

CRS Report for Congress

Received through the CRS Web

Afghanistan: Narcotics and U.S. Policy

Updated May 26, 2005

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Summary

Opium poppy cultivation and drug trafficking have become significant factors in Afghanistan's fragile political and economic order over the last 25 years. In 2004, Afghanistan was the source of 87% of the world's illicit opium and heroin, in spite of ongoing efforts by the Afghan government, the United States, and their international partners to combat poppy cultivation and drug trafficking. U.N. officials estimate that in-country illicit profits from the record 2004 poppy crop were equivalent in value to 60% of the country's legitimate GDP, raising fears that Afghanistan's economic recovery is being underwritten increasingly by drug profits.

Across Afghanistan, regional militia commanders, criminal organizations, and corrupt government officials have exploited opium production and trafficking as reliable sources of revenue and patronage, which has perpetuated the threat these groups pose to the country's fragile internal security and the legitimacy of its embryonic democratic government. The trafficking of Afghan drugs also appears to provide financial and logistical support to a range of extremist groups that continue to operate in and around Afghanistan, including remnants of the Taliban regime and some Al Qaeda operatives. The issue is further complicated by an aspect of coalition forces' ongoing pursuit of security and counterterrorism objectives: frequent reliance for intelligence and security support on figures who may be involved in the production or trafficking of narcotics.

The failure of U.S. and international counternarcotics efforts to significantly disrupt the Afghan opium trade or sever its links to warlordism and corruption since the fall of the Taliban has led some observers to warn that without redoubled multilateral action, Afghanistan may succumb to a state of lawlessness and reemerge as a sanctuary for terrorists. Afghan president Hamid Karzai has identified counternarcotics as the top priority for his administration and has stated his belief that "the fight against drugs is the fight for Afghanistan." U.S. and Afghan officials are beginning to implement a new strategy designed to provide viable economic alternatives to poppy cultivation and to disrupt the corruption and narco-terrorist linkages that threaten Afghanistan's security and the success of recent counterterrorism and reconstruction efforts. Preliminary field surveys and official statements indicate that these new counternarcotics initiatives may have contributed to a decrease in opium poppy cultivation in the current 2004-2005 growing season.

This report describes the structure and development of the narcotics trade in Afghanistan and explores its relevance to Afghan, U.S., and international security interests. The report provides current statistical information on the opium trade, profiles its various participants, explores alleged narco-terrorist linkages, and reviews the U.S. and international policy response since late 2001. The report also considers current policy debates regarding the role of the U.S. military in counternarcotics operations, opium poppy eradication, alternative livelihood development, funding issues for Congress, and pending legislation including S. 1042 and H.R. 1437. The report will be updated periodically. For more information on Afghanistan, see CRS Report RL30588, *Afghanistan: Post-War Governance, Security, and U.S. Policy* and CRS Report RS21922, *Afghanistan: Presidential and Parliamentary Elections*.

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Afghanistan: Narcotics and U.S. Policy

Introduction

In spite of ongoing international efforts to combat Afghanistan's narcotics trade, U.N. officials estimate that Afghanistan produced a world record opium poppy crop in 2004 that supplied 87% of the world's illicit opium.¹ Afghan, U.S., and international officials have stated that opium poppy cultivation and drug trafficking constitute serious strategic threats to the security and stability of Afghanistan and jeopardize the success of post-9/11 counterterrorism and reconstruction efforts there. In light of the 9/11 Commission's recommendation that the United States make a long-term commitment to the security and stability of Afghanistan, counternarcotics policy has emerged as a focal point of current debates in the Bush Administration and in Congress concerning the United States' key strategic objectives in Afghanistan and the global war against terrorism. Concerns include the role of U.S. military personnel in counternarcotics activities and strategies for continuing the simultaneous pursuit of counterterrorism and counternarcotics goals, which may be complicated by practical necessity: coalition forces pursuing regional security and counterterrorism objectives often rely on the cooperation of commanders, tribal leaders, and local officials who may be involved in the narcotics trade.

Efforts to combat the opium trade in Afghanistan face the challenge of ending a highly-profitable enterprise that has become deeply interwoven with the economic, political, and social fabric of a war-torn country. Afghan, U.S., and international authorities are engaged in a campaign to reverse a growing tide of opium poppy cultivation and heroin production and have begun implementing a multifaceted counternarcotics initiative that includes public awareness campaigns, judicial reform measures, economic and agricultural development assistance, drug interdiction operations, and more robust poppy eradication. The Bush Administration and Congress continue to consider options for upgrading U.S. support for counternarcotics efforts in Afghanistan in order to meet the challenges posed by the Afghan opium economy to the security of Afghanistan and the international community. Questions regarding the likely effectiveness, resource requirements, and implications of new counternarcotics strategies in Afghanistan are likely to arise as such options are debated.

