



**To: Interested Colleagues**  
**From: Kathryn Ledebur, Director, Andean Information Network (AIN)**  
**Coletta A. Youngers, Senior Fellow, Washington Office on Latin America (WOLA)**  
**Date: November 9, 2006**  
**RE: Update on drug policy issues in Bolivia**

*A WOLA-AIN delegation recently traveled to the Bolivia's Chapare region to carry out an on-the-ground assessment of the initial impact of the Morales government's new coca strategy.<sup>1</sup> The delegation met with local municipal, police and military authorities, coca farmers, and others.<sup>2</sup> In La Paz, the group interviewed Bolivian and U.S. officials and independent analysts.*

The delegation found that in the Chapare coca growing region, the new government's policy of limiting coca production is yielding positive results and the Bolivian government will likely meet its coca reduction target for the year. The lack of confrontation and violence has contributed to an environment conducive to economic development. At the national level, stepped up interdiction efforts have resulted in significant increases in illicit drug seizures.

However, the continued use of the Bolivian military in coca reduction efforts and U.S. pressure to meet eradication targets has led to violence in other coca growing regions. On September 29 in the Vandiola Yungas, two coca growers were killed in a confrontation with members of a joint military-police eradication force. The ongoing conflict illustrates the complex difficulties that the government faces in implementing its coca strategy beyond the Chapare. It also underscores the importance of community cooperation in carrying out coca reduction efforts, and the need to remove military forces from such efforts and to ensure respect for human rights.

While the U.S. and Bolivian governments continue to collaborate closely on drug interdiction, the Bush administration has increased its criticisms of the Morales government's approach to coca reduction. Yet bilateral anti-drug cooperation is yielding results: coca eradication continues and interdiction operations have improved. The U.S. government should respect the right of Bolivia's democratically elected leaders to fashion their own anti-drug policies, and move away from the conditionality that has often soured bilateral relations. Rather than focus on short-term coca eradication targets, Washington should emphasize assisting the Bolivian government to achieve sustainable long-term reductions in coca produced for the illicit market.

### **Coca "rationalization" in the Chapare**

The Morales administration is promoting cooperative coca reduction – or "rationalization" – to reduce the amount of coca destined for the illicit cocaine market, while focusing greater attention on the cultural, religious, health and other positive attributes of the

coca leaf and its industrialization for licit uses.<sup>3</sup> In the Chapare region, coca growers have agreed to eliminate coca in excess of one *cato*<sup>4</sup> per coca-growing family and are cooperating with local authorities in identifying coca plantings to be reduced. Between January and October of this year, over 4,000 hectares of coca were eliminated (the Bolivian government's 2006 coca reduction target is 5,000 hectares). The conflict and violence that characterized the forced eradication campaigns carried out previously in the Chapare have ceased. According to one local journalist, "in economic terms, the situation has improved. People are now secure that they will have some money from coca."<sup>5</sup> This allows farmers greater flexibility to experiment with other agricultural products and seek out other income generating opportunities – both of which are key elements of a long-term coca reduction strategy.

According to local municipal authorities, the rationalization strategy works to everyone's benefit as it maintains a stable price for the coca leaf and provides a minimal amount of cash income per family. Moreover, the sanctions for non-cooperation are steep, ranging from the elimination of all coca to loss of landholdings (which are controlled by the coca growers' federations). The ability of the coca growers' federations to exert "social control" is crucial to the relative success of the effort to date. The head of the Joint Task Force,<sup>6</sup> a combined military and police unit under military command in charge of coca reduction, relates that his personnel encounter few problems in areas where the federations are in control, whereas "there are still pockets" of resistance in some outlying areas.

According to the commander of the FELCN,<sup>7</sup> an elite police unit responsible for interdiction, "social control is beginning to function in the Chapare...there is better cooperation."<sup>8</sup> Police and military officials interviewed consistently pointed to better community relations as key to improved interdiction operations. For example, according to the commander of the UMOPAR<sup>9</sup> anti-drug police in the Chapare, "people don't want their community to be implicated in drug trafficking, so social control is contributing to better counterdrug efforts... [T]hey never prevent us from going into areas where coca maceration pits are detected."<sup>10</sup> He also points out that the local community is now more forthcoming with information on the location of such pits and other drug trafficking activities.

