



**UNODC**

United Nations Office on Drugs and Crime

*Study Guide*



### AGENDA

***Disrupting Narco-Financing  
of Armed Groups and  
Destabilizing Illegal Drug  
Trade Routes, with Emphasis  
on Organized Crime in Latin  
America***

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# COMMITTEE OVERVIEW

The United Nations Office on Drugs and Crime (UNODC), established in 1997 and headquartered in Vienna, is the UN's leading agency for addressing issues related to illicit drugs, organized crime, corruption, and terrorism. Operating under key international treaties such as the UN Conventions against Transnational Organized Crime and Corruption, the UNODC provides technical assistance, research, and capacity-building to Member States. Its work supports countries in implementing effective criminal justice policies, combating drug trafficking, preventing human trafficking, strengthening anti-corruption measures, and countering terrorism, with the goal of promoting global security, justice, and health.

## INTRODUCTION TO AGENDA

***Disrupting Narco-Financing of Armed Groups and Destabilizing Illegal Drug Trade Routes, with Emphasis on Organized Crime in Latin America***

Over the past several decades, illicit drug trafficking has evolved into one of the most complex and destabilizing transnational challenges confronting the global community. In regions such as Latin America, the intersection between organized crime, armed groups, and narco-financing has created deep political, social, and economic consequences. The illegal drug trade fuels violence, corruption, and instability, undermining governance and human rights. According to the United Nations Office on Drugs and Crime (UNODC) World Drug Report 2024, the global illicit drug market continues to expand, with cocaine production reaching record levels, particularly in the Andean region. The interplay of powerful cartels in Mexico, Colombia, and other Latin American nations with international crime networks in Europe, Africa, and Asia has transformed narcotics trafficking into a global enterprise worth hundreds of billions of dollars annually.

For Latin America, the consequences of this criminal economy are profound. Nations like the United Mexican States, the Republic of Colombia, and the Plurinational State of Bolivia face significant challenges due to the convergence of drug trafficking, armed insurgencies, and corruption. The Bolivarian Republic of Venezuela, the Federative Republic of Brazil, and the Republic of Ecuador have seen rising levels of violence and the emergence of transnational organized crime groups operating across porous borders. Meanwhile, Central American nations such as the Republic of Guatemala, the Republic of Honduras, and the Republic of El Salvador form a critical corridor for narcotics moving northward, with local gangs such as MS-13 and Barrio 18 entrenching themselves in the global drug economy.

The United Nations Office on Drugs and Crime (UNODC), in coordination with the Financial Action Task Force (FATF) and INTERPOL, has emphasized that disrupting narco-financing requires both supply- and demand-side interventions. This includes combating money laundering, improving financial transparency, enhancing regional intelligence sharing, and addressing the root socioeconomic causes of organized crime. UN resolutions such as General Assembly Resolution 71/209 on 'Strengthening international cooperation to combat illicit drug trafficking' and Security Council Resolution 2482 (2019) linking organized crime to terrorism, underscore the international community's recognition of this nexus. This research guide aims to provide delegates with a comprehensive understanding of the economic, political, and social dimensions of narco-financing in Latin America and beyond, while offering analytical tools for crafting realistic and innovative solutions.

## **Background**

Illicit drug trafficking is not only a criminal enterprise but a strategic financial lifeline for numerous armed groups and transnational networks. The nexus between narcotics and organized crime has existed for decades, but globalization, digital finance, and weakened border control mechanisms have made it far more complex.

## **Origins of the Drug Trade in Latin America**

The modern Latin American narcotics trade traces back to the mid-20th century, when coca cultivation expanded in the Andean nations — the Republic of Peru, the Plurinational State of Bolivia, and the Republic of Colombia. Initially tied to local consumption and small-scale exports, the industry grew exponentially with the rise of U.S. demand for cocaine in the 1970s and 1980s. Cartels such as the Medellín and Cali cartels in Colombia built vast criminal empires, leveraging weak institutions and corruption to dominate the global market.

