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# Bolivia

## I. Summary

During 2007, Government of Bolivia (GOB) eradicated more than 6,000 hectares, surpassing its eradication goal of 5,000 hectares, although about 90 percent of eradication took place in the Cochabamba tropics (Chapare) region. In addition, U.S. Government (USG)-supported Bolivian counternarcotics units seized 17.8 metric tons (MT) of cocaine base and cocaine hydrochloride (HCl) and destroyed 10,602 cocaine labs and maceration pits. However, President Evo Morales continued to promote his policy of “zero cocaine but not zero coca” and pushed for industrialization of coca. His administration continues to pursue policies that will increase legal coca cultivation from 12,000 to 20,000 hectares—a change that would violate current Bolivian law and the 1988 UN Drug Convention, to which Bolivia is a party.

The GOB and European Union (EU) agreed to the terms of reference for the EU funded study to determine the actual licit demand for coca in Bolivia. The study is scheduled to be concluded in 2009. The GOB provided inadequate support to drug abuse prevention programs despite evidence of increased drug use in Bolivian society. Demand by farmers for alternative development products grew: last year, U.S. assistance contributed directly to 11,475 new hectares of alternative crops in the Chapare and Yungas, helping to expand sustainable legitimate employment and income opportunities.

## II. Status of Country

Bolivia is the world’s third largest producer of cocaine, accounting for more than 115 metric tons, according to USG estimates, and is a significant transit zone for Peruvian cocaine. Bolivia also produces marijuana, primarily for domestic consumption. The majority of cocaine trafficked from or through Bolivia is destined for Brazil, Chile, Argentina, Paraguay and Europe. From 2003 to 2006, coca cultivation in Bolivia increased from 23,600 to 27,500 hectares, according to the United Nations Office on Drugs and Crime (UNODC), and as a result, Bolivia’s estimated potential cocaine production has increased from 100 MT in 2003 to 115 MT in 2006.

## III. Country Actions Against Drugs in 2007

**Policy Initiatives.** Bolivia has produced coca leaf for traditional uses for centuries, and currently, Bolivian law permits up to 12,000 hectares of legal coca cultivation (primarily all in the Yungas) to supply this licit market. The GOB continues to pursue policies that would increase the legal limit to 20,000 hectares, which would violate Law 1008 and the 1988 UN Drug Convention. Worldwide licit demand for coca leaf used in commercial flavorings and pharmaceuticals is limited and only requires the amount of coca that can be grown on approximately 250 hectares (in Peru). The GOB is pursuing its version of coca reduction through voluntary eradication and social control policies, rather than forced eradication. According to UNODC estimates, in mid-2006 there were an estimated 27,500 hectares of coca in Bolivia. The GOB’s plan would allow 7,000 hectares of legal coca to be grown in the Chapare and 13,000 hectares in the Yungas for a total of 20,000 hectares nationwide. Since there are, according to UNODC, 19,200 hectares of coca in the Yungas, the GOB plan would yield a net reduction in this region. Historically, the majority of coca eradication occurred in the Chapare region. In order to reach the proposed goal of 13,000 hectares in the Yungas, the GOB would need to substantially increase eradication there. In the first nine months of 2007, 90 percent of eradication occurred in the Chapare, 5 percent in Yacapani, and 5 percent in the Yungas. With financial assistance from Venezuela, the GOB moved forward with its plan to industrialize coca for commercial products and began construction of two coca industrialization

plants, one in the Chapare and the other in the Yungas. The construction project in the Yungas is currently at a standstill.

In September 2007, the Vice-Minister of Social Defense and Controlled Substances proposed, through the Constituent Assembly, to modify the Bolivian constitution to allow for communication intercepts, improved money laundering legislation, and plea bargaining in criminal cases. All of these measures, if approved by the Bolivian Congress, would significantly improve the ability of law enforcement units to investigate and prosecute narcotics, money laundering, terrorism, and corruption cases in Bolivia. With the current political climate and the difficulties faced in the Constituent Assembly, the Bolivian Congress has not yet addressed the proposed legislation.

**Accomplishments.** The GOB surpassed its own coca eradication goal of 5,000 hectares for the year, having eradicated 6,269 hectares. Coca eradication increased in the Yungas, with 300 hectares were eradicated in Caranavi and La Asunta, and another 488 hectares in Yapacani.

