- Promote speedy ratification and implementation on the UN Convention on Transnational Organised Crime and implement the Convention on Countering the Financing of Terrorism (participating States, OSCE);

- Promote co-ordination and co-operation of law enforcement, customs, financial investigation services.
- At the national level co-ordination and co-operation is desirable between the law enforcement agencies and educational, health and social services (participating States);
- At the national and international level co-ordination and co-operation is desirable between law enforcement and economic development agencies (participating States, OSCE);
- More attention should be paid to the illegal diversion of precursor chemicals (participating States);
- Include counter narcotics in OSCE police training missions (OSCE);
- Intensify financial investigations (pool tax and police information) to prevent criminal organisations from laundering money throughout the world (participating States);
- Promote the reporting of irregular financial transactions by banks, lawyers and real estate brokers (participating States, OSCE).

A number of annexes has been attached to complete your picture of the Third Preparatory Seminar. For further reading, please note that background documents from this seminar can be found on the OSCE web site under www.osce.org/eea or requested at the Office of the Coordinator of OSCE Economic and Environmental Activities.

OPENING PLENARY SESSION

Opening Remarks

by **Mr. Marcin Swiecicki**, Coordinator of OSCE Economic and Environmental Activities

Deputy Minister Nemantov ,
Your Excellencies,
Distinguished colleagues and guests,

I would like to welcome all of you to the third preparatory seminar for the Eleventh OSCE Economic Forum. It is a pleasure to see so many of you decide to come in spite of the current international situation. This shows we all believe we have an important subject to discuss. It is a privilege for me as Co-ordinator of OSCE Economic and Environmental Activities to chair this very important event. There is every reason to believe that through analysing and discussing the economic impact of trafficking in drugs, this meeting will see an outcome highly valuable for the success of the Economic Forum.

For those of you who are not familiar with the OSCE work, let me briefly explain that the Economic Forum is the main yearly event within the economic and environmental dimension. Every year one relevant topic is discussed. For 2003 “Trafficking in Human Beings, Drugs, Small Arms and Light Weapons: National and International Economic Impact” was selected.

Today’s seminar is the third and last of three. Our First Preparatory Seminar already covered the economic impact of trafficking in small arms and light weapons and was held on the 11-12 November last year, in Sofia, Bulgaria.

And our Second Preparatory Seminar focussed on the economic impact of trafficking in human beings and was held on 17-18 February 2003 in Ioannina, Greece.

I would like to welcome

Your Excellency Ilkhom Nematov, the Deputy Minister of Foreign Affairs of our host country, Uzbekistan and thank him for hosting this seminar. My thanks go also to Mr. Kamol Dusmetov, the Director of the National Center of Drug Control of Uzbekistan, who co-organized our meeting.

Your Excellency Ambassador Daan Everts, Personal Representative of the OSCE Chairman-in-Office.

And a warm welcome as well to

Mr. Jan van Dijk, Chief of the Crime Reduction and Analysis Branch at the Centre for International Crime Prevention, of the United Nations Office on Drugs and Crime, UNODC, our key note speaker. His branch analyses the data on crime prevention, criminal justice and law reform and pays special attention to combating transnational organised crime, corruption and illicit trafficking.

I welcome the delegations of OSCE participating States, International Organizations, Non Governmental Organizations and the numerous experts.

My special thanks also goes to the Dutch delegation for their additional financial support. The organisation of this seminar would not have been possible without it.

It needs to be said that the trafficking issues that are being dealt with at this seminar have an impact on the comprehensive security of our participating States. Fortunately we are not starting from scratch.

International political cooperation has resulted in documents and programmes like

- . United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988).
- . United Nations Political Declaration: Guiding Principles on Drug Demand Reduction and Measures to Enhance International Cooperation to Counter the World Drug Problem (1988).
- . The Global Programme against Money Laundering (1997). I would like to add here the excellent cooperation between The Global Programme against Money Laundering and my Office that in 2002 resulted in the joint working session at last year's Economic Forum and two national workshops on combating money laundering, held in Kirgizstan and Kazakhstan.
- . United Nations Convention against Transnational Organised Crime (December 2000).
- . The European Union Drugs Action Plan 2000-2004.
- . The Action Plan on drugs between the EU and the Central Asian Republics (September 2002).

Furthermore we will build on the foundation of the OSCE cooperation with UNODC in the field of combating drugs trafficking in Central Asia in 2000. Our organisations have returned to the very place of that event, Tashkent.

The economic perspectives, however, such as trafficking networks, financial flows, money laundering, market dynamics, transportation routes and the impact on the economy, are in need of more in depth analysis and will be discussed as interrelated issues requiring joint action by OSCE states. We have chosen this to be done in Working Groups. This means that in each of the Working Groups on your agenda short presentations will introduce the specifics of, for instance the production and illicit trade, the trends in drug abuse, the market dynamics, impact on the economy and international co-operation of law enforcers, including customs. These introductions will be complemented by concrete illustrations of country case studies. This combination will assure that our discussions aim at:

- . First of all highlighting the economic aspects of trafficking in drugs.
- . Secondly, pursuing suggestions for concrete actions to be taken to improve the understanding of and control over demand and supply of illicit drugs, the financial flows, and further customs co-operation.
- . Thirdly, in the process leading up to the Economic Forum in Prague, the seminar aims for suggestions for a joint approach in combating the different kinds of trafficking.

There is hope that we will spend two stimulating days together and I would like to give the floor to His Excellency Ilkhom Nematov, the Deputy Minister of Foreign Affairs of Uzbekistan.

OPENING PLENARY SESSION

Welcoming Address

by **H.E. Ilkhom Nematov**, Deputy Ministry of Foreign Affairs of the Republic of Uzbekistan

Dear Mr. Chairman,
Your Excellencies,
Ladies and gentlemen,

I have a great pleasure and honour to welcome you, the participants of such important seminar, on behalf of the Government of Uzbekistan.

In due time we had supported and highly estimated the proposal of the Netherlands Chairmanship to bring a topic of illegal circulation, i.e. trafficking, for discussion on the OSCE Economic Forum. We share opinion that illegal trafficking in all its forms - light and a small weapons, drugs and people smuggling - day-to-day becomes rather ramified and, therefore, the dangerous phenomenon, capable to conduct a state of affairs to infringement of well-being, stability and security of the states.

All of us start to realize, that the vulnerability of security and stability as a result of various kinds of illegal trafficking, occurs not in the last instance because of destructive impact of these phenomena on economy, as in national, as well as international level. This very aspect of illegal trafficking, actually, studied least of all and demands more attention. Here is the rational grain and timeliness of the proposal of Netherlands.

In the relation of a theme of the Third preparatory seminar "Trafficking in Drugs: National and International Economic Impact", which gathered us today, it is necessary to emphasize, that there is a special attention to this topic not only in Uzbekistan and in other states of the Central Asia, but also on OSCE and global scale. I think, that the true evidence of this fact - is found in an extensive geographical spread of the countries and the international organizations participating at our seminar.

We already had to draw attention to the issue that how increasing day-to-day drugs-transit through the countries of the Central Asia affected to the increase of a drug abuse in the various countries, and not only in the Central Asia, but also far outside of our region. With great concern we have emphasized and are continuing to emphasize the destroying impact of drug abuse on health of millions of people, especially youth.

Today, we shall look at a situation from the point of view of how illegal drugs trafficking has an effect on economic development of the countries at national and regional levels, as well as on wider scale.

Speaking about drugs transit through the territories of the Central Asian states, it is necessary to emphasize, that the struggle against cultivation of opium crops and drug industry in the neighboring Afghanistan should remain, in our opinion, among priorities. Strengthening of stability and security in Afghanistan and in nearby region will depend mostly successes of struggle against drugs.

In this regard, I would like to emphasize with satisfaction the contribution of the government of Afghanistan to struggle against production of drugs and trafficking. We welcome the creation of the Department of Struggle against Drugs at the Council of National Security of Afghanistan.

Emphasizing the great significance of measures undertaken by the government of Afghanistan, we pay great attention to crucial importance of the assistance of the international community to the government of Afghanistan and newly established institutions in Afghanistan on struggle against drugs.

We highly appreciate the efforts of OSCE, and at the same time, especially we mark a role of other international organizations, which have a rich intellectual and practical experience of struggle against drugs. An exclusive role here plays the United Nations and well-known institution within the framework of the UN Center for the prevention of crime in Vienna. I have in a mind the UN Department on drugs and crime (UNODC).

Let me express confidence, that participants who today represent this Department at our seminar, will bring in the valuable contributions to our discussions.

Addressing one more aspect determined as the basic purpose of our seminar, I would like to emphasize, that lately we have learned very much about connections that exist between the international terrorism and feeding it - drug-business. The President of Uzbekistan Mr. Islam Karimov had emphasized in his address at Summit of the Euro-Atlantic Partnership Council in Prague that "the international drugs trafficking, having huge financial and other resources, first of all is the powerful, well-organized system entangling today practically whole world, posing a threat to the millions of people". It will be interesting for us to learn the opinion of experts on the given question as well.

Mister Chairman, allow me to express my confidence that results of our seminar will be fruitful and we will be able to develop ideas and recommendations, which lay a basis of our further activity on countering to the drugs trafficking.

In conclusion, I would like to express gratitude to Mr. Daan Evarts, the Representative of the Chairman-in-office of OSCE, as well as to the OSCE Coordinator of OSCE Economic and Environmental Activities, Mr. Marcin Swiecicki for the contribution to preparation of the today's seminar.

I also express my gratefulness to the Head of the OSCE Center in Tashkent H.E. Ambassador Ahmet Erozan and to the Deputy Chairman of the State Commission of Uzbekistan on Struggle against Drugs Mr. K. Dustmetov for the invaluable contribution that they and their staff have brought to preparation of the seminar.

I wish successes to all participants of the seminar and I hope that during your stay in Uzbekistan you also can get acquainted with our history and culture, and feel hospitality of Uzbek people.

Thank you for your attention.

OPENING PLENARY SESSION

Introductory Remarks

by **H.E. Daan Everts**, *Personal Representative of the OSCE Chairman-in-Office*

Thank you very much, Mr Chairman.

To be here at the traditional crossroads of caravan routes, in what used to be called “The Land Beyond River” (Mawarannahr), symbolises all what the Organization for Security and Cooperation (OSCE) stands for. Jointly tackling security problems, while respecting each other’s differences. To be a guest in this amazing cultural kaleidoscope of a people that know how to host its visitors makes this experience even more meaningful. It shows the strength of diversity within the OSCE, solidly based upon shared standards. And it surely shows the hospitality of Uzbekistan.

Mr Chairman,

The theme of this year’s Economic Forum is ‘Trafficking in Human Beings, Drugs and Small Arms and Light Weapons’. In this third preparatory seminar, the focus here in Tashkent, will be on drugs trafficking. Or to be more precise on the impact of drugs trafficking on the security and the stability, the lives of citizens and specifically the economies in the OSCE region.

