## Speech



## Organization of American States

LUIGI R. EINAUDI, ACTING SECRETARY GENERAL OF THE ORGANIZATION OF AMERICAN STATES AT THE OPENING SESSION OF THE THIRTY-SIXTH REGULAR SESSION OF THE INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD) December 7, 2004 - Washington, DC

- Mr. Paul Kennedy of Canada, outgoing Chair of CICAD
- Major General José Antonio Sanz of the Dominican Republic
- Ambassador Jorge Gumucio, Vice Minister of Foreign Affairs of Bolivia
- Vice President of Honduras Armida de Lopez Contreras
- Distinguished representatives, Permanent Observers, representatives of other international and regional organizations, and special quests:

I am particularly pleased to be able to say a few words at the opening of CICAD's thirty-sixth regular session, because it offers me the opportunity, as Acting Secretary General of the Organization of American States, to welcome you to Washington, to discuss with you some of the changes at the OAS, and to assure you that CICAD not only remains vital for the OAS, but that I believe we will emerge strengthened by the reevaluation now underway.

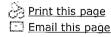
The reorganization initiated by then Secretary General Rodriguez on September 15 sought to create a truly integrated structure for the OAS, so that we could function as one organization, with one voice. I am confident that with some adjustment this reorganization will produce a revitalized and strengthened organization.

Over its long history, the OAS has proven itself to be very adaptable to changing circumstances, and that will continue to be the case. Here in CICAD, you have taken on issues that even ten years ago, were not considered part of drug control: issues such as arms trafficking, money laundering, training in strategic and operational drug intelligence, and trans-border control of crime. The MEM process is a landmark of international cooperation. I believe that CICAD, like the OAS Secretariat, will emerge stronger, more respected and more effective in its important work as a result of our reorganization efforts.

With the reorganization, CICAD becomes a major part of the new Department of Multidimensional Security. This Department is one of the seven that now comprise the General Secretariat. In addition to all aspects of the drug problem, the new Department will address subjects such as terrorism and terrorist financing, money laundering, arms trafficking, transnational gangs, and port security. These are all subjects in which CICAD already plays a part, and the merger of CICAD's work with other previously independent offices that addressed similar subjects, will but further integrate and strengthen the entire OAS response to these problems.

CICAD itself is in the capable hands of Jim Mack, a former senior officer in the US State Department, with considerable experience in anti-narcotics policy and programs. Ambassador Mack is an old friend and has the fairness required in our difficult business.

An important new area in the Department of Multidimensional Security is the Office of International Threats to Civil Society. This office will be responsible for articulating responses to such problems as gangs, kidnappings, transnational organized crime, and, in cooperation with the Pan American Health Organization, international health issues, such as the rapid spread across borders of infections related to drug use such as HIV/AIDS and Hepatitis C. CICAD has already done some pioneering work on these emerging threats in our hemisphere. The fact that we will now have an office that addresses them directly reflects the OAS'



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The grouping of these issues under the heading of multidimensional security responds to a twenty-first century recognition that all these problems – gangs, terrorism, arms trafficking, money laundering and drug trafficking -- are in themselves transnational, involving several countries. Drug trafficking is a prime example of how actions in one country (the growing of coca, poppy and marijuana) have a ripple effect across scores of other countries (processing the drugs in one country, transporting them through several others, selling them in yet other countries, and laundering the profits anywhere and everywhere). It is certain that the power of an individual State to control the crimes of drug trafficking, terrorism and money laundering is seriously diminished unless that State cooperates in very practical ways with other countries.

CICAD has long recognized this need for cross-country cooperation. That recognition is both philosophical, through the embrace of shared responsibility for the drug problem, and practical, in that you conduct many programs on a multi-country basis, enabling officials from all over the hemisphere to get to know and trust each other face to face.