Over time, enforcement pressure in Colombia forced trafficking routes northward, empowering Mexican cartels in the United Mexican States such as the Sinaloa Cartel and Jalisco New Generation Cartel (CJNG). As Colombia's FARC insurgency and paramilitary groups financed themselves through drug taxation and smuggling, the link between narco-financing and armed conflict became undeniable.

## **Expansion and Globalization**

By the 2000s, cocaine, heroin, and synthetic drug markets were fully globalized. Shipments moved through Ecuador, Venezuela, and Brazil toward West Africa, Europe, and Asia. The Dominican Republic, Honduras, and Guatemala became critical transit points. As trade networks matured, financial flows diversified — with money laundering operations stretching through Panama, the Swiss Confederation, the United Arab Emirates, and the Kingdom of the Netherlands.

UNODC's 2024 World Drug Report estimates the global drug trade to exceed \$400 billion annually, with around one-third of that revenue flowing through Latin American routes. The proceeds are laundered via real estate, offshore accounts, cryptocurrency, and trade-based money laundering schemes.

## **Why Narco-Financing Matters to Armed Groups**

Armed groups and insurgents often exploit narcotics profits to sustain operations, purchase weapons, and corrupt officials. In Colombia, dissident FARC factions and ELN guerrillas continue taxing coca growers. In Mexico, cartels have

diversified into oil theft, extortion, and synthetic drug production, funding widespread violence. In Venezuela, armed militias known as colectivos allegedly participate in trafficking networks tied to regional political elites.

Outside Latin America, the Islamic Republic of Afghanistan remains a historic case where poppy cultivation and opium exports funded decades of conflict. Similarly, Nigeria, Ghana, and South Africa have experienced the rise of regional trafficking hubs that connect Latin American supply with European and Asian demand.

### **Impact on Governance and Development**

The drug trade corrodes governance, deters investment, and weakens the rule of law. Latin American states collectively lose tens of billions in potential revenue annually due to money laundering and illicit flows. Countries like Honduras, Guatemala, and El Salvador face elevated homicide rates directly linked to narco-violence. Even relatively stable nations such as Chile and Uruguay report increased trafficking activity through ports.

Ultimately, narco-financing isn't just a law enforcement challenge — it's a developmental and institutional crisis, one that perpetuates inequality and insecurity across Latin America and beyond.

## **Major Drug Routes and Financing Mechanisms**

The global narcotics economy functions through highly adaptive, decentralized networks that link production zones, transit corridors, and consumer markets. In this ecosystem, Latin America remains the principal source region for cocaine and an emerging player in synthetic drugs such as methamphetamine and fentanyl.

### **A. Primary Cocaine Routes**

## 1. Andean Production Core

Coca cultivation remains concentrated in the Republic of Colombia, the Plurinational State of Bolivia, and the Republic of Peru. Together, these nations account for over 95% of global coca leaf production.

## 2. Northbound Corridors

Processed cocaine is typically transported by air, land, and sea through Ecuador, Venezuela, and Brazil toward Central America, where it enters the Northern Triangle — Guatemala, Honduras, and El Salvador. From there, shipments flow into Mexico, controlled by cartels before reaching the United States of America.

## 3. Atlantic and Pacific Diversions

Cocaine increasingly travels eastward through Brazil, Uruguay, and Argentina to reach West Africa (notably Nigeria and Ghana). These African hubs then channel narcotics into Europe, particularly through Spain, Portugal, and the Netherlands. Parallel Pacific routes connect Ecuadorian and Chilean ports to Asia, including the People's Republic of China and Republic of Singapore as transit or financial nodes.

## **B. Heroin and Synthetic Drug Networks**

While cocaine dominates Latin American exports, heroin and synthetic drugs have transformed trafficking dynamics. The Islamic Republic of Afghanistan remains the epicenter of global opium and heroin production, feeding markets across Asia and Europe. Mexico has emerged as a major supplier of both heroin and fentanyl, often blended and sold illegally in the United States. The People's Republic of China and the Republic of India supply chemical precursors used in synthetic drug production.