The Organization for Security and Co-operation in Europe (OSCE) deals primarily with security, comprehensive security. Security is more than just arms control, conflict prevention, crisis management and sorting out political differences. Without due regard to human rights and economic and ecological development, no sustainable security, no lasting peace can be achieved. In the same vein, drugs trafficking should be considered a serious threat to the long-term security and stability of the whole OSCE region. Criminal networks control the drugs trade. They defend and increase their market share through violence and corruption. Conflicts between rival gangs are violently settled. Law enforcement agencies are infiltrated, corrupted or outgunned. Ordinary citizens end up in the firing line, either as addicted customers, drugs couriers or - quite literally - as violently slain bystanders. National governments lose control over part of their territories and their civil servants. Pockets of lawlessness appear, often in remote areas. And customs officers and others figure on the payroll of the criminals. The criminal networks operate with budgets and an infrastructure competing with any legal multinational company. Drugs money fuels civil wars and the wars continue over the spoils of the drugs trade. Security and stability become a distant dream. If we want to effectively combat trafficking, we – i.e. national governments, intergovernmental organisations and NGO’s - better get our act together, arrive at joint strategies and combine our wit and resources.

The most visible victims of drugs trafficking are the addicts. Mostly vulnerable people, young and often jobless without many prospects in life. People who sought refuge in intoxication, but got caught in the habit. Human misery that can be witnessed in the streets of major cities all over the OSCE region. An addiction linked to the spread of the HIV/AIDS virus. Human capital is wasted, the labour market is affected, and health care costs multiply. A social problem with serious economic consequences has emerged.

So often underestimated or even forgotten is the economic impact of drugs trafficking. Drugs trafficking devastates national economies. The violence and insecurity it brings stops serious investors foreign and local from investing. Money otherwise invested productively ends up in the drugs business or in many non-productive sectors, hundering money in their casino's and real estate. Entrepreneurial skills available are geared more to unproductive ventures than to serious business. Criminal networks are increasingly infiltrating the legitimate economy. Not just with their money, but also with their ethics. Countries with a relative modest Gross Domestic Product (GDP) are proportionally harder hit by issues like for example the loss of productivity or the drop in tax revenues. There may be short gains for a few in terms of jobs for farmers and day labourers or laboratory operators, but the long-term losses outweigh them. "And the gains are for the few, while the losses are for the many", as this year's International Narcotic Control Board (the INCB-) report rightly stated.

Drugs' trafficking is big business. The profits are huge and the consequences disastrous for all our societies. The criminal networks involved will not give way without a fight. International cooperation is needed to really make inroads. The OSCE is only one of the players. Thus this seminar aims to complement the work being done in other international settings by identifying OSCE's niche, OSCE's added value. The major player in the international scene is of course the UN ODC. Their many conventions and activities, their wide field presence, also here in Central Asia, everything is geared to combat the production, trafficking and usage of drugs. The G-8 initiative taken under French chairmanship to combat drugs trafficking from Afghanistan and the EU-Central Asia Drugs Action Plan are two good examples where opportunities to synchronise activities appear. Further cooperation in the field of combating drugs trafficking in Central Asia, building on the foundation of OSCE – UN ODC (United Nations Office on Drugs and Crime) cooperation of the past is another opportunity. As is drawing upon experiences from the EU's involvement in building up the law enforcement capacity or training the customs service in, for instance, the Balkans. And not to forget the many various activities of NGO's in this field.

Mr Chairman, the distinction in drugs trafficking between countries of origin, transition and destination is very fluid. For instance, every transit country gets an addiction problem, simply because of the overflow of drugs. And countries that are consumers of certain drugs may become producers and even exporters of other drugs at the same time. In short, all our countries are affected; all our countries are under siege. I think it is time to face this reality, for the Netherlands not the least. As you all know, the Netherlands has a big problem on its hands to curb the production and export of synthetic drugs. We are very well aware of this and fully committed to turn this trend. But we cannot and will not do this in isolation. Without stronger cooperation to prevent the trafficking of precursors, the basic chemicals used in the production of synthetic drugs, any attempt to stop production will be futile.

Finally, Mr Chairman, by the end of tomorrow we hope to have a clearer picture of the economic dimensions and perspectives of drugs trafficking. About the root causes, the links between trafficking networks - drugs on the one hand and human beings and arms on the other - the financial flows, transportation routes, the economics of the trade so to say. We hope by tomorrow to have identified the gaps in our knowledge, where further research is needed. All with the overriding aim to be able to tackle more efficiently this cancer that is undermining the security, the human dignity and the economies of our countries.

Thank you, Mr Chairman.

OPENING PLENARY SESSION

Keynote speech

“Economic issues in drug trafficking: The need to broaden the perspective”

by **Mr. Jan van Dijk**, Chief: Crime Reduction and Analysis Branch
Crime Programme, United Nations Office on Drugs and Crime

Thank you for the invitation to speak at this important and timely seminar.

Too often those working on various issues of security and development tend to stick to their expertise, talking only with people who are active in their immediate areas of responsibility.

It is however increasingly clear – as I wish to demonstrate in this presentation – that there is much to be gained from a cross-fertilization of ideas. If there are strong interconnections, not only between various forms of cross-border criminal activity, but also in respect of their economic and social causes and impacts, planning any effective response must take these linkages into account.

At the outset, therefore, it must be stated that trafficking in drugs cannot be seen in isolation, not only from its more obvious link to those organized crime groups involved in doing so, but also to the longer term consequences of these activities on states, their institutions and economies.

Over the past number of years, the Crime Programme at UNODC has, in order to monitor international organized crime trends, collected detailed information about criminal groups in many parts of the world including Western and Eastern Europe, the CIS countries, Asia and Africa. Selected conclusions from this work are worth outlining here as a backdrop to some of the key points I wish to make. I will illustrate these using four slides.

It is worth initially highlighting the close linkage between drug trafficking and organized crime. While such a link is now conventional wisdom, there have been few attempts to determine the proportion of organized crime groups that engage in drug trafficking.

(SLIDE 1) Drug trafficking is without doubt the most common form of activity across a diverse array of organized crime groups, almost everywhere in the world. This is illustrated in my first slide, showing the proportion of groups, involved in one primary, or a range of activities, where drug trafficking constitutes the key activity – this being the case in just over half the groups.

This certainly applies in a region like Central Asia. But, it should not be forgotten that criminal groups and networks engaged in drug trafficking are also actively involved in the smuggling of other illicit goods, most notably in this region, in the deadly trade in firearms and light weapons. If drug trafficking constitutes a primary activity for the majority of groups, this does not mean that their sub-activities – be it money laundering, corruption or violence – do not also have crippling social and economic consequences.

(SLIDE 2) Equally, it is worth pointing out that the activities of organized criminal groups are seldom limited only to the so-called underworld – the criminal economy. The boundaries between what are legitimate and illegitimate activities blur considerably. This is illustrated by the following slide that shows the proportion of criminal groups on which we have detailed

information, and their links to legitimate commerce. Three quarters of the groups either have extensive connections to the legal formal business sector or invest their profits in the legitimate economy.

(SLIDE 3) The propensity for organized criminal groups to engage in corruption is also a significant feature that should be emphasized. Of the groups on which we have detailed information, in a significant proportion of cases – approximately 60 percent – corruption is essential to their primary activity.

(SLIDE 4) The link between organized criminal activities, associated drug trafficking and extraordinary levels of violence illustrates how these activities work to undermine the social fabric of societies. Take just one example, that of Colombia, where drug trafficking has an enormous negative impact on the development of society. Here it can be shown that there is a strong association over time between the demand for drugs in the United States and the homicide rate in Colombia – the higher the demand, the greater the mob-related killing. A heavy price to pay for a developing country.

If the key activity of the majority of organized crime groups in most societies is drug trafficking, and if these groups in turn have a significant impact not only in the so-called criminal underworld, but in legitimate commercial activities. And, if a stable activity of many of these groups is corruption and one critical impact (at least in some societies) is dramatic increases in violence, it is clear that the growth of drug trafficking – and as a result organized crime – has the ability to undermine legitimate economies and undercut effective state authority.

Indeed, we at the UN Office on Drugs and Crime have become increasingly interested in the links between development, the presence of effective state institutions (or the lack thereof) and the growth of drug trafficking and its links to organized crime and high-level corruption. We have engaged in the last year on a data collection and analysis exercise on this matter and I wish to present some of the findings of this work here today.

The crisis of governance

(SLIDE 5) Our analysis suggests a clear link between the failure of some countries to achieve sustainable economic development that benefits all citizens and the growth of organized crime. When country performance on organized crime – measured by a composite indicator of organized crime as developed by UNODC – is measured against performance in UNDP's human development index, it is clear that those countries with high levels of organized crime have low levels of human development.

Organized crime, with its relation to corruption, and lack of development are mutually reinforcing social evils. States characterized by these twin problems have little prospect of developing into prosperous democracies. In turn, the lack of development and the weakness of institutions provide the context in which organized crime and corruption thrive. Many developing countries are locked in a double bind of lawlessness and poverty. There are no easy ways out of this vicious circle.

(SLIDE 6) This work is reinforced by conclusions reached by the World Bank and others that point to a clear link between corruption, organized crime and economic stagnation in many societies. Our cross-national analysis of over 80 countries, representing all regions of the world, suggests that the level of organized crime and corruption is closely linked to the ability of states to both enforce the rule of law and ensure acceptable levels of governance. If, for example, an index for the rule of law is measured against our organized crime index, the results show only

too clearly that countries with high levels of organized crime measure poorly on the rule of law index.

It should be emphasized here that our work shows that the single most important predictor of economic growth appears to be the presence of an independent and professional judiciary. In short, the rule of law emerged as a critical success factor for creating an institutional environment conducive to sustainable development.

These links are most marked in countries that have been subject not only to low levels of development and high levels of organized crime and corruption, but also the ravages of war. States whose institutions have been weakened are also more likely to fragment into lasting civil or violent disorder. War itself creates an environment where corruption and organized crime can prosper to the extent that they become impediments to conflict resolution and post-conflict rehabilitation. When this occurs, crime, corruption, political objectives and ethnic extremism become an explosive cocktail.

Organized criminal groups are sometimes parasites of conflict, in other cases a symbiotic relationship develops between political and criminal elements. A closer look at conflicts in Central and West Africa, or in South Eastern Europe, demonstrate this only too well. And, indeed, events in this region too, reinforce this point. Here, organized crime, as you are well aware, is often closely linked to tightly organized ethnic clans, with a considerable blurring between legal and illegal activities.

The most critical intervention that can be made in post-war societies, in the context of institutional decay and breakdown, is to concentrate on establishing or re-establishing the rule of law.

The same point is made poignantly by Mr. Paddy Ashdown, who, looking back on the UN peace-keeping mission in East Timor, made the following observation:

“In hindsight, we should have put the establishment of the rule of law first, for everything depends on it: a functioning economy, a free and fair political system, the development of civil society, public confidence in police and the courts. We would do well to reflect on this as we formulate our plans for Afghanistan (...).”

