

Annex 2 – Template for SWG reporting

<p>Name of Sector Working Group: Illicit Drug Sector Working Group</p> <p>SWG Chair and Co-Chair(s): Ministry of Public Security, Embassy of Australia, Embassy of Japan, United Nations Office on Drugs and Crime</p> <p>SWG Secretariat Focal Point:</p> <ul style="list-style-type: none"> - Government Officials: Phoutsavath Sounthala (phoutsavath@hotmail.com) - Development Partners: (1) UNODC: Erlend Audunson Falch (erlend-audunson.falch@un.org) (2) Embassy of Australia: Matthew Lord (Matthew.Lord@dfat.gov.au) (3) Embassy of Japan: Mori Kosuke (kosuke.mori@mofa.go.jp) <p>Technical Supporting Staff:</p> <ul style="list-style-type: none"> - (1) UNODC: Oudone Sisongkham / oudone.sisongkham@un.org (2) Embassy of Australia: Leuanevilay, Mixay (Mixay.Leuanevilay@dfat.gov.au)
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Overview of Sector Performance in 2020/2021

Sector outputs and activities	Update on the Progress/note on situation and relevant information to highlight sector performance	Challenges, opportunities and way forwards
A. Actions/activities relating to the RTIM key recommendations and those highlighted in SWG Call for Action 2020/2021		
Enhanced border security (<i>SWG/RTIM recommendation</i>)	<p>Notes on the situation: Lao PDR is located in the centre of the Mekong region, a region characterized by high levels of organized crime, and borders all the other Mekong countries. Lao PDR's location and limited capacities make the country an attractive transit point for organized crime groups. Increasing amounts of synthetic drugs and other illegal products are trafficked through Laos.</p> <p>-</p> <p>Update on progress:</p> <ul style="list-style-type: none"> - Through the Border Management Programme, UNODC works with the Government of Lao PDR to enhance border security and border management capacities. A key area of focus for this programme is to support a network of 20 Border Liaison Offices to improve their capacities for cooperation, data collection, intelligence sharing, 	Lao PDR is becoming an important transit country for organized criminal networks, and this challenge is likely to increase in the years to come. With on-going regional integration and facilitation of cross border trade and transportation, organized criminal networks are likely to increasingly exploit Lao PDR's porous borders. Enhanced capacities for intelligence driven law enforcement and border control is necessary.

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	<p>and interdiction of illicit drugs. Furthermore, the Border Management programme has in 2021 conducted a research project in border communities to gain enhanced knowledge of how these Communities are impacted by Transnational Organized Crime. The Border Management Programme is also implementing a Community Policing project in Huapanh province, to strengthen links between drug police and border communities. The BM programme in Lao PDR is funded by the government of Japan and the by the United Nations Peace and Development Trust Fund</p> <ul style="list-style-type: none"> - Through the Container Control programme, UNODC has jointly with the Government of Lao PDR established a Container Control Unit at the Friendship Bridge in Thanaleng, Vientiane. The purpose of the unit is to enhance capacities to profile containers for inspection. In 2021, the In 2021, UNODC has continued to build capacities of the programme, including a steering committee meeting, procurement of equipment, and through allowing customs officers to participate in a Professional Development Programme. The programme is funded by the Governments of Japan and Australia. 	
<p>Proper regulations of Special Economic Zones (<i>SWG/RTIM recommendation</i>)</p>	<p>Notes on the situation: Special Economic Zones (SEZs) have become a common tool in Southeast Asia to attract investments and stimulate economic development. However government regulation and oversight of SEZs are often lax, making them targets for organized crime.</p> <p>Update on progress:</p> <ul style="list-style-type: none"> - Through the Anti-Money Laundering/Countering the Financing of Terrorism Programme, UNODC has continued to work in conjunction with the Lao PDR Financial Intelligence Unit (FIU) (Anti- 	