**Law Enforcement Efforts.** In 2007, through 10,816 operations, the Bolivian Special Counter-Narcotics Police (FELCN) seized 1,705 MT of illicit coca leaf, 17.8 MT tons of cocaine base and HCl, 423 MT of marijuana, 1,435,419 liters of liquid precursors and 653 MT of solid precursor chemicals. It also destroyed 4,076 cocaine base labs, the majority being in the Chapare, and detained 4,268 suspects. All seizure and interdiction statistics increased in comparison to 2006. There is little evidence of corruption within the FELCN and allegations of corruption are quickly investigated by the Office of Professional Responsibility (OPR), a unit of the Bolivian National Police (BNP). The FELCN is structured to combat all aspects of drug trafficking to include interdiction of drugs, illicit coca, precursor chemicals, intelligence gathering, money laundering, and rural operations. They continue to improve their techniques and efforts in all of these areas. The FELCN focused on higher level violators, which has resulted in more priority target organizations being investigated with regional partner nations, such as Brazil. Unfortunately, the legal system is unable to efficiently process the majority of drug cases allowing many criminals to avoid prosecution.

**Corruption.** As a matter of policy, the Government of Bolivia does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The OPR and FELCN investigated approximately 1,574 allegations of insubordination and other forms of misconduct during fiscal year 2007, approximately 205 of these cases involved FELCN members. Of these 205 cases involving the FELCN, none of the respective investigations conducted resulted in findings of corruption. To date, 1,080 cases went before the Disciplinary Board for review and appropriate action. In addition to the support and development provided to the OPR, the United States Government (USG) also supports the Disciplinary Tribunals.

**Agreements and Treaties.** Bolivia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Bolivia is a party to the UN Convention against Transnational Crime, the UN Convention against Corruption, and the Inter-American Convention against Corruption. Nevertheless, Bolivia is lacking many of the laws and enforcement mechanisms needed to fully implement these agreements. Bolivia has signed, but has not yet ratified the Inter-American Convention on Extradition. Bolivia is not a party to the Inter-American Convention on Mutual Assistance in Criminal Matters.

**Extradition.** The GOB and the United States Government signed a bilateral extradition treaty in 1995, which entered into force in 1996. The treaty permits the extradition of nationals for most serious offenses, including drug trafficking. No extraditions were sought by the U.S. from Bolivia in 2007.

**Cultivation/Production.** According to UNODC estimates, as of mid-2006, countrywide cultivation appears to have increased, with total cultivation of 19,200 hectares for the Yungas, and cultivation in the Chapare estimated at 8,300 hectares. In 2007, the GOB continued eradication of coca cultivation in the Chapare (including the national parks), as well as in minor areas of new cultivation in the Department of Santa Cruz (Yapacani). GOB interdiction results, up 238 percent in 2007 from 2006, also suggest a rise in marijuana production, likely for internal consumption.

**Drug Flow/Transit.** The United States is not a primary destination for Bolivian cocaine. Cocaine transiting and produced within Bolivia is primarily destined for Brazil, Argentina, Chile, Paraguay, and Europe (especially Spain). Significant quantities of cocaine from Peru transits Bolivia enroute to Brazil, Chile, Argentina and Paraguay. Drug traffickers continue to seek new routes and methods to escape the pressure exerted by FELCN and continue to alter their methods. For instance, after Spain enacted a visa requirement for Bolivian citizens the number of human couriers who swallow drugs arrested went down while seizures of cocaine sent through the mail went up.

**Alternative Development (AD).** The U.S. Government's Integrated Alternative Development (IAD) program, implemented by the United States Agency for International Development (USAID), is a key element in advancing bilateral counternarcotics objectives. Support is provided to help diversify the economies of Bolivia's coca growing regions, reduce communities' dependency on coca, and to strategically support the Government of Bolivia's voluntary eradication program. Alternative Development assistance helps strengthen the competitiveness of Bolivia's agricultural products (e.g., coffee, bananas, pineapples, cocoa, and palm hearts) in national and world markets, improve basic social conditions (e.g., access to clean water), improve rural road infrastructure and access to markets, and expand justice services in the Yungas and Chapare coca growing regions.