In this context the link between criminal activities and terrorism should also be highlighted. In the last three decades, the production and trafficking in illicit drugs have become a major source of income for a number of terrorist groups, most prominently in Latin America but also elsewhere.

The extent of the link between drug trafficking, organized crime, violent conflict and terrorism must not be underestimated. In the late 1990s, some thirty armed conflicts worldwide were fuelled, in whole or in part, by the proceeds from heroin, cocaine, marijuana, hashish and synthetic drugs.

For political or terror groups engaged in drug production or trafficking, the risk exists that they become so enmeshed in the drug trade, that illicit commercial considerations take precedence over any political ideology. In such cases, where state power is held for profit, and the instruments of the state and that of criminal groups merge, the prospects for development that benefits all citizens is extinguished.

Linking security to development

Despite the importance of these linkages, too often issues of security and development are considered in separate realms, the one seen as the job of police officers and lawyers, the other as the responsibility of economists and development specialists.

I think it is worth pointing out here why traditionally security is seldom considered by development specialists, and why development is generally of little concern to those charged with maintaining security.

There has been, as many of you are aware, a general tendency amongst development agencies to shy away from funding internal security efforts. Law enforcement and criminal justice agencies more broadly, were seen as the very instruments of repressive, non-democratic states, often responsible for poor economic conditions in the first place. They were, from a development point of view, seen as part of the problem, rather than of the solution.

From a security perspective, the root causes of crime, such as poverty, illiteracy and unemployment were seen as issues that security agencies could do little about. Their job, or so it seemed, was to concentrate – and generally in the short term – on reducing levels of crime and violence, whatever the context in which they occurred, and generally without reference to their causal factors.

Several key changes have now shifted the contours of this debate, setting the stage for a more comprehensive and integrated approach to development and security.

The first is an understanding of the importance of institution building for development. States with weak institutions – including those in the field of criminal justice – simply cannot develop. The lack of effective institutions means an inability to provide for the rule of law and good governance. This includes the ability to channel the wealth generated by any economic development for the benefit of all citizens.

To the ‘good governance’ development concept has now been added the understanding that lack of governance in some parts of the world hold dangers for other parts. This understanding of the security implications of underdevelopment began before the events of 11 September 2001, but has been accentuated by them.

Transnational organized crime, including the link between organized crime, corruption and terrorism, is now perceived as the number one global security challenge. Effective action against these threats requires a full understanding of their multiple causes. In our view, transnational terrorist attacks, irregular immigration flows, as well as the continued trafficking of huge amounts of narcotic drugs can to a large extent be seen as cross-border effects of institutional failures in certain countries.

If institutional quality could be improved in critical areas of government in these countries, many of these problems would obviously not also manifest themselves in other places. However, the analysis should not stop there. Countries with more established institutions are not only at the receiving end of global problems. In reality, some of the most developed countries are in many ways implicated in the institutional failures causing these problems.

Firstly, affluent countries provide opportunities for organized crime as main destination countries of illicit products, such as, inter alia, narcotic drugs, protected species, stolen art, “conflict-diamonds” and women trafficked for sexual exploitation. To give just one telling

example, and as I illustrated earlier, problems with violence and corruption in Colombia cannot be understood, except against the background of the demand for drugs in North America.

Secondly, some developed countries directly contribute to institutional failure as providers of bribes to public officials, as illustrated by the bribe-givers ratings of the Berlin-based NGO Transparency International.

Thirdly, some affluent countries act as facilitators of the laundering of criminal proceeds.

Obviously there are many sides to these global problems. To better tackle global security threats a full analysis of these underlying, cross-border interdependencies is called for.

This is not the place to apportion blame for these interrelated problems to individual countries or to regions. But, it is to emphasize that, as never before, there is *a global community of interests* in addressing the nexus between drug trafficking, organized crime, corruption, institutional failure, lack of development, irregular immigration and terrorism. The problems of “bad governance” of some developing countries have transnational root causes. Sustainable solutions should therefore largely come from better international coordination and cooperation.

Policy implications

What, then, can be done to address these issues?

Most fundamental is to recognize that development cannot take place in a realm of internal insecurity. And further, that without development, insecurity will spread, affecting both the developed and developing world.

That requires much more innovative thinking on our part as to how and where effective programmes can be devised which address this critical link between security and development.

If this premise is accepted, then our aim should be to build or re-build state institutions in weak and conflict-torn states. Here the focus must in particular fall on the institutions of criminal justice, sorely neglected in many development programmes.

The police in poor communities often represent the front end of the state. They do not only enforce the law, but provide a range of administrative services which is generally performed by other agencies, such as municipal government, elsewhere.

Respect for human rights remains a key criteria to establishing police agencies accepted and respected by all – a prerequisite for establishing and maintaining the rule of law.

Thus, building non-partisan, professional police agencies that are free of corruption is an important step in reinforcing the conditions necessary for development. It is worth highlighting in this context the critical requirement for police and criminal justice reform in the whole of the Central Asian region.

Of course, caution at funding the security apparatus of authoritarian states remains a healthy requirement for work in this area. Yet this does not apply in all states, especially in fledgling democracies or post-conflict societies. And, innovative and targeted funding programmes, emphasizing respect for human rights, can make a significant difference. The United Nations Crime Programme has, over the past fifty years developed a catalogue of minimum standards

and “best practices” of humane and effective criminal justice. The time has come to put these standards into practice across the world.

A review of amounts expended on criminal justice in a range of countries suggests some important disparities here. Data we have accumulated suggests that many developing countries spend on average less than five or ten dollars on criminal justice per citizen per year. Developed countries, or those with higher rates of development, often spend well over 150 dollars per citizen per year, and generally much more.

Of course, developed countries have more to spend, but even so the investment in the justice system in many developing countries is disproportionately modest compared to its importance.

This point is re-emphasized if closer attention is paid to *where this money is spent*. In many developing countries, as an inheritance of authoritarian or colonial rule, the focus falls heavily on the police, with much less invested in the prosecution, courts or judiciary.

Yet, effective and non-corrupt institutions of criminal justice are critical to sustaining the rule of law and fighting organized crime and corruption.

Our analysis of the institutional correlates of organized crime and corruption suggests that only soft measures, such as awareness campaigns, will not suffice. Organized criminality can only be tackled through a two-pronged approach of civil society mobilization on the one hand and specialized law enforcement and prosecution agencies and professional, independent and accountable judiciaries on the other.

These conclusions can well be applied to Central Asia. UNODC is, in conjunction with some of the governments of the region, completing an assessment of organized crime and state responses to it in Central Asia. The results of our assessment match those of other organizations, most notably the European Bank for Reconstruction and Development, which has highlighted the importance of creating a safe climate for business, including through the reform of criminal justice systems.

The conclusions of our work on Central Asia is clear in respect of fighting organized crime – an increased emphasis must be placed on promoting the establishment of effective and specialized state agencies, free of corrupt practices, that can investigate and prosecute members of criminal organizations in a way that sends a message that such activities will not be tolerated. Our recommendations will be presented shortly to the participating countries and other interested parties in May of this year where we hope to identify specific areas where UNODC can assist. The international donor community also has a key role in this regard, funding such efforts at reform and institution building – short-term investments here may have important long-term benefits, providing sustainable tools for states themselves to counter the problems within their own borders, before they have transnational consequences.

Critical too, is the requirement to foster cooperation between criminal justice professionals in different societies, a useful measure for, amongst other purposes, bolstering their integrity and independence, by emphasizing that criminal justice professionals belong to a worldwide network whose task is to defend the safety of citizens across the world. Regional and international judicial cooperation is improving in the universal fight against terrorism, but much needs still to be done.

Organized crime and corruption cross-borders – indeed use the constraints posed by borders on law enforcement agencies as a comparative advantage – and so the fight against these phenomenon must be a cross-national and global enterprise.

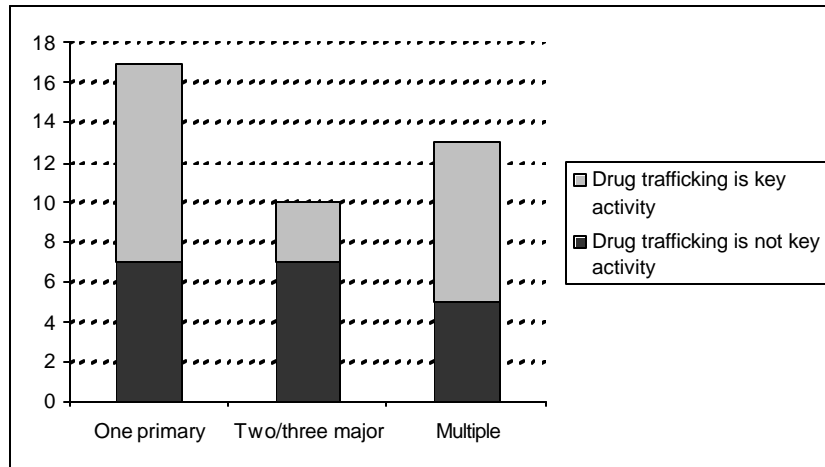
Our assessment of organized crime and state responses to it in Central Asia that I have just referred to shows only too clearly that a key requirement is to ensure the effective flow of information between states by creating systems and mechanisms which allow this to occur. At a regional level much closer integration and cooperation between those fighting organized crime is an essential requirement.

The United Nations, through the Convention against Transnational Organized Crime and its supplementary protocols against trafficking in persons, smuggling of migrants and trafficking of firearms, provides the legal and political framework through which such cooperation can occur. The Convention sets in place processes and structures to initiate and sustain cooperation. It has been signed by the majority of countries in the world and is likely to enter into force next year. *There can be no better foundation for improved international cooperation.*

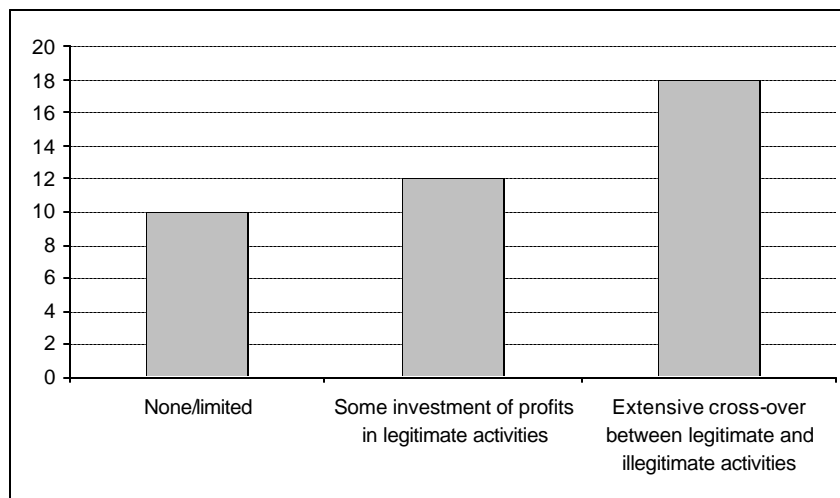
The success of the Convention itself, however, as well as other related efforts at police and criminal justice reform, is dependent on funding. Capacity building across borders promises a good return on investment. It not only aims to benefit citizens of the developing world, but seeks to limit the externalities of weak institutions and state failure for the developed world, such as drug trafficking, the expansion of criminal networks, terrorist attacks and the inflow of irregular immigrants.