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	<p>Money Laundering intelligence Office (AMLIO), Bank of Lao), the Ministry of Justice, Ministry of Finance (Customs Department), Office of the Supreme People’s Prosecutor, and the Ministry of Public Security (Economic Police Department), to provide capacity building, through a programme of training events, to enhance institutional compliance with internationally accepted best practice in the field of addressing AML/CFT, and to provide mentoring to improve the implementation and effectiveness of the aforementioned institutions. The AML programme is supported by the Governments of Switzerland and the United States.</p>	
<p>Enhanced Evidence Based Treatment, including Community Based Treatment (<i>SWG/RTIM recommendation</i>)</p>	<p>Notes on the situation: Laos is increasingly becoming a transit country for synthetic drugs. This leads to more availability and more use. While a scientific drug use survey is needed to confirm numbers, it is likely that drug use is on the rise.</p> <p>Update on progress:</p> <ul style="list-style-type: none"> - UNODC has continued to support the Government of Lao PDR on enhancing and expanding access to Evidence-Based Treatment and Care Services, with funding from the Governments of Japan and the United States. This has included technical support and capacity building to 28 Community-Based Treatment (CBTx) sites across the country. Community-based treatment and care services provide alternatives for people who do not require residential treatment and who may be experiencing health and social problems related to their drug use. In 2021, the programme has worked to build a Centre of Excellence for community-based treatment using Sisattanak district hospital as the outpatient model for the rest of Lao PDR. At present the programme has 	<p>Drug trafficking through Lao PDR has increased dramatically over the past five years, leading to increased availability and likely increased use of illicit drugs.</p> <p>There is a significant need to enhance and expand availability of evidence based drug treatment, as well as to gain better knowledge of drug use patterns.</p>

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	expanded to six additional sites in Houaphanh province.	
Sustainable Alternative Development (<i>SWG/RTIM recommendation</i>)	<p>Notes on the situation: Laos continues to be a major producer of opium. Opium is cultivated in all the northern provinces, primarily in poor and remote areas. The last opium survey was conducted in 2015, when an estimated 5,700 hectares were used for opium cultivation. While updated numbers are not available, there is a concern that disruption of legal value chains due to COVID-19 has made illegal trade, including of opium, relatively more attractive. There is a need for sustainable alternative development interventions as well as an updated opium survey,</p> <p>Update on progress:</p> <ul style="list-style-type: none"> - UNODC and the Government of Laos has continued to work with Luxembourg, Germany, the United States, and Japan to deliver Alternative Development programming in Huapanh province, where supported communities are in the process of transitioning to coffee and establishing a jointly owned cooperative. In 2021, the Vanmai cooperative entered into a Long-Term Commercial Agreement with the French coffee roaster Malongo, ensuring the cooperative a market for their coffee for the next five years. Furthermore, the cooperative successfully harvested, processed and exported their first 20 tonnes of green coffee beans. The coffee is now being sold in Malong shops in France. 	<p>Opium cultivation continues at high levels in Lao PDR. The COVID-19 pandemic has disrupted trade channels for legal products, and there is a risk that more communities will turn to opium cultivation.</p> <p>There is a need to expand and build on successful Alternative Development interventions, and to introduce sustainable income alternatives to more communities as an alternative to the cultivation of opium.</p>
Strengthen systems for data gathering and intelligence sharing, including a National Drug Use Survey (<i>SWG/RTIM recommendation</i>)	<p>Notes on the situation: The nature of organized crime means that data are less readily available than for legal activities. However, more data and systems for information gathering is necessary. Importantly, more information on (1) drug use patterns, (2) opium cultivation, (2) border communities, and (4) trafficking patterns are needed.</p> <p>Update on progress:</p>	

