



UNITED NATIONS
Office on Drugs and Crime

Annual Report

2005



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Akha people in Laos, where UNODC runs alternative development projects
Photo: UNODC Laos/L. Boonwat

Foreword of the Executive Director

2005 was the year when world leaders placed security, justice and the rule of law at the centre of the international agenda. These priorities were outlined in the Secretary-General's report *In Larger Freedom* which, among other things, highlighted UNODC's role in counteracting organized crime, corruption and terrorism. And they were reflected in the World Summit Outcome Document.

Increased international attention to issues that are at the heart of UNODC's mandate and activities represents a challenge to which we must respond effectively, with imagination and courage.

To better explain what we do, we have for the first time produced a UNODC *Annual Report*. The report is a snapshot of the ways in which the Office—through its headquarters in Vienna and 21 field offices around the world—contributed last year to the promotion of justice, good governance and the rule of law. It will help readers to judge UNODC's performance and the extent to which it represents good value for money.

In 2005, UNODC continued its long-term engagement with United Nations Member States to reduce both demand for and the supply of illicit drugs, acting as the world's conscience for countering the threat posed by narcotics.

Globally, the drug epidemic of the 1980s and 1990s has been contained. This is good news and demonstrates progress towards implementation of the commitments made during the 1998 United Nations General Assembly Special Session on the world drug problem.

In 2005, global cultivation of illicit drugs declined. From the Andean region to the Golden Triangle, many countries made progress in containing illicit cultivation. In other key drug-producing countries such as Afghanistan (opium) and Morocco (cannabis), there was evidence of a significant reduction of illicit crops in 2005.

But further progress is needed and this requires a comprehensive and sustainable commitment.

The UNODC message is unambiguous: the world must fight drugs and poverty simultaneously so as to eliminate illicit crops without triggering humanitarian disasters. Poverty is an inducement to grow illicit crops. It

makes people vulnerable to becoming involved in crime. The decline in drug cultivation will not be sustained unless rich countries provide greater development assistance to farmers formerly dependent on opium, coca and cannabis crops.

Rich countries have a self-interest in providing aid. Stemming supply will not only reduce drug availability in the developed world, it can contribute to crime reduction and increase security. In 2005, UNODC estimated the global market for illicit drugs at US\$ 322 billion—money used by thugs around the world and channelled into weapons used for armed conflict and even terrorism.

In Afghanistan, the world's largest drug producer, UNODC continued its active engagement to help the country reduce opium cultivation and strengthen counter-narcotic law enforcement. Progress was made—opium cultivation in Afghanistan fell by a fifth, breaking a four-year growth trend. We also helped to build up the judicial system, from investigation to prosecution, from the courts to the prisons.

In 2005, UNODC put special emphasis on enhancing drug-prevention programmes and halting the spread of HIV/AIDS among drug users and prison inmates. I am especially proud of the work carried out by the UNODC's field offices, whose highly qualified staff provided expert assistance in all areas of drug control.

Africa was high on the international agenda in 2005 and UNODC played an important role. The 2005 UNODC report on *Crime and Development in Africa* demonstrated the extent to which mass poverty creates an intrinsic vulnerability to crime, conflict and violence. It also documented how these uncivil behaviours perpetuate Africa's under-development by reducing capital formation, both human and financial.

In September 2005, representatives from almost all countries in Africa as well as funding partners met in Abuja, Nigeria and adopted a Programme of Action, developed in partnership with UNODC. They pledged to work together for a proud and prosperous Africa, enriched by wise use of its abundant resources, energized by democracy and governed by accountable leaders.

These leaders must be able to count on sustained help from the wealthier countries. Following the Abuja meet-

ing, UNODC called on donors to place the rule of law and strong judicial systems at the heart of their aid programmes. We also started new programmes to train honest and competent police officers, prosecutors and judges.

UNODC's work in tackling corruption and organized crime is increasing, centred in large part around the implementation of two UNODC-brokered Conventions.

Now that the United Nations Convention on Transnational Organized Crime and its related Protocols have entered into force, the world has an effective instrument for containing a violent business that has become as globalized as legitimate trade, investment, communication and travel.

In December 2005, a new dimension was added to the crime control regime when the United Nations Convention against Corruption came into force, committing States to deter, punish and remedy corruption.

These are important steps that strengthen multilateral cooperation. Society will be able to contain corruption, crime and terrorism only when it knows as much about these transnational evils as it knows about the global drugs market.

An effective multilateral crime control regime will depend on hard evidence. This is why UNODC is devel-

oping its work in this field, building on its strong tradition of objective reporting evident in trusted publications like the illicit crops country surveys and the *World Drug Report*.