For Central Asia, in particular, the analysis that I have provided presents some clear conclusions and stark choices. Problems of drug trafficking and organized crime can be countered, but only if there is a fundamental commitment to state responses that rely on reinforcing rather than undermining the rule of law. Unless this choice is made, drug trafficking and organized crime will undermine the ability of the region's states to effectively govern their people, improving the quality of life of citizens and the economic opportunities that are open to them. In sum, what is required both in this region and elsewhere is a new discourse on the links between institution building, development and security. Key to our approach in this regard must be to challenge conventional wisdom, accepting that issues of drug trafficking cannot be seen in isolation. We must seek new solutions when past policy alternatives have failed, and by doing so, lay the foundations for a new age of regional and thereby global security.

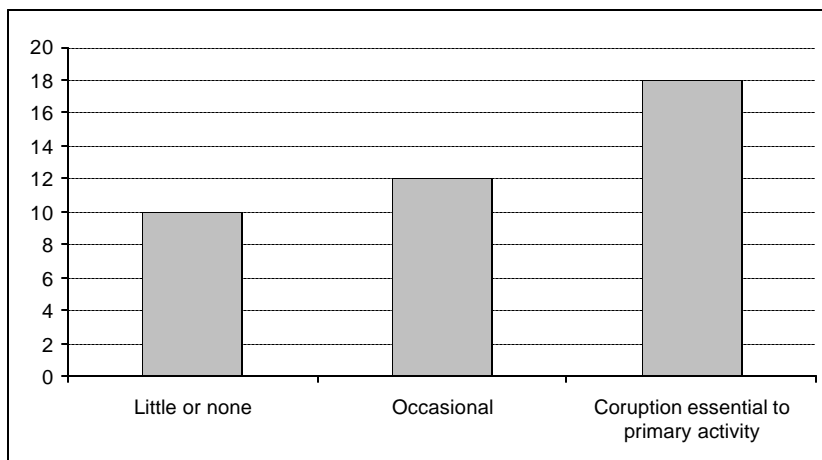
Slide 1: Organized Crime Group and Drug Trafficking



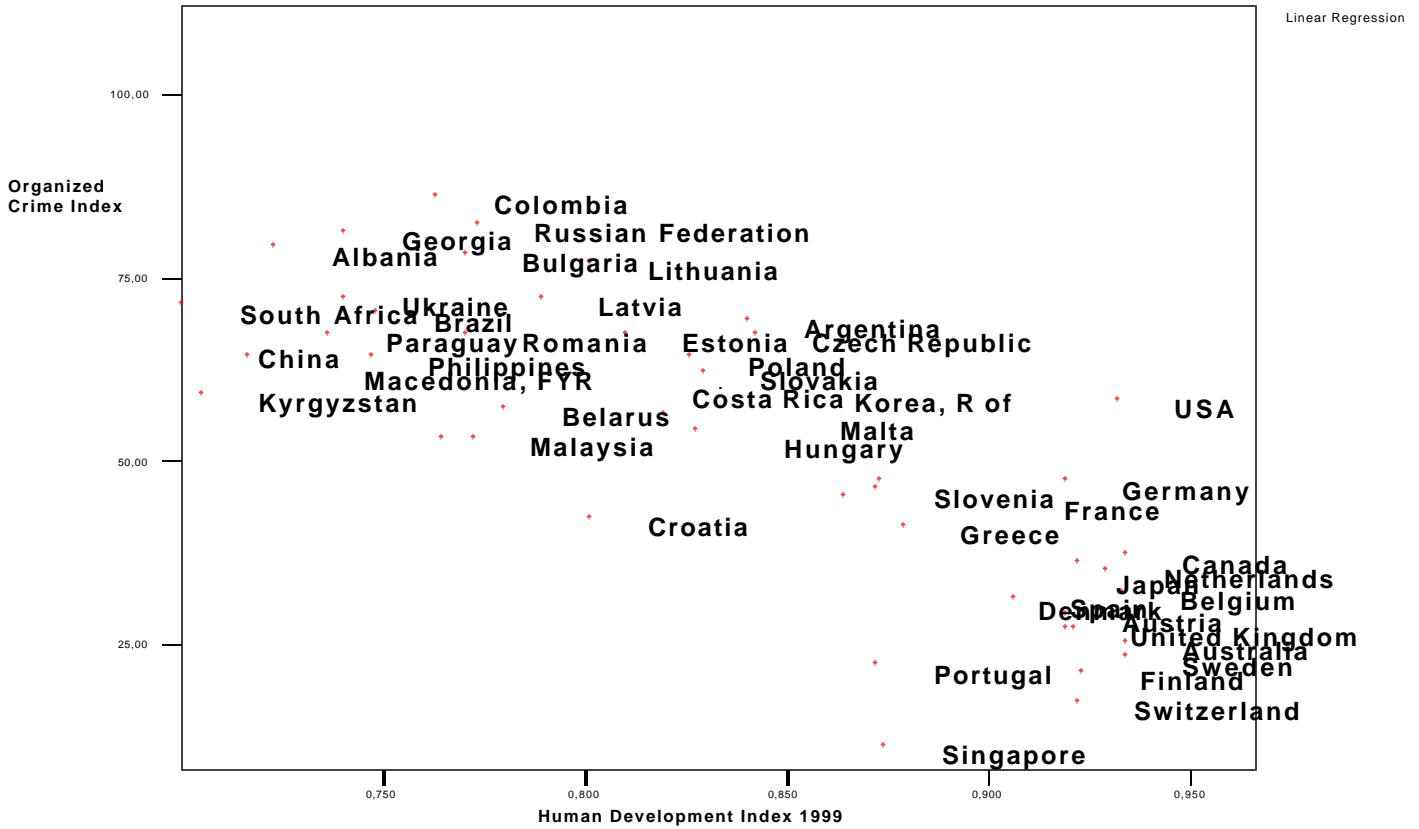
Slide 2: Penetration of Organized Crime Groups into the Legitimate Economy



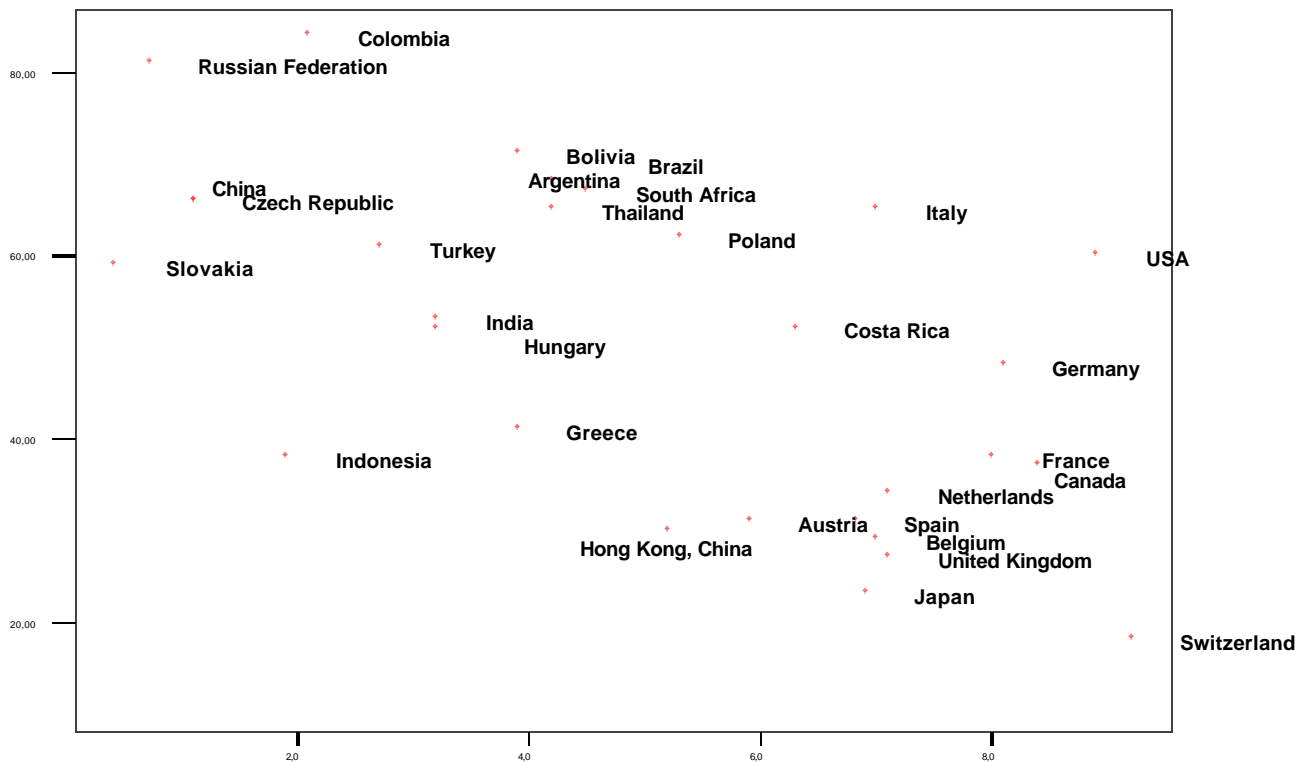
Slide 3: Organised Crime and Corruption



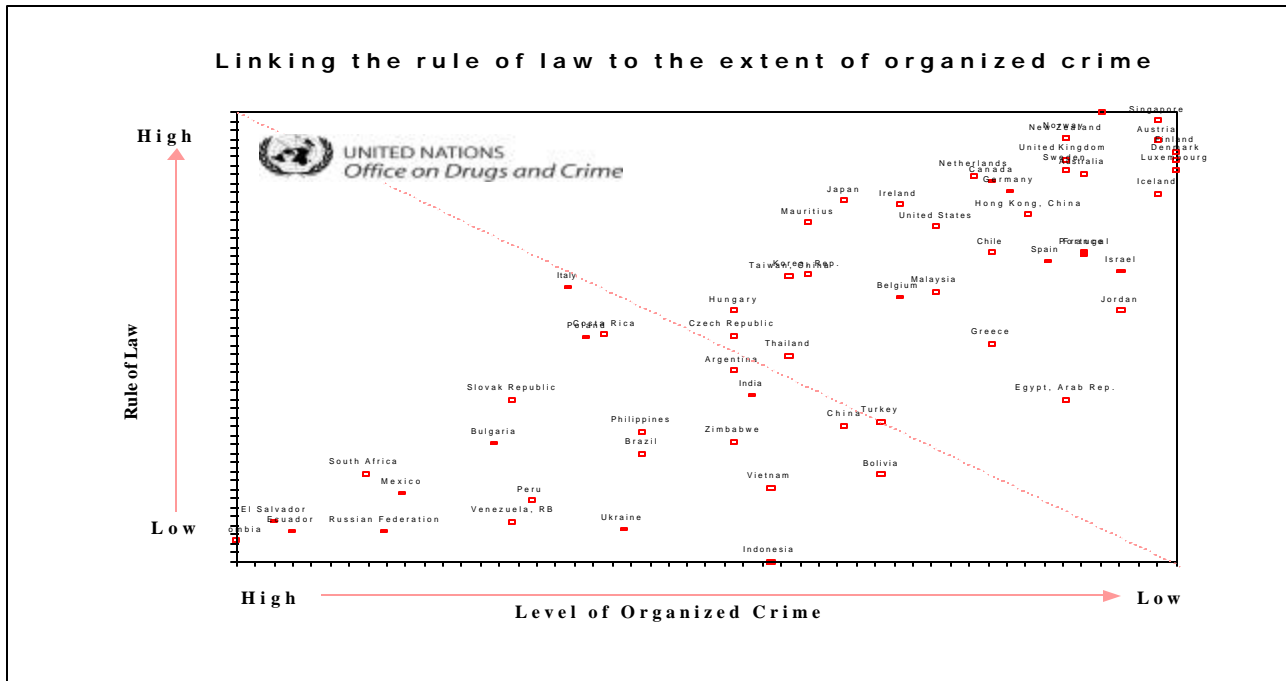
Slide 4: Organised Crime and Human Development Index



