



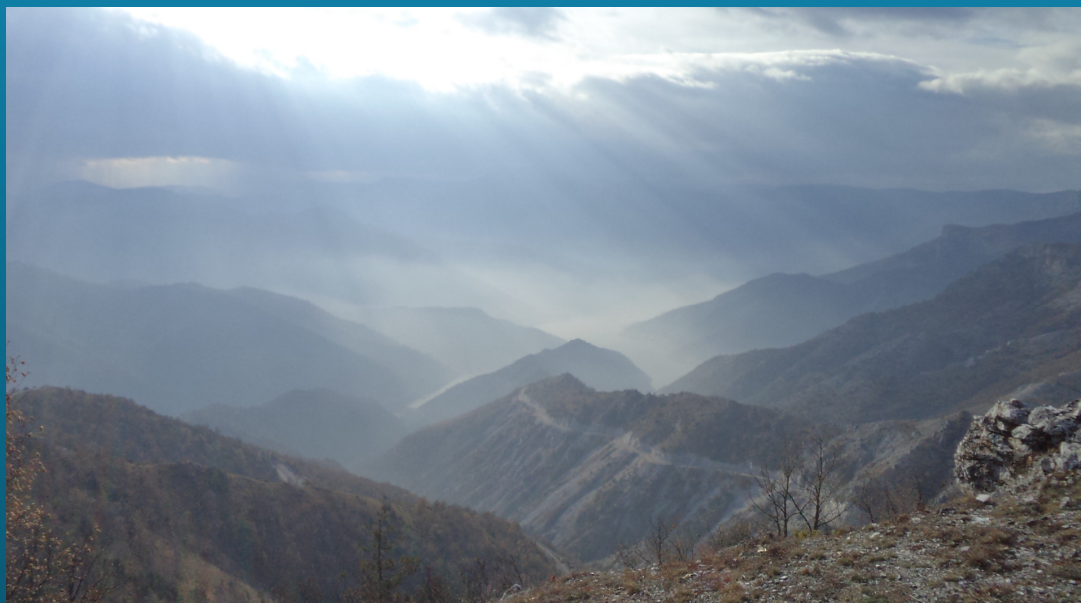
UNODC

United Nations Office on Drugs and Crime

Paris Pact INITIATIVE

A partnership to counter the trafficking and consumption of opiates originating in Afghanistan

Drug Situation Analysis Report South Eastern Europe



NOVEMBER 2011 REPORT

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KEY FINDINGS

1. The Balkan Route is mainly used for transit and, to some extent, stockpiling and repackaging of Afghan heroin on its way to Western and Central Europe.
2. The Balkan Route is also used, in reverse direction, for trafficking of synthetic drugs and of precursor chemicals required for the production of heroin.
3. Liberalized visa regimes, porous borders, still insufficient results of fight against money laundering and, in case of some countries, limited capacities of the customs, contribute to the vulnerability to drug trafficking of the countries/territories covered in this report.
4. Marijuana is the most widely used drug in the countries/territories covered in this report. Marijuana is cultivated in the region for local consumption and trafficking onwards to Central and Western Europe. In some countries/territories covered in this report, marijuana is increasingly being supplanted by its more potent variant 'skunk'.
5. There have been reports of Latin American cocaine entering Western and Central Europe via South Eastern Europe. Organized crime groups from this region have established operational bases in Latin America for sourcing cocaine directly from producers and for the logistical support for the trafficking of cocaine to Europe.
6. No general population-based surveys on illicit drug use have been carried out in recent years, in any of the countries/territories covered in this report.

EXECUTIVE SUMMARY

The majority of Afghan heroin trafficked into Western and Central Europe transits the Balkan route. UNODC estimates that of the 75-80 tons of heroin trafficked to Western and Central Europe in 2009, some 60 tons were estimated to have been trafficked from countries of South Eastern Europe. In 2009, Balkan countries seized 2 tons of heroin whereas the Turkish law enforcement seized 16 tons. Almost all seizures in South-Eastern Europe were made at land borders. Given that heroin is trafficked from Turkey to the Balkan countries mainly through land borders, the number of heroin seizures in Balkan countries is very low compared to that reported by Turkey.

While amounts of heroin seizures in countries/territories covered in this report differ from country to country and from year to year, it could be said that there is a general downward trend in seized amounts of heroin. National law enforcement agencies have reported lower occurrences of heroin trafficking in recent years which they ascribe to what they say is shifting in corridors of trafficking of heroin within the Balkan Route as well as to their law enforcement measures. Purity of street heroin is generally low.

There is a controlled licit poppy straw and poppy straw concentrate production in the former Yugoslav Republic of Macedonia for medical purposes. While there are occurrences of home-grown and small scale cultivation of cannabis throughout the region, the illicit cultivation of cannabis in Albania is large enough for the domestic market and for trafficking to Italy, Greece, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro and further afield. There have also been reports of illicit production of synthetic drugs in Serbia.

The countries of South Eastern Europe have mainly harmonized their anti-corruption legislation with the EU standards and started implementing it, however, apart from judicial prosecution in some high-level cases, there have been no court decisions yet that have led to major convictions. Some of the problems in the fight against organized crime and corruption are generally low salaries in the law enforcement agencies and, in some cases, the lack of training and adequate equipment.

INTRODUCTION

This report covers the following countries/territories of the South Eastern Europe: Albania, Bosnia and Herzegovina, Croatia, Montenegro, the former Yugoslav Republic of Macedonia¹, Serbia and Kosovo under UN Security Council resolution 1244². Due to their geo-strategic location on the Balkan Peninsula, these countries/territories are important for transit of narcotics along the “Balkan Route” - the most important route for trafficking of Afghan opiates to the Central and Western Europe.

Heroin consumed in Europe originates predominantly in Afghanistan, which accounts for 83% of the global heroin production³. It arrives in Europe mainly via the historically important Balkan route which brings heroin produced in Afghanistan through Pakistan, Islamic Republic of Iran and Turkey, from where it enters the Central and Western Europe via several routes, and, to a much lesser extent, via Northern Europe, arriving through Central Asia, Russian Federation and the Baltic states. However in 2010 and 2011, direct shipments from Pakistan and Islamic Republic of Iran and via Africa to Western and Central Europe have emerged.

Map1: Southern Europe and the Balkan Peninsula



¹ All references to the name of the former Yugoslav Republic of Macedonia in this report should be understood to be in the context of United Nations Security Council resolution 817 (1993).

² All references to Kosovo in this report should be understood to be in the context of United Nations Security Council resolution 1244 (1999).

³ UNODC: The Global Afghan Opium Trade, A Threat Assessment, 2011

The Balkan Route and Heroin Trafficking

The majority of Afghan heroin trafficked into Western and Central Europe comes through the Balkan route. Of the 75-80 tons of heroin trafficked to Western and Central Europe in 2009, some 60 tons were estimated to have been trafficked from countries of South Eastern Europe (via the Balkan route)⁴. Heroin is trafficked into Western and Central Europe by land, sea and air. The Balkan route dominates land and sea shipments. The Balkan route originates in Afghanistan, passes through the Islamic Republic of Iran, then Turkey and reaches the Balkans via Bulgaria, with a smaller flow through Greece. Once heroin enters Turkey, most of it is trafficked to Istanbul and then onwards to the borders with Bulgaria and Greece. Heroin is often stretched and cut with adulterants and then re-packaged in Balkan region and then sent to the West and Central Europe⁵.

Other Narcotics

According to Europol, “an increasing amount of cocaine from Latin America enters the EU via the Western Balkans and South East Europe: large shipments have arrived at ports on the Adriatic and Black Sea. The liberalization of trade in the region and the presence of established transnational criminal networks have facilitated this expansion [in trafficking to EU]. Equally, criminals from the Western Balkans have established operational bases in Latin America, maximizing their profits by sourcing cocaine directly from producers⁶.” The police of Croatia has also reported that certain amounts of cocaine cross Croatian maritime borders on board of cruise and cargo ships, in containers etc⁷.

Also according to EUROPOL, ecstasy (MDMA and related analogues) and amphetamine are exchanged with heroin in the Western Balkans and Turkey⁸. Facilities for production of synthetic drugs have been found in some countries.

Marijuana (and its variant “skunk⁹”) is the most widely used drug in the countries/territories covered in this report. Part of the trafficked marijuana which is produced in South Eastern Europe remains in the region for local consumption and some portion is trafficked onwards to Central and Western Europe. According to Europol, “In South East Europe and the Western Balkans both indoor and outdoor cultivation have been observed. Balkan based criminal groups play a significant role in supplying cannabis and opiates to/from South East Europe. Within the South East criminal hub there is an emerging trend for outdoor cannabis cultivation. Harvest is

⁴ UNODC: The Global Afghan Opium Trade, A Threat Assessment, 2011

⁵ UNODC: The Global Afghan Opium Trade, A Threat Assessment, 2011

⁶ EUROPOL: EU Organised Crime Threat Assessment – OCTA 2011

⁷ Police Directorate of the Republic of Croatia: Overview of narcotic related criminal activities in the Republic of Croatia, Zagreb, 2011

⁸ EUROPOL: EU Organised Crime Threat Assessment – OCTA 2011

⁹ Skunk is the generic name often used by the press and police to describe a potent form of the cannabis plant. In fact skunk is only one of 100 or so varieties of cannabis plant which have high levels of tetrahydrocannabinol (THC). (Source: www.drugscope.org.uk)

then purchased by criminal groups engaged in polydrug distribution. As in the case of illegal migrants and individuals compromised by the economic crisis, domestic cannabis cultivation brings vulnerable groups in society into greater proximity with organised crime¹⁰.”

Acetic Anhydride

Acetic anhydride¹¹ destined for areas of production of heroin transits the region in a reverse course. Acetic anhydride is diverted in - or trans-shipped through – Western and Central Europe and trafficked through South-Eastern Europe, towards Afghanistan. The Balkan region is the obligatory stopover for overland shipments of acetic anhydride destined for Turkey¹².

Chapter 1: REGIONAL ANALYSIS

Demand

No general population-based surveys on illicit drug use have been carried out in any of the countries covered in this report. Some countries/territories have carried out studies based on ESPAD¹³ methodology as well as other more or less comprehensive behavioral surveys. While no country/territory covered in this report is a major global drug consumer, drug abuse is, generally speaking, on the increase. In spite of the importance of the Balkan route for trafficking of opiates between Afghanistan and Western Europe, marijuana remains the most widely used drug in this region. Also, the seizures and treatment records show that heroin is by far the most consumed opiate, with only sporadic occurrence of opium or morphine.

Table 1: Estimated Numbers of Heroin Users

Country/Territory	Estimated number of heroin users
Albania	8,535
Bosnia and Herzegovina	8,099
Croatia	10,749
The former Yugoslav Republic of Macedonia	8,000
Montenegro	635
Serbia	17,875
Kosovo	5,000
Total (for the region)	58,893

Note: Figures in Table 1 may not reflect the real situation.

Source: ARQ (Annual Report Questionnaires); EMCDDA for the former Yugoslav Republic of Macedonia and Kosovo

¹⁰ EUROPOL: EU Organised Crime Threat Assessment – OCTA 2011

¹¹ A precursor chemical used in the synthesis of heroin

¹² UNODC : The Global Afghan Opium Trade, A Threat Assessment, 2011

¹³ European School Survey Project on Alcohol and other Drugs

Trafficking and Supply

According to UNODC¹⁴, “In 2009, 65 tons of heroin reached the Balkans. Of this amount 59 tons was trafficked onwards – 14 tons towards Italy and the remaining 45 tons to Western and Central Europe, mainly to the United Kingdom, Netherlands, France and Belgium by:

1. Air
2. v. Sea
3. vi. Road via:
 - a. Bulgaria-Serbia or Romania-Slovenia or Hungary-Czech Republic
 - b. Bulgaria-Serbia-Bosnia-Croatia-Slovenia-Austria
 - c. Bulgaria- Romania-Hungary-Austria
 - d. The former Yugoslav Republic of Macedonia – Albania – Italy
 - e. The former Yugoslav Republic of Macedonia – Kosovo – Serbia – Bosnia or Croatia or Hungary
 - f. The former Yugoslav Republic of Macedonia – Kosovo – Montenegro – Italy or Bosnia or Croatia – Slovenia - Austria

Limited heroin trafficking also occurred via air from Turkey directly to Western and Central European countries”¹⁵. According to Europol, “The continued prominence of the Western Balkans in heroin trafficking, despite the existence of more direct routes through South East Europe and, indeed, the fact that traffic must leave the EU in order to enter these countries, points to the existence of substantial criminal logistics in the region”¹⁶.”

Traffickers are able to take advantage of the lack of visa requirements between the Balkan countries. For example, while Turkish citizens require a visa in most of the Balkan countries (except the former Yugoslav Republic of Macedonia, Kosovo, Albania and Bosnia and Herzegovina), the citizens of Albania, Croatia, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo do not need a visa for travel to Turkey.