## **C. Financial Flows and Laundering Channels**



Narco-financing operates through multi-layered laundering systems that disguise illicit revenue. Common methods include trade-based money laundering (TBML), cryptocurrency transactions, and offshore banking and shell companies. Panama, the United Arab Emirates, and financial centers in Europe are common passageways.

#### **D. The Role of Corruption and Weak Institutions**

Weak governance and corruption amplify narcotics flows. In countries like Venezuela and Honduras, criminal infiltration of security forces has compromised interdiction efforts. Colombia and Mexico have made strides in financial intelligence but continue to battle parallel economies driven by organized crime.

### **Key Stakeholders**

The fight against narco-financing and organized crime involves a complex web of state actors, armed groups, international bodies, and criminal cartels. Each has its own motivations, vulnerabilities, and influence over the global drug economy.

#### **A. Latin American Core Nations**

Republic of Colombia: Colombia remains at the heart of global cocaine production. Despite the 2016 peace deal with FARC, dissident factions continue coca taxation and trafficking. The ELN guerrillas and Clan del Golfo syndicate dominate regional drug corridors.

United Mexican States: Mexico is a critical hub where Andean cocaine and synthetic drugs converge. The Sinaloa and Jalisco New Generation cartels control smuggling and laundering networks. Corruption in local police forces and fragmented cartel warfare make Mexico highly violent.

Federative Republic of Brazil: Brazil serves as both a consumption and export nation. Its vast coastline and porous borders allow traffickers to use Amazon River routes and Atlantic ports for exports to Africa and Europe. The Primeiro Comando da Capital (PCC) is a major criminal actor.

Bolivarian Republic of Venezuela: Venezuela has become a transit state, with officials accused of enabling cocaine exports through military and political channels, often linked to the so-called Cartel of the Suns.



Republic of Peru and Plurinational State of Bolivia: Both continue to struggle with coca eradication versus cultural coca leaf usage. Rural economies depend on coca cultivation.

Republic of Ecuador: Ecuador has recently seen a surge in narco-violence tied to international gangs. Ports like Guayaquil are attractive for laundering.

Republic of Panama: A financial and logistical hub, Panama's banking sector and the Panama Canal have made it a natural corridor for drug money flows.

Republic of Chile and Oriental Republic of Uruguay: Both serve as emerging gateways to the Southern Atlantic route, with Chile's stability making it attractive for laundering and Uruguay's liberal financial laws offering discreet transit.

Republic of Argentina and Republic of Paraguay: Argentina's ports and Paraguay's porous borders enable trafficking networks in the Tri-Border Area.

Republic of Honduras, Republic of Guatemala, and Republic of El Salvador: These Northern Triangle nations are critical transit points with gang presence and corruption issues.

## **B. Extra-Regional Stakeholders**

United States of America: The U.S. is the largest consumer market and a major enforcement partner, funding regional programs and leading intelligence efforts.

People's Republic of China: China supplies many precursor chemicals and plays a role in online distribution networks exploited by traffickers.

Republic of India: India is both affected by trafficking and a source of precursors; its pharmaceutical sector is monitored under UN conventions.

Russian Federation: Acts as a consumer and transit country with organized crime links to Latin networks.

Federal Republic of Nigeria and Republic of Ghana: West African states are key transshipment zones connecting Latin America to Europe.

Republic of South Africa: A logistics hub with growing cocaine and heroin inflows.

United Arab Emirates and Swiss Confederation: Financial facilitation and banking oversight roles make these states relevant in anti-money-laundering efforts.

Kingdom of the Netherlands and Republic of Singapore: Rotterdam and Amsterdam as major ports; Singapore as logistics and financial hub.

### **C. International and Regional Organizations**

UNODC, FATF, INTERPOL, Europol, OAS/CICAD, and the World Customs Organization (WCO) are central to global cooperation against narco-financing.