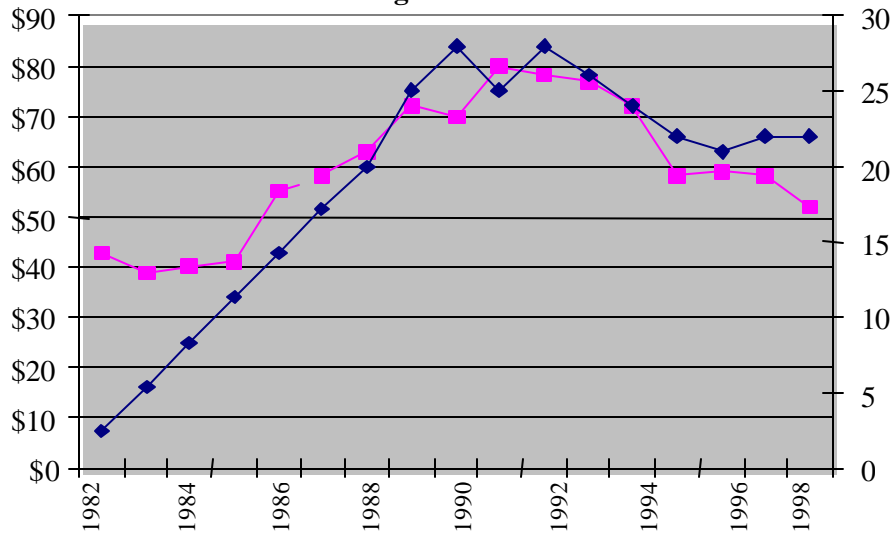
Slide 5: The Link between Organised Crime and Banking Regulation



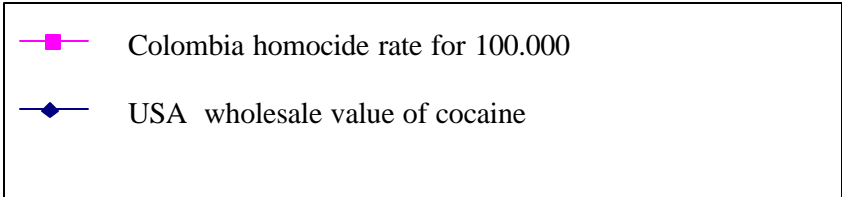
Slide 6: Linking the rule of law to the extent of organized crime



Slide 7: Link between the US Drug Markets and Violence in Colombia



Year



REPORT OF WORKING GROUP I

TRAFFICKING IN DRUGS

by **Mr. Markku Visapaa**, Economic and Environmental Officer, OSCE Centre in Ashgabad.

1. Summary

A general conclusion of the discussion is that the economic factors relating to illegal trafficking reflect a recognized reality: the individuals and groups involved are participating in a profitable business, making investments and taking risks in order to maximize their profits.

One speaker noted that trafficking in drugs constitutes the major single component in all illegal trade yielding the highest profit. The traditional situation has changed drastically during the past few years. The production of relatively cheap synthetic drugs and the precursor chemicals required has transformed the traditional consumer countries into new producer countries, while the old producers and transit countries of heroine have also become destination countries and consumers of drugs. It was further mentioned that the magnitude of the economic scale involved can be illustrated by the estimated annual profit derived from the turnover of the synthetic drug "Extacy" in one specific Western European country. Producing one tablet of the drug costs about 0,2 euro and it sells on the street at an average price of 15 euros each. The annual consumption in that same country is estimated to be approximately 100 million tablets. Consequently the yearly profit for dealing in one drug in that one specific country amounts to 1.4 billion euros!

It was emphasized that the problem of illegal trafficking, including drugtrafficking, is a global one and it is accentuated by the growing demand for synthetic drugs all over the world. Therefore international and regional organizations, which are involved in actions against illicit trade by organized crime, need to extend their activities and look beyond their usual geographical sphere. It was generally acknowledged that prompt and real-time exchange of information between these organizations is clearly one of the key issues in the fight against the illicit trade.

It was suggested that in order to improve results in this area, intelligence organizations themselves need further improvement of their structures and development of their operative preparedness.

It was noted that trafficking in drugs, by definition, is closely linked with such activities as corruption, theft and diversion of otherwise legal produce. Similarly it has a high correlation with the low level of development of social and economic policies and institutions as well as law enforcement capabilities. Drug trafficking is also interrelated with other kinds of trafficking, money laundering, misuse of legal commercial entities and industrial facilities, and acts of violence.

International action against drug trafficking involves specialized agencies and organizations, such as the various UN bodies, INCB, Interpol, Europol, national law enforcement authorities and customs and border guard services. Essential requirements for successful co-operation include common information exchange mechanisms, agreed standards for law enforcement operations, training for border guards and customs officials and various joint supervision and monitoring mechanisms. International organizations, such as EU, INCB, UNODC, UN/ECE, OSCE would be expected to continue and expand their support to training of individuals and

institutions, advocacy at the political level and alleviation of economic and social hardship of common people.

2. Specific Suggestions

During the discussions a number of suggestions were proposed. These include the following:

- Co-operation between international and national law enforcement organizations should be enhanced by improving the information exchange mechanisms and raising their operative capabilities to counter drug trafficking as well as the diversion of precursor chemicals.
- Various preventive actions should be taken along the so called heroin route with a special emphasis on the EU accession and candidate countries, in order to establish a unified action area against drug trafficking once these countries join the European union.
- The social and political institutions in any given country should be strengthened in order to be better operative and form an essential framework for the fight against drug trafficking.
- Similarly the economic situation of the people should be improved, since there is a strong and direct link between poverty and illegal activities.
- OSCE is considered to be well placed to take a lead in an advocacy role at higher political levels.
- OSCE should also take an active role in the EU accession and candidate countries in various sensitization campaigns and training events in relation to the dangers of heroin, synthetic drugs and the diversion of precursor chemicals. This should also be done in the rest of those countries where OSCE already has a presence.
- The co-ordination and co-operation among various organizations involved in the fight against drug trafficking should be operationalized and enhanced.
- In the fight against drug trafficking in all its spheres, more attention should be paid to the elimination and interruption of illegal access to precursor chemicals.
- The legal investments of illegally accumulated funds should be prevented, and the utilization of legal banking facilities should be barred by strengthening public control of banks and other capital development institutions.

REPORT OF WORKING GROUP II

TRAFFICKING; NETWORKS, ROOT CAUSES AND ECONOMIC IMPACT

by **Ms. Alexandra Valkenburg**, Senior Policy Advisor, Judicial and Police Cooperation Division, Netherlands Ministry of Foreign Affairs

The working group discussed the new kind of criminal organizations, which could be described as ‘networked groups’, that engaged in the global economy of the post Cold War period. These groups can be characterized by the fact that there is a protected core with different cells operating around the core. The groups operate transnationally, are decentralized and cooperate and coordinate their criminal activities. Criminal organizations are flexible and tend to spread their risks, for instance through the use of numerous small labs and use of small size shipments of drugs via ‘mules’.

The profits that are made by criminal organizations involved in drug production and trafficking are huge and have an effect not only on the countries where production and trafficking take place. The need to launder money leads to a disruption of the economy throughout the world. In so-called front-stores the illegal and legal markets often come together. Governments have to make it harder for criminals to enjoy their profits. In this regard legal provisions against certain crimes are not enough. Money laundering itself has to be criminalized.

In Afghanistan 19% of GDP is drugs-related. For the countries surrounding Afghanistan the % of GDP related to drugs trafficking is 2%. Although the profits are relatively high in Central-Asia there are very high costs of the trade in these countries, for instance because of the steep increase in HIV-infections, mainly due to intravenous drug use. Poverty and unemployment in the region are contributing factors motivating people to get involved in the drug trade as carriers and/or use drugs. Recently there is a notable increase in the involvement of women in the drug trade, as well as female addicts. The combination of supply and demand reduction (including harm reduction) programmes are important elements of national and international drug strategies. One cannot be tackled without the other.

Micro-economic analysis indicates that legalisation would not result in economic control over the drug industry and that it will not lead to a reduction of economic and medical costs.

Suggestions for future action:

Tackling criminal organizations and trafficking

- There is a need for a holistic approach to the threat of organized crime: need to look at the drugs-crime-terrorism link in relation to the socio-economic environment;
- Coordinate efforts of law enforcement, customs, financial investigation services as well as development organizations within countries and at the regional level;
- Make use of trends assessments of organized crime to prevent misdirected analysis;
- Intensify financial investigations (pool tax and police information) to prevent criminal organizations from laundering money throughout the world;
- Promote the reporting of irregular financial transactions by banks, lawyers, real estate agents and broker houses;

- All countries need to adopt money laundering laws (the 1988 convention on drug trafficking includes provisions on tackling money laundering)
- Promote speedy ratification and implementation on the UN-convention on transnational organized crime.
- Anti-money laundering tools can also be used to combat the financing of terrorism.

Promote the rebuilding of Afghanistan (democracy, rule of law, development)

- Support alternative means of development for farmers and alternative sources of income for others involved in the drug trade;
- Support the setting up of a micro-credit system for farmers;
- Support creation of a macro-economic structure within which commodity markets can grow free from the perverse incentives provided by the drug trade;
- Support education, especially for girls;
- Mainstream drug considerations in general development policies.

