
NEPAL

1. EXECUTIVE SUMMARY

- Nepal is one of the poorest countries in the world. It shares porous borders with India and the resulting free flow of goods and people is used to conceal trafficking in drugs and human beings.
- There are multiple reports of high drug-related HIV sero-prevalence especially among IDUs in the Kathmandu valley (70%).
- Considering the extent of the drug-abuse-driven nature of the HIV epidemic in Nepal, there is a paucity of responses to drug demand reduction. The impact of current harm-reduction initiatives has not been assessed.
- Nepal is a significant source country for women and girls who are trafficked into India for work in brothels and as domestic labour. Some of these women are trafficked onwards to Gulf countries or SE Asia.
- HIV prevalence is high among Nepali sex workers who return to the country from India.
- All the above should be considered in the context of the ongoing political instability. The country is currently trapped in a complex triangular political crisis and protracted civil war involving the monarchy, the political parties and the Maoist rebels with the potential for the Royal Nepalese Army to emerge as a political force.
- The armed Maoist insurgency began in 1996 as a low intensity and mainly rural campaign to replace the present polity with a “people’s republic.” The conflict has accelerated to a degree where it now affects all parts of the country. This has rendered difficult (and at times, impossible) the work of international aid agencies. This includes operations aiming at limiting the spread of drug-related HIV. The insurgency also has had the effect of limiting the countermeasures required against drug trafficking and the cultivation of illicit crops.
- The armed conflict has caused a deterioration in the trafficking situation. In many cases, women and children who are internally displaced as a direct result of the conflict, leave the conflict-afflicted zones to find jobs as well as protection. Maoist insurgents reportedly abduct and forcibly conscript children to serve in their ranks. A continuation of the conflict runs the risk causing mass migration and the attending threat of trafficking in such internally-displaced populations.

2. MAJOR CHARACTERISTICS OF THE COUNTRY RELEVANT TO THE DRUG AND CRIME PROBLEM

Nepal features among the poorest countries in the world in terms of human development (UNDP 2003). Nepal’s human development indicators remain well below the average for the South Asia region: more than 40% of the Nepali population live below the national poverty

line, nearly half of all children below 5 years are underweight and nearly 60% of all adults are illiterate. Additionally, women traditionally have a lower status than men and gender inequality is deeply rooted. Nepal is one of the few countries worldwide in which men live longer than women. More boys than girls receive any form of education. Women generally work longer hours than men. Men have better access to services, including health. In Nepal, the topography, environmental degradation, poverty and economic migration are all linked, and they combine with other factors to increase vulnerability to drug-abuse-driven HIV infection.

3. DRUG SITUATION

3(a) Production and cultivation

Cannabis has been used traditionally in Nepal for centuries. It can be found growing wild in the high hills of the central, mid-west and far western parts of Nepal where crop eradication is very difficult and expensive due to the difficult terrain.

In the southern part of the country law enforcement agencies have, in recent years, carried out eradication campaigns. The Narcotics Drug Control Law Enforcement Unit (NDCLEU) has reported the following destruction figures

Destroyed areas of illicit drugs cultivation (in hectares) (1991- 2004)

Year	Cannabis	Opium	Remarks
1991	1,409	-	-
1992	369	42.67	Young plants of cannabis (ready for cultivation) sufficient for cultivating an area of 47.96 were destroyed.
1993	249	1.42	45,110 cultivated plants of cannabis were destroyed.
1994	82	0.13	23,752 cultivated plants of cannabis and 562 cultivated plants of opium were destroyed.
1995	505	-	-
1996	58	1.80	-
1997	367	0.65	Bhang 0.103 hectare.
1998	54	1.67	-
1999	451	1.68	-
2000	780	0.10	57,584 plants of cannabis were destroyed
2001	56	1.72	
2002	330	11.34	25,639 cannabis plants destroyed
2003	198	19.42	-
2004	126	-	-

Source: NDCLEU

3(b) Manufacture

Nepal does not manufacture heroin, but produces high-quality cannabis resin. Its legal drug requirements are met through imports.

Nepal does not produce any of the precursors scheduled in the 1988 UN Convention.

3(c) Trafficking

Cannabis produced in Nepal is processed into hashish (cannabis resin), which is routinely smuggled into the Indian states of Uttar Pradesh and Bihar. From there it finds its way to

Delhi and Mumbai (NCB 2001; NCB 2002). Current indications are that both trafficking through Nepal and drug abuse within Nepal are on the rise. This appears to be the case especially near the border with India, along the main roads, and in the cities. Shipments of hashish are being intercepted en route primarily to China, India, Canada, the United States and Germany.