Bulgarian citizens do not need a visa for any of the Balkan countries. There are no visa requirements between the Schengen countries¹⁷ and the countries/territories of the South Eastern Europe for stays up to 90 days. Additionally, citizens of the EU states can enter most of the South Eastern Europe countries with only their national ID cards. Also, citizens of some of the Balkan countries can move across the borders between their countries with only their national ID cards. This regime exists between Croatia and Slovenia, Croatia and Bosnia and Herzegovina, between Serbia and Montenegro and Serbia and Bosnia and Herzegovina. Holders of Kosovo passports do not need a visa to enter Albania, Montenegro and the former Yugoslav

¹⁴ UNODC : The Global Afghan Opium Trade, A Threat Assessment, 2011

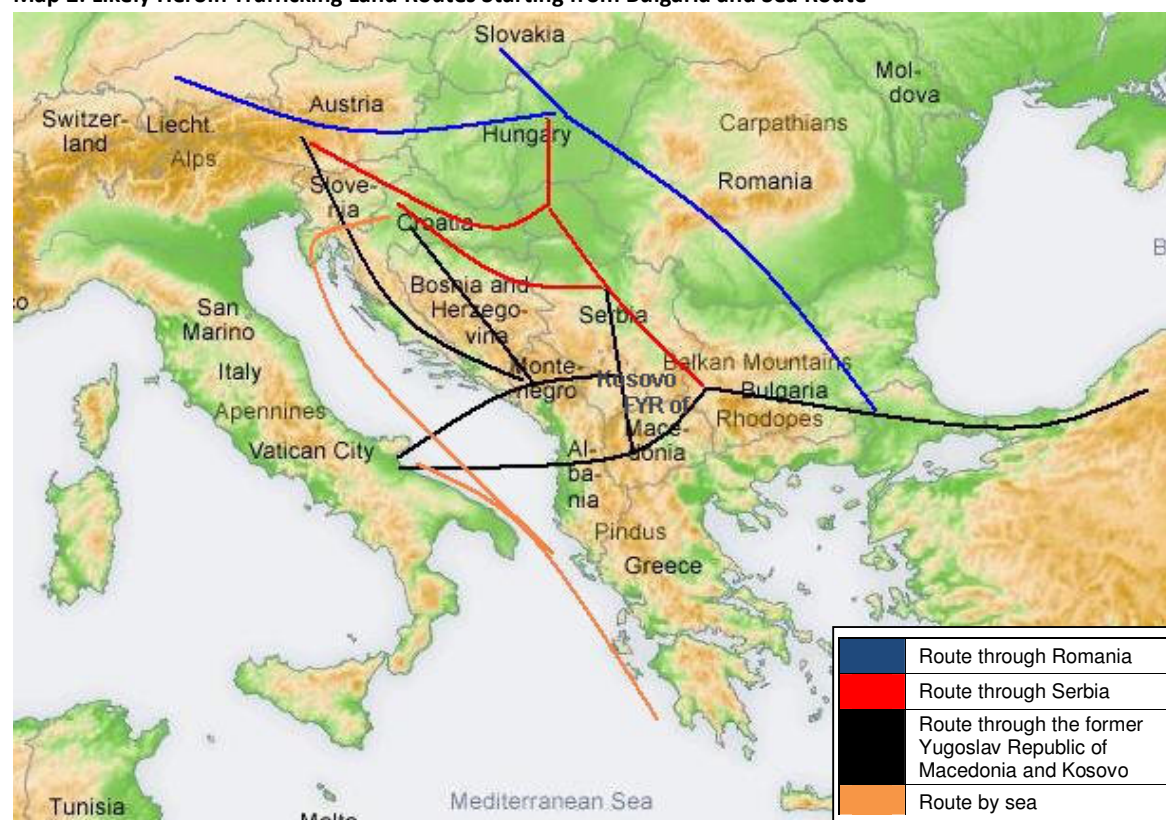
¹⁵ UNODC : The Global Afghan Opium Trade, A Threat Assessment, 2011

¹⁶ EUROPOL: EU Organised Crime Threat Assessment – OCTA 2011

¹⁷ The Schengen Area comprises all countries of the European Union except UK, Ireland, Romania and Bulgaria. Some non-EU states such as Switzerland, Norway and Island are also in the Schengen Area.

Republic of Macedonia and Croatia, but they need a visa for the EU and Schengen countries that recognize Kosovo passports. In case of travels into the EU and Schengen countries and into most of the Balkans countries travelers must report cash amounts exceeding € 10,000¹⁸.

Map 2: Likely Heroin Trafficking Land Routes Starting from Bulgaria and Sea Route



Source: http://en.wikipedia.org/wiki/File:Europe_topography_map_en.png

Standards of border control and the technical equipment of the countries/territories covered in this report vary. The porous boundary line of Kosovo is notoriously used for smuggling of various goods, commodities and narcotics. While the law enforcement cross-border cooperation in the region has significantly improved, there is still a lack of substantial communication between the Serbian police and EULEX (European Union Rule of Law Mission in Kosovo)¹⁹.

According to Europol, “Turkish and Albanian-speaking criminal groups remain the most prominent in trafficking heroin to and within the EU. Turkish groups have established heroin stockpiles in the Western Balkans, from which local groups are in charge of further distribution²⁰.” Also according to Europol, “Albanian speaking organised crime is truly poly-drug and poly-criminal. Within the EU, Albanian speaking groups are active in the fields of cocaine, heroin, synthetic drug and cannabis trafficking. The financial resources of these groups have

¹⁸ In Bosnia and Herzegovina travellers must report amounts over € 5,000

¹⁹ Reports of the Mini-Dublin Group for Serbia for 2011

²⁰ EUROPOL: EU Organised Crime Threat Assessment – OCTA 2011

enabled them to interact with criminal organisations in source areas for illicit drugs, as well as to proactively identify new criminal opportunities²¹.”

As regards the ethnic make-up of the criminal groups, while Albanian-speaking groups are traditionally homogenous, they cooperate with criminal groups from the former Yugoslav republics (who all speak similar languages).

According to the law enforcement authorities of Serbia, Montenegro, Croatia and Bosnia and Herzegovina, since Romania and Bulgaria became members of the European Union there has been a shift in the trafficking route within the Balkan Route. It is claimed that from Bulgaria, the traffickers prefer to go through Romania because of less rigorous border checks than in case of the route going eastwards through Serbia and Croatia and Bosnia and Herzegovina. While this argument could be used to explain lower seizures and availability of heroin in those countries, the question still remains whether there has indeed been a change in trafficking patterns of the organized crime groups.

Seizures

In 2009, Balkan countries seized 2 tons of heroin whereas the Turkish law enforcement seized 16 tons. Almost all seizures in South-Eastern Europe were made at land borders. Given that heroin is trafficked from Turkey to the Balkan countries mainly through land borders, the number of heroin seizures in Balkan countries is very low compared to that reported by Turkey²². There are no estimates on how much of the seized heroin was intended for the local markets and how much for onward trafficking to Western Europe. According to UNODC’s Global Afghan Opium Trade report, “heroin is commonly altered in the Balkans, as most of the heroin trafficked from Turkey is of high purity (55-65 per cent); this indicates the involvement of local organized crime groups²³.”

According to the SECI Center, “The trend initially observed in 2008 for smuggling substantial amounts of heroin in passenger cars was reconfirmed during 2009. It appears that, as response to the measures taken at the borders for limiting the smuggling of illegal goods by truck consignments, the traffickers are using more often passengers of regular bus and train lines as couriers to transport smaller amounts. Also it can be noticed an increased number of couriers, citizens from outside the region²⁴.” Also according to the SECI Center, “besides Turkey, which remains the main departure country for heroin consignments, Bulgaria, Serbia, the former Yugoslav Republic of Macedonia and Albania were also mentioned as departure countries for heroin and may be secondary distribution points, together with other countries in the region such as Romania. This idea is also sustained by the decrease of quantity of heroin per seizure when going West on the Balkan route. Romania, Bulgaria,

²¹ EUROPOL: EU Organised Crime Threat Assessment – OCTA 2011

²² UNODC : The Global Afghan Opium Trade, A Threat Assessment, 2011

²³ UNODC : The Global Afghan Opium Trade, A Threat Assessment, 2011

²⁴ SECI Center: Report on drug seizures in South Eastern Europe 2009

Turkey, Albania, and Serbia are mentioned as destination countries for important quantities of the seized heroin.²⁵

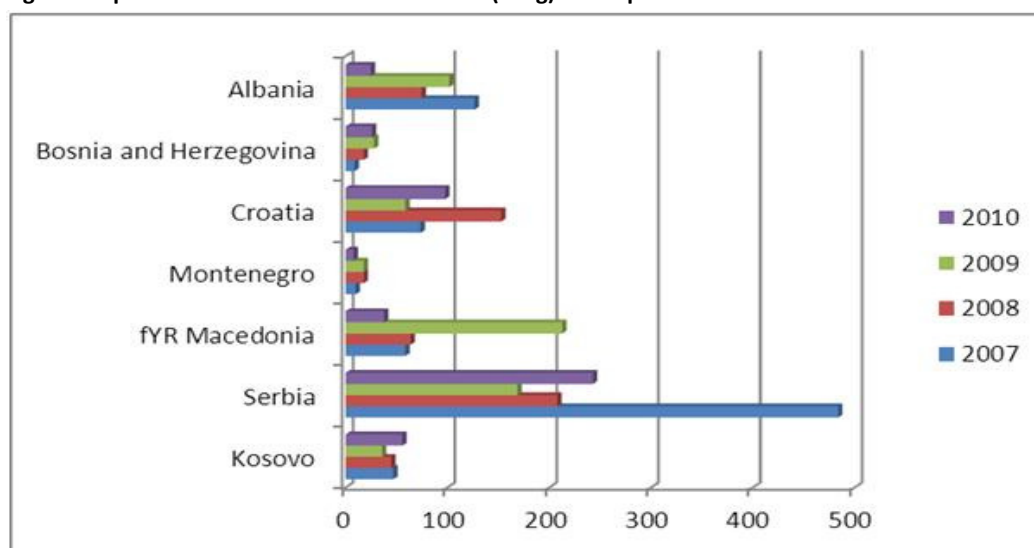
In most Balkan countries, the limited capacity of customs is a serious problem, with insufficient scanners, sniffer dogs and precursor test kits. In 2009, heroin seizures across all Balkan countries combined were equivalent to only a tenth of the quantity seized in Turkey²⁶.

Table 3: Annual seizures of heroin in kg

Seizures of Heroin in kg	2005	2006	2007	2008	2009	2010
Albania	41	120	127	75	102	25 ²⁷
Bosnia and Herzegovina	n/a	6	9	18	28	26
Croatia	27	82	74	153	59	98
Montenegro	n/a	4	10	18	18	8
The former Yugoslav Republic of Macedonia	141	174	59	64	213	38
Serbia	n/a	571	484	208	169	243
Kosovo	n/a	n/a	47	45	36	56

Source: Compiled from Government Reports

Fig 1: Comparison of annual seizures of heroin (in kg) in the period 2007 – 2010



Source: Compiled from Government Reports

²⁵ SECI Center: Report on drug seizures in South Eastern Europe 2009

²⁶ UNODC: The Global Afghan Opium Trade, A Threat Assessment, 2011

²⁷ The number is for the period January-November 2010

Table 4: Annual seizures of cocaine in kg

Seizures of Cocaine in kg	2005	2006	2007	2008	2009	2010
Albania	3	4	13	n/a	4	3
Bosnia and Herzegovina	n/a	n/a	n/a	1	4	2
Croatia	9	6	105	29	7	15
Montenegro	n/a	0.3	0.4	8	1	4
The former Yugoslav Republic of Macedonia	22	0	487	1	0	4
Serbia	n/a	13	16	15	19	8
Kosovo	n/a	n/a	2	2	1	2

Source: Compiled from Government Reports

Table 5: Annual seizures of cannabis in kg

Seizures of Cannabis in kg	2005	2006	2007	2008	2009	2010
Albania	n/a	n/a	n/a	n/a	3,424	7,307
Bosnia and Herzegovina	n/a	334	98	275	90	466
Croatia	983	202	239	221	255	422
Montenegro	n/a	1,115	273	327	922	658
The former Yugoslav Republic of Macedonia	1,785	713	206	121	678	639
Serbia	n/a	1,817	1,625	1,478	1,083	1,353
Kosovo	n/a	n/a	n/a	177	44	340

Source: Compiled from Government Reports

Legal Framework

Albania, Bosnia and Herzegovina, Croatia, Montenegro, the former Yugoslav Republic of Macedonia and Serbia are parties to the United Nations Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol, Convention on Psychotropic Substances of 1971 and Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.

Legislation, including drug laws, is being updated and harmonized with the European Union standards as part of the pre-accession process.²⁸ It can be said that the drug laws of the countries/territories covered in this report are generally adequate and sufficient to combat narcotics trafficking and drug use.

²⁸ Croatia, Montenegro and the former Yugoslav Republic of Macedonia are EU candidate countries. Albania, Bosnia and Herzegovina, Serbia and Kosovo under UN Security Council Resolution 1244 are potential candidates.

Regional and International Cooperation

The European Monitoring Center for Drugs and Drug Addiction (EMCDDA) is assisting the countries / territories covered in this report to strengthen their capacities for data collection and information exchange and, eventually, to establish drug information systems that are compatible with the EMCDDA. In 2010 Croatia and EMCDDA signed the agreement on Croatia's participation in EMCDDA.

Besides being members of Interpol, the South East European countries cooperate with Europol as well as with other national law enforcement and drug combating agencies (e.g. DEA, SOCA).

All countries/territories covered in this report participate in the Southeastern European Cooperative Initiative (SECI) and in the Convention of the Southeast European Law Enforcement Center (SELEC), with the Regional Center for Combating Trans-border Crime activities located in Bucharest, Romania²⁹.

Other initiatives and associations are:

- Southeast Europe Police Chiefs Association (SEPCA),
- International Law Enforcement Coordination Units (ILECUs)³⁰,
- Police Cooperation Convention for Southeast Europe (PCC SEE)³¹,
- International Drug Enforcement Conference (IDEC)³²,

The countries/territories covered in this report have signed a number of bilateral police cooperation agreements and extradition treaties with other countries in the region and further afield. A number of anti-drug joint investigations³³ and controlled deliveries have been carried out by the countries in the region and in cooperation with other European countries, and the exchange of information and criminal intelligence is said to be satisfactory.