Suggestions for the OSCE

- Include counter narcotics in OSCE police training programmes;
- Include drug awareness modules in training missions;
- Raise awareness of the general public through articles in newspapers on the problems related to trafficking in OSCE member states;
- OSCE could promote the sharing of information on trafficking problems between member countries;
- Support prison reform and demand reduction programmes in prisons to prevent the risk of HIV/AIDS and other infectious diseases spreading in prisons;
- In cooperation with the UNODC programme on money laundering, continue supporting governments in setting up and implementing anti-money laundering legislation.

REPORT OF WORKING GROUP III

EXPERIENCE AND FUTURE ISSUES

by **Mr. Armands Pupols**, Economic and Environmental Officer, OSCE Centre in Almaty

The drug trade has grown considerably over the past decade. Corruption is a problem virtually anywhere that drug trafficking occurs.

The challenges are more formidable. Unfortunately, the international community had allocated too few resources to fight the drug trade in Central Asia. Not enough attention was being paid to associated social concerns: for example, the role of women in the drug trade, impacts on family and community life, general human rights concerns and the emergence of HIV.

However, there are positive signs in Central Asia. Over the past year, particularly since September 11, the international community, working with the governments of Central Asia, has made large efforts to address the problem. Many Western countries increased their financial commitments considerably.

In the field of drug trafficking, the coordination of the international assistance represents a major challenge. The OSCE and the UNODC have carried out activities addressing drugs, organized crime and terrorism in an integrated manner. These activities include the training of mass media on drugs and crime prevention, technical training for law enforcement officials and reorganizing the cross border checkpoints, which were conducted jointly by several international organizations.

The World Customs Organization (WCO), which develops and maintains instruments and recommendations for the standardization of Customs systems, has created the Customs Enforcement Network (CEN). The CEN provides Customs organizations with a database of drugs seizures and other commodities. After the Tashkent International Conference on Combating Illicit Drug Trafficking, organized in 2002, the Balkan Silk Road Information System was created in order to also cover Central Asia. The WCO will provide training, services, such as establishment of detector dog teams, and equipment for the countries in this region.

Drugs are a cross-cutting issue, extend to far more policy areas. Central Asian countries are facing a cluster of issues around drugs: health and social problems; crime, security and governance; pressure from international partners.

Drug offences begin to absorb a large proportion of criminal justice capacity; they tie up police, congest courts and are the main driver behind prison overcrowding in the world.

The prison experience is one of the most detrimental policy options open. It destroys the career chances of the offender; reintegration into society is very difficult. Prisons are recruitment ground for criminal organizations.

Due to its geographical position, Kazakhstan attracts international organized crime, which focuses on the transportation of drugs and money laundering. The Kazakh Government considers it as a very important problem. It has adopted all the UN conventions related to drugs. Kazakhstan has indicated the UN as a leading organization in the fight against drugs.

Suggestions

- Support efforts to better understand the economic aspects of the drug trade. These efforts could be conducted through public opinion surveys, focus group discussions, creating a clearinghouse for information and complaints brought from citizens.
- Provide the resources to include more oversight and monitoring directly into programs. This could include more extensive collaboration on the ground with local law enforcement by providing assurance of protection to journalists who conduct investigation work.
- Integrated efforts have to be made in order to address human rights, gender and other social issues.
- The international assistance has to be delivered in a sensible and coordinated manner, to maximize the impact and avoid duplications.
- Strategic partnership approach is needed. Law enforcement agencies have to work with health services, local government, education and other agencies.
- Activities in the drug field policy have to be presented by assessments which are measured at the hand of consistent and integral indicators.
- Within the context of demand reduction programmes, effective harm reduction policies should be promoted, directed at recreational users as well as chronic drug addicts. This may also mean supporting non governmental organisations working with drug abusers and the most vulnerable groups .
- Governments need organizations that slip into the space between the authorities and the drug users; organizations that supply the sensitive information and will report on the impact of policy; they need a critical friend.
- A close monitoring of arrest and imprisonment records regarding those who are punished for drug offences has to be done.
- Promote greater transparency regarding budgeting of different agencies dealing with drugs.
- Priorities in the region regarding drug trafficking should include:
 - a) strengthening of external borders
 - b) fight against the trafficking in drugs within countries themselves
 - c) reduce the demand for drugs
 - d) rehabilitation of addicts.
- The OSCE could increase its activities in Central Asia.
- The OSCE can assist in efforts to attract more assistance to Central Asia from donor countries and international organizations.

CLOSING PLENARY SESSION

Summarizing Remarks

by **H.E. Daan Everts**, Personal Representative of the OSCE Chairman-in-Office

Thank you very much, Mr Chairman.

We are nearing the end of our two day seminar on trafficking in drugs, but if one thing has become clear it is that the fight against trafficking is still at an early stage. We have heard the Presentations of the Rapporteurs and the subsequent discussions. The comments and the findings all aim at the same direction: drugs trafficking impacts heavily on our societies. In terms of security, health and human dignity, but also in economic terms. We have to pause and see where we go from here. We have passed the stage of rhetorical declarations. Now, the common objective should be to find ways of stopping criminal networks from further endangering the future of our nations and our citizens, and find immediate action.

What lessons can we draw from our deliberations here in Tashkent?

First of all we have to reinforce the political commitment of all our governments, the 55 participating States of the Organization for Security and Co-operation in Europe (OSCE) should be above reproach. In concrete terms, this means ratification and full implementation of the three United Nations drugs treaties.

Secondly, and closely related, full political commitment is required of all 55 participating States to ratify and implement the United Nations convention against trans-national organised crime of 2000. And active participation is needed to successfully finalise the negotiations of a convention against corruption, of which the 5th session is currently under way in Vienna. And there is clear evidence of the stark relation between corruption and drugs trafficking.

And thirdly, further international agreement and commitment is necessary to properly address the illegal diversion of precursors, be it for the production of heroine, synthetic drugs or other drugs.

These are in fact the absolute basics, which should be the foundations for any other specific recommendations to succeed. What else is needed?

Drugs trafficking is a global problem. All our societies are affected. And therefore the only way to break the criminal networks running the trade is to collaborate closely. Thus, we need to build upon and strengthen regional and international cooperation of law enforcement agencies and customs services. Criminal networks operate cross border - so should we.

We have learned about the overlap in criminal networks. The sharing of transport routes and capacity. Cross investment, money made in trafficking in one commodity reinvested into the illegal trade of another commodity, and money laundering. The specialisation of policy makers and law enforcement officers, with some focusing on arms, others on drugs, does not match with the realities of the criminal trade. The criminal gangs are organized in networks, they are flexible, able to react fast to new developments. They are imaginative and creative. Government officials and others are organized in bureaucratic organizations that need time

to adjust their policies to changing realities. We need flexibility of our organisations. And we do not have that time. We need to get our bureaucrats out of their cubicles and take up the struggle against trafficking. We need to see some action. UNODC has a clear role to play, particularly in cracking the codes with regard to money laundering and organised crime.

Drugs traffickers are in the business for profit, and the profits are huge. At the same time the risks of getting caught are relatively small. And worse still, even when caught the risk of losing the illegal gains is negligible. Relevant legislation and financial investigations are needed to be able to trace and confiscate the illegally obtained money. Criminals should be hit where it hurts, in their pockets, or perhaps I should say in their bank accounts.

Heroin is still a major threat to security, health and our economies. Mainly coming from Afghanistan, either as raw material or as an end product it infiltrates the OSCE area at an alarming rate, Central Asia included. Synthetic drugs, designer drugs are nowadays swamping the markets. Both heroin and synthetic drugs are produced with chemical components, precursors, that often come from other countries. Precursors that are also used for legal purposes. Holes in existing legislation prove a headache for police and customs services. The question is how to stop the illegal trade, without unnecessary constraining legitimate business.

At the health-side we have heard the alarming risk of our citizens. Through drugs abuse, and related crime. But also through the spread of HIV / AIDS. We can not close our eyes and solely focus on the prosecution of the traffickers. The victims, but also the society at large need to be protected. A serious effort in prevention through well targeted public information campaigns could reduce the overall health costs considerably. And I am not only referring to the direct costs for health care here, but also to the costs in terms of a loss of productivity from a valuable and potentially productive part of a generation.

Which brings me to another major risk. The risk to societies at large. We have seen and heard that trafficking in drugs undermines a country's attractiveness as a destination of foreign investments. That sound economic policies cannot be effective if based on incorrect data due to large grey markets. That consumption pattern of traffickers tends not to be focused on the productive sectors. The costs to societies are huge and, unfortunately, those countries whose economies are vulnerable, suffer most. In this sense drugs trafficking itself is a contagious disease that infects the bases for potential economic development.

And what is OSCE's role in this whole spectrum?

Drugs are a clear threat to security and stability in the region for many years to come. Therefore it is of clear interest to a security organisation like the OSCE But the OSCE is not a specialised drugs agency, so where is its niche?

Firstly, in working closely together with the UNODC. To jointly fine tune interventions on the cutting edge of drugs and comprehensive security. Dovetail activities and avoid duplications.

Secondly, help to provide technical support to the judiciary, the police and other relevant law enforcement agencies in OSCE countries. The OSCE could help to raise the level of technical knowledge and understanding of the drugs trade and what to do against it. Invest in training and capacity building. Focus on drugs expertise, tracing profits, money laundering and profiling of criminal networks. Improve and modernise police processes. Stop the current trend that the forces of the good always seem to lag behind the forces of evil.

Finally, and very down to earth: Sensitise the OSCE missions to the struggle against trafficking. And mobilise funds for the necessary action to tackle this illegal business.

So where do we go from here? Our next stop is the Economic Forum in Prague (20-23 May), where we will bring together the experiences of the three preparatory seminars. We will be able to concentrate on the overlap among the three different dimensions of trafficking – small arms and light weapons, drugs and human beings – and we can be much more specific as to what is needed to be more effective in addressing the trafficking scourge. We will work together with the Economic Co-ordinator to prepare a list with potential concrete recommendations to which we can hold our governments accountable. The results from this seminar will be a major input.

Mr Chairman, we are grateful for the great hospitality granted by the Uzbek government. We were able to do our work, to hold our deliberations in a perfect surrounding and with the knowledge that our needs were perfectly taken care of. This has tremendously helped the success of this third preparatory OSCE seminar. Furthermore, allow me to once again extend my gratitude of the office of the Co-ordinator of OSCE Economic and Environmental Activities for their tireless efforts and their fruitful co-operation with the Netherlands Chairmanship to make this Third and final preparatory seminar for the Economic Forum a success. Also I would like to express my thanks to the organisers, the translators and the many people behind the scenes who have contributed to this seminar.

Finally, Mr Chairman, there exists an old saying, that “if you have seen Samarkand only once, you will be enchanted by its magic forever”. I am sure we will all leave Uzbekistan fully enchanted.

Thank you, Mr Chairman.

CLOSING PLENARY SESSION

Closing Remarks

by **Mr. Marcin Swiecicki**, Coordinator of OSCE Economic and Environmental Activities

Excellencies, Ladies and Gentlemen, dear participants I would like to welcome you all to the Closing Plenary Session. Over the last two days we have heard very interesting presentations on a wide range of the economic aspects of trafficking in drugs. Recent research and data were presented and lead us into frank discussions.