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	<ul style="list-style-type: none"> - During the reporting period, a study has been conducted by UNODC on Organized Crime in Border Communities. The study focussed on how border communities are affected by organized crime and drivers for their involvement. The study is expected to be published in December 2021. Furthermore, the network of Border Liaison Offices has continued to collect data and produce intelligence on trafficking patterns. During the period, a Knowledge Attitude and Practice Study of medical professionals was also conducted to improve of Community Based Treatment services. 	
Regional Cooperation (<i>SWG/RTIM recommendation</i>)	<p>Notes on the situation: The transboundary nature of Organized Crime makes international and regional cooperation between law enforcement agencies essential. This includes both operational cooperation and cooperation on developing joint policies.</p> <p>Update on progress:</p> <ul style="list-style-type: none"> - The key policy level regional cooperation mechanism for Illicit Drugs is the Mekong MOU on Drug Control, where heads of drug agencies from all the Mekong countries plus China participate. UNODC provides secretariat services for the MOU. While travel restrictions made in-person meetings impossible during the reporting period, online coordination meetings have been arranged and the Lao Commission for Drug Control and Supervision have actively participated. A key mechanism for operational cooperation is the regional Border Liaison Office Network. Intelligence shared through this network has been instrumental in several drug seizures during the reporting period, including a seizure of 30 tonnes of precursor chemicals in Bokeo in June 2020. 	The COVID-19 pandemic has made regional cooperation increasingly challenging. In-person meetings have not been possible for large parts of 2020 and 2021.
Improve control and detection of precursor chemicals (<i>SWG/RTIM recommendation</i>)	Notes on the situation: there is a need to improve control and detection of precursor chemicals, through	

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	<p>strengthened forensic drug laboratories and Law enforcement to identify shifts in the precursor chemical market. A regional policy for precursor control strategy should be developed with other countries in the region.</p> <p>Update on progress:</p> <ul style="list-style-type: none"> - Through the Precursor Control Programme, UNODC has continued to work with Lao PDR to enhance capacities for precursor detection and to raise awareness of challenges associated with non-controlled chemicals for the illicit manufacture of drugs. For Lao PDR, the programme has provided technical assistance to Lao authorities to better monitor chemical shipments transiting in the country and their diversion. In addition, UNODC has provided handheld devices to Lao authorities to test suspicious shipments of chemicals along major trafficking routes. Safety equipment to dispose of seized chemicals is being provided. The precursor control programme is funded by the Governments of Japan and the United States 	
Continue improvement of drug-related judicial instruments , making them more effective and relevant(<i>SWG/RTIM recommendation</i>)	Update on progress: During the reporting period, the Lao Commission for Drug Control and Supervision has initiated a revision of the national drug law.	
Support from other development partners	<p>The United States</p> <p>The United States pursues a multi-pronged approach to counter-narcotics programming in Laos. The United States continues its work to prevent and treat drug use disorders through strengthening Laos' Community Based Treatment (CBT) system. This support builds the capacity of local healthcare professionals on evidence-based treatment and care, provides technical assistance to CBT centers, and expands the use of the Universal Prevention Curriculum. The United States will also join a Drug Demand</p>	

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	<p>Reduction (DDR) dialogue with Laos to identify further areas of training assistance including strengthening clinical systems for treatment and long-term recovery. The United States also supports a UNODC-implemented alternative development project in Houaphanh province. The United States supports border security and the interdiction of illegal drugs through technical assistance and equipment purchases for Lao Customs, Lao drug control police, and Laos Commission on Drug Control (LCDC). The United States further addresses adjacent crimes, such as money-laundering, through capacity building for Anti Money Laundering Intelligence Office in the Bank of Laos.</p> <p>The U.S. Embassy's International Narcotics and Law Enforcement Affairs (INL) section supports capacity building and equipment provision for partners in the Lao PDR. Currently INL works closely with authorities to strengthen law enforcement, border security, drug demand reduction, and rule of law trainings to combat illicit drugs in the Lao PDR. We provide equipment and technical assistance to our partners, primarily Lao Customs. INL is also funding alternative development programs through its implementing partners and will conclude an opium production survey in 2022.</p> <p>Japan</p> <p>Japan continues to provide annual training courses to Lao Government officials on drug crime control. Japan also supports global and regional activities which cover the Golden Triangle through contribution to UNODC such as the Global SMART (Synthetics Monitoring: Analyses, Reporting and Trends) program. Since 2018, Japan has supported the provision of materials and equipment which help to strengthen the capacity of Ministry of Public Security in Lao PDR. This aims to prevent and combat terrorism-related crimes including drug trafficking which could lead to terrorist financing.</p>	