Opium and its derivatives (both “brown sugar” and white heroin) and banned pharmaceutical products are brought in to Nepal for local consumption. Much of the heroin available in the country is sourced from India.

In recent years there has been evidence that the Tribhuvan International Airport (TIA) in Kathmandu is being used for the transshipment of drugs, mainly heroin and cannabis. TIA has direct flight connections with Thailand, Bangladesh, India (five destinations), the Middle East (three destinations), Singapore, Hong Kong, China, Bhutan, the Netherlands, Germany, Austria, Russia and the U.K. The improved capacity of the NDCLEU has resulted in a recent increase in drug seizures at TIA, including heroin from Afghanistan and Pakistan, moving through TIA to destinations in Africa and Europe.

Nepal – Seizures (in kg)

Drugs	1997	1998	1999	2000	2001	2002	2003	2004	2005
Heroin	11.0	9.0	1.5	1.7	9.4	3.7	22.7	7.7	4.2
Cannabis /ganja	2,040	6,409	4,064	8,025	4,127	3,320	5,091	1,790	5,143
Hashish	981	2,585	1,671	2,539	694	850	921	1,598	1,387

Source: NDCLEU (note 2005 figures represent to 15 July)

The armed Maoist insurgency has however led to the withdrawal of the police from most rural areas. This compromises the ability of the latter to effect counter-narcotics interdiction. There is evidence that the Maoist insurgents both charge a levy on hashish passing through territory they control and operate a system whereby growers are authorized to cultivate a certain hectareage per year for the payment of a fee.

3(d) Diversion of drugs and precursors

Nepal does not manufacture or export precursors. It imports precursors to meet its requirements. There are no reports of the diversion precursors from licit trade in Nepal. However, there have been seizures of precursors (acetic anhydride) destined for Pakistan via Nepal by air. The geographical location of Nepal between India and China – the two largest producers of ephedrine and pseudoephedrine – as well as its proximity to Myanmar, which has a large illicit demand for these two precursors, makes Nepal crucial in any scheme of precursor control in the region. There is, as yet, no law to regulate precursors. The Nepalese government constituted a committee in 2003 to frame precursor control laws. With assistance from the UNODC Regional Precursor Control Project for SAARC Countries, the team drafted precursor control legislation, which is under consideration. Nepal has been actively participating in all meetings and seminars on precursor control. It has also drafted a national precursor control training strategy with help from UNODC. While there is no evidence of a large-scale diversion of drugs (including pharmaceuticals), codeine-based cough syrups are widely diverted and abused (INCSR 2003).

3(e) Drug prices

The drug prices are more or less in tune with the drug prices in other countries in the region except for cannabis, which is much cheaper than in the neighbouring countries. This can be explained by the extensive wild growth as well as cultivation of cannabis in the country.

3(f) Demand

Drugs such as cannabis and alcohol have been used traditionally in Nepal. The use of cannabis (ganja), when regulated by traditional social norms, appears not to have created major public health problems within the social structure of Nepal. The history of modern drug abuse in Nepal appears to date from the 1960s, when contact with the outside world began to expand. Reported sporadic abuse in the 1960s increased in subsequent decades. The types of drugs or substances abused have expanded from cannabis to synthetic opiates and sedatives-hypnotics, and their modes of administration also changed from smoking or ingesting to injecting (Chatterjee et al 1996).

In the mid-1990s a rapid situation assessment was conducted at different sites, including eight municipalities in the five development regions of the country (Chatterjee et al 1996) using methods such as semi-structured interviews, in-depth interviews and focus group discussions. The sample was recruited from the community, from treatment centres and from prisons. Additionally, secondary data from treatment centres and prisons was also analysed. The study revealed that most of the drug users were young adult males. More than one-third of the subjects in the sample were unemployed and one-fifth were students. Only about 29% were married. A large majority (90 per cent) of the drug users resided with their families. Apart from tobacco and alcohol, the major drugs of abuse were cannabis, codeine-containing cough syrup, nitrazepam tablets, buprenorphine injections and heroin (usually smoked, rarely injected). The commonest sources of drugs were other drug-using friends, cross-border supplies from India or medicine shops. A clear trend towards the IDU was noted among users who smoked heroin or took codeine cough syrup. The reasons cited for switching to injections were the unavailability and rising cost of non-injectable drugs and the easy availability and relative cheapness of injectables. The authors recommended cost-effective drug treatment and HIV prevention programmes for IDUs urgently.