Looking forward, I see UNODC at a fork in the road. UNODC is naturally being pulled towards the crucial, so-far uncharted task of helping the international community to crack the dangerous nexus of drugs, crime and terrorism. To meet these challenges, UNODC needs to move beyond a business-as-usual approach, to be properly equipped and strategically prepared. The period ahead will be crucial for mapping UNODC's future in line with, and in support of, the reform process launched by the Secretary-General.

I am proud of UNODC's work and its staff and hope that readers will gain a better appreciation of our activities through this Annual Report.



Antonio Maria Costa
Executive Director

United Nations Office on Drugs and Crime





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The Firearms Protocol provides a new international instrument to regulate the illicit manufacturing and trafficking of firearms

Photo: Sculpture of a knotted gun located at the Visitors' entrance of United Nations Headquarters, New York, gift of the Government of Luxembourg
UN/DPI

Highlights of 2005

“Five out of five”: Milestones in promoting justice

UNODC's work in promoting justice and setting standards paid off in 2005. UNODC is the guardian of several important international Conventions relating to both drugs and crime. The year saw two significant milestones: the entry into force of the United Nations Convention against Corruption and of the Firearms Protocol. UNODC can now boast “five out of five”—five legal instruments have come into force in five years, including the Palermo Convention against Transnational Organized Crime.

Convention against Corruption

Corruption is not only an obstacle to peace, democracy and human rights; it also undermines development in poorer countries and can destroy national economies.

The United Nations Convention against Corruption, of which UNODC is the custodian, entered into force on 14 December 2005. This is the world's first legally binding instrument against corruption and will enable law-enforcement officers and prosecutors to cooperate in arresting offenders.



The treaty's innovative mechanism for freezing and recovering billions of dollars in stolen assets could reap dividends for impoverished States whose national wealth has been plundered by corrupt rulers. There is

now real hope that this money can be invested where it is needed - in development, health and education. UNODC is offering its skills and resources to help Member States tackle corruption.

Firearms Protocol

The United Nations Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition entered into force on 3 July 2005. Supplementing the United

Nations Convention against Transnational Organized Crime, which came into force in 2003, it provides a new international instrument to regulate the illicit manufacturing and trafficking of firearms. These include such “everyday” but deadly weapons as handguns, pistols and sub-machine guns. States ratifying the Protocol made a commitment to criminalize the illegal manufacture of or trafficking in firearms and to adopt measures, such as the marking and tracing of firearms.

Over 600 million such weapons are circulating worldwide, contributing to some 300,000 deaths a year—about 100,000 in armed conflict and 200,000 in non-conflict situations, such as homicides and clashes with police. Cheap and easy to use, their potential for destruction is often overlooked. The indirect impact of these weapons is harder to quantify but the effects are no less disturbing. Their proliferation undermines international peace and security, social and economic development, human security, public health and human rights.

The Firearms Protocol sets out a comprehensive monitoring system and represents a pledge by the world's governments to confront an under-estimated global menace.

Focus on Africa

In an effort to help Africa tackle the crime and insecurity that are keeping it mired in poverty, UNODC produced a report entitled *Crime and Development in Africa*, which gave hard evidence of the extent of crime on the continent and its damaging effect on development.

It showed that drug trafficking is increasing on the continent while human trafficking affects 89 per cent of African nations as source, destination or transit countries. The illicit manufacturing of and trafficking in



Photo: UNODC/S. Reddo

firearms fuel vicious regional wars and perpetuate the existence of child militias. The report showed that Africa is the target of criminal gangs, which frequently exploit post-conflict situations, creating an environment conducive to conventional crime and urban violence. To make matters worse, Africa's police forces often cannot cope and judicial systems are dangerously weak, making it all too easy for criminals to act with impunity.

The report documented corruption across the continent and its links with crime. This poisonous combination generates huge collateral damage and deters much-needed foreign investment. Indeed, Africa is witnessing the highest rate of capital flight in the world.

African experts, in partnership with UNODC, developed an ambitious *Programme of Action* to strengthen the rule of law, tackle conventional crimes, curb trafficking, money-laundering, organized crime and smuggling, and promote measures to prevent drug abuse and drug-related HIV/AIDS. The Programme, adopted at a UNODC Round Table hosted by the Government of Nigeria in Abuja in September, set out clear benchmarks and a five-year deadline for action. It was adopted by 47 countries.

UNODC helped African States to rebuild their judicial systems, generating support for their institutions and lending its expertise in strengthening the rule of law. It also provided assistance in border control, security reform and counter-narcotics.

Major UNODC reports in 2005

UNODC's flagship publications examine global drug trends. These authoritative surveys are jointly undertaken with Member States of the United Nations.

Afghanistan Opium Cultivation Survey

Afghanistan remained a significant challenge, in terms of both counter-narcotic activities and the need for efforts to alleviate the suffering of a country emerging from decades of war. UNODC's 2005 *Afghanistan Opium Cultivation Survey* showed a 21 per cent decrease in the



Poppy cultivation in Afghanistan

Photo: UNODC Afghanistan/Zalmay

area being used for opium cultivation; in other words, one field in five cultivated in 2004 had been put to other use.