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	<p>Luxembourg Luxembourg is supporting an alternative development project in Houaphanh Province implemented by UNODC. The project started its implementation in early 2016. A second phase of the project started in January 2019. Through Project LAO/031 “<i>Support to Legal Teaching and Training and to the Promotion of the Rule of Law Concept in Lao PDR</i>” Luxembourg also supports the Institute for Legal Support and Technical Assistance. Their activities have addressed representatives at the central and provincial levels of the OSPP, PSC, SIA and AMLO. Activities and themes have included professional skills training courses/workshops/seminars on law subjects including anti-corruption, cybercrime, organised crime including drugs, money-laundering and trafficking (drug, human, wildlife, etc.) Areas of law include administrative, civil and criminal procedure law, and how to ensure effective implementation at the provincial and local levels.</p> <p>Germany Germany continues to fund a further phase of the UNODC sustainable livelihoods alternative programme through coffee cultivation in Houaphanh Province. Germany has been funding the programme since 2020, and the German funding was instrumental in building the processing capacities and market understanding of the cooperative. This phase aims to further support the Vanmai cooperative in becoming fully independent and sustainable. It will also integrate additional opium-growing communities in transitioning from opium cultivation to coffee. All members should be enabled to participate on equal terms in the cooperative with a special emphasis on women’s participation by creating a women’s network. The German cooperative association DGRV has been working closely with the communities in establishing a farmer cooperative.</p>	

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	<p>Australia</p> <p>Australia's \$30 million Mekong-Australia Partnership: Transnational Crime (MAP-TNC) is underway, promoting cross-border cooperation between Mekong countries and supporting their efforts to tackle drug trafficking, child sexual exploitation and financial crimes. The program has now concluded its design phase, and is now providing assistance in Laos, including via financial intelligence fundamentals training provided by the Australian Transaction Reports and Analysis Centre. .</p> <p>The Australian Federal Police (AFP) continues to provide law enforcement training and equipment for Lao police engaged in anti-narcotics and other transnational crimes. Increasing direct operational cooperation between the AFP and MPS has resulted in successful operational outcomes for both Laos and Australia, resulting in drug seizures and arrests as a result of direct cooperation and ongoing organized crime cooperation.</p> <p>Australia, through the Department of Home Affairs and the Australian Border Force, also supports an ongoing 'Strengthening Cargo Borders in the Mekong' program of border law enforcement and border management capacity building with Lao immigration and customs officials. Under the AUD 4.5 million, three-year program, Australian Border Force will provide trainers to assist Lao PDR counterparts to better target, detect, search and seize illicit goods in the supply chain, including precursors and illicit narcotics.</p> <p>European Union (EU)</p> <p>The EU and its Member States have been quite active in the past in providing support through alternative development projects in Northern Laos. The last EU project came to an end in late 2015. The EU remains fully committed to recognising drug production and use as a primary concern for the country and the region, and is enhancing its cooperation in the realm of Anti-money laundering with the Anti-Money Laundering Intelligence Office</p>	