Another RSA was conducted in 1999 in most of the urban areas of the southern part of the country, Kathmandu and Lalitpur, as well as the tourist area of the Pokhara valley (FHI 1999). It reported that among the 1,108 current drug users interviewed more than two-thirds had started taking drugs below the age of 20 years. At the time of interview, the majority of drug users were taking buprenorphine, nitrazepam, codeine-containing cough syrup and herbal cannabis. In the sample, about 73% of drug users were IDUs, 65.1% of whom freely shared injection equipment with others. On the basis of key informant interviews with government officials in Nepal this RSA estimated the total number of drug users in Nepal to be between 40,000 - 50,000.

Street children have also been noted as a group vulnerable to drug abuse and HIV/AIDS in Nepal. Dhital et al (2002) conducted a study on alcohol and drug abuse among 180 street children selected at six urban sites. The findings revealed that more than two-third of such boys had 'ever' taken alcohol while 40% of such girls had 'ever' taken it. Overall, more than

one-third of respondents had taken alcohol within last one month. One-quarter of the respondents had 'ever' taken drugs, while the figure for current users was about 20%. The most commonly used drug was cannabis, followed by inhalants, tranquillizers, opiates and heroin.

In Nepal, the total number of prisons is 73. The capacity of these prisons ranges from 15 to 1,500 prisoners, out of which the majority are male. Nepalese prisons come under the purview of the Ministry of Home affairs and the Prison Management Department. The prison population rate in Nepal is low (in 2002, 29 prisoners per 100,000 inhabitants), but there is an overcrowding problem at the level over 40% of official capacity (ICPS 2004). Twelve percent of prisoners in the Nepalese prisons are there for drug-related offences. The drug-related offences committed in Nepal are illegal production, sale and distribution, export and import of drugs, storage and consumption of drugs and chemicals. The major drug problem at present is that drug dependents do not receive regular treatment and rehabilitation and no psychiatrists are available in the prisons.

3(g) Costs and consequences

The literature describes various adverse consequences of drug use in Nepal. Chatterjee et al (1996) reported adverse economic consequences of drug use in the RSA. Various high-risk behaviours have been observed among drug users in Nepal. About one-half of the injecting drug users commonly reported sharing injecting equipment which had been inadequately cleaned with water (Chatterjee et al 1996). Notably, among those IDUs operating in a region which witnessed a functional needle exchange programme, a much smaller proportion reported the sharing of equipment. Although an overwhelming majority (99.4 per cent) of the respondents reported some knowledge of HIV/AIDS, a significant prevalence of high-risk sexual behaviour was found. About one-third of respondents reported last sexual activity with casual sex partners, mostly commercial sex workers.

Similarly, in the 1999 RSA (FHI 1999), most of the respondents (72.2%) admitted to premarital sex with multiple partners and most of these sexual encounters (64.7%) had been without a condom. At the time of interview, 51.7% admitted to unsafe sex, with more than one sexual partner. Among the entire group of drug users interviewed, 8.1% of the non-drug injectors were found to be HIV positive, whereas among injecting drug users, the prevalence was 40.4%.

A situation analysis of HIV/AIDS in Nepal (largely qualitative) also noted the increasing number of IDUs in Nepal, their vulnerability to high-risk behaviour and increasing prevalence of HIV among IDUs (Pokharel et al 2000). The report also noted with concern, inadequacy of harm-reduction initiatives in Nepal.

In another study examining the risk behaviours of male IDUs in the Kathmandu valley (CREHPA 2002), 41 out of 63 respondents shared both syringes and drugs with their group members currently while another 22 reported that they used to share earlier. Most respondents shared with two or three members of their groups. The specific sharing partners varied from day to day within the groups. About two-thirds of the unmarried respondents had sexual relations with multiple partners such as sex workers, girlfriends, female IDUs, and foreigners (tourists). Out of 34 unmarried men, 12 reported their last sex partner to be a sex worker and 11 reported it to be their girlfriend. Out of the 63 informants, 18 reported that

they had indulged in group-sex, an activity during which condom use was reported to be particularly low. The majority of IDUs reported that they did not use condoms consistently.

A high HIV prevalence among IDUs in Nepal is seen as a matter of concern. Nepal has entered the stage of a “**concentrated epidemic**”, with HIV/AIDS prevalence consistently exceeding 5 percent in high-risk groups (World Bank 2003). In Nepal, IDUs are seen as a major high-risk group, among others such as sex workers. Migration and trafficking to neighbouring countries, such as India, is also seen as high-risk factor for HIV/AIDS vulnerability in Nepal. Nepal has witnessed rapid increases in HIV prevalence rates among sex workers and IDUs in recent years (World Bank 2002).