I have the pleasure to start this session by giving the floor to the rapporteurs of the working groups. They will summarize the discussions and concentrate on the suggestions.

After hearing the rapporteurs, we will have time for a brief discussion, followed by the summarizing remarks of Ambassador Daan Everts, Personal Representative of the OSCE Chairman-in-Office and the closing remarks by Mr. Ilkhom Nematov, the Deputy Minister of Foreign Affairs representing the government of our host country Uzbekistan.

The report on Working Group I entitled Trafficking in Drugs will be presented by Mr. Markku Visapaa.

...

The report on Working Group II entitled Trafficking Networks, Root Causes and Economic Impact will be presented by Ms. Alexandra Valkenburg.

...

The report on Working Group III entitled Experiences and Future Issues will be presented by Mr. Armands Pupols.

Now the floor is open to your comments.

...

I would like to thank the rapporteurs for all their work and give the floor to H.E. Ambassador Daan Everts, Personal Representative of the OSCE Chairman-in-Office to make his summarising remarks.

Thank you very much. Now I would like to ask Mr. Ilkhmo Nematov, the Deputy Minister of Foreign Affairs of Uzbekistan, our host, for his concluding remarks.

Thank you very much, Mr. Nematov for your kind words.

It is not easy to summarise everything that has been said these days, but we heard many different views and good proposals. This too proves the added value of this seminar, held at the right time and in the right place.

The problem of trafficking cannot be solved with one single formula. The role of the trafficking networks and the way they operate were outlined and brought us to discuss various strategies to combat them. We are grateful that we could set out by underlining our common concept of comprehensive security and Mr. Van Dijk's stressing the importance of the rule of law through building sound state institutions. From these prerequisites we were able to discuss the economic impact of trafficking with open eyes for facts and the current and future possibilities to counter the devastating effects of the trafficking on our populations and economies. It was most

enlightening to have this analysed with a focus on law enforcement, international cooperation, demand reduction and economic development too.

We should remind that raising awareness about drug abuse remains necessary. We should broaden the reach of awareness raising campaigns and improve their effectiveness.

We have heard about the need to ensure raising economic development in countries of origin and transit. Sustainable economic development and effective state institutions are critical for states to prosper and to combat trafficking. This goes for producer countries as well as for consumer countries. We have heard about the trends in drugs trafficking and abuse. Since drug abuse is also rising in countries of transit we have found these days, that more in-depth analysis on the economic perspective remains necessary.

The seminar also showed shared characteristics of the three types of trafficking we are dealing with in the context of this year's Economic Forum. Trafficking networks function like well organized multinational companies. They are linked to other criminal activities, including terrorism. They are using quite often legally operating banks to transfer money. They not only bribe customs officers and other officials but deeply infiltrate in state structures even including those responsible for combating crime. They are laundering money. They combine their illicit activities with legally conducted businesses. We learned about their investment priorities.

Broad based and multi-dimensional OSCE approach can be a vital step on the road to break the vicious circle of lack of development, poverty and organised crime and in this case the illicit trade in drugs. It needs mobilization of States involved and increased, well targeted international assistance.

OSCE recognises this and further works on it. The existing documents and current work were already mentioned in our Opening Session and first Working Group. I add that the work on the Strategy Document is going on to address the gaps in economic development between the participating States. It forms part of the general root causes approach.

The Consolidated Summary of the Seminar will be soon made available to the Delegations and to the participants. It will also be available to all interested in it on our website. At the 11th Economic Forum we will attempt to debate the suggestions regarding follow up actions by the OSCE, participating States and my office.

Before closing I once again would like to thank our Uzbek hosts, in particular Mr. Ilkhom Nematov, the Deputy Minister of Foreign Affairs. I would also like to thank the Netherlands OSCE Chairmanship, represented by H.E. Mr. Everts, Personal representative of the Chairman-in-Office and his teams in The Hague and Vienna. Special mention should be made of Ms. Esther van Seters, the extra help that was brought in by the Netherlands Chairmanship. Special words of thanks also go to all the moderators, the stimulating speakers and rapporteurs. Our deliberations would of course not have been possible without all the participants in the event, and I would like to thank you all for your support and contributions. All the OSCE Delegations taking part, the many Field Missions and institutions, the International Organizations, NGOs and academics, thank you very much.

Special words of thanks go to the interpreters and the Uzbek logistic team and as well as to the team from our OSCE Centre in Tashkent. Ambassador Erozan, Mr. Tookey, Mr. Nurmatov, Mr. Chutbaev, Ms. Kirillova, Mr. Nizametdinov and Ms. Ruzieva. In addition I want to mention all the efforts made by the staff from my office, Mr. Marc Baltes, my deputy who can not be

with us today, Ms. Andrea Gredler and Mr. Ivo Kersten. They all did excellent work, thank you for so much dedication.

Excellencies, ladies and gentlemen, it was an honour and a great pleasure to be with all of you and I am looking forward to our continuing co-operation. Thank you and I wish all of you a safe journey to your home country.



Organization for Security and Co-operation in Europe

The Secretariat

Office of the Co-ordinator of OSCE Economic and
Environmental Activities

Vienna, 22 January 2003

11th OSCE Economic Forum.
Third Preparatory Seminar: Trafficking in Drugs: National and International
Economic Impact

Tashkent, Uzbekistan, 17-18 March 2003

Introductory Note

The phenomenon of trafficking has become a prominent issue on the international policy agenda in recent years, as it affects all OSCE States in all its dimensions. The OSCE Permanent Council Decision No. 490 stipulated that the theme of the Eleventh OSCE Economic Forum (Prague, Czech Republic 20-23 May 2003) is to be: 'Trafficking in Human Beings, Drugs, Small Arms and Light Weapons: National and International Economic Impact'. The economic perspectives, such as the root causes, the links between trafficking networks, financial flows, transportation routes, and the impact on the economy, have not been sufficiently analysed to date and will be discussed as interrelated issues requiring joint action by OSCE States.

The seminar in Uzbekistan is the last one in a series of three preparatory seminars leading up to the Economic Forum. Each of the seminars deals with a specific form of trafficking, i.e. trafficking in human beings, trafficking in small arms and light weapons, and trafficking in drugs. The three seminars will be instrumental in obtaining insight in the inter-linkages between the various types of trafficking. The inter-linkages and the way in which these can be jointly dealt with, will be one of the major focal points for the discussion and formulating of recommendations during the Economic Forum in Prague.

The Uzbekistan seminar, which will be organised in Tashkent on 17 and 18 March 2003, will focus on the economic aspects and impact of trafficking in drugs in the OSCE region. The seminar aims to complement the work being done in other international settings, such as the UN and the EU, as well as in NGO's, to build on the foundation of OSCE – UN ODC (formally UN ODCCP) co-operation in the field of combating drugs trafficking in Central Asia in the year 2000. Furthermore, the seminar aims to contribute to the formulation and implementation of a policy agenda on trafficking in drugs from an economic perspective.

A recent press statement from the INCB (International Narcotics Control Board) states: "Only one percent of the money that is ultimately spent by drug abusers is generated as farm income in developing countries. The remaining 99 percent of global illicit drug income are earned by drug trafficking groups operating at various other points along the drug trafficking chain". Furthermore, research suggests that 2/3 of the profits gained in drug trafficking is earned in developed countries, and only 1/3 in developing countries. Still it is safe to assume that the relative impact of drug trafficking on GDP of countries is much bigger in developing countries and countries in transition, therefore undermining sound sustainable development.

The economic aspects of trafficking of drugs in the OSCE region vary widely. And even the issue of the kind of drugs being trafficked in the OSCE region varies widely. From the variety of drug trafficking commodities that can be distinguished a choice is made to focus on those which are the most dominant in the OSCE region, as well as those where there is still plenty of room and need for additional policy recommendations and co-operation among participating states.

The focus will therefore be on:

1. The trafficking of heroine, primarily from Afghani origin and trafficked through Central Asia, the Caucasian States and the Balkans to Western Europe and beyond;
2. The trafficking of synthetic drugs, often produced in Western Europe, but also increasingly in Central Europe and trafficked therefrom to all other areas of the OSCE;
3. The trafficking of precursors, the basic chemical materials used to produce the various drugs.

From the economic perspective in this seminar, the focus will be on root causes of trafficking in drugs, the transportation routes, the trafficking networks involved, the supply and demand chain of both the finished product and the raw materials (like precursors, poppy, etc). And also on the economic impact of drugs trafficking (and the usage of drugs) on the various countries and their economies. Both in terms of the general economic climate in a country (investment, exchange rates, employment), and in terms the economic costs (in terms of loss of productivity and costs for other health care).

On the supply side of the trafficking chain questions and issues that can be dealt with, include:

- An overview of the economic characteristics of the main countries of origin, transit and destination for raw materials and finished drug products, including an overview of transportation routes. Naturally this data will vary for the three drug trafficking commodities identified;
- What economic aspects can be distinguished in drug trafficking (in terms of GDP, short term vs. long term employment possibilities, investment climates, the value added chain from farmers of poppy or chemical producers of raw materials via the transportation companies to the various markets, etc.);
- What are the economic root causes and how can they be addressed?
- An assessment of the alternative livelihood programmes.

On the demand side of drug trafficking:

- An overview of the trends in the most commonly used drugs (shifts between drugs, geographical shifts);
- What is the economic impact for countries of transit or destination (again in terms of investment climate and GNP, but also in terms of loss of human capital as well as additional costs for health care, due to related issues like the spread of HIV/AIDS, etc)?
- What are the economic means to reduce demand?
- The costs of prevention versus the costs of rehabilitation.

On the issue of networks / intermediaries / transportation:

- An overview of networks involved and their characteristics, a trend-analysis of the shift in transportation routes;
- How is drug trafficking being financed (including attention for issues like money laundering, corruption, etc)? And how does the existence of a partially grey or black economy effect sound economic policies;
- What are the effects of expenditures from the earnings of drug trafficking on the economy? (effects on exchange rates, types of industries (e.g. increase in investments in non productive industries and real estate, rather than productive industries), etc);

- To what extent are drug trafficking networks linked to other trafficking networks (e.g. trafficking in human beings and small arms)? What are the trends? Is there a shift of attention from drug trafficking to human trafficking, etc. ?



