

to the United States. However, the vital national interests of the United States require the United States to continue providing assistance to Guatemala under the Foreign Operations, Export Financing, and Related Programs Act, 2002 (P.L. 107–115).

During 2002, Guatemala's overall counterdrug commitment deteriorated. The Government of Guatemala's (GOG) counternarcotics efforts traditionally have been limited by a lack of resources for police, prosecutors, and judges. However, in 2002, a heightened level of corruption also impeded significant progress in the battle against narcotrafficking. Seizures of illegal narcotics and narcotics-related prosecutions in Guatemala were dramatically lower than in years past, despite evidence that the flow of illegal drugs had not diminished. Efforts to pass and implement anti-corruption and transparency legislation floundered. Few high-level figures were formally investigated or indicted, and the Anti-Narcotics Police was disbanded after several attempts at reform and the firing or reassignment of 75% of all personnel. The majority of Anti-Narcotics Prosecutors were also removed or transferred in the last year due to poor performance. During 2002, police stole an amount of drugs estimated at double the amount officially seized, and were identified as responsible for drug-related extra-judicial executions of both narcotraffickers and civilians.

Toward the end of 2002, at the request of the United States the GOG took some positive counternarcotics steps. The GOG promulgated regulations to implement the modern money laundering legislation passed in 2001 (though there have been no convictions to date). A number of police officers were arrested and others removed from office in connection with a gun battle over a drug shipment in the town of Chocon. The GOG recently began regularly destroying newly confiscated drugs not needed for evidence, and, in December, destroyed a modest amount of drugs stored from older cases.

Despite Guatemala's demonstrable failure on counternarcotics efforts, U.S. vital national interests require that U.S. assistance to Guatemala continue. Social and political problems underlying the country's 36-year civil conflict remain, and many Peace Accord commitments have not been met. There is a need for continued assistance to programs that diversify the rural economy, increase access to education and medical services, strengthen judicial and human rights institutions, foster the development of civil society, and address environmental concerns. These programs create an environment conducive to building democracy and reducing illegal migration. They also address social injustice, poverty, and distrust of civil authority in Guatemala, which are contributing factors behind Guatemalan involvement in the drug trade. The upcoming Central American Free Trade Agreement negotiations will also require significant U.S. involvement and assistance in projects linked to further economic liberalization. Additionally, suspension of assistance to Guatemala would result in the further deterioration of Guatemalan institutions essential to combating the ever-growing influence of organized crime in Guatemala.

Haiti

Haiti failed demonstrably during the last 12 months to make substantial efforts to adhere to its obligations under international counternarcotics agreements and take the counternarcotics measures set forth in section 489(a)(1) of the Foreign Assistance Act of 1961, as amended. Haiti remains a significant transshipment point for drugs, primarily cocaine, moving through the Caribbean from South America to the United States. However, the vital national interests of the United States require the United States to continue to provide assistance to Haiti under the Foreign Operations, Export, Financing, and Related Programs Act, 2002 (P.L. 107–115) Haiti's overall counterdrug commitment has remained weak, in part due to political instability and low levels of assistance. Such instability, coupled with economic degradation, has led to an increase in criminal and political violence and compromised