An analysis (Hellard and Hocking 2003) of secondary data on the relationship between HIV, sex workers and IDUs in Nepal reported a steadily increasing prevalence of HIV among IDUs throughout the 1990s. Regarding the relationship between IDU and sex work, the authors reported that 12% to 58% of female IDUs had at some time worked as sex workers. In this sub-group the prevalence of HIV was estimated to be 75% to 80%. Factors associated with an increased risk of HIV among sex workers include being street-based, having undertaken previous sex work in India, or a history of injecting drugs. This review also identified that a high proportion of IDUs visit sex workers and often had sex without using a condom.

The sudden rise in HIV prevalence among IDUs in Nepal in the recent past has highlighted the need for reaching out to a critical mass of IDUs in any city/country with adequate safer injecting options, as part of a comprehensive package of drug demand reduction options, once an effective mechanism for outreach to IDUs is developed.

3(h) Money laundering

There is no law criminalizing money laundering in Nepal. While Nepal is not a major financial centre for money laundering, an informal alternative system of remittance (called hundi-hawala) does exist (INCSR 2003). The casinos in Kathmandu are also known to be used by individuals trying to launder black money.

4. CRIME SITUATION

The trends in different categories of crime are provided in the table below:

CRIME IN NEPAL				
	2001-02	2002-03	2003-04	% difference 2003-04 and 2001-02
Murder, homicide, attempted homicide and accidental deaths	2,568	2,776	2,606	1.48
Suicide	2,329	2,409	2,096	-10.00
Organised and financial crime	864	1,084	876	1.39
Social crime	1,552	1,487	1,325	-14.63
Crime against women and children	246	327	317	28.86

Traffic accidents	2,150	2,240	2,083	-3.12
Other crimes	421	355	396	-5.94
Total	10,130	10,678	9,699	-4.25

Source: Nepalese Police Force

General crime trends: On an average, about 10,000 crimes are committed every year in Nepal of which murders, homicides, attempted murders (26.1%), suicides (22.0%) and traffic accidents (21.2%) account for 69.7%. The total number of crimes committed declined marginally by 4.3% during the two years for which the most recent statistics are available. Social crime (a term used in Nepal for offences related to public property, citizenship, etc.) declined (by 14.63%) followed by suicides (10%). In fact, there has been a steady decline in the social crime during the period while suicides increased marginally during 2002-03 before declining in 2003-04. However, murders and homicides (1.5%) and organized and financial crime (1.4%) grew marginally.

Crime rates: The overall crime rate per 100,000 population in the country was 42.2 (2001-02) 44.4 (2002-03) and 40.4 (2003-04) during the three years under review.

Crime against women: In stark contrast to the general decline in crime in Nepal during the period, crime against women and children rose by almost 30% during the period. These include rape, attempted rape and trafficking, etc. This trend is similar to the trends observed in other countries in South Asia where crimes reported against women have been rising much faster than average crime. This trend may be due either to an actual increase in crime or due to greater willingness among women to report crime as the society becomes increasingly open.

Murders and homicides: The rates of murders and homicides have been 3.02(2001-02), 3.00 (2002-03) and 3.99 (2003-04). The average rate of murders plus homicides thus works out at 3.66.