## **UN and International Frameworks**

When delegates discuss 'disrupting narco-financing,' it's not just about chasing down criminals — it's about navigating a massive global system of rules, treaties, and collaborative mechanisms that have been developing for over 60 years. Understanding how these frameworks connect helps delegates propose realistic and implementable solutions during committee.

### **A. The Foundations: UN Drug Control Conventions**

1. The 1961 Single Convention on Narcotic Drugs: Established the basic international control system for narcotics like opium, coca, and cannabis.
2. The 1971 Convention on Psychotropic Substances: Expanded control to synthetic and pharmaceutical drugs.
3. The 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances: Introduced strong measures against money laundering, asset seizure, and precursor chemical control. This convention obligates states to cooperate in extradition, intelligence sharing, and financial tracking — the foundation for modern anti-narco financing policy.

### **B. Key UN Resolutions and Policy Developments**

UNGA Resolution 73/192 (2018) and UNGA Special Session on Drugs (UNGASS) 2016 have promoted balanced approaches focusing on health, development and human rights. UNSC Resolution 2482 (2019) linked terrorism and organized crime and called for enhanced cooperation.

### **C. Regional Cooperation Frameworks**

OAS and CICAD coordinate regional drug strategies in Latin America, with CELAC, MERCOSUR, and SICA providing additional platforms for cooperation among

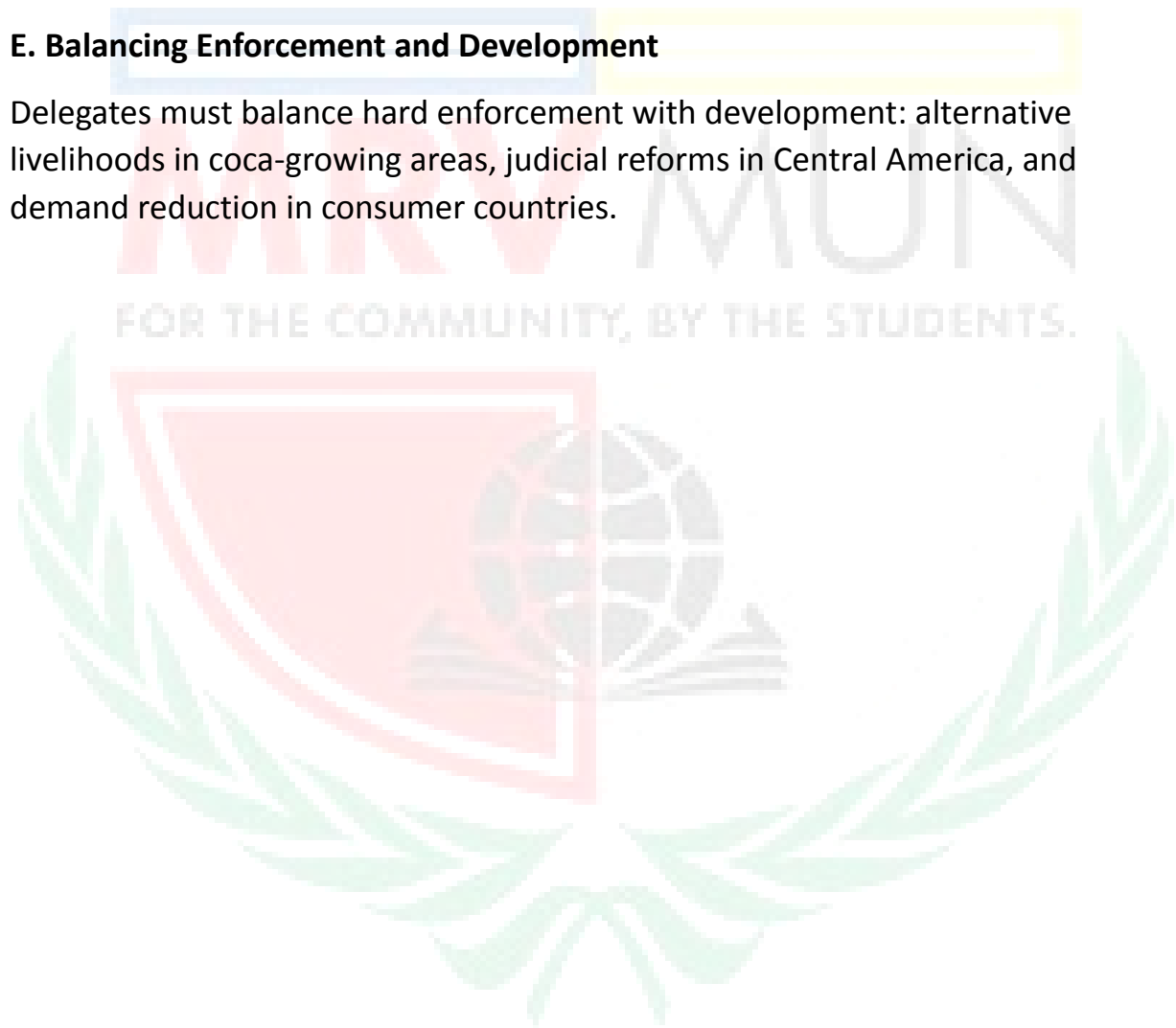
member states like Bolivia, Colombia, Mexico, Brazil, and the Central American nations.