²⁹ The SECI Centre is a regional organization that brings together police and customs representatives from 13 member states in direct cooperation, coordinating joint investigations and facilitating information exchange against organized crime and trafficking in South East Europe. The organization includes member states such as: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Hungary, the former Yugoslav Republic of Macedonia, the Republic of Moldova, Montenegro, Romania, Serbia, Slovenia and Turkey. SECI Center produces the Common Threat Assessment on Organized Crime for Southeast European Region (OCTA - SEE), based on the contributions of the member states, that deals also with the issue of threats emerging from drug trafficking and organized crime groups involved in this criminal activity in SEE. So far, SECI Center has produced two such documents (OCTA – SEE 2009 and 2010).

³⁰ ILECUs is a project funded by the European Commission aimed at supporting information exchange in cross-border criminal investigations and facilitating communication at operational level to fight organized crime. Participating countries are Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia and the former Yugoslav Republic of Macedonia.

³¹ On 5 May 2006 in Vienna, during the Austrian presidency of the EU, the Ministers of Interior from Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Moldova, Montenegro, Romania and Serbia, signed the Police Cooperation Convention for Southeast Europe. After ratification by all seven signatory states, the Convention entered into force on 10 October 2007. In addition, Bulgaria acceded to the Convention on 25 September 2008. As of 10 October 2011, Austria officially ratified the PCC SEE Convention. Croatia is not the member, and Slovenia is in the process of signing up to the Convention.

³² Croatia and the former Yugoslav Republic of Macedonia are members and Montenegro and Serbia are observers.

³³ One such successful joint investigation was the operation codenamed Kiselina-Vega, involving the law enforcement agencies of Serbia, Bulgaria and the former Yugoslav Republic of Macedonia with the support of SECI Center. This investigation resulted in seizure of 8 tons of acetic anhydride by the Bulgarian police in April 2010.

The relatively good cooperation of the regional law enforcement authorities of the South Eastern European states was given additional boost at the regional ministerial conference "Balkan route - yesterday, today, tomorrow", held in Zagreb in February 2010. The ministers of interior and security of Bosnia and Herzegovina, Croatia, Montenegro, Serbia, Slovenia and the former Yugoslav Republic of Macedonia signed a joint statement as a commitment to further intensify the cooperation in the fight against drug trafficking in the region.

In March 2011, the Regional conference of justice and interior ministers of the states participating in the South-East Europe Cooperation Process (SEECPP) was held in Budva, Montenegro. The participants of the conference entitled "Strengthening cooperation in fight against organized crime in South-East Europe" adopted a declaration on the strengthening of the regional cooperation and coordination in fight against organized crime in South Eastern Europe as well as the action plan for 2011 - 2013.

THREAT ANALYSIS

Market Value and Beneficiaries

In many cases, profit from the heroin trade from the Balkans to Western and Central Europe poses a serious threat to the licit economies in the Balkans. Given the low GDP per capita across most of the Balkan countries, the heroin trade can significantly exacerbate corruption. Kosovo is especially threatened, due to its location along the main heroin trafficking route from Bulgaria to Italy.

According to UNODC³⁴, "In 2009, the domestic heroin market in South-Eastern Europe was worth about \$500 million, most of which went to local criminal groups, located in each country/territory. However, this figure is very small compared to the heroin trade transiting the region. One kg of heroin at the border between Turkey and the Islamic Republic of Iran is worth US\$9,000, yet in the Balkans the price increases to \$25,000 per kg. Given that 65 tons of heroin was transported along this route in 2009, Turkish and Kurdish drug trafficking groups could have made upwards of \$1 billion net profit and Balkan based organized crime groups were likely to have made some \$2 billion³⁵", which is almost one sixth of Albania's GDP or half of Montenegro's GDP in 2009.

³⁴ UNODC: The Global Afghan Opium Trade, A Threat Assessment, 2011

³⁵ UNODC: The Global Afghan Opium Trade, A Threat Assessment, 2011

Table 6: GDP in SEE Countries/territories in Billions USD

Gross Domestic Product, current prices, in billions USD		
	2009	2010
Albania	12.17	11.90
Bosnia and Herzegovina	17.05	16.53
Bulgaria	48.57	47.70
Croatia	63.44	60.83
Kosovo	5.45	5.56
The former Yugoslav Republic of Macedonia	9.34	9.21
Montenegro	4.15	4.02
Serbia	40.14	38.01

Source: International Monetary Fund, World Economic Outlook Database, September 2011

Organized Crime, Corruption, Money Flows and Laundering

There is no organized crime that is not based on corruption and links with at least some individuals or groups from the legal institutions. The countries of South Eastern Europe have mainly harmonized their anti-corruption legislation with the EU standards and started implementing it, however, apart from judicial prosecution in some high-level cases, there have been no court decisions yet that have led to major convictions. Some of the problems in the fight against organized crime and corruption are generally low salaries in the law enforcement agencies and, in some cases, the lack of training and adequate equipment. Also, the fact that the societies in this region have gone through a transition in which many privatizations have been carried out under dubious circumstances and the fact that cash is still widely used in financial transactions make it hard to track down laundered profits. The ongoing court trials in Serbia and Montenegro indicate that the profits are mainly laundered through purchase of real estate and investments in construction industry, even in infrastructure.

Chapter 2: ANALYSES OF COUNTRIES/TERRITORIES

Albania

Albania's efforts together with the perpetual assistance of the International Community are showing progress in the fight against drug production and drug trafficking. However, further intensive training activities supported by new sophisticated technical equipment are regarded as being necessary for the future progress of the country. The existence of the sea ports and their development will bring new challenges for Albania in the aspect of drug supply reduction and fight against the illegal drug trafficking. The Cannabis cultivation centre of Lazarat remains a significant issue. Further measures to limit drug production there are of high prominence. The value of the drug market enriched with the money coming from the organizing transport for the foreign countries represents a significant amount. That amount of money is reaching the hands of the organized crime groups as final destination and from there are being "reinvested" into enlargement of the illegal work, bribery of the government people and a significant portion goes to investment into legal business. In the monitored period, there have not been any discovered or processed cases of money laundering that are connected to this type of crime. According to the European Commission latest report,³⁶ "Corruption prevails in many areas and continues to be a particularly serious problem."

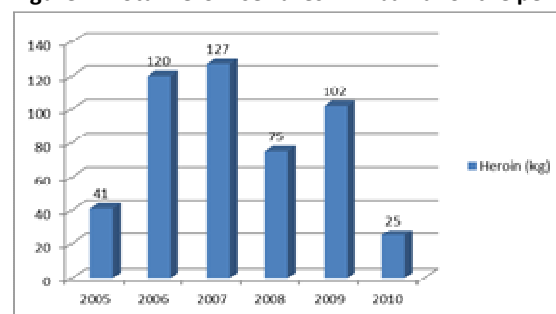
Opiates – Heroin

Demand

WHO estimates place the number of injection drug users in Albania between 3000 and 5000. UNAIDS estimates the number of injection drug users in Albania at 10000.

Seizures

Figure 2: Total heroin seizures in Albania for the period 2005 - 2010



We can perceive a decrease of the heroin seizures after 2007. It is possible there is a change of the known routes, as per the Albanian State Police. But on the other hand it cannot be excluded

³⁶ European Commission, Staff Working Paper, Albania 2011 Progress Report, Enlargement Strategy and Main Challenges 2011-2012

the possibility of the changes in modus operandi of the organized crime groups. In relation to the domestic market, although there are different views on the demand, the one thing that they all agree is that there is an increase of the number of drug addicts. This implicates that there are no major disturbances of the market despite the registered increase of the prices or the decrease of the heroin purity.

Table 7: Seizures of major narcotics made by the Albanian State Police and Customs for the period 2005-2010

Type of drug	2005	2006	2007	2008	2009	2010 ³⁷
Heroin (kg)	40.9	120	126.8	75	101.7	25.4
Cannabis (kg)	n/a	n/a	n/a	n/a	3,424.5	7,307.5
Marijuana (plants)	6,332	6,754	7,100	n/a	125,292	36,535
Cocaine (kg)	2.8	3.9	12.9	n/a	3.6	2.8
Synthetic drugs	n/a	n/a	n/a	n/a	0.001	n/a

Source: Albanian State Police, EMCDDA

Supply and Trafficking

Being part of the southern division of the 'Balkans Route', Albania is a transit country for heroin trafficking. Although the seizures and number of people arrested have increased from year to year, heroin trafficking still remains one of the main glitches. During this reporting period, the Albanian State Police believe that heroin traffickers have changed their land routes to a more northerly direction, away from Albania given the fact that heroin seizures are being reduced for the first time in five years.

Routes

The main routes used for heroin trafficking are: Turkey–Bulgaria–the former Yugoslav Republic of Macedonia–Albania or: Turkey–Bulgaria–the former Yugoslav Republic of Macedonia–Kosovo–Albania. The main destinations for the heroin transiting from Albania are Greece and Italy, and very small quantities are being sent to other European countries.

Organized Crime and Beneficiaries

The organized crime groups operating in Albania have good connections with the Italian and Turkish criminal groups. The advantage of the Albanian organized crime groups is that they are very homogenous in ethnical sense and are very well connected with the ethnic Albanians living in the former Yugoslav Republic of Macedonia, Montenegro, Greece and Kosovo. The mode of operation/transportation of the heroin destined for Western Europe by the Albanian organized crime groups is mostly by sea to Italy, and by land through Montenegro and towards Bosnia, Croatia, Slovenia to reach the Western European market.

³⁷ The seizures for heroin and cocaine are for the period January-November 2010.

Price and Purity

A price increase and a worsening of the quality of the product sold in the market have been noted. In the year of 2010, the heroin at street level was worth 10,000-13,000 euros per 1 kg, 21-25 euros per 1 gram, and its purity was 1%, according to the Albanian State Police and Mini Dublin Group.

Other Drugs (Cocaine, Cannabis, Synthetic Drugs)

Demand

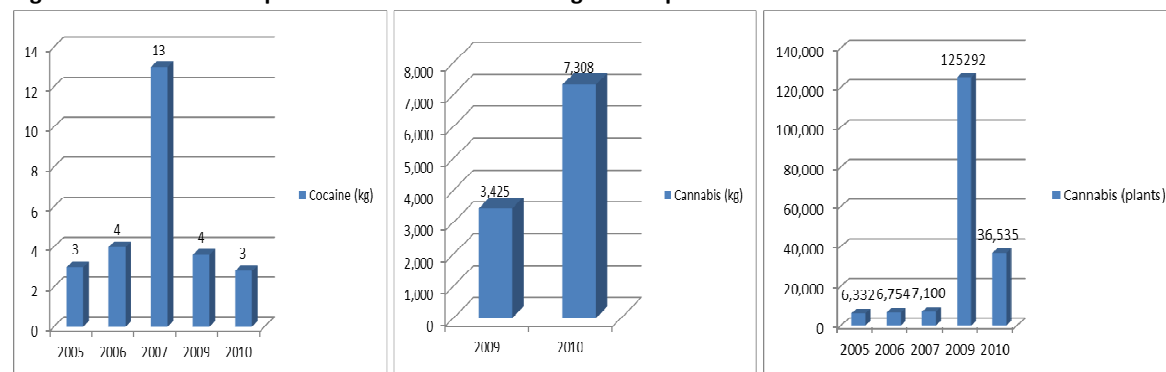
An increase flow of cocaine is being registered. The cultivation of cannabis in Albania is covering the domestic market, and also there are shipments for Italy, Greece, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro. Synthetic drugs are less of an issue in Albanian drug market, in terms of both supply and demand. The YRBS³⁸, a national survey, focused on the high school population, had a sample size of 3878 school children 15–18 years old. The survey showed that 3.2 % of those aged 15 to 18 years had experimented with cocaine, 7.4 % of those aged 15 to 18 years had experimented with cannabis, and 4.2 % of those aged 15 to 18 years had experimented with ecstasy.

Seizures

Figure 3: Total cocaine seizures in Albania in kg for the period 2005 – 2010

Figure 4 and 5: Total cannabis seizures in Albania in kg for the period 2009 – 2010

Figure 5: Total cannabis plants seizures in Albania in kg for the period 2005 - 2010



Above charts indicate an increase of the **cocaine** seizures from 2005 to 2007. The increase of the seizures indicates establishment and existence of a stable market for cocaine in the region and also establishment of routes for further dissemination. The existence of sea ports make Albania very attractive for the organized crime groups who are keen to use the possibilities given at the International sea ports. Lower security standards comparing to the EU countries, also are one of the factors that are in favor of the organized crime groups when using the

³⁸ The latest data on lifetime prevalence of selected illicit drugs can be found in the Youth Risky Behaviour Survey (YRBS), second round, carried out by the Institute of Public Health (Institute of Public Health, 2009).

territory for their criminal activities. As for **cannabis**, it can be noted that there is a big increase of the cannabis seizures in kg for 2010 comparing to 2009, more than double increase. However, there is a big decrease of cannabis plants seizures in 2010 comparing to 2009. That might be result of the increased efforts of the police in both drug trafficking reduction and reduction of the cannabis cultivation. The cannabis cultivation became a big problem not to Albania only, but for the whole region where it has been mostly disseminated. No relevant data available on **synthetic drugs** seizures.

Supply and Trafficking

Cocaine mostly arrives in Albania mainly at the sea ports or post deliveries from the countries of South America. It is sent on, primarily to Greece and Italy. This period there have been eight international operations conducted with Italy, Germany, Switzerland, Slovenia and Spain. Albania remains a country of origin for **cannabis** and its derivatives (marijuana, hashish, hashish oil). Greece and Italy are the main destinations for the marijuana and hashish, though it is also sent to other European countries. Marijuana is primarily trafficked via the 'green borders' (illegal border crossings).

Routes

The main routes of the cocaine going to and through Albania are: South America-Albania-Italy; South America-Albania-Greece. Greece and Italy are the main destinations for cannabis, though it is also sent to other European countries.