Corruption

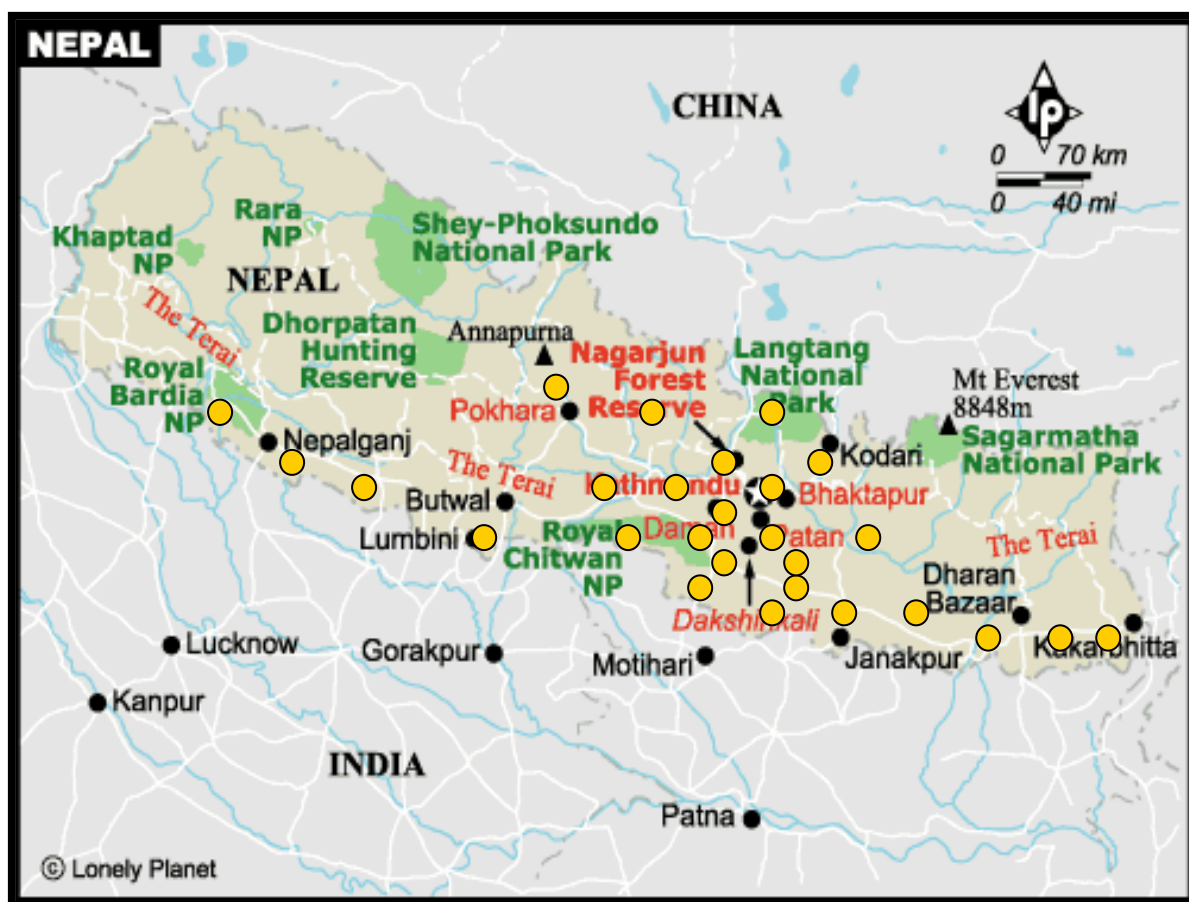
In the first comparative study of corruption in South Asia examining what users of key public services actually experience, respondents in Nepal considered the land administration to be the most corrupt public agency, followed by the customs department, police and the judiciary (TI 2002). About 48% of those who had used the services of the police said they had faced corruption. The figure for the judiciary was 42%.

Trafficking in Human Beings

Nepal is a source country for women and girls who are trafficked into India for primarily for work in brothels. Some women and children are also trafficked for the purpose of domestic work and other forms of forced labour, often to neighbouring countries and to countries in the Gulf region. Some of these women are trafficked onwards to SE Asia. It is estimated that between 100,000 – 200,000 Nepalese women and girls are currently working in the brothels of India (ADB 2002). Of these, approximately 25% are below the age of 18. Estimates of the number of women and girls trafficked annually range from 12,000 (for the purpose of sexual exploitation) contained in an ILO report (Kumar et al 2001) to the commonly recycled figure of 5,000 – 7,000. Many women and girls are also internally trafficked from rural areas

across Nepal to be sexually exploited in so-called cabin restaurants, massage parlours or in street prostitution.

Most of the trafficking occurs through false promises by recruiting agents, but there is also evidence of a pattern in Nepal where families send their daughters to work in brothels in India. Anecdotal reports indicate that this practice is decreasing. Some NGOs cite an absence of shelters and legal and public policies to combat male violence against women and girls as one important underlying reason for the trafficking especially in women and girls. According to this perspective, women and children flee their family homes as a result of having been subjected to different forms of violence such as physical, sexual and emotional abuse by male relatives, to an uncertain future, often in urban areas, where they risk being recruited and trafficked for prostitution purposes or for forced labour within Nepal or to other countries in the region (Ekberg and Manandhar 2005).



● The government of Nepal has identified 26 (of a total of 75) districts as ‘vulnerable’ to human trafficking i.e., where women and girls have disappeared or to which they have returned following a trafficking experience. These are depicted above in yellow dots.

The ongoing internal armed conflict has caused a deterioration in the trafficking situation. In many cases, women and children who are internally displaced as a direct result of the conflict, leave the conflict-afflicted zones to find jobs as well as protection (Ekberg and Manandhar 2005). Maoist insurgents reportedly abduct and forcibly conscript children to serve in their ranks.

Both at the central and district levels, the Ministry of Women, Children and Social Welfare provides funds for NGO-based efforts to provide victim rehabilitation and assistance. There are also high-profile NGO-based awareness campaigns in place assisted by the government and Unifem. All workers intending to travel abroad are required to attend an orientation session where they are informed of their rights and the risks they may face.