Organization for Security and Co-operation in Europe

The Secretariat

**Office of the Co-ordinator of OSCE Economic and
Environmental Activities**

Vienna, 17 March 2003

11th OSCE Economic Forum.
Third Preparatory Seminar: Trafficking in Drugs: National and International
Economic Impact

*Tashkent, Uzbekistan, 17-18 March 2003
Conference Center – Hotel Intercontinental*

AGENDA

Sunday 16 March 2003

06:00-20:00 Optional excursion to Samarkand

20:30 Welcome Reception hosted **H.E. Daan Everts**, Personal Representative of the
Chairman-in-Office of the OSCE

Monday 17 March 2003

8:00-9:00 Registration of participants at the Conference Venue – Hotel Intercontinental,
Tashkent

9:00–10:30 Opening Plenary Session (open to the press)

Opening remarks	Mr. Marcin Swiecicki , Coordinator of OSCE Economic and Environmental Activities
Welcoming address	Mr. Ilkhom Nematov , Deputy Minister of Foreign Affairs, Uzbekistan
Introductory remarks	H.E. Daan Everts , Personal Representative of the Chairman-in-Office of the OSCE
Keynote speech	Economic issues in drug trafficking – the need to broaden the perspective. Speaker: Mr. Jan van Dijk , Chief Crime Reduction and Analysis Branch, Centre for International Crime Prevention, UNODC
Discussion	

10:30 - 11:00 Coffee break

11:00 – 13:00 Working group I: Trafficking in drug (Consecutive working groups)

Moderator: Mr. Eero Vuohula, Directorate General for External Relations, European Commission

Rapporteur: Mr. Markku Visapaa, Economic and Environmental Officer, OSCE Centre in Ashgabad

- Trafficking in heroin
The demand side of trafficking in heroin in the OSCE Region
Speaker: **H.E. Pierre Charasse**, Secretary General of the Ministerial Conference on the routes of drugs from Central Asia to Europe in the framework of the French Presidency of the G8
- Trafficking in heroin (continuation)
The European Union Efforts in the Fight against Drugs along the Heroin Route
Speaker: **Mr. Francisco Bataller Martin**, European Commission, DG External Relations
- Production and trafficking of synthetic drugs in the European Union.
Speaker: **Mr. Jörg Mölling**, Deputy Head Drugs Unit, Serious Crime Department, Europol
- Trafficking in precursors: The illicit trade in precursors in the OSCE
Speaker: **Mr. Akira Fujino**, International Narcotic Control Board (INCB)
- The Narcotics Situation in Central Asia.
Speaker: **Mr. Ravshan Alimov**, Director, Institute of Strategic & Interregional Studies under the President of the Republic of Uzbekistan

Discussion

13:00 - 14:30 Lunch break hosted by OSCE OCEEA

14:30 – 16:00 Working group II: Trafficking: networks, root causes and economic impact

Moderator: Mr. William Bach, Director of the Office of Asia, Africa and Europe, Bureau of International Narcotics & Law Enforcement Affairs, US Department of State.

Rapporteur: Ms. Alexandra Valkenburg, Senior Policy Advisor, Judicial and Police Cooperation Division, Netherlands Ministry of Foreign Affairs

- Drugtrafficking networks: its characteristics and links with other networks
Speaker: **Ms. Tamara Makarenko**, Centre for the Study of Terrorism & Political Violence, University of St. Andrews and special advisor on transnational crime to Jane's Intelligence Review
- Economic impact of the trade in illicit synthetic drugs
Speaker: **Mr. Henk Snijders**, Financial investigator, National Police Agency, Unit Synthetic Drugs, Netherlands, Interministerial Law Enforcement Co-operation Team

- Economic impact of the heroin trade on the economies in Central Asia
Speaker: **Ms. Antonella Deledda**, Director, UNODC Central Asia Office, speaking on behalf of **Mr. Sandeep Chawla**, Chief Research Section UNODC
- The Situation of Synthetic Drugs in Poland
Speaker: **Mr. Rafal Lysakowski**, Central Bureau of Investigation, National Police Head Quarters, Poland

Discussion

16:00 – 16:30 Coffee break

16:30 – 18:00 Working group II: Trafficking: networks, root causes and economic impact (continuation)

- Analysing Micro-economic implications of legalisation scenarios
Speaker: **Alexei Kouvchinnikov**, Programme Co-ordinator, OSCE Strategic Police Matters
- The social and economic consequences of drugs related HIV in Central Asia
Speaker: **Ms. Zuhra Halimova**, Executive Director Open Society Institute Assistance Foundation, Tajikistan
- Money-laundering
Speaker: **Ms. Dolgor Solongo**, Economist, Global Programme against Money Laundering, UNODC
- Counteracting Drug Trafficking
Speaker: **Mr. Komiljon Akhmedov**, Head of Department to Combat the Illicit Trafficking of Drugs, National Security Service of Uzbekistan

Discussion

18:00-18:30 Press Conference

19:00 Evening reception hosted by the Government of Uzbekistan at the Restaurant “Navruz”

Tuesday 18 March 2003

9:00 – 10:30 Working group III: Experiences and future issues

Moderator: **Mr. Jörg Mölling**, Deputy Head Drugs Unit, Serious Crime Department, Europol
Rapporteur: **Mr. Armands Pupols**, Economic and Environmental Officer, OSCE Centre in Almaty

- Assessment of Counternarcotic efforts: Challenges for International Assistance
Speaker: **Dr. Nancy Lubin**, President JNA Associates Inc./Open Society Institute
- Together into the future with experience gained
Speaker: **Ms. Antonella Deledda**, Director, UNODC Central Asia Office

- Drug policies in transit countries – finding the right response
Speaker: **Mr. Axel Klein**, Head of research, Drug Policy Team, Drug Scope
- Customs cooperation
Speaker: **Mr. Bjoern Brokmeyer**, Technical Attache, World Customs Organisation
- Speaker: **Mr. Arman Baisuanov**, Head International Security Section, Department of Multilateral Cooperation, Ministry of Foreign Affairs, Kazakhstan

Discussion

10:30 – 11:00 Coffee Break

11:00 – 13:00 **Closing Plenary Session: Conclusions and Recommendations** (open to the press)

Presentations by the rapporteurs on the outcome of the working groups

Summarizing remarks: **H.E. Daan Everts**, Personal Representative of the Chairman-in-Office of the OSCE

Closing remarks: **Mr. Ilkhom Nematov**, Deputy Minister of Foreign Affairs, Uzbekistan

Closure: **Mr. Marcin Swiecicki**, Coordinator of OSCE Economic and Environmental Activities

13:00 Lunch

15:00 Optional excursion around Tashkent City

Participating Delegations

GERMANY

BODEN, Ambassador Dieter	Permanent Mission of the Federal Republic of Germany to the OSCE.
MENTSCHES, Mr. Manfred	Embassy of Germany to Uzbekistan, Federal Criminal Police Office.

UNITED STATES

BRUCKER, Ms. Katherine	US Mission to the OSCE, Political Officer.
BOTTS, Ms. Laurel	US Embassy to Uzbekistan.
SORENSEN, Mr. Clifford	US Embassy in Almaty, Regional Anti-Narcotics Officer.
LEAKSMY, Ms. Norin	Ministry of Foreign Affairs.
STONE, Ms. Cynthia	US Embassy to Uzbekistan.
BACH, Mr. Williams	Department of State, Bureau of International Narcotics and Law Enforcement Affairs (INL/AAE).

ARMENIA

BEREZOVSKI, Mr. Alexandr	Police of RA, Counter Narcotics Department, Deputy Head.
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AZIMBEKOV, Ambassador Ayden	Embassy of Azerbaijan to Uzbekistan.
AHMEDOV, Mr. Shakim	Embassy of Azerbaijan to Uzbekistan.
GARABAGLI MAHABBAT, Mr. Vusual	Ministry of Taxes.
HAJIYEV MAMMADHUSEYN, Mr. Shovgi	Ministry of Internal Affairs.
MAMMADOV RAMIZ, Mr. Talat	Ministry of National Security.
MIKAYILOV ALI-SETTAR, Mr. Afet	State Customs Committee, Department of Combating the Violations of Customs and Smuggling Rules.

BELARUS

SOLDATENKO, Mr. Alexander

Ministry of Interior, Department on
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PETROV, Mr. Krassimir

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Canadian Delegation to the OSCE.

NOLKE, Ms. Sabine

Canadian Delegation to the OSCE.

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Department of Foreign Affairs and
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SPAIN

MARTINEZ MONTES, Mr. Luis Francisco

Spanish Mission to the OSCE.

FRANCE

CHARASSE, Ambassador Pierre

Secretary General of the Ministerial
Conference on the routes of drugs from
Central Asia to Europe in the framework of
the French Presidency of the G8.

LAFOURCADE, Ms. Brigitte

Ministry of Foreign Affairs Security
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GALY, Mr. Gilbert

Embassy of France to Uzbekistan.

GEORGIA

JANASHIA, Dr. Jemal

Committee for State Security.

UNITED KINGDOM

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SMITH, Mr. Andrew

Foreign and Commonwealth Office.

GREECE EU

CHRISTOPOULOS, Ambassador Charalambos	Ministry of Foreign Affairs, OSCE Desk.
BATALLER MARTIN, Mr. Francisco	European Commission, DG External Relations.
VUOHULA, Mr. Eero	European Commission, DG External Relations OSCE & Council of Europe.
MAIERHOFER, Mr. Wolfgang	EC Delegation in Almaty, Kazahstan.

IRELAND

HENRY, Mr. Robin	Permanent Mission of Ireland to the OSCE.
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ITALY

MESSINA, Mr. Marco	Embassy of Italy to the Russian Federation.
VARRIALE, Dr. Renato	Permanent Mission of Italy to the OSCE.

KAZAKHSTAN

BAISUANOV, Mr. Arman	Ministry of Foreign Affairs, Kazakhstan, Department of Multilateral Co-operation.
TULEULENOV, Mr. Kablanbek	Ministry of Interior

KYRGYZSTAN

KURMANALIEVA, Ms. Aida	State Commission on Drug Control under the Government of Kyrgyz Republic.
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LATVIA

APOKINS, Ambassador Igors	Embassy of Latvia to Uzbekistan.
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THE FORMER YUGOSLAV REPUBLIC OF MACEDONIAN

KITANOV, Mr. Sande	Ministry of Interior.
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NORWAY

HOEL, Ms. Ingvild	National Police Directorate.
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IKROMOV, Mr. Nuruddin	Academy of NTO.
KULIEV, Mr. Sharap	KOGG.
YULDASHEV, Mr. Aziz	Ministry of Internal Affairs of Uzbekistan

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AZIZOV, Mr. Nodirbek	State Customs Committee.
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HALAXA, Mr. Antonin

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KAYAOGLU, Mr. Barkin	Turkish Embassy to Uzbekistan, Third Secretary.
OGUZ, Mr. Abdullah	Customs Under Secretariat.

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SKALA, Mr. Pavlo	Ministry of Internal Affairs, Drug Enforcement Department.
ZHIGOLLA, Mr. Mykola	Embassy of Ukraine to Uzbekistan.

MEDITERRANEAN PARTNER FOR COOPERATION

ISRAEL

BEN-MOUSTAKI, Mr. Joseph	Embassy of Israel to Austria.
PALATNIK, Mr. Vicheslav	Embassy of Israel to the Russian Federation.

KINGDOM OF JORDAN

LUKASHA, Ambassador Maher	Embassy of Jordan to Uzbekistan.
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