Organized Crime and Beneficiaries

According to the available data, the Albanian organized crime groups are getting more and more involved in the cocaine trafficking towards the Western Europe market. Positive sign is that the law enforcement agencies are conducting a very fruitful collaboration with the other law enforcement agencies from the region and further. On the other hand, there is no valid data where the profit ends, which is applicable for the whole Balkan region. For the time being, no claims can be made as to whether there are extremist formations/groups being financed by the illegal drug trafficking. The Albanian criminal groups are also covering the illegal trafficking of cannabis. As previously mentioned, they have good connections with the Italian criminal groups and the groups that are operating in Greece, Montenegro, the former Yugoslav Republic of Macedonia and Kosovo and are ethnic Albanians. This is the only sector in drug trafficking that does not show any sign of competition between the Italian and the Albanian organized crime groups.

Price and Purity

In 2009, the **cocaine** at street level was worth 40,000 euros per 1 kg, 50-70 euros per 1 gram. **Cannabis** at street level was worth 300 euros per 1 kg and 4-8 euros per 4-5 grams, and the percentage of THC at street level was estimated to be around 4%, according to the Albanian State Police. No relevant data available on the price of **synthetic drugs**.

Acetic Anhydride Trafficking

Albania is not a producer of significant quantities of precursor chemicals. The law on the Control of Chemicals Used for the Illegal Manufacturing of Narcotic and Psychotropic Substances was passed in 2002 and regulates precursor chemicals; however police and customs officials need training on how to recognize likely diversion of dual-use precursor chemicals.

Legislation and Response to Problem

The year 2010 was the last year of the existing antidrug strategy, and a process already has started for designing the new strategy for 2011 and forward. This is being carried out by an inter-institutional working group and the whole process is directed by the Albanian Public Health Institute. The fight against drugs remains one of the main priorities of the Albanian Law Enforcement Agencies. The support of the UNODC, EU, PAMECA (Police Assistance Mission of the European Community to Albania) and ICITAP (the International Criminal Investigative Training Assistance Program, of the USA Department of Justice) continues to take place. TIMS and MEMEX systems (information technology systems) have been further extended in order to improve the process of data collection and analysis.

Bosnia and Herzegovina

Bosnia and Herzegovina's complex political situation is also reflected in its national response to counter narcotics and drug reduction. Establishment of the Directorate for Coordination of Police Bodies is an important step towards more cohesion in Bosnia and Herzegovina's law enforcement activities. Bosnia and Herzegovina's institutions are in need of international assistance in the field of counter narcotics – technical assistance, capacity building, training, and mentoring. Similar to other countries/territories covered in this report, Bosnia and Herzegovina should ensure the security of its borders.

Opiates – Heroin

Demand

No general population drug surveys have been carried out in Bosnia and Herzegovina. According to 2010 Annual Report Questionnaire, estimated number of heroin users is 8,099.

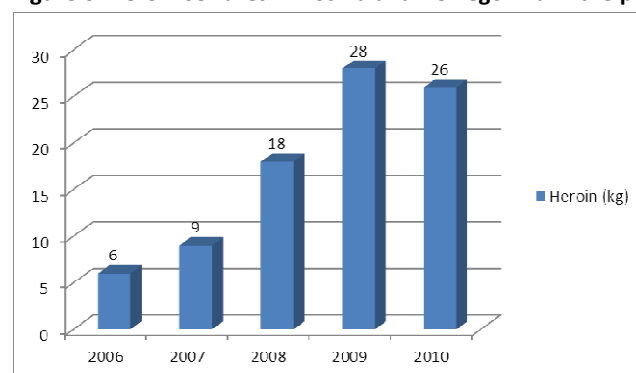
Seizures

Both the State Investigation and Protection Agency (SIPA) and the Border Police report that the amounts of seizures in the past few years have dropped. SIPA seized 12.5kg of heroin in the past few years and the Border Police seizes about 2kg of heroin per year.

Table 9: Seizures of heroin in Bosnia and Herzegovina in the period 2006-2010

Type of drug	2006	2007	2008	2009	2010
Heroin (kg)	6	9	18	28	26

Source: Ministry of Security Bosnia and Herzegovina

Figure 6: Heroin seizures in Bosnia and Herzegovina in the period 2006 – 2010

Supply and Trafficking

Bosnia is considered primarily a transit country for drug trafficking. According to the US State Department, “Major heroin and marijuana shipments are believed to transit Bosnia by several well-established overland routes, often in commercial vehicles³⁹.” According to the Bosnia and Herzegovina officials, however, transit of heroin through Bosnia and Herzegovina is decreasing. The Bosnia and Herzegovina authorities report that there has been a drop in amounts of heroin passing through Bosnia and Herzegovina, especially following the latest EU enlargement⁴⁰.

According to Bosnia and Herzegovina authorities, there are two main heroin routes passing through Bosnia and Herzegovina: southern and northern. The southern route starts in Turkey and goes via Kosovo and Montenegro into Bosnia and Herzegovina. From there, one way goes towards Croatia and on to Western Europe and the other goes to Sarajevo.

The northern route starts in Turkey and branches into three main routes:

- a) Turkey - Serbia - entering Bosnia and Herzegovina through the town of Brcko in northeast, crossing into Croatia and on to Western Europe,
- b) Turkey – Montenegro – Bosnia and Herzegovina – Croatia,
- c) Albania – Kosovo – Serbia – Bosnia and Herzegovina – Croatia.

An estimated 35% of heroin that enters Bosnia and Herzegovina remains in the country⁴¹.

³⁹ United States Department of State, the Bureau for International Narcotics and Law Enforcement Affairs: International Narcotics Control Strategy Report (INCSR), Volume I, Drug and Chemical Control, March 2011

⁴⁰ Statement by an official of SIPA (State Investigation and Protection Agency)

⁴¹ Statement by an official of SIPA (State Investigation and Protection Agency)

Organized Crime and Beneficiaries

According to the US State Department, “While most drugs entering Bosnia are being trafficked to other destinations, primarily to Western Europe, indigenous organized crime groups are engaged in the local distribution of narcotics to the estimated 105,000 drug users in the country⁴².”

Following investigations by the State Investigation and Protection Agency (SIPA), two criminal groups involved in heroin trafficking were smashed – one from Serbia and Montenegro and one from Sarajevo. The trial for the former group is ongoing and their assets were seized.

Price and Purity

In 2010, the price of 1kg of heroin in Sarajevo was between 15,000 - 18,000 Euros.

Street price of heroin (in 2010):

1g 15 – 25 Euros

In general, heroin is of poor quality, diluted usually with paracetamol and caffeine. The most common additives for amphetamine are lactose and sucrose.

Other Drugs (Cocaine, Cannabis, Synthetic Drugs)

Demand

Marijuana and its variant ‘skunk’ are the most widespread narcotics in Bosnia and Herzegovina.

Seizures

The Border Police reports that the seizures of marijuana and skunk in Bosnia and Herzegovina are on the increase. Seizures are carried out in cooperation with the police of Montenegro, Croatia, Albania and Serbia. Bosnia and Herzegovina has started a joint police operation with Montenegro and Croatia, through the SECI Center, related to marijuana and skunk in the country. State Investigation and Protection Agency (SIPA) has seized around 200kg of marijuana and around 250kg of skunk.

⁴² United States Department of State, the Bureau for International Narcotics and Law Enforcement Affairs: International Narcotics Control Strategy Report (INCSR), Volume I, Drug and Chemical Control, March 2011

Table 11: Seizures of narcotics in Bosnia and Herzegovina in the period 2006 - 2010

Type of drug	2006	2007	2008	2009	2010
Herbal cannabis (kg)	334	98	275	90	466
Cannabis resin (g)	n/a	n/a	238	17	3
Cannabis plants (kg)	n/a	n/a	1	n/a	n/a
Cannabis plants (pcs)	n/a	n/a	2,718	3,812	7,769
Cocaine (kg)	n/a	n/a	1	4	2
Ecstasy (pcs)	n/a	n/a	11,039	543	16,505
Amphetamine (kg)	n/a	n/a	4	1	1

Source: Ministry of Security Bosnia and Herzegovina

Supply and Trafficking

Marijuana enters Bosnia and Herzegovina from Albania and Montenegro. Skunk is also grown in Bosnia and Herzegovina and some clandestine laboratories have been found. Similar to other countries of the South Eastern Europe, Bosnia and Herzegovina is also a transit country for trafficking of marijuana to Western Europe.

ATS and other synthetic drugs are increasingly becoming a problem in Bosnia and Herzegovina – they are difficult to uncover and are increasingly transported by buses coming predominantly from the Netherlands and Belgium.

Price and Purity

Cocaine (2010)

1 g 50 – 75 Euros

Marijuana (2010)

1kg 1,400 Euros

1g 2.50 – 5 Euros

Skunk (2010)

1kg 1,900 Euros

1g – 10 Euros

Ecstasy:

1 tablet 1.50 – 2.5 Euros

Amphetamine:

1g 7.50 – 10 Euros

Cocaine is commonly adulterated by lidocaine. However, during the operation in Sarajevo in March 2010, the State Investigation and Protection Agency (SIPA) seized about 1 kg of cocaine hydrochloride of high purity and without any additives. This may indicate a difference between wholesale and street quality of drugs.

Legislation and Response to Problem

The specific political structure of Bosnia and Herzegovina, which consists of two entities (Federation of Bosnia and Herzegovina and the Republic of Srpska) and Brcko District, resulted in somewhat disjointed legislations. Similarly, due to the fact that there are a number of police agencies in Bosnia and Herzegovina, there is sometimes an issue of their coordination.

There are 15 police agencies in Bosnia and Herzegovina. Each of the entities (Republika Srpska and Federation of B&H) and the Brcko District have their own police force. Additionally, each canton constituting the Federation of B&H entity has its own Ministry of Interior. Directorate for Coordination of Police Bodies has been established to coordinate the work of the different police agencies in Bosnia and Herzegovina. It has no investigation powers. One of the Directorate's tasks will be to collect and share information among the agencies, including information on drug seizures.

Border Police have manpower of 80 officers and they deal with organized crime, trafficking in humans, narcotics and weapons.

State Investigation and Protection Agency (SIPA) is the only police agency in Bosnia and Herzegovina with authority throughout the entire country and it can also initiate international investigations and set up joint investigation teams with other countries.

According to the European Commission, "Bosnia and Herzegovina remains at an early stage in the fight against drug trafficking, as well as in taking effective action on reducing drug demand⁴³." Similarly, "Bosnia and Herzegovina is at an early stage of addressing the fight against organised crime. Effective, sustainable and institutionalised mechanisms for cooperation between different law enforcement agencies are missing. Strategic coordination and priority-setting in tackling organised crime continue to be sporadic⁴⁴."

Some of the tasks from the national strategy and action plan that remain to be implemented are the establishment of the state-level Office for Drugs and the beginning of destruction of confiscated illicit substances.

⁴³ European Commission: Bosnia and Herzegovina 2011 Progress Report

⁴⁴ European Commission: Bosnia and Herzegovina 2011 Progress Report

Croatia

Croatia has a well-developed institutional and legal framework for suppressing narcotic related crimes and its counter narcotic capacities will be further enhanced with its accession to the EU. At the same time, the enlargement of the European Union - eventually beyond the borders of Croatia - will also mean a larger area that is more difficult to control, requiring new methods and technologies but perhaps above all – improved regional and international intelligence sharing and investigation techniques that keep one step ahead of criminal groups.

Opiates – Heroin

Demand

No general population drug surveys have been carried out in Croatia recently. According to 2010 Annual Report Questionnaire, estimated number of heroin users is 10,749.

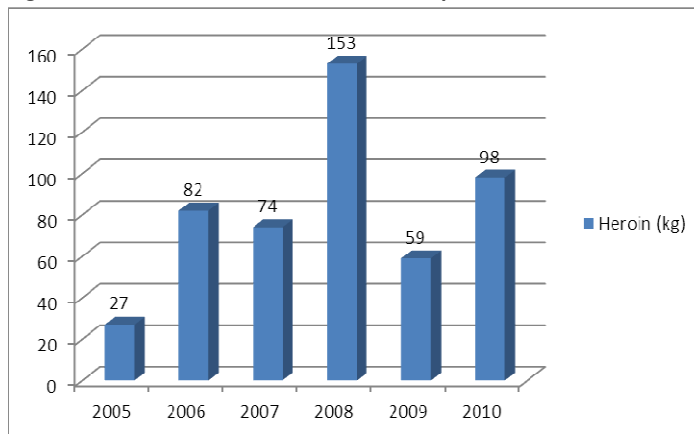
Seizures

Table 12: Seizures of heroin in Croatia in the period 2005 - 2010

Type of drug	2005	2006	2007	2008	2009	2010
Heroin (kg)	27	82	74	153	59	98

Source: Croatian Ministry of Interior

Figure 7: Heroin seizures in Croatia in the period 2005 – 2010



Supply and Trafficking

According to the US State Department, “Although illicit drug seizures in Croatia indicate that heroin is still the main illicit drug smuggled via this trafficking corridor, the traditional Balkan Route through Croatia is changing. Today, it includes a wider variety of drugs, such as cocaine shipments coming through the Black Sea or Adriatic Sea, in order to supply Europe’s demand for drugs. The route now functions as a two-way street to include the exportation to Asia of synthetic drugs produced in EU countries. Heroin traffickers use all forms of transport (roads,

railways, sea, air and post) but in Croatia larger quantities are usually transported by cars or trucks, while cocaine primarily arrives via sea transport⁴⁵.”