¹ United Nations Office on Drugs and Crime (UNODC)/Government of Afghanistan Counternarcotics Directorate (CND), Afghanistan Opium Survey 2004, November 2004.

Afghanistan's Opium Economy

Opium production has become an entrenched element of Afghanistan's fragile political and economic order over the last 25 years in spite of ongoing local, regional, and international efforts to reverse its growth. At the time of Afghanistan's pro-Communist coup in 1978, narcotics experts estimated that Afghan farmers produced 300 metric tons (MT) of opium annually — enough to satisfy most local and regional demand and to supply a handful of heroin production facilities whose products were bound for Western Europe.² Since the early 1980s, a trend of increasing opium poppy cultivation and opium production has unfolded during successive periods of insurgency, civil war, fundamentalist government, and recently, international engagement (Figures 1 and 2). In 2004, Afghanistan produced a world record opium poppy crop that yielded 4200 MT of illicit opium — an estimated 87% of the world's supply. Narcotics experts describe Afghanistan's opium economy as the backbone of a multibillion dollar drug trade that stretches throughout Central and Southwest Asia and supplies heroin to consumption markets in Europe, Russia, the Middle East, and the United States.³ Millions of Afghans remain involved with various aspects of the opium trade, including farmers, laborers, traffickers, warlords, and government officials. Some experts have warned that the consolidation of existing relationships between these groups supports negative trends such as warlordism and corruption and threatens to transform Afghanistan into a failed narco-state.

Record Opium Output

According to the 2004 Afghanistan Opium Survey conducted by the United Nations Office on Drugs and Crime (UNODC) and the Afghan Counternarcotics Directorate (CND):

- Opium poppy cultivation took place in every province of Afghanistan in 2004 (**Figure 3**). Afghan farmers cultivated opium poppy on 131,000 hectares of land during the 2003-2004 growing season, a 64% increase from the 80,000 hectares cultivated in 2003. These figures do not include eradicated land area. The area under cultivation was equal to 3% of Afghanistan's arable land. U.S. government estimates placed the area under cultivation at 206,000 hectares.
- The 2004 opium poppy crop produced 4200 MT of illicit opium, a 17% increase from the 3600 MT produced in 2003. The increase in opium output in 2004 was limited by crop disease, bad weather, and an accelerated harvest linked to eradication fears. A range of accepted opium to heroin conversion rates indicate that the 2004

² See Jonathan C. Randal, "Afghanistan's Promised War on Opium," *Washington Post*, November 2, 1978, and Stuart Auerbach, "New Heroin Connection: Afghanistan and Pakistan Supply West With Opium," *Washington Post*, October 11, 1979.

³ UNODC, *The Opium Economy in Afghanistan*, Jan. 2003.

opium harvest could produce 420 to 700 MT of refined heroin.⁴ U.S. government estimates placed the yield at 4,900 MT.

- An estimated 356,000 Afghan families cultivated opium poppy in 2004, a number equal to roughly 2.3 million people or 10% of the Afghan population. An estimated 500,000 laborers and an unknown number of traffickers, warlords, and officials also participate in the trade. Some experts believe that the number of opium laborers may be as high as 1 million.
- The estimated \$2.8 billion value of Afghanistan's 2004 illicit opium harvest is equivalent to approximately 60% of the country's licit GDP. Many licit industries are financed or supported by profits from narcotics trafficking.⁵

Current Production Statistics

Official statements and preliminary surveys collected in Afghanistan during late 2004 and early 2005 indicate that the area under opium poppy cultivation in Afghanistan may decrease during the current 2004-2005 growing season.⁶ Afghan President Hamid Karzai has predicted a 20% to 30% decline. According to a February 2005 UNODC survey, a "falling trend in opium poppy cultivation" has been observed across Afghanistan due to a range of factors. The report credits the public outreach efforts of President Karzai, who has characterized opium as shameful and demanded that regional and local officials take direct action to curb poppy cultivation and opium trafficking in areas under their control. The report also indicates that farmers fear crop eradication and expect poor opium crop output based on their 2004 crop yields. Other observers have pointed to the steady increase in opium production volume that has occurred since late 2001 and argued that excess opium supply has continued to reduce raw opium price levels (**Table 1**) and price incentives for farmers to cultivate poppy. U.S. and Afghan authorities currently are employing a range of technical assessment means to verify anecdotal reports and survey data.