5. POLICY – DRUGS

5(a) National drug control framework

Convention adherence

The Government of Nepal has ratified the two UN Conventions related to narcotic drugs, namely, the Single Convention on Narcotics Drugs, 1961 (as amended by the 1972 Protocol) and the United Nations Convention against Illicit Traffic in Narcotics Drugs and Psychotropic Substances, 1988. Nepal is still not a party to the 1971 Convention.

Legislation

In Nepal, the Narcotic Drugs Control Act, 2033 (1976) is the legal framework for drug control issues. Section 3(a) stipulates narcotic drugs as: cannabis, medicinal cannabis, opium, processed opium, plants and leaves of coca, any substance prepared with mixing opium, coca extract which include mixtures or salts, any natural or synthetic narcotic drug or psychotropic substance and their salts and other substance as may be specified by the Nepal Gazette notification. Any person violating this act shall be punished by up to life imprisonment and a fine. While the non-physician-prescribed consumption of narcotic drugs is a criminal offence the Act makes provision for the prevention and treatment of drug users. Rules under this Act have, as yet, not been framed.

The Narcotic Drug Control Act from 1976 was subject to a comprehensive and important amendment in 1993. The Act was revised by the Ministry of Home Affairs and reviewed by the Ministry of Law. The amendment which came into force on 14 June 1993 included: (i) incorporation of the SAARC convention of 1992 on Narcotics Drugs and Psychotropic Substances³⁷; (ii) inclusion of the provisions of the 1961 Single Convention (including the 1972 Protocol amending that Convention) and the 1988 UN Convention on Illicit Trafficking of Narcotic Drugs and Psychotropic Substances; (iii) legalisation of controlled delivery; (iv) increased penalties for drug offences; (v) an asset seizure section; (vi) a section on money laundering (including a bank secrecy act); (vii) legislation of advanced investigation techniques and methods of gathering evidence such as wire tapping (including room and telephone bugging) and surveillance photography; (viii) authorisation of NDCLEU to prosecute drug law offences; (ix) a reward scheme; and (x) the destruction of seized drugs.

Following these amendments, discussions were held during the period 1994-1995 between UNDCP and HMGN regarding the formulation of separate legislation in the areas of money laundering, asset forfeiture and criminal conspiracy. Terms of Reference were developed for

³⁷ The SAARC Convention provides for regional information sharing and extradition of drug-related offences even in the absence of formal extradition treaty.

a UNDCP legal mission for finalising these matters. A legal consultation mission to Nepal was carried out. Working together with a government lawyer with considerable experience in narcotics control, the mission successfully drafted: (i) an amendment to the Narcotics Drug Control Act; (ii) a Witness Protection Act; (iii) a Mutual Legal Assistance Act; (iv) a Crime Proceeds Act; and (v) a Controlled Chemicals, Equipment and Materials Rule Act. The draft bills were translated into Nepali by a local translator and submitted to HMGN for consideration. The Ministry of Home Affairs however considered the bills to be too complex in their draft form and therefore deemed them not suitable for local conditions in Nepal.

Institutions and national policy

The Department of Narcotics Control and Disaster Management, under the Ministry of Home Affairs (MoH) has overarching responsibility for narcotics issues in Nepal. The MoH has established a National Co-ordination Committee for Drug Abuse Control (NCC) under the chairmanship of the Home Minister. This includes the Secretaries of Home, Health, Finance, Education, Foreign Affairs and Communications, together with the Inspector General of Police, Members and Secretary of the Planning Commission, and members of NGOs and other professional organisations. Generally, it has met less than once a year. Below the NCC is an Executive Committee, of which members include joint secretaries from the ministries of Education, Finance, Law and Justice, Health, and Women and Social Welfare, a Deputy Inspector General of Police (DIGP), National Project Director of the Drug Abuse Demand Reduction Project, and the Chief of the National Drug Control Law Enforcement Unit (NDCLEU). This committee meets more regularly than the NCC, and is working towards closer co-operation and co-ordination of national efforts, and a strengthening of management procedures, policy and strategy.

The NDCLEU is a specialized unit assigned to function on all narcotic drug related operational and investigative matters. The NDCLEU specializes in undercover operations, international joint investigations, and coordination with international law enforcement agencies.

The Customs Department of HMGN is also one of the main drug law enforcement agencies. At present there are 22 customs points in the country including Tribhuvan International Airport in Kathmandu.

5(b) Licit control (drugs and precursors)

Nepal does not produce any of the substances scheduled in the 1988 UN Convention. The country has, however, been used as a transit point to traffic narcotic drugs and precursor chemicals to neighbouring countries where drugs are illicitly manufactured. His Majesty's Government of Nepal (HMGN) has established an Inter-departmental Coordination Committee on Precursor Control (ICCPC). Besides the substances in Table I of the 1988 Convention, seven precursor chemicals listed under Table II are being regulated and controlled for importation and consumption. Precursor Control Rules and Regulations have been drafted to regularise importation, storage, transportation, distribution and consumption.