According to the Croatian Government’s Office for Combating Drugs Abuse and the Ministry of Interior, the availability of heroin on the market has dropped: the number of heroin seizures went down from 707 in 2005 to 400 seizures in 2010. Some surveys indicate that there are regional differences in availability of heroin in Croatia: “as much as 55% of examinees from Split and part of Dalmatia think that heroin is completely unavailable to them or hardly accessible, while at the same time only 21% of examinees in Zagreb and 19% in Rijeka think the same⁴⁶.” Croatian authorities explain the decreased supply of heroin in Croatia with the shifting of the heroin route which is supposedly going via the EU countries rather than through Croatia and with the police response to the drug supply. Also according to the Croatian Government’s Office for Combating Drugs Abuse, “smuggling of larger quantities of heroin through Croatian territory is usually performed without the participation of Croatian citizens, that is, shipments only transit Croatia on their way to the West. Large community of ethnic Albanians operates in the Croatian territory. Smuggling is done so that organizers, i.e. ethnic Albanians, often use for smuggling the so-called couriers who are usually citizens of transit countries (Croatia, Serbia, Slovenia) or citizens coming from countries of destination (Italy, Germany, Netherland, etc.) It is difficult to assess how big the group is since every part of the group is responsible for its own goods to smuggle and the route it covers⁴⁷.”

Organized Crime and Beneficiaries

According to the Croatian Government’s Office for Combating Drugs Abuse, “It has been noticed that the majority of organized criminal groups combine other criminal activities with their primary criminal activity of smuggling and drug trafficking to achieve a successful implementation and prevent detection and prosecution⁴⁸.”

Price and Purity

In 2010:

1g 54 Euros

1kg 10,700 – 16,000 Euros

Street price of heroin went up in 2010 as compared with 2009 by almost 70%. According to the Croatian police, the reason is shortage of heroin. Purity of street heroin in Croatia is reported to be, in average, 17.3%. Heroin seized in 2010 was adulterated mostly with paracetamol and caffeine.

⁴⁵ United States Department of State, the Bureau for International Narcotics and Law Enforcement Affairs: International Narcotics Control Strategy Report (INCSR), Volume I, Drug and Chemical Control, March 2011

⁴⁶ Croatian National Drugs Information Unit: Croatian Report on Drugs Situation 2011

⁴⁷ Croatian National Drugs Information Unit: Croatian Report on Drugs Situation 2011

⁴⁸ Croatian National Drugs Information Unit: Croatian Report on Drugs Situation 2011

Other Drugs (Cocaine, Cannabis, Synthetic Drugs)

Demand

Marijuana is the most prevalent drug used in Croatia.

Seizures

Table 14: Seizures of narcotics in Croatia in period 2005 - 2010

Type of drug	2005	2006	2007	2008	2009	2010
Marijuana (kg)	983	202	239	221	255	422
Cocaine (kg)	9	6	105	29	7	15
Hashish (kg)	53	12	4	5	113	3
Amphetamine (kg)	14	12	8	15	13	6
Ecstasy (pcs)	33,601	16,340	12,609	6,855	2,455	2,160
LSD (doses)	21	21	215	653	21	101

Source: Ministry of Interior of Croatia

The Croatian Ministry of Interior estimates that the street value of seized drugs in Croatia which were destroyed is 7,804,324 Euros during 2010.

Supply and Trafficking

According to the Croatian Government's Office for Combating Drugs Abuse, criminal groups involved in drug trafficking increasingly take advantage of transport companies and truck drivers in international road traffic, or sailors in international waters. Croatian police have reported an increase in smuggling of cocaine in/through Croatia, mainly by sea, i.e. by sailing boats, cruise and cargo ships etc⁴⁹. Cocaine that is smuggled to Croatia by air comes from the countries that traditionally produce drugs (South America), through the transit West European airports by means of couriers, in emergency shipments, luggage and by other ways.

On the Croatian drug market, herbal cannabis (marijuana) is the most represented type of drug. According to the Croatian Government's Office for Combating Drugs Abuse, "The majority of cannabis for the local consumption and for the European market is trafficked from Albania, through Montenegro, Bosnia and Herzegovina. Small quantities of marijuana (several kilos) are smuggled by road mainly from Bosnia and Herzegovina. However, there are also cases of smuggling by foot through the so-called "green border". Large quantities of marijuana (several hundreds of kilograms) are smuggled in road cargo transport on the route Albania – Montenegro – (Bosnia and Herzegovina) Croatia – West European drug market. In the past few years, we record an increase in the modality of smuggling larger quantities of marijuana in road traffic from the territories of our neighboring countries, especially Bosnia and Herzegovina and Serbia and Montenegro and seaways from Italy as well. Albania is lately known as an important

⁴⁹ Police Directorate of the Republic of Croatia: Overview of narcotic related criminal activities in the Republic of Croatia, Zagreb, 2011

producer of herbal cannabis, even the cannabis resin⁵⁰.” Cannabis products, as well as synthetic drugs are during the summer touristic season smuggled in smaller quantities by tourists mainly coming from the West European countries who use these products for their personal needs. Small-scale, limited cannabis cultivation in Croatia occurs for personal use and sales on the Croatian market.

Smuggling of synthetic drugs is mainly done by road traffic (car or bus), but also by other means (postal service). For the Croatian drug market, synthetic drugs are often smuggled by Croatian citizens who reside or stay in West European countries where the drugs are produced. A serious problem represents the Internet trafficking of synthetic drugs and the situation in the countries (China, India, Pakistan) with strong chemical industry from which, due to the loose control system, precursors and synthetic drugs can be exported without any problems into other countries. Lately, great issues represent the new designer drugs of chemical origin that were unknown on the drug markets, and are therefore not listed as prohibited drugs and psychotropic substances. New drugs, which appear on the European drug market, quickly find their way to the Croatian drug market, as is the case with synthetic cannabinoids, which used to be sold under the name of “Spice” before they were listed as controlled substance in 2011. So far, no production of synthetic drugs in Croatia has been recorded. There has been an increase in availability of synthetic drugs, especially amphetamine, on the Croatian drug market, which is evidenced by the rise in amphetamine seizures and MDMA in 2010, and the fact that there have been cases reported of the production of synthetic drugs in some countries of the South Eastern Europe⁵¹.

Price and Purity

Cocaine (in 2010):

1g 81 Euros

Cannabis (in 2010):

1 g 1.30 – 13 Euros

In Zagreb, the capital, 2-3g of cannabis can be bought for 14 Euros, and 1 “joint” can be bought for 3 Euros

Ecstasy (in 2010):

1 tablet 3 Euros

LSD (in 2010):

1 dose 14 Euros

⁵⁰ Croatian National Drugs Information Unit: Croatian Report on Drugs Situation 2011

⁵¹ According to Croatian National Drugs Information Unit: Croatian Report on Drugs Situation 2011

Legislation and Response to Problem

According to the US Department of State, “Croatia has a strong legal and institutional framework to control and suppress narcotics related crimes⁵².” According to the European Commission, “Croatia has made good progress on cooperation in the field of drugs”⁵³.

Croatian drug legislation consists of the Criminal Code and amendments, Criminal Procedure Code and amendments and of the Act on Combating Narcotic Drugs Abuse from 2001 and its amendments. At the end of 2005 Croatia adopted its second National Strategy for the Suppression of Abuse and Smuggling of Narcotic Drugs for the period 2006-2012.

An important role in coordination and monitoring of counter narcotics efforts and policies on the national level is played by the Croatian Government’s Office for Combating Drug Abuse, established in 2002.

Besides its participation in multilateral agreements, Croatia has signed 32 bilateral agreements on police cooperation.

⁵² United States Department of State, the Bureau for International Narcotics and Law Enforcement Affairs: International Narcotics Control Strategy Report (INCSR), Volume I, Drug and Chemical Control, March 2011

⁵³ European Commission: Croatia 2011 Progress Report

The former Yugoslav Republic of Macedonia

Increase of drug trafficking could further enhance the position of the country as an attractive route for transit and “granary” for trans-shipments towards Western Europe and within the Balkan region. Despite the statistic figures that show decrease of the heroin seizures, there is a need of adjustments towards the new political picture of the Balkans. There is a continuous involvement of the citizens of the former Yugoslav Republic of Macedonia in the criminal activities and drug trafficking in the region and their involvement in creation of networks for distribution of heroin in the Western Europe countries. Illicit trans-border activities including smuggling of drugs continue, especially in the western part of the country (border with Kosovo). Increased trafficking also increases the availability of drugs in the country, in particular less expensive drugs. The domestic market although small comparing to the western markets, remains attractive, especially having in mind its constant and stable trend of increase. In the area of money laundering, there is a slight improvement in tracing of the money flows; however, no case was processed in court so far, and according to European Commission latest report,⁵⁴ corruption remains prevalent in many areas and continues to be a serious problem; the Customs should be prioritized as a high corruption risk and should be included in the implementation of future anti-corruption programmes; the border police still lack adequate technical equipment and budget resources; the Police stations responsible for border surveillance still do not have an access to the central database of the Ministry of Interior and the Sector for Internal Control and Professional standards at the Ministry of Interior brought criminal charges against 29 police officers.

Opiates- Heroin

Cultivation

Licit poppy straw and poppy straw concentrate are being produced in the central and eastern part of the country for medical purposes on approximately 1000 hectares, which is 100% increase compared to the former cultivated 500 hectares. A total of 24 companies/institutions dealing with export, import or transit of drugs and/or precursors have been registered. The inspection team and the representatives from the Interministerial Commission for Narcotics and Drugs at the Ministry of Health did not find any signs of possible illicit production of opium.

Demand

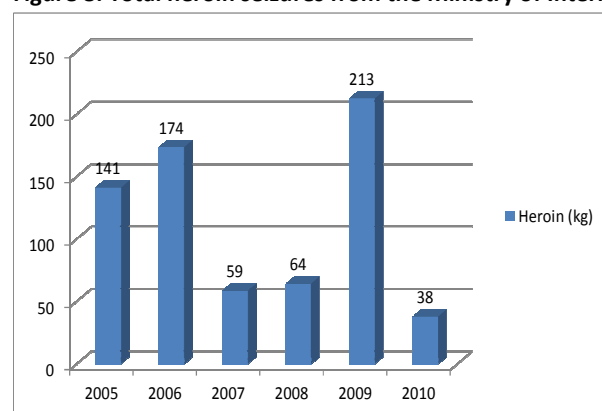
According to the Ministry of Interior, by the end of the year 2010, the number of registered drug users was 9607 and of that number 3768 were using heroin. On the other hand the EMCDDA reports that the estimated number of injecting drug users (IDU's) is 8 000.

⁵⁴ European Commission, Staff Working Paper, the former Yugoslav Republic of Macedonia Progress Report, Enlargement Strategy and Main Challenges 2011-2012

During the year 2010, 17 people died of an overdose, however, data for drug related deaths may be biased due to the fact that, for variety of reasons (religious, financial, etc), there are cases where no autopsy/toxicological analysis is being carried out.

Seizures

Figure 8: Total heroin seizures from the Ministry of Interior and Customs for the period 2005-2010



There is significant decrease in the heroin seizures between 2009 and 2010, and if we look at the whole picture 2005-2010, then we can see that there is a variation in the seizures and generally there is a decrease in trend.

Tables 15, 16: Seizures of major narcotics made by the Ministry of Interior and Customs for the period 2005-2010

Type of drug	2005	2006	2007	2008	2009	2010
Heroin (kg)	67.8	147.5	12.1	59.5	212.6	37.1
Cannabis (kg)	1,781	479.7	206.3	121.1	678	459.8
Cocaine (kg)	10.5	0	486.7	1.3	0	3.1
Hashish (kg)	3.1	0	0	0	0	0
Opium (kg)	0	2.7	0	8.6	0	0

Source: The Ministry of Interior of the former Yugoslav Republic of Macedonia

Type of drug	2005	2006	2007	2008	2009	2010
Heroin (kg)	73.5	26.1	46.6	4.8	0	0.9
Cannabis (kg)	4.5	233.1	0	0	0	178.9
Cocaine (kg)	11.5	0	0	0	0	0.7
Ecstasy (pcs)	0	0	0	0	10,000	0
Amphetamine (pcs)	0	0	0	0	2,400	0
Methamphetamine (pcs)	0	0	0	0	0	505
Morphine (kg/lt)	0	0	0	12.1	0	3.4

Source: Customs of the former Yugoslav Republic of Macedonia

Supply and Trafficking

In the former Yugoslav Republic of Macedonia, the heroin is being trafficked from Turkey, Bulgaria or Greece in the direction of Albania, Kosovo or Serbia. In the year 2010 there has been a decrease in the number of seizures and the quantity of the seized heroin. However, the

increase of the drug users can indicate that the demand and supply are on increase. As part of the international police cooperation, in the year 2010, Ministry of Interior contributed to the seizure of heroin in Greece and in Sweden. Also, collaboration was conducted with drug enforcement agencies in Bulgaria, Germany, and Austria, which resulted in the arrest of 33 people as part of a drug dealing network that was based in the former Yugoslav Republic of Macedonia and sold imported heroin on the streets of Frankfurt and Vienna.

Routes

In the former Yugoslav Republic of Macedonia, the **heroin** is being trafficked from Turkey, Bulgaria or Greece in the direction of Albania, Serbia or Kosovo.

Organized Crime and Beneficiaries

Multinational criminal groups are operating on the basis of ethnicity origin from the Kosovo region, the former Yugoslav Republic of Macedonia and Albania. The family connections and friends ties are being built for many years. They are extremely strong and are functioning perfectly in the area of building of the criminal networks in the region and throughout Europe. According to the Mini-Dublin Group, the re-establishment and existence of criminal structures beyond the borders of the former Yugoslav Republic of Macedonia, e.g. in Kosovo, is alarming and could create additional possibilities for trafficking and organised crime.