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	<p>of the Bank of the Lao PDR in the context of the AML/APG review. The EU is also coordinating member of the Task Force against Wildlife Trafficking.</p> <p>United Kingdom The United Kingdom has recently funded two programs supporting Lao Customs in combatting the illegal trade in wildlife and bulk cash smuggling. This support included anti-cash courier training, and an assessment of Wattay International Airport and the Friendship Bridge border crossing with regard to border security and smuggling.</p> <p>Canada Canada is funding a 3-year UNODC project (2021-23) to increase awareness of law enforcement, border control and drug control officers on legal, technical tools and best practices to implement integrated gender sensitive and human-rights based responses to the synthetic drug and opioid crisis. Results will include enhanced skills and knowledge of law enforcement, border control and drug control officers to safely identify and interdict synthetic drugs, including synthetic opioids and their precursors in Lao PDR and other countries in the region. Canada is also funding another 3-year UNODC project (2021-23) to strengthen selected Southeast Asian capacity, including in Lao PDR, to effectively counter cybercrime and darknet related criminality including online child sexual exploitation, and human and drug trafficking through effective use of digital evidence. Canada is also providing multi-year support to ILSTA for its capacity-building workshops to help Lao police and judicial authorities disrupt and prosecute transnational organised crime, particularly money laundering.</p>	
To identify at least three gender-sensitive measures targeting SDG indicators on the wellbeing of drug affected communities (SDG3.5) and the overall public security (SDG 5.7, 8.7, 10.7, and SDG16 (Call For Action)	<p>Update on progress:</p> <ul style="list-style-type: none"> • Under the Huapanh Alternative Development programme: Establish a women's Association under 	

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	<p>the Vanmai cooperative to build future female leaders</p> <ul style="list-style-type: none"> • Under the Drug Treatment programme: Conduct a communication campaign is planned in 2021/22 to reduce stigma and discrimination against people who use drugs, people in prison and women • Under the Border Management Programme: Pilot Community Policing interventions to enhance communication between local communities and police 	
<p>To have more expanded participation of civil society and private sector representatives in the recurrent SWGs meetings to be held at least three times a year and in the overall ongoing Round Table Process (Call For Action)</p>	<p>While private sector and civil society has had limited participation in the SWG meeting, cooperation has been made with private sector under specific interventions. In particular, a formal cooperation has been established with the French coffee roaster Malongo to commercialize coffee produced by previous opium growing communities.</p>	
<p>In collaboration with SDG focal point ministries, to map out the national SDGs indicators to which the sector contributes, to ensure that the priority issues laid out in the Groups' Annual Work Plans tackle as many SDG related bottlenecks as possible (Call For Action)</p>	<p>The sector contributes to several SDG indicators.</p> <p>In particular the sector contributes to:</p> <ul style="list-style-type: none"> - SDG 16 (Peace, justice, institutions), by reducing crime and building capacities of criminal justice institutions - SDG 3 (Good Health and well-being), by enhancing access to evidence based treatment for drug users - SDG 1 (No poverty) by introducing alternative livelihoods to opium growing communities, who are generally from the most remote and poorest areas of the country <p>In addition, the sector also contributes to:</p> <ul style="list-style-type: none"> - SDG 5 (Gender Equality) through gender sensitive drug treatment and alternative development interventions - SDG 15 (Life on land), through Alternative Development interventions introducing alternatives to the environmentally unsustainable shifting cultivation currently 	