Experts have identified two factors that may affect Afghanistan's future opium output regardless of reported declines in cultivation. Intensified interdiction and eradication efforts by Afghan authorities may fuel a renewed increase in opium prices that could enrich traffickers who control large existing stocks of opium and encourage farmers to resume cultivation in the future. In addition, drought and crop disease problems that limited the output of the 2004 poppy crop may not affect the output of future poppy crops. Smaller nationwide poppy crops may yield higher opium outputs if weather and irrigation improve productivity in cultivated areas.

⁴ UNODC/CND, Afghanistan Opium Survey 2004, November 2004, pp. 105-7.

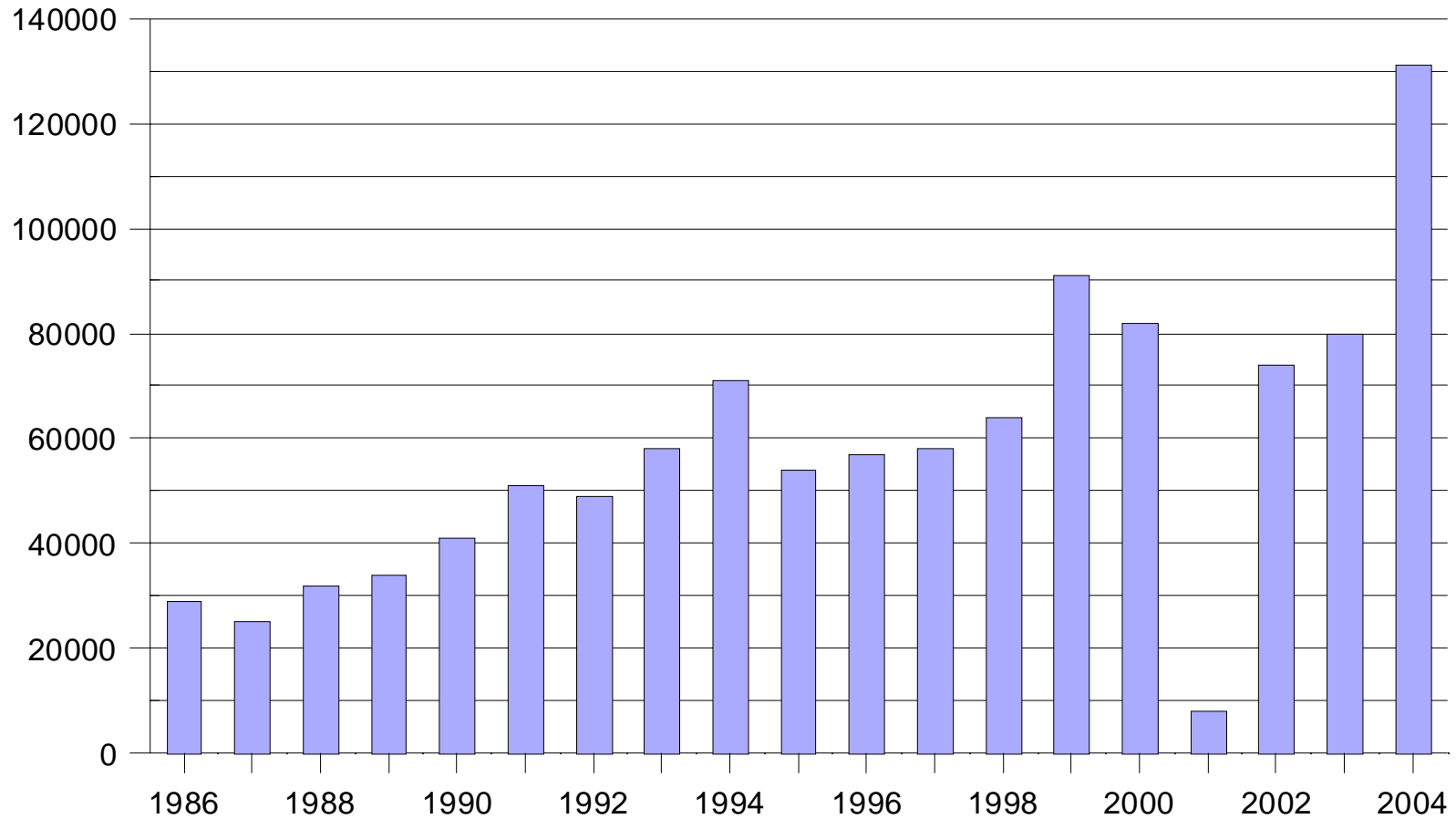
⁵ See Barnett Rubin, "Road to Ruin: Afghanistan's Booming Opium Industry," Center for International Cooperation, October 7, 2004, and the World Bank Country Economic Report - Afghanistan: State Building, Sustaining Growth, and Reducing Poverty, September 9, 2004.