Drugs, crime and violence are deviant behaviors that, for that very reason, are not under the full control of the State. The laundering of the proceeds of crime, for example, takes place largely through private banks and electronic transfers worldwide. Private banking is supervised by governments, but is not completely under government control. With the cooperation of the Inter-American Development Bank, CICAD is doing splendid work to improve the operations of government financial intelligence units, which track electronic transfers of funds, and is working closely with banking associations to help banks recognize that it is in their own business interests to cooperate with government. In the area of port security, the OAS and CICAD have made a good start in encouraging the increasing number of private ports to self-police their operations, again appealing to their own business interests.

In the Americas, most threats to society fortunately no longer require military action. The current threats to citizen security and wellbeing, such as violence in the streets, crimes against property, kidnappings, the disintegration of individuals and families as the result of drug addiction and other preventable health problems, corruption and the undermining of the rule of law, have no easy or quick solution.

CICAD and the Department of Multidimensional Security are now engaged in a multi-pronged program involving numerous aspects of security: economic stability and development for coca and poppy growers; prevention of violence and creation of a civic culture in communities; health safety, including prevention and treatment of substance abuse and related ills; a better way of dealing with offenders in jail to help them rehabilitate themselves and not turn into life-long criminals, and mitigation of the negative effects of drugs, crime and violence.

Drugs, crime, violence and related social and health issues represent for all of our countries a significant cost, both economic and human. Many member states are now active participants in the program mandated by the Summit of the Americas to assess how much impact those costs have on a country's budget. Once the results of this program are known, it will be important that your legislatures and Parliaments take stock of the costs, and consider how best to allocate their budgets. Indeed the findings of this study should help you to review the funding of your national drug control programs with your legislative bodies.

Let me now turn to another issue which is critically important to our modernization and restructuring efforts in the Secretariat: The budgetary and financial constraints of the OAS:

It will come as no surprise to you that the Organization continues to experience financial difficulties. Despite significant efforts by some key contributors, we were unsuccessful in recent years in attempts to obtain an across-the-board increase to quota contributions. Indexing to account for inflation also failed. Thus, the problem of a stagnant budget continues to reduce the purchasing power of the General Secretariat, as it has for the past nine years now. I believe

the restructuring now underway will ultimately put us in a position to successfully resolve these problems. But the world in which we live allows for no guarantees, and certainly no bankable short term prospects.

The Regular Fund of the OAS will provide CICAD with 24 per cent of its budget in 2005. That amount is unlikely to increase in future years. Indeed, since the 2003 budget, the Regular Fund contribution to CICAD's budget has been decreasing. Fortunately, CICAD has an 18-year track record of successfully raising funding for its programs from a variety of external, non-budgetary sources, and as a result, CICAD has a relatively secure base of operations to continue its work in all areas of drug control.

On behalf of the OAS, let me express our gratitude to the Inter-American Development Bank, to Permanent Observers from Japan, Turkey, France and Spain, and to the member states, for their very valuable financial contributions to CICAD outside the OAS Regular Fund budget. Your continuing support to CICAD will be essential to ensure continued success in addressing new and increasingly complex mandates.

Finally, I wish to express my deep appreciation for the hard work of Mr. Paul Kennedy, outgoing Chair of CICAD, and Senior Assistant Deputy Minister of Canada for Public Safety and Emergency Preparedness. We are indebted to you for your dynamic and far-sighted leadership of the Commission in this time of transition in the OAS, and for your steady counsel for many years.

On behalf of the Organization of American States, I am pleased to present you with a small token of our appreciation of your Chairmanship of CICAD for the 2003-2004 term of office, and hope that while your other duties may well occupy your time in Canada, you will return to CICAD from time to time to provide your calm voice of inclusion and common sense. Thank you very much for your service.

Ladies and Gentlemen: I wish you a very successful meeting, and look forward to hearing from Jim Mack the outcome of your deliberations on policy matters that are crucial to the development and security of our hemisphere.

Thank you.

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