#### **D. Global Financial and Law Enforcement Mechanisms**

FATF sets AML standards; INTERPOL and Europol function as information-sharing networks; UNODC's Global Programme against Money Laundering (GPML) builds national capacities. These mechanisms are vital for tracing funds through financial hubs like Switzerland, Singapore, and the UAE.

#### **E. Balancing Enforcement and Development**

Delegates must balance hard enforcement with development: alternative livelihoods in coca-growing areas, judicial reforms in Central America, and demand reduction in consumer countries.



# EMERGING TRENDS AND REGIONAL CASE STUDIES

Latin America's drug trade is not one story — it's dozens of overlapping systems shaped by geography, politics, and money. These case studies reveal both the challenges and the progress made in recent years.

## **A. Colombia — The Cocaine Economy and FARC Dissidents**

Colombia remains the world's top producer of coca leaf and cocaine. Despite the 2016 peace agreement, dissident factions continue profiting from drug taxation and transport networks. Narco-financing includes taxes on growers, and laundering occurs through front companies in Bogotá, Panama, and Ecuador. UNODC reported rises in coca cultivation tied to weak state presence in rural areas.

## **B. Mexico — Cartels as Parallel States**

In Mexico, cartels have evolved into multinational criminal enterprises controlling production, smuggling, and money laundering. Fentanyl and meth labs are major revenue sources. Cartels launder money via shell companies in Panama, the United States, and Switzerland. Cooperation with the U.S. focuses on shared responsibility and intelligence sharing.

## **C. Venezuela — State Involvement and Political Narco Networks**

Venezuela illustrates how state complicity can amplify narco-financing. Alleged involvement of military and political elites ('Cartel of the Suns') has turned Venezuelan airstrips and ports into trafficking conduits. Sanctions and UN monitoring continue amid political tensions.

## **D. Brazil — Organized Crime and the PCC Network**

Brazil is both a consumer and exporter. The PCC cartel runs logistics and invests in legitimate businesses. Cocaine moves from Bolivia and Paraguay into Brazilian

ports then across the Atlantic to Africa and Europe. Brazil uses traditional laundering (real estate) and modern crypto channels.

### **E. Central America — The Northern Triangle's Struggle**

Honduras, Guatemala, and El Salvador are transit zones with fragile institutions. Honduras has seen high-profile corruption cases; El Salvador's security crackdown reduced violence but sparked human rights concerns; Guatemala struggles with judicial independence.