The long-term success of the cooperative coca reduction effort hinges on the economic development of coca growing regions and overall improvements in the quality of life. Local municipalities engage in a range of projects to improve transportation infrastructure, health care and education services, and agricultural and cattle production. In addition, productive development councils are being created to promote economic advancement.

For most of this year, Chapare development projects have gone forward without U.S. government assistance, which was largely suspended by USAID after the Morales government came into office, and is only now beginning to flow again.<sup>11</sup> However, when faced with the shortfalls created by the suspension of USAID funds, Chapare municipalities successfully solicited resources from other donors. According to the mayor of Shinahota, Rimer Agreda, USAID "took the funding away when it was most needed... But when they froze \$400,000... we went out and raised \$800,000 on our own... [N]ow [USAID] is in an uncomfortable position; they thought they were going to create social conflict, but instead have fortified our work."<sup>12</sup> Additional funding for projects in Shinahota was secured from the Spanish, German, and

Venezuelan governments. In the case of Villa Tunari, Venezuela now funds a model school program that was to have been primarily financed by USAID. Agreda and other local authorities are quick to point out that assistance from these countries comes with no extraneous conditions attached, easing project execution and speeding the realization of project benefits. They also note that they would like continued USAID support, but that in many cases new projects now need to be negotiated. The aid suspension appears to represent a significant setback for what had been steadily improving cooperation between USAID and the local municipalities.

**“Zero drug trafficking” strategy yields results**

Both Bolivian and U.S. authorities point to a significant increase in interdiction efforts since the Morales government came into office. Through September 2006, the FELCN had carried out more than 6,600 anti-drug operations and had seized 26 percent more cocaine base and cocaine hydrochloride (10.4 metric tons) than during the first nine months of 2005 (8.2 metric tons). The Bolivian government has also stepped up activities in conjunction with neighboring countries to stem the flow of precursor chemicals and limit money laundering. U.S. embassy officials laud the Bolivian government’s interdiction efforts, and consider the statistics provided by the Bolivian agencies to be accurate and credible.<sup>13</sup>

<b>FELCN Anti-Drug Operations in Bolivia</b>	<b>January 1-October 1 2005</b>	<b>January 1-October 1 2006</b>	<b>% increase 2005-2006</b>
<b>Drug Seizures</b>			
Cocaine Base (Kilograms)	7,663	9,353	22%
Cocaine HCl (Kilograms)	559	1,002	79%
<i>Cocaine Base plus Cocaine HCl (Kilograms)</i>	8,222	10,355	26%
Marijuana (Kilograms)	31,361	106,860	241%
Total Drug Seizures (Kilograms)	39,583	117,215	196%
<b>Precursor Chemical Seizures</b>			
Solid Chemicals (Kilograms)	114,957	317,705	176%
Liquid Chemicals (Liters)	462,099	507,188	10%
<b>Coca</b>			
Coca Leaf Seized (Pounds)	1,440,526	2,165,912	50%
<b>Processing Sites Destroyed</b>			
Cocaine HCl Laboratories	2	1	-50%
Coca Paste/Cocaine Base Facilities	1,954	3,040	56%
Coca Maceration Pits	3,040	4,685	54%
<b>Total Number of Operations</b>	5,171	6,694	29%

Seizure statistics should be viewed with caution, as fluctuations over time may result from numerous factors apart from the tempo and efficiency of enforcement operations, including changes in production and shifting trafficking patterns. However, the Bolivian officials in charge of interdiction operations dismiss speculation that the increased seizures that they have reported are primarily a result of increased drug production in Bolivia. According to

UMOPAR's commander in the Chapare, only a minimal increase in drug production has been detected.<sup>14</sup> Rather, Bolivian authorities credit increased seizures to steadily improving operational capacity, continued support from the U.S. and other governments, and improved cooperation with local communities, which results in better intelligence on drug traffickers and their activities. "Communities are now throwing out those involved in drug trafficking," reports the commander of the FELCN.<sup>15</sup> "Popular participation and cooperation has increased with this government." Finally, he notes the importance of increased political will: "Anti-drug activities have intensified since Evo Morales became president. The policy of the government is to strengthen the fight against drug trafficking."

### **Rationalization Beyond the Chapare Faces Challenges**

While the Morales administration's policy of negotiation and cooperative coca reduction has enjoyed success so far in the Chapare region, it has met with resistance in some traditional coca growing regions and in national parks, where the government has pledged to eliminate all coca.

