

531. The Board sent a mission to Kosovo, Yugoslavia, in September 2002. The Board notes the establishment of the Kosovo Drug Regulatory Authority, the efforts of the United Nations Interim Administration in Kosovo to ensure the application of practical measures for drug control in the province and the support being provided by the European Agency for Reconstruction to the provincial authorities.

532. While the Board appreciates the efforts being made by the provincial authorities, Kosovo needs a more comprehensive legislative, regulatory and strategic framework for the control of drugs and chemicals, in line with international conventions and the laws of European countries.

533. Heroin abuse appears to have spread rapidly in Kosovo in recent years, and a growing number of young heroin addicts are beginning to inject the drug, thus increasing their chances of becoming infected with HIV through needle-sharing. The international community is therefore invited to give more attention to the health-related aspects of the drug problem in their programmes providing assistance to Kosovo.

E. Oceania

Major developments

534. Australia and New Zealand continue to account for the majority of drug seizures in Oceania. Australia, in particular, remains one of the main destinations for shipments of heroin and amphetamine-type stimulants from South-East Asia. In addition, numerous clandestine laboratories in the two countries manufacture amphetamine-type stimulants for the local markets. The number of such laboratories dismantled by the police in New Zealand grew from 6 in 1999 and 9 in 2000 to 41 in the first half of 2002.

535. The Board maintains its opposition, expressed in its report for 2001,⁵⁶ on the establishment in Australia of a drug injection room in the state of New South Wales, and regrets that the project has been extended.

536. Transnational criminal groups active in the region are constantly reassessing their strategies in an attempt to avoid detection. There is growing evidence that they have been increasingly targeting the Pacific islands for smuggling drugs and for money-laundering. The Board is particularly concerned about the drug control

situation in Papua New Guinea, where serious drug-related crime is linked to general political instability.

537. There is evidence that drug traffickers have targeted offshore financial centres in the region for the laundering of illicit profits. The Board therefore urges the Governments of the countries concerned to intensify their efforts to counter money-laundering activities.

Treaty adherence

538. The Board notes that of the 15 States in Oceania, only Australia, Fiji, New Zealand and Tonga are parties to all three international drug control treaties. Those States are also the only ones in the region that are parties to the 1988 Convention. Several Pacific island States, namely Kiribati, Nauru, Samoa, Tuvalu and Vanuatu, are not parties to any of the three treaties. The Board calls on the States concerned to accede to the international drug control treaties without delay. The Board also invites relevant regional organizations, such as the Pacific Islands Forum, to advise and assist Governments of countries in the region in that respect.

Regional cooperation

539. The Board encourages the Pacific Islands Forum to continue to play an active role in coordinating drug control. The Board notes that the Oceania Customs Organisation has succeeded in establishing a secure, Internet-based communications system, the Asia Pacific Enforcement Report System, that makes possible the exchange of information to help prevent transnational crime, including drug trafficking. The Board appreciates that Australia and New Zealand continue to play an important role in supporting the Pacific islands with technical assistance, particularly in the area of drug law enforcement.

540. The Board welcomes regional and bilateral agreements on fighting money-laundering, such as the memorandum of understanding signed in March 2002 by Australia and Vanuatu for cooperation in the exchange of financial intelligence. This memorandum of understanding is part of the establishment of an international network in Oceania to facilitate the prevention and detection of money-laundering.

541. In view of the recent trends in the smuggling of heroin and methamphetamine into and through Oceania, cooperation between Governments of

countries in the region and Governments of countries in South-East Asia is essential. Two good examples of such cooperation are the exchange of drug liaison officers between Australia and China in 2002 and the establishment of a Joint Transnational Crime Investigation Team that includes officers from Australia and Cambodia.

National legislation, policy and action

542. The Board notes the results of the evaluation of part one of Australia's National Illicit Drugs Campaign, released in May 2002, in particular the finding that half of all parents surveyed declared that the Campaign had prompted them to take preventive action. The Board once again requests the Government of Australia to share with interested Governments, as well as the Board, further findings of the evaluation of its National Illicit Drugs Campaign and the International Drug Strategy, developed to complement its National Drug Strategy.

543. The Board welcomes the progress made in the enactment of legislation against money-laundering in several countries in Oceania. In June 2002, Niue enacted the International Banking Repeal Act 2002, thereby eliminating its offshore banks as of October 2002. In January 2002, the Cook Islands promulgated the Money Laundering Prevention Regulations, and in May 2002 the Marshall Islands enacted regulations that provide standards for reporting and compliance. The Board notes with concern that the Cook Islands, the Marshall Islands, Nauru and Niue remain on the list of countries and territories that the Financial Action Task Force on Money Laundering considers uncooperative in efforts to counter money-laundering. Money-laundering also continues to be a problem in Fiji.

Cultivation, production, manufacture, trafficking and abuse

Narcotic drugs

544. Large-scale hydroponic cultivation of cannabis continues to be reported in Australia. There is also significant cannabis cultivation in Fiji, which contributes to the substance being widely abused on that island. Cannabis is also grown on a large scale in Papua New Guinea and to a lesser extent in Samoa. Cannabis remains the most abused drug in Australia.