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	practiced in opium growing areas.	
B. Communication and outreach activities with the sector and across Sector Working Groups		
<p>A balanced approach to the drug problem requires cross-sectoral cooperation, including on:</p> <ul style="list-style-type: none"> • Law enforcement • Drug Treatment • Sustainable Alternative Development 	<p>While the Lao National Commission for Drug Control and Supervision and the Ministry of Public Security has an overall coordinating responsibility for national drug policy, in particular the ministries of Health (for drug treatment) and Agriculture (for Sustainable Alternative Development) play key roles in implementation of the National Agenda on Drugs.</p>	
C. Cross-sectoral thematic areas applied to all SWGs		
<p>1. Partnership for Effective Development Cooperation (in accordance to VDCAP 2016-2025) (Only narrative on each principle)</p>	<p>The Illicit Drug Sector Working Group (IDSWG) forms part of the National Round Table Process and constitutes the sectoral framework for donor coordination in the counter-narcotics sector in Laos. The IDSWG is chaired by LCDC, and co-chaired by the Mini Dublin Group Chair (Australia or Japan on a yearly rotational basis) and the United Nations Office on Drugs and Crime (UNODC).</p> <p>It has been agreed in the Sector Working Group that with the new national agenda, the group should consider updating the Terms of Reference for the group and revisit the meeting schedule, to ensure the group can support the new national agenda as effectively as possible.</p>	
VDCAP principles	<p>Ownership: National Drug Policy is coordinated by the Lao Commission for Drug Control and Supervision, under the Ministry of Public Security.</p> <p>Alignment: In order to ensure that drug policy is aligned with national priorities, the Lao Commission for Drug Control and Supervision have developed a national Agenda for Drugs that was approved by parliament in 2021. The National Agenda is linked to the National Socio Economic Development Plan.</p>	

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	<p>Harmonisation & Simplification: In an effort to adopt a programme based approach, the Lao Commission for Drug Control and Supervision have operated based on a Drug Control Masterplan.</p> <p>Inclusive Partnership for Development Results: The sector provides annual reports to the roundtable meeting, as per the format provided. It has been agreed in the Sector Working Group that with the new national agenda, the group should consider updating the Terms of Reference for the group and revisit the meeting schedule, to ensure the group can support the new national agenda as effectively as possible.</p> <p>Domestic Resource Mobilization: It is hoped that the new National Agenda on drugs will contribute to enhanced domestic resource mobilization for this sector.</p> <p>South- South Cooperation, Triangular Cooperation, and Knowledge Sharing: The Mekong countries have established a regional Memorandum of Understanding for Drug Control, to agree on regional drug policies, regional cooperation, and to exchange information and knowledge. The Lao Commission for Drug Control and Supervision takes an active part in this process.</p> <p>Business as a Partner in Development: The sector has actively engaged with the private sector to find markets for alternative development products as a substitute for opium. In this regard, a major success has been the signing of a long-term commercial agreement with the French coffee roaster Malongo. This ensures a market for alternative development coffee for the next five years.</p>	
2. Innovation and technology	Organized criminal networks are increasingly using advanced technology to assist their operations. In order to successfully investigate and prosecute organized criminal networks, the Government of Lao	

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	<p>PDR need to establish related capacities. In 2019, the first digital forencics laboratory in the country was opened. Further enhancement of technological capacities amongst law enforcement agencies is necessary.</p>	
<p>3. Promoting gender equality and women's empowerment and accelerating the adoption and implementation of the National Youth Policy</p>	<p>The sector aims to integrate the gender dimension across different programming streams.</p> <ul style="list-style-type: none"> - Under the Alternative Development programme, a women's association has recently been established to promote female leaders in the Vanmai cooperative - Under the Drug Treatment programme, a communication campaign is planned in 2021/22 to reduce stigma and discrimination against people who use drugs, people in prison and women - Under the Border Management programme, an assessment was made in 2019 jointly with UN women to assess challenges for women in Law enforcement. The programme will continue to follow up on these findings and recommendations. - 	
<p>4. Other emerging issues such as impact of COVID-19 and response</p>	<p>In spite of travel restrictions imposed by the pandemic, 2020 saw record seizures of methamphetamine in Southeast Asia, including in Lao PDR. While seizures dropped in the second quarter of the year following imposition of travel restrictions, organized crime groups adapted quickly and a sharp increase took place in the 3rd and 4th quarters, bringing the year total up to an all-time record.</p> <p>While travel restrictions have severely hampered licit trade, illicit trade remains active. There is a risk that this will make illegal activities relatively more attractive for border communities and communities with a history of opium cultivation. While there are no numbers available to confirm this, there is a clear risk that more farmers turn to the cultivation of opium.</p>	