In Caranavi, located in an area of the La Paz Yungas where coca cultivation had previously been illegal, negotiations are underway with communities that have accepted the *cato* and agreed to eliminate other coca.<sup>16</sup> However, progress in reducing cultivation there has been quite slow. In the sections of the La Paz Yungas where coca growing has been traditional and legal, farmers have resisted reducing cultivation, but have agreed to establish "coca free zones" where new planting is prohibited.

In the Vandiola Yungas, two coca growers were killed in a confrontation with the Joint Task Force on September 29, 2006. The incident was the first violent conflict over eradication in Bolivia in almost two years. Bolivian drug law 1008 permits coca cultivation in this region (which lies between the Chapare and the highland town of Totorá) and no eradication had occurred there previously. In 1991 the Bolivian government declared part of this area a national park, and the Chapare coca growers agreed in 2004 that coca there should be eliminated. However, the Vandiola growers do not belong to the Chapare coca growers' federations and hence were not part of the original accord.

In February 2006, the Joint Task Force entered the Vandiola Yungas and met resistance from coca growers, who had never faced forced coca eradication. Subsequent negotiations resulted in an agreement with the affected communities for the elimination of all coca in the Carrasco National Park and viability studies for infrastructure and basic services. The agreement stated that further negotiations would determine how to limit the coca crop outside of the park, where coca production is legal, and guaranteed compensation for farmers and simultaneous integral development. The accord also stipulated that coca growers would monitor the eradication process.<sup>17</sup> This balanced agreement temporarily improved relations and the Joint Task Force left the region.

Unfortunately, the second phase of negotiations stalled short of an agreement with the local coca growers about how to initiate coca rationalization outside the boundaries of the national park. Meanwhile, no progress had been made on the planned development projects. In

early September 2006, the Joint Task Force again set up camps in the region. During a twenty-day period, no further dialogue occurred between the government and the affected communities. After almost three weeks of peaceful coca reduction within the borders of the park, farmers organized a vigil to prevent forced eradication outside the park's poorly-defined borders, where coca production is legal. On September 29, farmers tried to block the Joint Task Force eradicators from entering what they claim is a legal coca growing area. Coca growers portrayed the ensuing conflict as harassment by security forces, while the armed forces claimed that their troops were ambushed by farmers. The JTF apparently shot and killed two coca growers during the incident (autopsy reports showed bullet wounds consistent with the caliber of the military's weapons).<sup>18</sup> The armed forces maintain that two members of the Joint Task Force and one coca grower also suffered bullet wounds. Coca growers temporarily held nine soldiers, and the Joint Task Force detained five coca growers, who complained that they were beaten and abused by their captors.

Morales administration officials accepted the military's portrayal of the confrontation, and characterized the incident as "a premeditated and planned attack by drug trafficking agents."<sup>19</sup> Bolivia's top anti-drug official, Felipe Cáceres, maintained that those involved in the confrontation were "foreigners."<sup>20</sup> President Morales affirmed that the military would surround the area to rout out drug traffickers and that, "if necessary, they would request that the high command send reinforcements to eliminate all (coca) in the region."<sup>21</sup> However, the prosecutor investigating the case stated that he had found no evidence of drug trafficking in the affected communities.<sup>22</sup> Documentation demonstrated that both of those killed were local residents. Analysts noted the similarities between this conflict and numerous violent confrontations and human rights violations that took place in the Chapare region before 2004, when military force was used frequently.<sup>23</sup>

After September 29, tensions mounted as the area was further militarized and forced eradication continued. Vandiola Yungas coca growers began a hunger strike and blocked one highway beginning on October 16. They rejected the government proposal to allow one *cato* per family, as in the Chapare, because there are no roads to take alternative crops out of the region.<sup>24</sup> The Morales administration reached an agreement with the coca growers on October 21, permitting slightly more than 400 *catos* of coca for the approximately 650 families there, voluntary reduction of excess coca, and follow-through on promised road and other infrastructure development. The accord did not include economic compensation for the families of the two men killed. The high level of militarization in the area continued,<sup>25</sup> suggesting the need for further dialogue.