Despite challenges in transitioning to a new policy environment, bilateral cooperation in IAD remains strong. In the early part of 2007, the U.S. Mission, in consultation with Government of Bolivia counterparts, adjusted its IAD program to more strategically support the GOB's net coca rationalization strategy and diversified development with declining budget resources. Relatively more resources will be devoted to the Yungas, an under-developed coca growing region where the Government plans to carry out more rationalization in the next several years. Assistance to the Chapare will continue to decline, but support will be provided to consolidate gains and establish sustainable market linkages for alternative development products.

There was a slow start in implementing alternative development projects in the first part of the year due to the need to clarify and adjust to changing Bolivian CN policies, but demand by farmers to cultivate alternative crops grew in 2007. USG assistance directly supported the cultivation of 11,475 new hectares of crops such as bananas, cocoa, and palm hearts. In the first 9 months of FY 2007, the annual value of USAID-promoted exports reached almost \$26 million. Assistance to farm communities and businesses helped generate 3,700 new jobs and new sales of AD products of \$16.5 million (a 45 percent increase over 2006). In FY 2007, 12,671 families benefited directly from U.S. assistance. Nearly 550 kilometers of roads were maintained or improved and 17 bridges constructed in the two regions where IAD programs are undertaken. In addition, USAID's support helped the Government register 92,318 hectares of land in the Chapare in preparation for its titling, thus strengthening land ownership rights and encouraging further farmer investments in alternative development products.

**Domestic Programs (Demand Reduction).** According to a 2007 UNODC report, drug consumption has increased in Bolivia in recent years. In 2007, the GOB undertook, with USG assistance, efforts to combat documented increases in drug consumption. This included an expansion of the Drug Abuse Resistance Education (D.A.R.E.) program and implementation of a Drug Demand Reduction Decentralization Project in 20 municipalities which worked to coordinate

demand reduction programs at a local level, and a project on accreditation of rehabilitation centers. The D.A.R.E program reached 28,000 students, short of its 40,000 student goal due to social problems and the transferring of DARE instructors during the school year. In cooperation with non-governmental organizations (NGOs), the USG supported the second phase of a master's degree program in drug abuse prevention and rehabilitation for 32 students; implemented a community based drug abuse prevention program reaching 30,000 people, and released a study on prevalence and characteristics of drug use in Bolivian jails. In 2007, most USG supported demand reduction efforts were coordinated with local municipalities and departmental governments. At the national level it has been much more difficult to achieve results, because some Bolivian officials deny the drug consumption problem inside of Bolivia while at the same time promoting the supposed benefits of coca leaf consumption

#### **IV. U.S. Policy Initiatives and Programs**

**Policy Initiatives.** The USG supports programs that enhance the capabilities of the GOB to reduce coca cultivation; arrest and bring drug traffickers to justice; promote licit economic development to provide viable options to cultivating coca, disrupt the production of cocaine within Bolivia; interdict and destroy illicit drugs and precursor chemicals moving within and through the country via operational task forces; reduce and combat domestic abuse of cocaine and other illicit drugs; institutionalize a professional law enforcement system; and improve the awareness of the Bolivian population regarding the dangers of illicit drugs. The USG also trains BNP in modern investigative techniques to curb money laundering and terrorism financing.

The USG supports institution building and development of both the Bolivian National Police (BNP) forces and counternarcotics prosecutors under a dynamic law enforcement training and development program (LEDP). In the last year, fifty-six courses were provided to the BNP and the prosecutors, resulting in the training of 2,351 personnel. Individuals received training in the following areas; basic and advanced criminal investigative techniques, drug investigations, advanced interview techniques, trafficking in persons, human rights issues and integrity investigations under the GOB's Office of Professional Responsibility. Also, 16 BNP officers received basic and advanced polygraph examiner training in addition to receiving certification by the United States. These certified officers are the framework for the BNP polygraph unit and are responsible for administering polygraph examinations to all OPR Investigators and counternarcotics prosecutors. The USG plans to continue enhancing the knowledge of the prosecutors, and is implementing a nationwide prosecutors program in 2008 to increase the capability of the GOB to identify, investigate and prosecute violations of controlled substances, transnational crime, human rights issues, and corruption.