### **F. The Caribbean — Small States, Big Impact**

The Dominican Republic, Trinidad and Tobago, and Jamaica are crucial maritime nodes with limited resources. Panama and Costa Rica serve as transshipment and laundering centers due to ports and banking systems.

### **G. West Africa — The Atlantic Bridge**

Nigeria, Ghana, and Côte d'Ivoire form essential conduits for cocaine from Latin America to Europe. Strategic geography and weak customs controls attract South American cartels seeking low-risk transit zones.

### **H. Emerging Trends**

Crypto laundering, the synthetic drug boom (fentanyl, meth), environmental impacts (deforestation and chemical pollution), and debates on militarization versus development are key trends shaping future policy responses.

## **CHALLENGES AND FUTURE POLICIES**

### **A. Persistent Challenges**

1. Shifting Drug Routes: Cartels adapt quickly; crackdown in one area pushes routes elsewhere.

2. Money Laundering and Financial Secrecy: Offshore centers and cryptocurrencies complicate tracing.
3. Weak Institutions and Corruption: From police collusion to judicial impunity, corruption undermines enforcement.
4. Socioeconomic Dependence on Illicit Crops: Millions rely on coca as income; eradication without alternatives causes unrest.
5. Transnational Crime Links: The drug trade overlaps with arms trafficking, human smuggling, and potential terrorist financing.
6. Global Policy Divide: Differing national approaches (decriminalization vs. strict prohibition) hinder consensus.

## **B. Policy Recommendations**

1. Strengthening Financial Transparency: Encourage FATF compliance, AI-assisted monitoring in financial hubs, and UNODC–Interpol task forces targeting trade-based money laundering.
2. Alternative Development Programs: Promote sustainable crop substitution and invest in rural infrastructure and microfinance in Peru, Bolivia, and Colombia.
3. Maritime and Border Security: Expand the UNODC–WCO Container Control Programme to major Latin ports and establish intelligence-sharing networks with West African states.
4. Anti-Corruption and Institutional Reform: Build judicial independence and protect whistleblowers in Central America.
5. Regulating Chemical Precursors: Strengthen export monitoring from China, India, and Singapore with mandatory tracking for dual-use chemicals.
6. Cybercrime and Cryptocurrency Oversight: Create UNODC-led workshops to train regulators on tracing blockchain-based laundering and cooperate with exchanges on KYT tools.
7. Encouraging Shared Responsibility: Recognize demand-side responsibility in the United States, Europe, and China, and encourage investment in rehabilitation and regional aid.

## **C. Future Outlook**

Disrupting narco-financing requires breaking financial, political, and social systems that sustain cartels. Technology-driven transparency, rural inclusion, and smarter global coordination offer a path forward if member states commit to shared responsibility.

## **QUESTIONS A RESOLUTION MUST ANSWER**

1. How can the international community effectively target the financial flows that sustain organized crime and armed groups?
2. What role should regional organizations play in harmonizing anti-narcotics policies?
3. How can international financial institutions assist states in improving transparency and preventing money laundering?
4. What are the human rights considerations in combating narco-financing and organized crime?

## **SUGGESTED MODERATED CAUCUS TOPICS**

1. Enhancing International Cooperation to Combat Narco-Financing in Latin America
2. Strengthening Border and Maritime Security to Disrupt Drug Trade Routes
3. The Role of Financial Intelligence in Identifying and Freezing Cartel Funds
4. Strategies to Reduce the Influence of Organized Crime in Vulnerable Regions
5. Evaluating the Effectiveness of Regional Initiatives like the Lima Agreement
6. Technology and Innovation in Tracking Drug Trafficking and Money Laundering
7. Impact of Corruption on Counter-Narcotics Operations in Latin America



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**We, the Executive Board Members, hope that this guide was of help to you, but please do not limit yourself to these. Go ahead, and research as much as you can. We look forward to seeing you in the conference, pumped up to discuss, debate and deliberate!**