As coca elimination continued, the lack of agreement between the local population and the government created conditions conducive to violence. The continued use of the armed forces – trained for combat and not domestic law enforcement – in coca reduction efforts increases the likelihood that shots will be fired when conflict erupts. The violence in the Vandiola Yungas once again highlights the need to remove the Bolivian armed forces from coca eradication and other forms of domestic law enforcement.

In addition, a full investigation of the September 29 killings and legal sanctions for those responsible are important elements to legitimize the Morales administration's coca policy. The

new agreement with the coca growers of the Vandiola Yungas emphasizes that compliance with the basic precepts of the Morales government's coca rationalization policy – cooperative coca reduction through negotiation with farming communities and respect for human rights – are prerequisites for the enduring, successful implementation of this strategy in every coca growing area.

## Conclusion

As the Bolivian government continues its efforts to implement coca “rationalization” policy in the traditional coca growing regions and to eliminate coca production in the national parks, it faces the challenge of avoiding more conflict and violence. It is likely to become increasingly difficult to balance an approach based on negotiation and community cooperation with U.S. insistence on immediate eradication results.

In September 2006, the Bush administration issued a sharply worded determination on anti-drug cooperation, laying out six conditions for continued U.S. support.<sup>26</sup> While many of the stated conditions already exist (such as eradication and improved monitoring of precursor chemicals), divergent approaches to coca reduction remain the fundamental sticking point in bilateral relations. While demonstrating flexibility on some other issues, U.S. officials have shown no willingness to move away from a focus on short-term coca eradication targets, and are already pointing to increased production. U.S. Ambassador Philip Goldberg recently stated, “We do not have all of the statistics, but we have indications that coca cultivation has increased...”<sup>27</sup> Last year, according to the U.S. State Department, Bolivia saw only an 8 percent increase in coca cultivation, in contrast to a 38 percent increase in Peru and a 26 percent increase in Colombia.

Thus, it is already clear that a point of contention in 2007 will be the extent of new coca growth; at the heart of this debate is the Bolivian government's *cato* policy. The U.S. government maintains that liberalizing coca production will only fuel the illicit market. Yet for the Bolivian government, it is a necessary tool for carrying out coca reduction with respect for human rights and creating the community partnerships needed for economic development. To reverse course now would be politically disastrous and would mark a return to the violence and conflict that characterized past forced eradication. The most constructive approach to continued anti-drug cooperation would be for the U.S. and Bolivian governments to agree that they share a common goal of eliminating coca destined to become cocaine. If this were the case, Washington would stop demanding an end to the *cato* allowance, accepting it as a means for controlling coca production. It would also end the short-term conditionality that has long soured bilateral relations and begin measuring progress over the long-term.

When Bolivian officials are asked what kind of relations the government would like with the United States, the answers are remarkably similar: relations based on mutual respect and recognition of the right of the Bolivian people to chart their own course. They are also quick to reiterate their interest in continued collaboration with Washington on a range of policy issues, as well as continued U.S. economic support. Effective anti-drug cooperation hinges on such mutual respect. The Bolivian government should be afforded the political space that it needs to implement a new and possibly more effective approach to drug control.

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<sup>1</sup> The delegation included John Walsh and Coletta Youngers of WOLA and Kathryn Ledebur and Godofredo Reinicke of AIN and took place between September 26 and October 5, 2006.

<sup>2</sup> Although the delegation had no difficulty meeting with Bolivian government officials, USAID would not authorize a meeting with representatives of U.S.-financed international organizations, in particular ACDI-VOCA, which works at the municipal level in the Chapare.

<sup>3</sup> For additional information on the Bolivian government's drug control policy, see Kathryn Ledebur and Coletta A. Youngers, *Crisis or Opportunity? Bolivian Drug Control Policy and the U.S. Response*, published by AIN and WOLA in June 2006.

<sup>4</sup> A *cato* is equivalent to 1,600 square meters or about one-third the size of a football field.

<sup>5</sup> Interview with Juan Alanoca, Director of Radio Fides Chapare, September 28, 2006.

<sup>6</sup> Interview with Lt. Col. José Soliz Gemio, head of the Joint Task Force, September 29, 2006.

<sup>7</sup> The FELCN is the *Fuerza Especial de Lucha Contra el Narcotráfico*, or the Special Anti-Drug Force.