The significant decrease in opium cultivation in 2005 and declining drug incomes broke a four-year growth trend and marked the first sign of improvement in drug control since the fall of the Taliban. It also suggested that the "carrot-and-stick" approach to drug control was working. Fears that authorities would eradicate opium crops made it riskier for farmers to cultivate poppies. At the same time, income support in the countryside gave farmers an opportunity to engage in other, legal activities. This was one of the most important lessons to come out of Afghanistan in 2005—in many regions where cultivation declined significantly, alternative development was available.

In 2005, cultivation shifted to northern and western Afghanistan, giving traffickers a chance to move drugs across the country's western borders. The concentration of the opium industry in these regions suggested that local officials and insurgents in the border provinces were benefiting from the drug economy, now half the size of Afghanistan's gross national product.

World Drug Report

The *World Drug Report 2005* gave an outlook for global markets and showed that the main problem drugs globally were heroin and cocaine. The report found that some 200 million people, or 5 per cent of the world's population aged between 15 and 64, had used drugs at least once during the past year. UNODC launched an investigation into the value of illicit drug markets and developed a global illicit drug index, which was presented in its *World Drug Report 2005*. Using an innovative new measure to cover countries and drug sectors (production, trafficking and abuse), the index established the market value of illicit drugs.

Cannabis remained the most widely consumed drug worldwide, with 160 million users, while 26 million people took amphetamines and 8 million chose ecstasy pills. The number of opiate users rose slightly to 16 million, mainly reflecting opiate abuse in Asia.

In the last decade, the most significant trend has been the increase in the production and consumption of amphetamine-type stimulants.

Myanmar Opium Survey

UNODC's 2005 *Myanmar Opium Survey* reported a drop by a quarter in opium cultivation in Myanmar, the

world's second largest producer, compared with 2004. Production was down 80 per cent from the peak year of 1996. As part of UNODC's Illicit Crop Monitoring Programme, the Survey focused on Shan State, part of the notorious Golden Triangle (Laos, Thailand and Myanmar), where 94 per cent of the country's opium poppy cultivation takes place. As with Afghanistan and the Andean countries, it was the poorest people who were affected by the loss of income as drug cultivation declined.

Myanmar remained the second-largest opium grower in the world after Afghanistan but its share of the world market fell to 21 per cent in 2005 from 23 per cent in 2004. Farmers' opium earnings rose by 22 per cent compared with the previous year.

Andean Coca Survey

In June, UNODC launched the *Andean Coca Survey* containing satellite-based data for coca crops in Bolivia, Colombia and Peru. The report pointed to an overall stabilization of the downward trend in coca cultivation in the region since 2000, although slight increases were seen in both Bolivia and Peru.

Morocco Cannabis Cultivation Survey

In 2005, UNODC published its second *Morocco Cannabis Cultivation Survey*, showing a 10 per cent decrease in the cultivated area of cannabis in 2005 compared with 2003. Despite that decline, Morocco remained the main supplier of cannabis resin to Europe.

Eleventh United Nations Crime Congress

United Nations Crime Congresses are a unique opportunity to bring together the entire criminal justice community every five years. The Eleventh Crime Congress, held in Bangkok from 18 to 25 April, allowed countries to exchange knowledge on how best to deal with challenges posed by all forms of crime. UNODC was responsible for organizing the Congress.



Cannabis cultivation in Morocco
Photo: UNODC Morocco/X. Bouan



The Eleventh United Nations Crime Congress in Bangkok

Photo: UNODC Thailand

In the Bangkok Declaration on Synergies and Responses: Strategic Alliances in Crime Prevention and Criminal Justice, adopted by the Congress, Member States committed themselves to fight against cyber-crime, money-laundering and trafficking in cultural artefacts.

sumption of amphetamines, the control of precursor chemicals, and the illicit manufacture of drugs, as well as drug prevention, treatment and rehabilitation.

UNODC to open new office in China

The Government of China and UNODC signed an agreement in October paving the way for the establishment of a UNODC programme office in Beijing in 2006. China has been a partner of UNODC on projects designed to counter drug abuse and trafficking, as well as other criminal activities. The new office will focus initially on the threat of HIV/AIDS in the context of drug abuse, the fast-expanding trafficking and con-

UNODC Goodwill Ambassadors

In 2005, UNODC Executive Director Antonio Maria Costa appointed actress Julia Ormond, photographer Alessandro Scotti and gymnast Igor Cassina as UNODC Goodwill Ambassadors. These prominent individuals will help to mobilize public support for the Office's work.