545. Successful law enforcement operations have led to the dismantling of international trafficking rings that were transporting heroin from South-East Asia to Australia and the seizure of significant quantities of heroin. Since the end of 2000, the availability of heroin on illicit markets in Australia has been considerably reduced and the number of deaths caused by heroin overdose has been declining. The Board encourages the Government of Australia to analyse carefully those recent developments and show the link between the reduction of illicit drug supply and the development of drug abuse.

546. The Pacific island States are used as transit points for smuggling cannabis, heroin and cocaine. There have been a number of seizures in those States involving significant quantities of drugs that were obviously destined for larger illicit markets in Australia and in other regions. For example, seizures have involved significant quantities of cocaine from South America and heroin and methamphetamine from South-East Asia, destined for Australia and countries in North America. Seizures indicate that illicit drugs are smuggled through the Pacific islands by air and by sea.

547. Sydney is a focal point for the distribution of heroin in Australia. The detection in Brisbane, Australia, of a large consignment of heroin from China in March 2002 is an indication of successful law enforcement cooperation and a change in the tactics used by criminal groups from South-East Asia. The prevalence of cocaine abuse remains limited in Australia, except in New South Wales.

Psychotropic substances

548. In Australia and New Zealand, seizures of amphetamine-type stimulants, in particular methamphetamine, are at a record level, confirming the growing demand for those drugs. In response to the problem, the Government of Australia has committed funds to expand the National Heroin Signature Programme to include the profiling of cocaine and amphetamine-type stimulants. The Government has also continued its efforts to target the chemicals used in clandestine laboratories for the manufacture of amphetamines in Australia. In New Zealand, the increasing prevalence of methamphetamine is a matter of concern to the authorities.

549. Large seizures of MDMA (Ecstasy) tablets were made in New Zealand in May 2002, at the main airport near Sydney, Australia, in June 2002 and in Melbourne, Australia, in July 2002. As in the past, the substance allegedly originated in the Netherlands.

(Signed)

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Vienna, 15 November 2002

Notes

¹ United Nations International Drug Control Programme, *Global Illicit Drug Trends 2002* (United Nations publication, Sales No. E.02.XI.9), p. 64.

² United States of America, Office of National Drug Control Policy, *The Economic Costs of Drug Abuse in the United States, 1992-1998*, Publication No. NCJ-190636 (Washington, D.C., Executive Office of the President, September 2001).

³ Organisation for Economic Cooperation and Development, *Development Co-operation Report 2001* (Paris, 2002).

⁴ United States of America, Office of National Drug Control Policy, *National Drug Control Strategy: FY 2003 Budget Summary* (Washington, D.C., Executive Office of the President, December 2002), p. 10.

⁵ United States of America, Office of National Drug Control Policy, *What America's Users Spend on Illegal Drugs 1988-1998* (Washington, D.C., Executive Office of the President, December 2000).

⁶ E. Bramley-Harker, *Sizing the UK Market for Illicit Drugs* (London, Home Office, 2001).

⁷ United States of America, Office of National Drug Control Policy, *The Price of Illicit Drugs: 1981 through the Second Quarter of 2000*, Publication No. NCJ-190639 (Washington, D.C., Executive Office of the President, October 2001), pp. 30 and 33.

⁸ United Nations International Drug Control Programme, *Global Illicit Drug Trends 2002* (United Nations publication, Sales No. E.02.XI.9).

⁹ The combined multiplier, assuming a savings ratio of 20 per cent and an import ratio of 26 per cent, can be calculated as follows: $1 \div (1 - (0.8 \times 0.74)) = 2.45$.

¹⁰ World Bank, *World Development Indicators 2001* (Washington, D.C., 2002); and United Nations International Drug Control Programme, *Global Illicit Drug Trends 2002* (United Nations publication, Sales No. E.02.XI.9).

¹¹ Ronald D. Renard, *Opium Reduction in Thailand 1970-2000: a Thirty-Year Journey* (Chiang Mai, Silkworm Books, 2002).

¹² World Bank, *World Development Indicators 2001* (Washington, D.C., 2002).

¹³ United Nations Development Programme, *Human Development Report 2002* (New York and Oxford, Oxford University Press, 2002), pp. 194-197.

¹⁴ *World Drug Report 2000* (New York, Oxford University Press, 2000), p. 93.

¹⁵ Francisco Thoumi, *Economía, Política y Narcotráfico* (Bogotá, Tercer Mundo, 1994).

¹⁶ "Sixth United Nations Survey on Crime Trends and the Operations of Criminal Justice Systems (1995-1997)", available online at http://www.undcp.org/odccp/crime_cicp_survey_sixth.html.

¹⁷ *World Drug Report* (New York, Oxford University Press, 1997); United Nations International Drug Control Programme, *Drugs and Development*, UNDCP Technical Series, No. 1 (Vienna, 1994); United Nations International Drug Control Programme, *The Social Impact of Drug Abuse*, UNDCP Technical Series No. 2 (Vienna, 1995); Douglas I. Keh, *Drug Money in a Changing World: Economic Reform and Criminal Finance*, UNDCP Technical Series, No. 4 (Vienna, 1996); and United Nations International Drug Control Programme, *Economic and Social Consequences of Drug Abuse and Illicit Trafficking*, UNDCP Technical Series, No. 6 (Vienna, 1998).

¹⁸ According to the Action Plan, though the development and implementation of alternative development are primarily the responsibility of the State in which illicit drug crop cultivation takes place, States with illicit drug