**Bilateral Cooperation.** Bolivian and U.S. officials meet regularly to coordinate policy, implement programs/operations, and resolve issues. The State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) principally supports and assists Bolivian interdiction and eradication forces. DEA provides direct operational advisory, liaison, intelligence and funding support to the FELCN's mission, and USAID is a significant supporter of GOB efforts on alternative development. DEA and the U.S. Embassy's Narcotics Affairs Section continue to implement CN programs and interact with their Bolivian counterparts despite President Morales' threats to discontinue USG-funded CN assistance.

**Road Ahead.** The GOB needs to expand eradication in the Yungas and enhance its efforts to interdict illegal drugs and precursors throughout Bolivia. The USG will also encourage the GOB to exert tighter control over the licit coca market and to increase cooperation with neighboring countries in counternarcotics efforts. In 2008, the USG will look to the GOB to continue eradication, of coca at the highest rate possible, and control new plantings in both the Chapare and the Yungas. The GOB should continue interdiction operations to seize cocaine products, implement

stronger precursor and essential chemical control measures, and destroy drug labs and maceration pits, particularly in the Chapare and the Yungas. Other efforts should include, but are not limited to, fully implementing GOB commitments under international conventions; ensuring that full and fair investigations are conducted into credible allegations of human rights abuses by military personnel, with prosecution when appropriate; full and fair investigation and prosecution of corrupt government officials; and passage and vigorous implementation of anti-corruption and anti-money laundering laws, and legislation authorizing wiretapping.

## V. Statistical Table

## Bolivia Statistics (1997-2007)

	2007	2006*	2005	2004	2003	2002	2001	2000	1999	1998	1997
Coca											
Net Cultivation <sup>1</sup> (ha)	-	25,800	26,500	24,600	23,200	24,400	19,900	19,600	21,800	38,000	45,800
Eradication (ha) **	6,269	5,070	6,073	8,437	10,000	11,839	9,435	7,953	16,999	11,621	7,026
Leaf: Potential Harvest <sup>2</sup> (mt) ***	-	37,000	36,000	37,000	33,000	35,000	32,000	-	-	-	-
HCl: Potential (mt) ***	-	115	115	115	100	110	100	-	-	-	-
Seizures**											
Coca Leaf (mt)	1,705	1,344	887.4	395.0	152.0	101.8	66.0	51.9	56.0	93.7	50.6
Coca Paste (mt)	-	-	-	-	-	-	-	-	-	-	0.008
Cocaine Base (mt)	14.9	12.7	10.2	8.2	6.4	4.7	4.0	4.5	5.5	6.2	6.6
Cocaine HCl (mt)	2.9	1.3	1.3	0.5	6.5	0.4	0.5	0.7	1.4	3.1	3.8
Combined HCl & Base (mt)	17.8	14	11.5	8.7	12.9	5.1	4.5	5.3	6.9	9.3	10.4
Agua Rica <sup>3</sup> (ltrs)	-	-	-	-	-	-	20,240	15,920	30,120	44,560	1,149
Arrests/Detention s	4,268	4,503	4,376	4,138	3,902	3,229	2,948	3,414	3,503	407	3,428
Labs Destroyed											
Cocaine HCl	7	3	3	4	2	2	1	2	1	1	1
Base	4,076	4,070	2,619	2,254	1,769	1,285	877	620	893	1,205	1,022
* The USG was unable to provide an estimate for the net coca cultivation in time for this report. UNODC Coca Cultivation Survey, June 2007 is used in the chart for 2006 net coca cultivation estimate. Prior years in the chart are based on CNC estimates. UNODC estimates are used in the text.											
**As of 09/30/07											
***Due to recent revision of the USG's cocaine production estimates for Bolivia, one cannot accurately compare 1996-2000 with future years.											
<sup>1</sup> The reported leaf-to-HCl conversion ratio is estimated to be 370 kilograms of leaf to one kilograms of cocaine HCl in the Chapare. In the Yungas, the reported ratio is 315:1.											
<sup>2</sup> Most coca processors have eliminated the coca paste step in production.											
<sup>3</sup> Agua Rica (AR) is a suspension of cocaine base in a weak acid solution. AR seizures first occurred in late 1991. According to DEA, 37 liters of AR equal one kilograms of cocaine base.											