<sup>8</sup> Interview with Col. Miguel Vásquez Viscarra, National Director of the FELCN, October 4, 2006.

<sup>9</sup> UMOPAR is the *Unidad Móvil de Patrullaje Rural*, or the Rural Mobile Police Patrol Unit.

<sup>10</sup> Interview with Lt. Col. Rene Salazar Ballesteros, commander of the UMOPAR in the Chapare. September 29, 2006.

<sup>11</sup> In its September 2006 "determination" on Bolivia, the Bush White House contended that the Bolivian government had failed to focus sufficiently on alternative development. Yet one of the biggest obstacles to carrying out these development projects was the temporary cut-off in U.S. funding. The local municipalities' successful initiatives to seek alternative funding sources clearly illustrate their commitment to promoting the economic development of the Chapare.

<sup>12</sup> Interview with Rimer Agreda, mayor of Shinahota, September 29, 2006.

<sup>13</sup> The White House September 2006 determination on Bolivia also acknowledges that "the [Government of Bolivia] has been supportive of interdiction initiatives and has had positive results in seizing cocaine and decommissioning rustic labs." The White House, Presidential Determination No. 2006-24, September 15, 2006.

<sup>14</sup> Interview with Lt. Col. Rene Salazar Ballesteros, UMOPAR, September 29, 2006.

<sup>15</sup> Interview with Col. Miguel Vásquez Viscarra, FELCN, October 4, 2006.

<sup>16</sup> In May 2006, the Morales government signed an agreement with coca producers in Caranavi and other communities where coca production has been considered illegal. Under the agreement, each coca farming family currently affiliated with the growers union is permitted to plant a *cato* of coca and is eligible to receive integrated development assistance. In exchange, farmers must cooperatively eliminate the rest of their coca.

<sup>17</sup> Acuerdo entre el gobierno nacional representado por el Viceministro de Defensa Social del Ministerio del Gobierno y el Ministro del la Presidencia así como la subcentral de Yungas de Vandiola. La Paz. February 22, 2006.

<sup>18</sup> "Protocolo de autopsia medico legal efectuado en le cadáver identificado como Celestino Ricaldez. Centro Integrado de Justicia – Chimoré, Ministerio de Justicia, República de Bolivia," September 29, 2006 and "Protocolo de autopsia medico legal efectuado en le cadáver identificado como Rambert Guzmán Zambrana. Centro Integrado de Justicia – Chimoré, Ministerio de Justicia, República de Bolivia," September 29, 2006.

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<sup>19</sup> Defense Minister Walker San Miguel. “Muerte de los cocaleros pone en vilo erradicación pacífica de Evo.” *Los Tiempos*, September 30, 2006. Translation by AIN.

<sup>20</sup> Interview with Felipe Cáceres, Vice Minister of Social Defense, October 3, 2006.

<sup>21</sup> “Evo ordena ‘limpiar’ de coca el Parque ante el desafío de colonos.” *Los Tiempos*, October 1, 2006. Translation by AIN.

<sup>22</sup> Prosecutor José Luis Camacho quoted in “Gobierno y cocaleros de Vandiola no logran acuerdo.” *Los Tiempos*, October 4, 2006. Translation by AIN.

<sup>23</sup> Godofredo Reinicke quoted in “Evo ordena ‘limpieza’ y un sector cocalero lo desafía.” *El Deber*, October 1, 2006. Translation by AIN.

<sup>24</sup> The three communities – Icuna, Arepucho, and Machu Yungas – are only accessible by mule or a twelve-hour hike.

<sup>25</sup> By late October 2006, five eradication camps, including between 600 and 700 military and police personnel, were in place in a region with 600 to 700 families. AIN interview with Bolivian anti-drug official, October 23, 2006.

<sup>26</sup> These include: “eradicating at least 5,000 hectares, including in the Chapare region; eliminating the ‘cato’ exemption to Bolivian law; rescinding Ministerial Resolution 112, Administrative Resolution 083, and establishing tight controls on the sale of licit coca leaf for traditional use; and implementing strong precursor chemical control measures to prevent conversion of coca to cocaine.” The White House, Presidential Determination No. 2006-24, September 15, 2006.

<sup>27</sup> “EEUU evaluará progamas antinarcóticos en Chapare,” *Los Tiempos*, October 29, 2006. Translation by WOLA.