Based on the information received from the Office for fighting against money laundering and financing terrorism of the former Yugoslav Republic of Macedonia, in the year 2010, there have been suspicious transactions registered towards Afghanistan and transactions under suspicion for connection with drug trafficking towards foreign countries: **-six** cases under suspicion that are connected to drug trafficking, where money transactions were made to Switzerland, Austria, Germany, Albania, Kosovo, Slovenia, Croatia, France, Italy, Holland, Bulgaria, Mexico, Peru, USA, Panama, and Guatemala; **one** case of suspicious money transaction connected to drug trafficking with Turkey; **one** case of suspicious money transactions connected to drug trafficking were made towards Turkey and Pakistan; **one** case of suspicious transaction connected to drug trafficking was made to Afghanistan. The results of these investigations are still unknown, till this date.

Price and Purity

In the year 2010, the price of **heroin** at street level was 9,000-12,000 euros per 1 kg, 20 euros per gram, 300-500 MKD (5-8 euros) per one dose $\frac{1}{4}$ of 1 gram, 100-150 MKD (2-2.5 euros) for one shoot-one dosage for IDU's, according to the Ministry of Interior. The determination of the purity is not a common practice for the Ministry of Interior and therefore the judgment on the purity can be only based on interviews with the drug addicts and country experts.

Other Drugs (Cocaine, Cannabis, Synthetic Drugs)

Cultivation

Confiscation of approximately 450 kg of self-cultivated cannabis in 2010, as opposed to 678 kg in 2009, shows that the production is decreasing. The numbers provided for the first three months of 2011 (7 kg of marijuana seized) seem to confirm this trend.

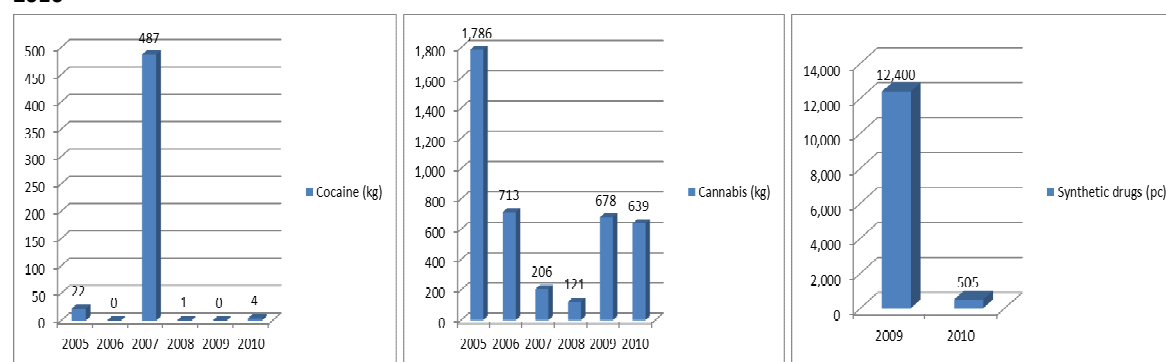
Demand

According to the Ministry of Interior, by the end of the year 2010, the number of registered drug users was 9607. Of all the drug users, 5439 were using **cannabis**, 368 were using drugs like **cocaine**, **ecstasy**, **LSD**.

Seizures

Figures 9,10: Total cocaine and cannabis seizures from the Ministry of Interior and Customs for the period 2005 – 2010

Figure 11: Total synthetic drug seizures in pieces from the Ministry of Interior and Customs for the period 2009-2010



From the above charts, it can be noted that the **cocaine** seizures are stagnant since 2008; and after 2005 there has been a large decrease in the seized **cannabis**, and a big increase can be noted in 2009 comparing to 2008. The 2010 shows almost the same number of seized kg's comparing to 2009. As for the **synthetic drugs**, it can be noted that there is no relevant data until 2009, and in 2010 in comparison to 2009 there is a large decrease in seizures.

Supply and Trafficking

As part of the international police cooperation, in the year 2010, according to the Ministry of Interior, the Police of the former Yugoslav Republic of Macedonia contributed to the seizure of five kilograms of **cocaine** in Austria and two kilograms in Germany. In regard to **cannabis**, the former Yugoslav Republic of Macedonia is all three, a producer, transit and a final destination country. The climate of the country is appropriate for cannabis cultivation and mostly is being used by the drug users and the small street dealers who are further selling it on the domestic market. Its availability and relatively cheap price, as well as the thinking that the cannabis is less damaging than the cigarettes, puts it on the first place of the most misused drugs together with

the heroin. Albania is still the main source of cannabis trafficking for the former Yugoslav Republic of Macedonia market and the region, despite the increased efficiency of the Albanian Police in fighting against the illegal drug trafficking

Routes

The **cocaine** that reaches the former Yugoslav Republic of Macedonia is usually being trafficked by air via Skopje airport or by land from the sea ports in Albania and Montenegro. The main route of **cannabis** to and through the former Yugoslav Republic of Macedonia is from Albania, via the north-western to the south-eastern part of the country in the direction of Greece. The **synthetic drugs** are mostly being trafficked to and through the former Yugoslav Republic of Macedonia from the direction of Bulgaria and Serbia.

Organized Crime and Beneficiaries

The Albanian organized crime groups have the primate for the **cannabis** illegal trafficking. No relevant information is available on **cocaine** and **synthetic drugs**.

Price and Purity

In the year 2010, according to the Ministry of Interior: the price of **cocaine** at street level was 30,000-45,000 euros per 1 kg, 50-60 euros per 1 gram, and there is no available information on the purity; the price of **cannabis** at street level was 350-550 euros per 1 kg, 1,5 euros per gram; and the price of **ecstasy** on street level was 3-5 euros per tablet/pcs. According to information on the field, the price of **LSD** on street level per pcs was 800-1,000MKD (13-16 euros), and the price of **methamphetamine** on street level per pcs was around 1,000MKD (16 euros), however, it can be found very rarely.

Acetic Anhydride Trafficking

There were no seizures of Acetic Anhydride in the former Yugoslav Republic of Macedonia since 2003.

Legislation and Response to Problem

The former Yugoslav Republic of Macedonia National Drugs Strategy is in accordance with European Union drugs strategy 2005–12. The principles, goals and priorities established by the national drug strategy have been realized through the drugs action plan 2009–12. There is an Interministerial Commission for narcotics and drugs (IMCND) that was established at November 2006 as an institutional part of the Ministry of Health and it consists of members of different ministries.

In terms of Legislation, reform of the Judicial System is in place. The new Law on Criminal Code Proceedings will simplify the proceedings and will partially level the regulations according to the other EU countries that will led to enhance the international cooperation in the fight against the organized crime.

The former Yugoslav Republic of Macedonia with its geographic setup on the Balkan route remains to play important role in drug supply reduction and the fight against the illegal drug trafficking. However, the recent political changes in the region (such as Kosovo proclaiming independence, the inclusion of some countries in the EU, etc), had an influence on the activities of the organized crime groups. The organized crime groups are using the advantages that are being given to them due to those changes (changes that led to creation of a new political map of the Balkan region). These changes pose a significant challenge for the law enforcement agencies, and therefore the law enforcement agencies are forced to look for new approaches and methods of work. A Joint Contact Centre for Police and Customs Cooperation was opened with Bulgaria and protocols for joint border patrols were signed with Bulgaria, Serbia and Kosovo.

Montenegro

Due to its geographic position, Montenegro will continue to be exposed to trafficking of narcotics from different directions. Similar to Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Serbia and Kosovo, Montenegro should tighten up on its border controls. Progress has been made in investigations related to organized crime and money laundering and the institutions should resist any corruption infiltration in this process.

Opiates – Heroin

Demand

No surveys on drug use among the general population have been conducted in Montenegro. According to 2010 Annual Report Questionnaire, estimated number of heroin users is 635.

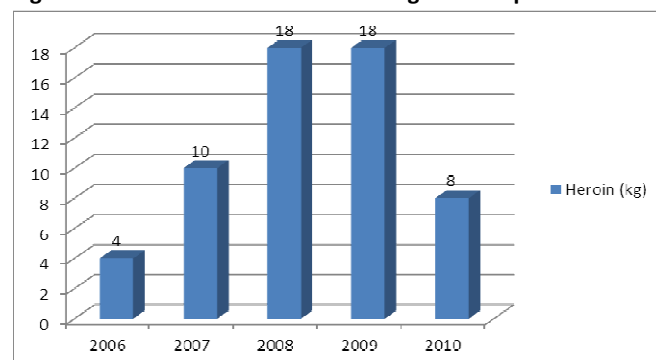
Seizures

Table 18: Seizures of heroin in Montenegro in the period 2006 - 2010

Type of drug	2006	2007	2008	2009	2010
Heroin (kg)	4	10	18	18	8

Source: Police Directorate of Montenegro

Figure 12: Heroin seizures in Montenegro in the period 2006 - 2010



Most narcotics in Montenegro are seized in Podgorica.

In 2010, the most prominent seizure and arrests in relation to heroin trafficking was carried out as part of the police operation codenamed “Mreza” (“net”), in which 10 persons were arrested and 1 kilo of heroin, 50g of cocaine and 15 kg of skunk were seized. The group members are suspected of organizing sales of heroin in the towns of Bijelo Polje, Mojkovac and Berane in northern Montenegro and to have organized trafficking of the drug from Kosovo, through Montenegro onwards to Bosnia and Herzegovina.

Supply and Trafficking

According to the US Department of State, “Montenegro, which neighbors Serbia and Kosovo, Bosnia and Herzegovina, Albania and Croatia, is located among central Europe's most sensitive areas. A small portion of the smuggled narcotics (between 10%-15%) remains in the country and is sold in the small, but growing, domestic market⁵⁵.”

According to the Police Directorate of Montenegro, within Montenegro there are three main trafficking hubs with their own logistic support and infrastructure. **Northern hub** has the role of the coordination center for distribution of heroin, due to its proximity to the key trafficking routes⁵⁶. The **central part** remains important for transit and distribution of cannabis products (i.e. marijuana and skunk), and the **southern part** is mainly for transit and distribution of cocaine⁵⁷.”

Similarly, according to the US Department of State, “Heroin from Afghanistan transits Turkey, Bulgaria, the former Yugoslav Republic of Macedonia⁵⁸, Serbia, Kosovo and Albania, and is smuggled into Montenegro in private vehicles before being transported to Bosnia and Herzegovina, Croatia, and further into Western Europe. In recent years police have identified major heroin smuggling routes from Kosovo through Montenegro which operate under the control of criminal groups from the northern municipalities of Rozaje and Berane⁵⁹.”

Organized Crime and Beneficiaries

According to the Police Directorate of Montenegro, there are 35 organized crime groups in Montenegro dealing in various areas, but mostly in smuggling and trafficking of narcotics. These groups are believed to be organized on a horizontal level and do not have a significant hierarchy or firm organizational structure. There are also exceptions to this, in that some groups are made up of individuals who have been in long friendly or family relations, which adds to the cohesion of the group. Some members of these groups are located in the

⁵⁵ United States Department of State, the Bureau for International Narcotics and Law Enforcement Affairs: International Narcotics Control Strategy Report (INCSR), Volume I, Drug and Chemical Control, March 2011

⁵⁶ Towns of Rozaje and Berane.

⁵⁷ Police Directorate of Montenegro: Organized Crime Threat Assessment - OCTA 2011

⁵⁸ The change of the original text is due to the UN Security Council Resolution 817 (1993)

⁵⁹ United States Department of State, the Bureau for International Narcotics and Law Enforcement Affairs: International Narcotics Control Strategy Report (INCSR), Volume I, Drug and Chemical Control, March 2011

destination countries of Western Europe. The number of Montenegrin citizens in organized crime groups is on the increase, which is also evidenced by the fact that there is an increasing number of citizens of Montenegro who have been arrested on charges of drug trafficking in the European and neighbouring countries. The processed court cases and police findings indicate that organized crime groups also get in contact directly with drug producers, resulting in “enormous profits”⁶⁰.

Also according to the Police Directorate of Montenegro, “organized crime groups predominantly deal in one particular type of narcotic, but there are cases when they diversify. Due to the fact that drug trafficking involves cooperation with other criminals or groups in the countries of production or transit hubs, organized crime groups are believed to have contacts with other groups in south America, Western Europe and in the neighbourhood (Serbia, Bosnia and Herzegovina, Croatia, Albania, Kosovo, Italy)⁶¹”.

Price and Purity

1g 10 – 15 Euros (in 2010)

1kg 16,000 Euros (in 2010)

Heroin, mostly from Albania, comes to Montenegro mixed with other substances (the content of diacetyl-morphine ranging 3–5 %)⁶².

Other Drugs (Cocaine, Cannabis, Synthetic Drugs)

Demand

Marijuana and heroin are the most popular in the domestic market, while synthetic drugs are less frequently used (and mostly by the tourists during the duration of the summer tourist season) and consumption of cocaine is less prevalent due to its high price⁶³.

Seizures

Table 20: Seizures of narcotics in Montenegro in the period 2006 - 2010

Type of drug	2006	2007	2008	2009	2010
Marijuana (kg)	1,115	273	327	922	658
Cocaine (kg)	0.3	0.4	8	1	4
Hashish (kg)	0.004	0.2	0.013	0	0.01
Synthetic drugs (kg)	0.3	0.78	0.1	n/a	0.12
Synthetic drugs (pcs)	138	2,529	860	1,240	n/a

Source: Police Directorate of Montenegro

⁶⁰ Police Directorate of Montenegro: Organized Crime Threat Assessment - OCTA 2011

⁶¹ Police Directorate of Montenegro: Organized Crime Threat Assessment - OCTA 2011

⁶² EMCDDA: Montenegro Country Overview 2011

⁶³ EMCDDA: Montenegro Country Overview 2011

Supply and Trafficking

Cocaine from Venezuela, Colombia and Peru is shipped by sea along the “cocaine route” to some Mediterranean ports, including to Montenegro. Some of the cocaine ends in Montenegro, but most of it is intended for West European markets⁶⁴.