5(c) Supply reduction

In Nepal the policy of supply reduction is laid down in the Narcotic Drugs Control Act 1976 which was amended in 1993. The Master Plan designed with the assistance of UNODC indicated, as a long-term objective, “To contain and reduce the disruptive effect and damage to individuals, families and the social fabric of society caused by drug abuse and illicit trafficking”.

5(d) Demand reduction

In 1992 the Ministry of Home Affairs in cooperation with UNODC formulated a master plan for Drug Abuse Control, which is still in operation. The Master Plan includes the key areas of national drug control administration, legislation, law enforcement, preventive education, treatment and rehabilitation.

In Nepal the policy of demand reduction is laid down in the Narcotics Control Act 1976 which was amended in 1993. The long-term objective for drug control is “To contain and reduce the disruptive effect and damage to individuals, families and the social fabric of society caused by drug abuse and illicit trafficking”.

The Ministry of Home Affairs through the Community Recovery Centre conducts treatment and rehabilitation programmes in prison for drug addicted prisoners. Carrying out counselling, treatment programmes and skill development programmes for prisoners involves non-Governmental Organizations in Nepal in minimizing the use of drugs. Community Based Organizations are involved in carrying out anti drug programmes at schools and the community in Nepal.

According to the National Drug Demand Reduction Strategy (Shakya 2004), the Government of Nepal has adopted a two-pronged approach: Preventive Education and Information Strategy and Treatment and Rehabilitation strategy. Regarding the former, the strategy envisages communication of drug abuse prevention messages in the formal as well as non-formal educational sectors and through the use of mass media. Regarding the latter, the strategy envisages provision of detoxification, after-care and rehabilitation services for all drug users at primary, secondary and tertiary levels of care, including the government, NGO and prison based services. The strategy, importantly, also supports harm reduction procedures including substitution treatment.

The HIV/AIDS programme in the country is part of the activities of the Ministry of Health. The national coordinating body for HIV/AIDS prevention and control is the National AIDS Coordination Committee (NACC), which is chaired by the Health Minister. There is a need for closer cooperation between the Ministry of Home Affairs and Ministry of Health in matters relating to drug-related HIV/AIDS.

The National AIDS Prevention and Control Programme (NAPCP) was established in 1987.

Nepal was, indeed, the first developing country in which an NGO established a “harm reduction” programme with needle exchange for IDUs. The National HIV/AIDS strategy of Nepal (National Centre For AIDS and STD Control 2002), recognized IDUs as the population sub-group in which HIV threatened to rise most rapidly and expressed concern that neither governmental nor non-governmental capacity and policy were positioned to

mount an effective response. The strategy lays down emphasis on creation of an enabling environment, harm reduction (including drug substitution), care and support of seropositive IDUs and their partners, and demand reduction (i.e. IEC based prevention programmes).

An analysis of policy issues in Nepal was under taken as a part of a UNODC ROSA project (Shakya 2004). The highlights emerging from the analysis were as follows:

- A balanced approach to harm reduction, especially regarding needle exchange is lacking between the Ministry of Health and the Ministry of Home.
- Government has been slow to provide resources and to implement comprehensive harm reduction programmes.
- NGOs have implemented harm reduction and community outreach initiatives but they are too few and too limited in scale to reach the majority of those in need and to have a major impact on the epidemics.
- There is a fear in the mind of some policy makers that syringe exchange might increase addiction among the youth.
- A minimum standard of services should be fixed for organizations involved in service delivery.

An analysis of national policies pertaining to drug use and HIV/AIDS (UNAIDS and UNODC 2000) found that the responsibility for drug policy planning in Nepal resides solely within the Ministry of Home Affairs, which had not, till then, placed substantial emphasis on the public health aspects of drug abuse. Many senior officers within the Ministry of Home Affairs saw needle and syringe exchange treatment as being against the law and counterproductive. It was further observed that the legal situation pertaining to the use of methadone for purposes of drug substitution treatment was unclear and although government was supportive in a limited and non-formalized sense, there was no written policy on the matter.

5(e) Money laundering control measures

Current provisions under the Foreign Exchange (Regulation) Act, 1982, are not adequate to deal with sophisticated and complicated financial crimes such as money laundering and the investigation of drug proceeds. There is also no ceiling for money transactions in Nepal. HMGN has drafted a Money Laundering Act but this has not to date been approved. The Department of Narcotic Control and Disaster Management has meanwhile initiated a Proceeds of Crime Act which is currently under consideration.