UNODC confronts HIV/AIDS

As chair of the UNAIDS Committee of Cosponsoring Organizations, UNODC highlighted the need for

UNODC Goodwill Ambassadors Alessandro Scotti, Igor Cassina and Julia Ormond



Photo: UN/DPI

HIV/AIDS prevention and care targeted at two priority groups: injecting drug users and prisoners. In April, UNODC organized a ministerial meeting in Moscow, which adopted the Moscow Declaration on an Urgent Response to the HIV/AIDS epidemic in the Commonwealth of Independent States. The meeting contributed to significant changes in HIV/AIDS-related policies in a number of countries, such as new types of treatment and increased budgets to tackle the crisis. UNODC marshalled funds to help countries in Central Asia respond to their growing HIV/AIDS problem.

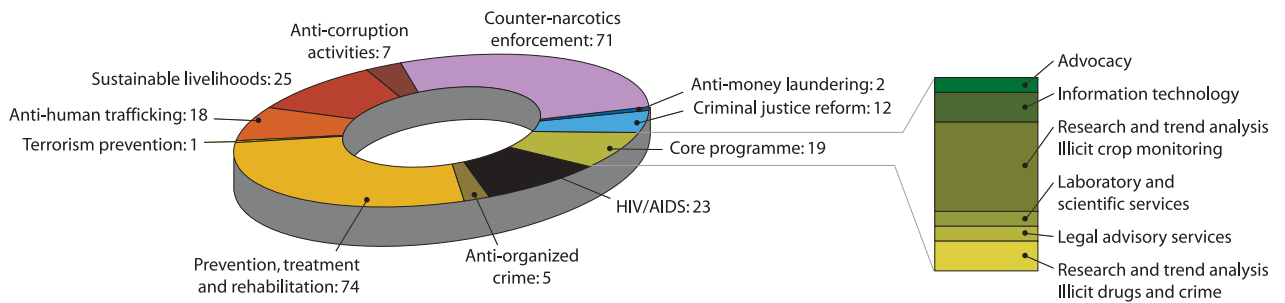
The Commission on Narcotic Drugs, the United Nations central policy-making body on drugs, discussed HIV/AIDS for the first time at its March session.

UNODC operations

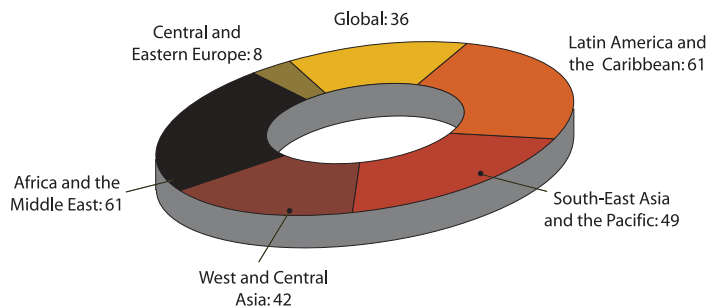
UNODC ran a portfolio of 257 ongoing projects in 2005. Counter-narcotics enforcement accounted for 27.6 per cent of the total while prevention, treatment and rehabilitation in the field of drug abuse made up another 28.8 per cent. Sustainable livelihood projects, aimed at giving farmers in drug-producing countries legitimate alternatives to growing illicit crops, accounted for 9.7 per cent.

On a geographical basis, the main focus of UNODC projects was Latin America and the Caribbean (24 per cent), Africa and the Middle East (24 per cent), South-East Asia and the Pacific (19 per cent) and West and Central Asia (16 per cent).

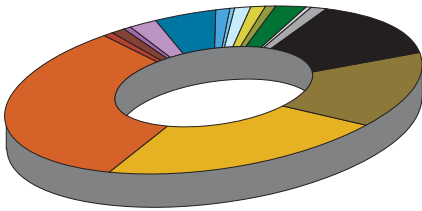
Breakdown of 2005 ongoing projects by theme



Breakdown of 2005 ongoing projects by region



Breakdown of 2005 expenditures by thematic area (total: US\$ 73,062,072)



■ HIV/AIDS (13.5%)	■ Anti-human trafficking (1.0%)	■ Legal advisory services (1.2%)
■ Prevention, treatment and rehabilitation (14.3%)	■ Anti-corruption (0.5%)	■ Advocacy (1.2%)
■ Sustainable livelihoods (21.4%)	■ Anti-money laundering (2.1%)	■ Information technology (0.8%)
■ Counter-narcotics enforcement (32.9%)	■ Criminal justice reform (4.6%)	■ Terrorism prevention (2.5%)
■ Anti-organized crime (0.7%)	■ Research and trend analysis Illicit drugs and crime (1.1%)	■ Normative work (0.4%)
	■ Laboratory and scientific services (0.4%)	■ Research and trend analysis Illicit crop monitoring (1.4%)