Part of cannabis (i.e. marijuana and skunk) trafficked from Albania into Montenegro remains in the country, but most of it is intended for onward trafficking to the neighbouring countries and Western Europe.

Organized Crime and Beneficiaries

There has been evidence of involvement of citizens of Montenegro in the cocaine trafficking from South America to illegal markets in Western Europe. Huge profits made by cocaine illicit trade are invested in legal businesses and in real estate (such as housing, hotels, business premises) in the countries of South Eastern Europe.

Marijuana and skunk are produced, trafficked and distributed jointly by international organized criminal groups from Albania, Montenegro and other ex-Yugoslav republics.

Price and Purity

Cocaine (in 2010):

1g 60 – 80 Euros

Cannabis (in 2010):

1 pack (5-10g) 5 – 10 Euros

1kg 880 Euros

Ecstasy (in 2010):

1 tablet 3 – 5 Euros

General information indicates that marijuana seized in the past two years had a high level of THC⁶⁵.

⁶⁴ Police Directorate of Montenegro: Organized Crime Threat Assessment - OCTA 2011

⁶⁵ EMCDDA: Montenegro Country Overview 2011

Legislation and Response to Problem

Montenegro's law on precursors ("the Law on control of manufacturing and trade of substances that can be used in manufacturing of narcotics and psychotropic substances") is from 2009 and the Law on Drugs was passed in June 2011.

According to the European Commission, "Progress can be reported on cooperation in the field of drugs. (...) Drug trafficking remains a major concern, as Montenegro is one of the main Balkan routes for drug trafficking to and from the EU. The amount of seizures remains low. Measures to fight infiltration of the legal system by organised crime organisations need to be stepped up, as does cross-border police cooperation. The administrative and technical capacity of the law enforcement agencies to fight drug-related crime has to be strengthened. Law enforcement cooperation and coordination, in particular to ensure the security of the blue border, needs to be reinforced⁶⁶."

Serbia

Serbia's law enforcement agencies have demonstrated commitment to drug suppression and information sharing, regional and international. However, the capacity of the state institutions to deal with counter narcotics, drug supply and drug reduction on the policy level should be improved. The long-awaited inter-ministerial Commission for counter narcotics should be set up as soon as possible in order to coordinate national drug suppression and treatment efforts. Also, a centralized anti-drug police department with broader powers to coordinate the law enforcement and investigation activities should be established, as has been announced by the Interior Minister. Destruction of large quantities of seized narcotics and precursors should be carried out as soon as possible. The ongoing trial of the members of one of the most important regional and international cocaine drug rings demonstrates that Serbia has the capacity and political will to fight organized crime and corruption. Serbia's recent history demonstrates that organized crime eventually ends up as a national security threat and that the fight against it has no alternative.

Opiates – Heroin

Demand

No population-based drug surveys have been carried out in Serbia. According to 2010 Annual Report Questionnaire, estimated number of heroin users is 17,875.

⁶⁶ European Commission: Montenegro 2011 Progress Report

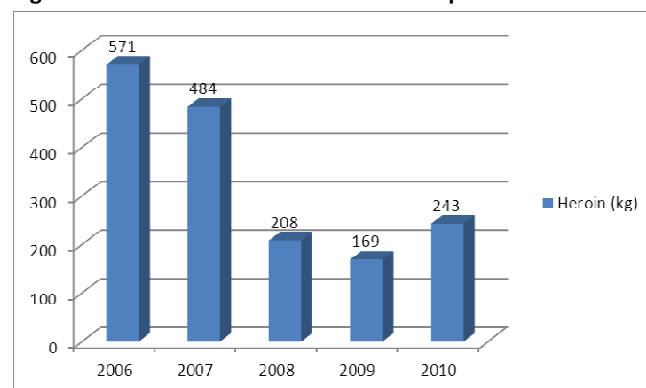
Seizures

Table 21: Seizures of heroin in Serbia in the period 2006 - 2010

Type of drug	2006	2007	2008	2009	2010
Heroin (kg)	571	484	208	169	243

Source: Ministry of Interior of Serbia

Figure 13: Heroin seizures in Serbia in the period 2006 – 2010



Supply and Trafficking

According to the Serbian Ministry of Interior, following the EU accession of Bulgaria and Romania and the secession of Kosovo from Serbia there has been a shift in the priority of corridors used by the traffickers, in that the criminal groups now from Bulgaria prefer to go via Romania and Hungary rather than through Serbia in order to avoid heavier border controls of passengers and vehicles. Also according to the Serbian Ministry of Interior, the trafficking of heroin along the route Bulgaria – the former Yugoslav Republic of Macedonia – Kosovo is on the increase. According to the same source, there are indications that Kosovo is used for storing large quantities of heroin which is delivered further to West European countries through Albania (port Durres), Montenegro and Bosnia and Herzegovina. The Serbian Ministry of Interior explains the decrease in heroin seizures in Serbia in 2009 and 2010 with this shifting of corridors within the Balkan route. During summer months in 2010, an increase was reported in seizures of heroin found hidden in cars of passengers returning from Turkey to the Western Europe⁶⁷.

According to the Serbian Ministry of Interior, supply of heroin for the local Serbian market is mainly organized by ethnic Albanian criminal groups from Kosovo and the former Yugoslav Republic Macedonia, entering Serbia via the south Serbian regions of Presevo valley (Presevo, Bujanovac) and Sandzak (Novi Pazar and Tutin, as well as from Rozaje, in northern Montenegro). Those groups predominantly work with smaller quantities, up to 3 kg, to minimize the risk of financial loss in case of seizure. Given that the territories these groups

⁶⁷ Information from meetings with the Head of the Narcotic Drugs Law Enforcement Department, Serbian Ministry of Interior

cover are not large, this kind of trafficking is done relatively frequently. There has been so far no information indicating existence of laboratories for manufacture of heroin in Serbia⁶⁸.

Similar to other countries in South Eastern Europe, Serbia's international borders are porous and so is its administrative line with Kosovo. Due to the fact that the Serbian authorities do not consider the administrative line between Serbia and Kosovo to be an international border, the Customs Administration does not monitor the flow of goods between Serbia and Kosovo at the checkpoints.

Organized Crime and Beneficiaries

According to the Serbian Ministry of Interior, Serbian criminal groups involved in heroin trafficking supply the domestic markets with heroin and do not belong to the international trafficking networks⁶⁹. Payments for heroin are made either in cash or as exchange for synthetic drugs.

Price and Purity

1kg 12,000 – 16,000 Euros (in 2010)

1g 20 – 25 Euros (in 2010)

Both the price and quality of heroin in Serbia have reportedly gone down. The purity of the street heroin is estimated to be between 5 and 10%⁷⁰. Purity of wholesale heroin is reported to be quite high. According to the Serbian Ministry of Interior, heroin that comes from Bulgaria is cut in Serbia up to 5 times.

Other Drugs (Cocaine, Cannabis, Synthetic Drugs)

Demand

Marijuana remains the most widespread illicit drug used in Serbia.

Seizures

Table 23: Seizures of narcotics in Serbia in the period 2006 - 2010

Type of drug	2006	2007	2008	2009	2010
Marijuana (kg)	1,817	1,625	1,478	1,083	1,353
Cocaine (kg)	13	16	15	19	8
Hashish (kg)	60	0.6	1	16	0.4
Ecstasy (kg)	n/a	4	0.2	5	23
Ecstasy (pcs)	18,968	6,352	1,078	2,512	892
LSD (pcs)	n/a	172	719	595	6

⁶⁸ Information from meetings with the Head of the Narcotic Drugs Law Enforcement Department, Serbian Ministry of Interior

⁶⁹ Statement by the Head of the Criminal Intelligence Department of the Serbian Ministry of Interior

⁷⁰ Statement by the Head of the Narcotic Drugs Suppression Unit of the Belgrade Police

Amphetamine (kg)	26	2	17	7	6
Amphetamine (pcs)	236	339	547	239	1,023
Opium (kg)	n/a	42	9	12	n/a

Source: Ministry of Interior of Serbia

Supply and Trafficking

There has been an increased involvement of the Serb nationals (as well as of nationals of other ex-Yugoslav republics) in the international, transcontinental trafficking of cocaine, mainly from South America to Western Europe. Serbian criminal groups have had good connections in Western Europe ever since the times of the former Yugoslavia and they have used those connections and infrastructure when they turned to cocaine as more lucrative. Cocaine comes to Serbia from Latin America through Western Europe.

Marijuana reaches Serbia mainly from Albania, via Montenegro. Recently, presence of “skunk”, a more potent type of cannabis plant grown artificially, has been observed. In 2010 several clandestine laboratories equipped for cultivation of “skunk” were uncovered. Due to comparatively high profits from export to the Western Europe, it is expected that the trend of indoor-grown skunk in Serbia will remain⁷¹.

In 2010 and 2011, two clandestine laboratories for manufacturing amphetamine were uncovered.

Organized Crime and Beneficiaries

There is a number of criminal groups from Serbia and Montenegro with direct contacts with cocaine sellers in South America (Brazil, Argentina, Colombia, Venezuela). The purchase price of cocaine so obtained is between USD 5,000 and 6,000 per kilo. The cocaine is delivered by sea from the South American ports in Argentina, Brazil, Paraguay and Colombia mainly to West European ports (Antwerp, Rotterdam, Hamburg, Bremerhaven, Gioia Tauro). Members of these criminal groups oversee the shipments all the way from the South American ports to the final destinations, while remaining in constant touch with their bosses, who mastermind the operations mainly from Serbia. The profits gained from trafficking of cocaine are laundered in various ways and sent into legal circulation mainly by investing in real estate and building industry⁷². The authorities of Serbia, Montenegro and other Balkan countries are cooperating in investigating the ways of laundering the huge profits gained from cocaine trafficking - witness the joint police operation codenamed “Balkan Warrior” which has led to arrests and prosecution of the members of a major drug smuggling gang from the Balkans and seizures of their assets.

⁷¹ Statement by the Head of the Narcotic Drugs Law Enforcement Department, Serbian Ministry of Interior

⁷² Statement by the Head of the Narcotic Drugs Law Enforcement Department, Serbian Ministry of Interior

Two million Euros in cash have been found and seized in vehicles crossing Serbian borders, suspected to be intended for paying for cocaine.

According to Serbian Ministry of Interior, organized criminal groups are expected to keep on finding ways to organize manufacture and trafficking of synthetic drugs and precursors in kitchen labs in Serbia. Given the relatively small local market in Serbia for synthetic narcotics it is also expected that the trend of trafficking of those narcotics from Serbia to Western Europe will continue. There are indications that the demand for precursors and synthetic drugs is on the rise in Serbia. It has been noted in the recent years that the consumption of synthetic drugs among the young population is on the rise due to its lower price in comparison with traditional narcotics and its easier availability⁷³.

Price and Purity

Cocaine (in 2010):

1kg 33,000 – 38,000 Euros

1 g 50 – 110 Euros

Marijuana, skunk type (in 2010): 1kg 1,500 – 3,000 per Euros

Amphetamine (in 2010): 1 pill 0.5 – 6 Euros

Acetic Anhydride Trafficking

In October 2009, police found and seized 100 liters of acetic anhydride stored in barrels in a field near Belgrade. No police charges were pressed as the owner was unknown.

Legislation and Response to Problem

In 2005, Serbia adopted its law on precursors (“the Law on Substances Used in Illicit Manufacturing of Narcotic Drugs and Psychotropic Substances”), and the new drug law (“Law on Controlled Psychoactive Substances”) was passed in December 2010.

Serbia concluded diverse agreements on police and customs cooperation with Albania, Bulgaria, Romania, Croatia, Bosnia and Herzegovina, Argentina, Brazil, Uruguay and Russian Federation and EULEX (European Union Rule of Law Mission in Kosovo) as well as extradition treaties with Montenegro and Croatia. In spite of the agreement between Serbia and EULEX on cooperation in law enforcement issues, there has been no real exchange of intelligence on drug smuggling.

According to the European Commission, “With regard to cooperation in the field of illicit drugs, the strategic, legislative and institutional framework is in place. Trafficking of drugs through

⁷³ Statement by the Head of the Narcotic Drugs Law Enforcement Department, Serbian Ministry of Interior

Serbia remains high and also consumption in the country is of concern. Significant weaknesses persist in surveillance of the borders with Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and Montenegro and of the administrative boundary line with Kosovo. Police and border police need to be fully connected to the central database on drugs. The lack of financial resources is having a negative effect on effective implementation of preventive anti-drugs policies. A large quantity of seized drugs still has not been destroyed due to alleged environmental concerns⁷⁴.”

Kosovo

Unrecognized and/or in process of building capacities pose good ground for further increase of the illegal drug trafficking. The organized crime remains to be a great challenge for Kosovo and also the region, having in mind that the consequences of the organized crime activities are expanding outside the Kosovo borders. According to the European Commission latest report,⁷⁵ Kosovo has made limited progress in the fight against drug-trafficking; flows continue to include heroin and synthetic drugs coming from the Middle East through Turkey and the former Yugoslav Republic of Macedonia along one of the main Balkan routes to European markets and cocaine coming through Albania and Montenegro; drug shipments are being repackaged in Kosovo and sent to European markets in smaller amounts; the domestic market has also grown, notably for cocaine; there are movements of narcotics across the border involving trucks, buses and private vehicles; the amount of drug seizures remains low; the judiciary follow ups remains inadequate; there are still reports of threats and intimidations to judges and Police officers; and there is no proper undercover unit in the police. Kosovo, as well as the other countries of the region, shows lack of activities in the area of money laundering-under the current anti-money laundering law, companies do not have to report cash-based transactions for more than 10,000 euros. Corruption remains prevalent in many areas; the quality and consistency of border checks still need to be improved; and the joint operational centre for border control is not fully operational, as the border police do not have access to its own databases.