Agencies, which have the authority to investigate financial offences, include Nepal Rastra Bank, Revenue Investigation Department, Special Police Department, NDCLEU and the Commission for the Investigation of Abuse of Authority. The multiplicity of agencies, lack of sharing of criminal intelligence, and division of authority for financial investigation and drug crime investigation between different ministries result in a very low detection rate of money laundering and related crime.

5(f) International cooperation

Nepal is actively participating in international and sub-regional meetings and conferences. Drug Liaison Officers from USA, Germany and UK visit the country regularly for exchange of information and to make assessment of drug problems.

The Government is a signatory to the 1990 SAARC Convention on Narcotic Drugs and Psychotropic Substances.

6. POLICY – CRIME

Criminal justice system: The constitution promulgated in 1990 reorganized the judiciary, reduced the king's judicial prerogatives, and made the system more responsive to elected officials. Under the new system, the king appoints the chief justice of the Supreme Court and the other judges (no more than 14) of that court on the recommendation of the Judicial Council. Beneath the Supreme Court, the constitution established 54 appellate courts and numerous district courts. The king on the recommendation of the Judicial Council also appoints the judges of the appellate and district courts.

The Judicial Council, established in the wake of the pro-democracy movement and incorporated into the constitution, monitors the court system's performance and advises the king and his elected government on judicial matters and appointments. Council membership consists of the chief justice of the Supreme Court, the minister of justice, the two most senior judges of the Supreme Court, and a distinguished judicial scholar. All lower court decisions, including acquittals, are subject to appeal. The Supreme Court is the court of last resort, but the king retains the right to grant pardons and suspend, commute, or remit any sentence levied by any court.

Crime control institutions: Nepal's police system owes its origins to the Nepal Police Act of 1955. Besides defining police duties and functions, the act effected a general reduction in the size of the police force and a complete reorganization of its administrative structure along Indian lines. At the apex of the system is the Nepalese Police Force, centrally administered by the Ministry of Home Affairs. The Central Police Headquarters, commanded by the inspector general of the Nepalese Police Force, has a criminal investigation division; intelligence, counter-intelligence, motor transport and radio sections; a traffic policy branch; and a central training center.

Human trafficking: The Human Trafficking Control Act of 1986 is the main piece of legislation currently in place. It criminalizes the trafficking in human beings. There is in place a National Plan of Action against Trafficking in Children and Women for Sexual and Labour Exploitation. Through this document, Nepal has had the first plan of action against trafficking for all South Asian states. The government had also prepared an anti-trafficking Bill, which, due to the suspension of the Parliament, is yet to be enacted. The current extradition treaty with India does not cover trafficking. There is also no provision for repatriation in the current legislative framework. Thus if Indian NGOs rescue trafficked victims, there is currently no legal process to be used to return them to Nepal. In August 2002, the Office of the National Rapporteur on Trafficking in Women and Children (ONRT) was established as a three-year project at the National Human Rights Commission (NHRC) in Nepal through a Memorandum of Understanding between NHRC and the Ministry of Women, Children and Social Welfare (MWCSW). This initiative is the first of its kind in the South Asia region. The ONRT started its operations in January 2003 (Ekberg and Manandhar 2005).

Corruption: The legislature has amended the Anti-Corruption Act and made one of the constitutional bodies – the Commission for Investigation of Abuse of Authority – stronger. In February 2005, the king created an extremely powerful anti-corruption body through an emergency order. It is a six-member Royal Commission on Corruption Control (RCCC). The RCCC has the power to investigate and indict suspects, hear cases and order sentences in relation to smuggling, revenue-related crimes, irregular contracting procedures and kickbacks, and ‘any other act deemed to be corruption under existing laws’. The rules for the RCC were approved in March 2006. In April 2006, the king extended the term of the RCCC through a separate order under Article 127 of the constitution which allows him extraordinary powers to remove obstructions to the implementation of the constitution (EIU Nepal 2005).

Convention adherence: Nepal is a signatory to the Transnational Organized Crime Convention of 2002 but not the three related Protocols on human trafficking, migrants and firearms. It is also a signatory to the 2003 Corruption Convention.

7. TERRORISM

Currently the main source of activity linked to terrorism in Nepal is the Maoist insurgency which is responsible for hundreds of deaths of security personnel and civilians.

The key pieces of national legislation against terrorism were both promulgated as ordinances in 2001: (a) the constitution’s emergency provisions and (b) the terrorism ordinance. There is no law against terrorist funding.

Convention adherence: Nepal is a party to five of the 12 international instruments related to the prevention and suppression of international terrorism. It is not a party to the 1999 International Convention for the Suppression of the Financing of Terrorism.