Opiates- Heroin

Demand

The number of drug addicts in Kosovo is on the rise and the larger quantity of drug users has been registered in Pristina. Drug users in Kosovo mostly use heroin. There are no reliable estimates of the number of drug users, and until 2010, no national estimates on problem drug users exist for Kosovo. According to the opinion of national experts, the number of heroin users is estimated to be at 3 000–5 000 persons.⁷⁶ UNICEF places the figure at around 20,000 and of

⁷⁴ European Commission: Serbia 2011 Analytical Report

⁷⁵ European Commission, Staff Working Paper, Kosovo* Progress Report, Enlargement Strategy and Main Challenges 2011-2012

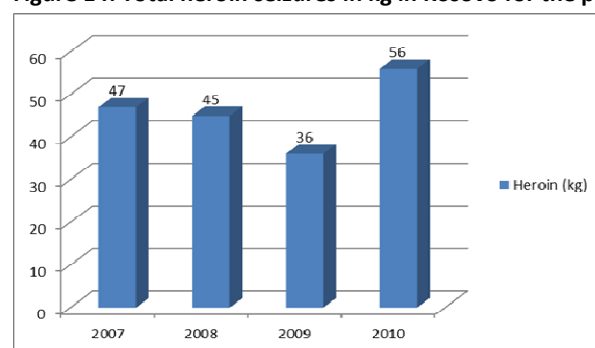
⁷⁶ 2010, Bahri Shala from KP Antidrug unit and Dr Shaban Mecinaj Psichiatric Clinic UCCK.

this number approximately, 5,000-6,000 are dependent intravenous drug users and NGO Labyrinth estimates that the number of drug users in Kosovo varies from 10,000-15,000 of which 4,000-5,000 are heroin users.

During 2010, 15 people died from an overdose and the reports are saying that the number for 2011 could be even higher.

Seizures

Figure 14: Total heroin seizures in kg in Kosovo for the period 2007-2010



There is a slight increase of the seized **heroin** in the year 2010, comparing to 2009. However, the territory of Kosovo remains to be largely used by the organized crime groups in terms of heroin trafficking.

Table 24: Seizures of major narcotics made by the Kosovo Police for the period 2007 - 2010

Type of drug	2007	2008	2009	2010
Heroin (kg)	47	44.6	36.1	55.6
Cocaine (kg)	2	2.1	1.5	2
Cannabis (kg)	n/a	177.5	43.6	340
Hashish (kg)	n/a	n/a	336	0.002
Marijuana (plants)	21,712	9,249	33,497	9,724
Ecstasy (kg)	n/a	0.012	2.4	1.3
Ecstasy (pcs)	n/a	40	2,169	6

Source: Kosovo Police, EULEX, EMCDDA

Supply and Trafficking

Kosovo is a transit route for Afghan heroin on its way to the EU and has a growing narcotics problem. Methods of drug trafficking in Kosovo and/or involving persons from Kosovo are: sending drug packages without declared ownership by busses; using of inexperienced persons for transport; using Kosovars leaving abroad for smuggling of drugs; using car repair shops in specially prepared hiding places; using bus or other transport means.

Routes

The main transit routes for heroin through Kosovo are: coming down from Turkey through Bulgaria, the former Yugoslav Republic of Macedonia or Serbia to Kosovo and going towards EU Member States.

Organized Crime and Beneficiaries

"Albanian criminal groups use family or clan links in Kosovo to facilitate heroin trafficking to Albania."⁷⁷ Kosovo is primarily a transit territory for Afghan heroin transiting from Turkey destined for Europe. The Kosovo organized crime groups have a well-known reputation built over a long period backwards. Their strong international ties and their discipline pose a major challenge for the EU law enforcement agencies. Obtaining inside information about this organized crime groups is very risky and difficult to establish because of the violence they are conducting on the betrayers which is a strong defence mechanism. The established structure and hierarchy are guaranteeing efficiency in taking-over the illegal drug markets and further control of those markets from their bases in Kosovo. Money and violence on the other side are enabling them to establish functional relationship with the legal structures in the country.

Price and Purity

In the year 2010, the price of **heroin** at street level was 15,000 to 20,000 Euros per 1 kg; 15 to 20 Euros per 0,6 gr, according to Kosovo Police and EULEX. In the year 2008, the price of heroin at street level was 21-25 euros per gram, and the purity about 1%.

Other Drugs (Cocaine, Cannabis, Synthetic Drugs)

Demand

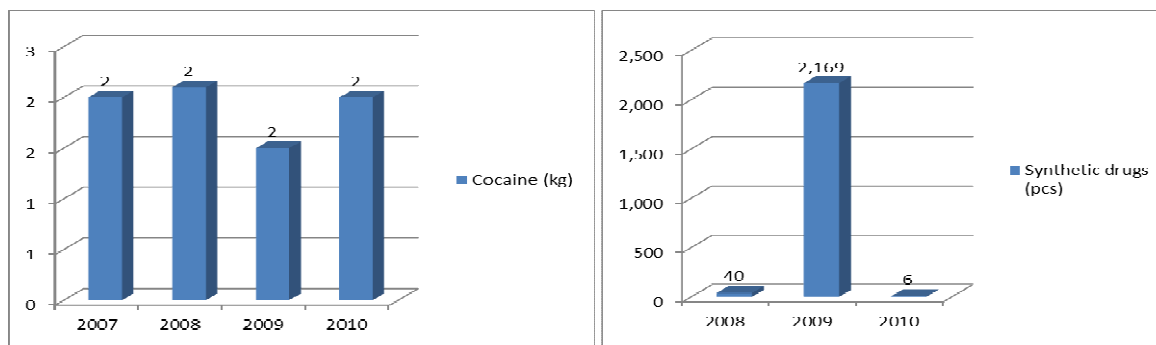
The use of cocaine is also on the rise and its price is decreasing in the local market, according to UNICEF and NGO Labyrinth. No relevant data available on cannabis and synthetic drugs.

Seizures

Figure 15: Total cocaine seizures in kg in Kosovo for the period 2007-2010

Figure 16: Total synthetic drugs seizures in pieces in Kosovo for the period 2008-2010

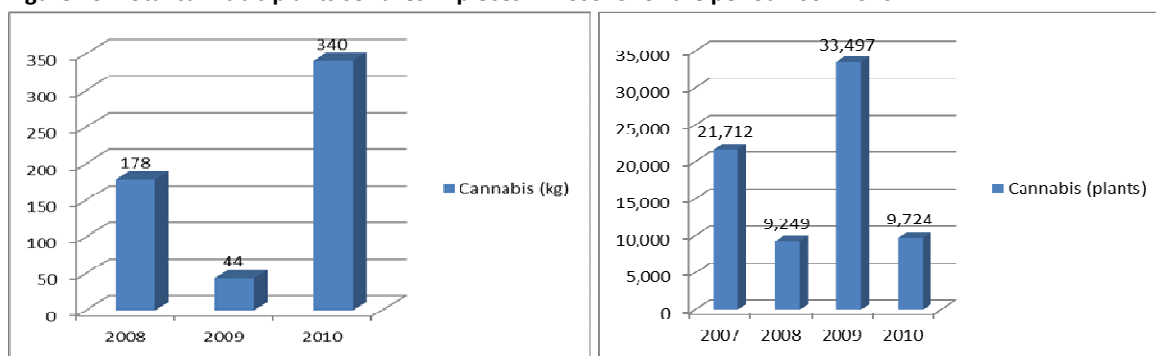
⁷⁷ UNODC: The Global Afghan Opium Trade, A Threat Assessment, 2011



According to the available data on **cocaine** seizures, it can be noted that the trend for 2007-2010 is that the seizures are in stagnation; however, there is no sufficient data available that can indicate the reason for this trend. As for the **synthetic drugs**, it can be noted that there has been large decrease in the seizures in 2010, comparing to 2009.

Figure 17: Total cannabis herb seizures in kg in Kosovo for the period 2008-2010

Figure 18: Total cannabis plants seizures in pieces in Kosovo for the period 2007-2010



Regarding **cannabis**, it can be noted that there is a large increase of cannabis herbs in 2010 comparing to 2009 and a large increase of cannabis plant seizures in 2009 comparing to 2008. However, there has been a large decrease in the seizures of cannabis plants in 2010, comparing to 2009, and separate analyses might give the reason for this decrease, whether is due to Kosovo law enforcement capacities. There are no sufficient relevant data that can be used for analyses to detect what are the reasons for this trend.

Supply and Trafficking

The **cocaine** that reaches Kosovo is mostly coming from South America via sea transport through the sea ports of Albania, Greece and Montenegro. The **cannabis** arrives to Kosovo from Albania, given the fact that there are strong connections between Kosovo organized crime groups and Albanian organized crime groups.

Routes

The trafficking routes for **cocaine** to Kosovo are: Greece–Albania–Kosovo; Montenegro–Kosovo; Bulgaria or Romania–Serbia–Kosovo; Greece–the former Yugoslav Republic of

Macedonia–Kosovo. Cannabis grown in Albania and the Kosovo region is being distributed in Greece, Italy, Slovenia, Hungary, and is also being trafficked to Turkey, where it is exchanged for heroin. The main transit routes for **cannabis** are: Albania–Kosovo–Serbia or Montenegro–EU Member States; Albania–the former Yugoslav Republic of Macedonia–Kosovo–Serbia–EU Member States. The trafficking routes for **synthetic drugs** to Kosovo are: EU Member States–Serbia–Kosovo; Serbia–Kosovo–Albania.

Organized Crime and Beneficiaries

Kosovo is primarily a transit territory for cocaine and cannabis coming through the Albanian and Montenegrin ports destined for Europe. The Kosovo organized crime groups are also involved in cannabis and synthetic drugs trafficking, given the fact that they are operating as multi-drug groups.

Price and Purity

In the year 2008, the price of **cocaine** at street level was 50-70 euros per gram and in the year 2010, according to Kosovo Police and EULEX, the price of **cocaine** at street level was 60,000 to 80,000 euros per 1 kg; 60 – 80 Euros per 0,6 gr. There is no information available on the purity. In the year 2010, the price of **cannabis** at street level was 500 – 700 euros per 1 kg; and 15 – 20 euros per 5 gr. In the year 2011, the price of cannabis at street level is 4-8 euros per 5 grams, and the percentage of THC is about 3%, according to EMCDDA and Kosovo Police.

Acetic Anhydride Trafficking

There have been a few reports of seizures of small quantities of precursor chemicals in Kosovo, but officials of the Kosovo Police have found no evidence of production labs existence.

Legislation and Response to Problem

Kosovo is still in a phase of development of the institutional capacities. The National Anti-Drug Strategy and Action Plan of Kosovo 2009–12 was adopted in June 2009. It was drafted in close cooperation with all public institutions involved in the fight against drugs, including NGOs and in consultation with experts working for international organisations in Kosovo. Several MOU's (Memorandum of Understanding) have been signed in the recent period by the Kosovo Government: MoU's with Albania, and several EU countries concerning fighting organised crime including drugs; EULEX has signed MoU's with INTERPOL, the former Yugoslav Republic of Macedonia and Montenegro for cooperation in fighting organised crime. According to the US State Department, "Kosovo faces challenges in combating narcotics trafficking due to porous borders and corruption among the Kosovo Border Police (KBP) and the Customs officers. The larger-scale of drug arrests by Kosovo police and Kosovo Customs occur infrequently given the reported scale of drug smuggling and there are credible allegations of corruption among KBP

and Customs officers on the borders”.⁷⁸ Because of its location on the road of international heroin trafficking routes coming from Afghanistan and other neighboring countries, the figures for Kosovo’s arrests and seizures do not seem to represent the reality. This is probably due to the lack of human and technical resources at the disposal of the Kosovo Police and Customs in the fight against illegal drug trafficking. Agreements enabling joint and synchronized police patrols of borders were signed between Kosovo, Albania and the former Yugoslav Republic of Macedonia; Kosovo border police issued a new standard operating procedure for checking procedures at borders; Kosovo Police took over the responsibility from KFOR for the surveillance of the border with the former Yugoslav Republic of Macedonia and Montenegro.

⁷⁸ United States Department of State, the Bureau for International Narcotics and Law Enforcement Affairs: International Narcotics Control Strategy Report (INCSR), Volume I, Drug and Chemical Control, March 2011

Drug and Crime Related Projects Executed by UNODC in South Eastern Europe in 2011

Table 26: Drug and Crime Related Projects Executed by UNODC in SEE in 2011

Project Title	Budget (USD)	Donor	Thematic area
Assessment of corruption and crime in the Western Balkans	705,090	European Union, Norway	Counter Narcotics
Development of monitoring instruments for judicial and law enforcement institutions in the Western Balkans (including Kosovo under UNSCR 1244).	1,416,371	European Union, Germany	Counter Narcotics
Regional Programme for Promoting the Rule of Law and Human Security in SEE	3,179,107	Germany, France, Sweden	Counter Narcotics
Strengthening border control capacities in Albania (Albania only)	2,195,024	Germany, Italy	Counter Narcotics
Combat Narcotic Drugs Trafficking and Drug Abuse (Croatia only)	1,367,989	European Union	Counter Narcotics
UNODC-WHO Programme on Drug Dependence Treatment and Care	332,900	UNAIDS, Norway, UK, USA, UNFPA, Netherlands, UNDP, Australia, Foundation Open Society	Counter Narcotics Drug Demand Reduction
Prevention of drug use, HIV/AIDS and crime among young people through family skills training programmes in low- and middle-income countries	313,500	Sweden, Japan, USA, France, Spain	Counter Narcotics Drug Demand Reduction
HIV/AIDS prevention and care among injecting drug users and in prison settings in Romania	3,447,751	Netherlands	Counter Narcotics, Drug Demand Reduction



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