⁶ Author's interviews with U.S., U.N., and coalition officials - Kabul, Afghanistan, January 2005; UNODC, Afghanistan Opium Poppy Rapid Assessment Survey, February 2005.

Note: The following figures display trends in poppy cultivation and opium production in Afghanistan over the last 25 years. The sharp decline in cultivation and production in the 2000-2001 growing season is related to the Taliban regime's decision to ban opium poppy cultivation. According to U.S. officials, opium trafficking continued unabated during this period, and Taliban authorities collected higher profits from the sale of opium and heroin stockpiles.

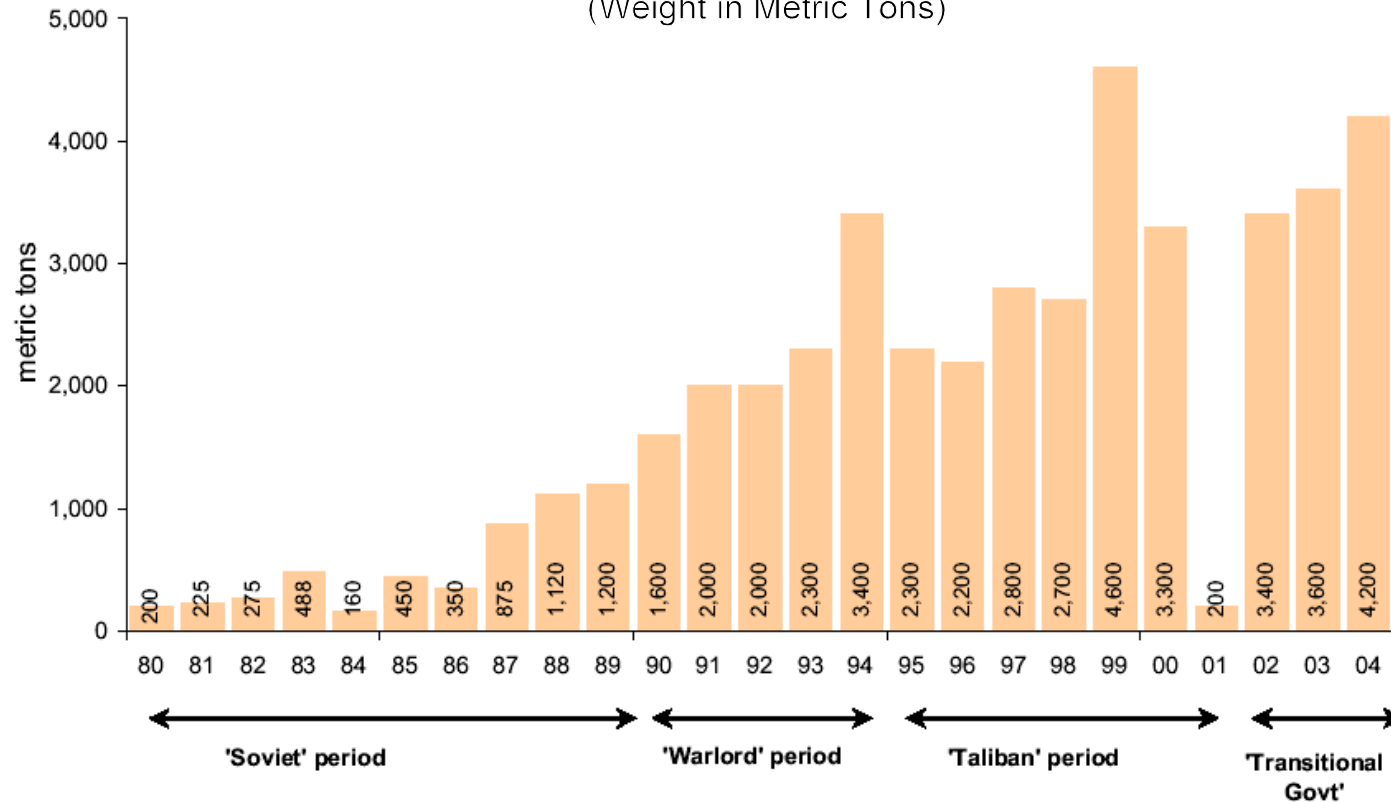
Figure 1. Opium Poppy Cultivation in Afghanistan, 1986-2004

(land area in hectares)



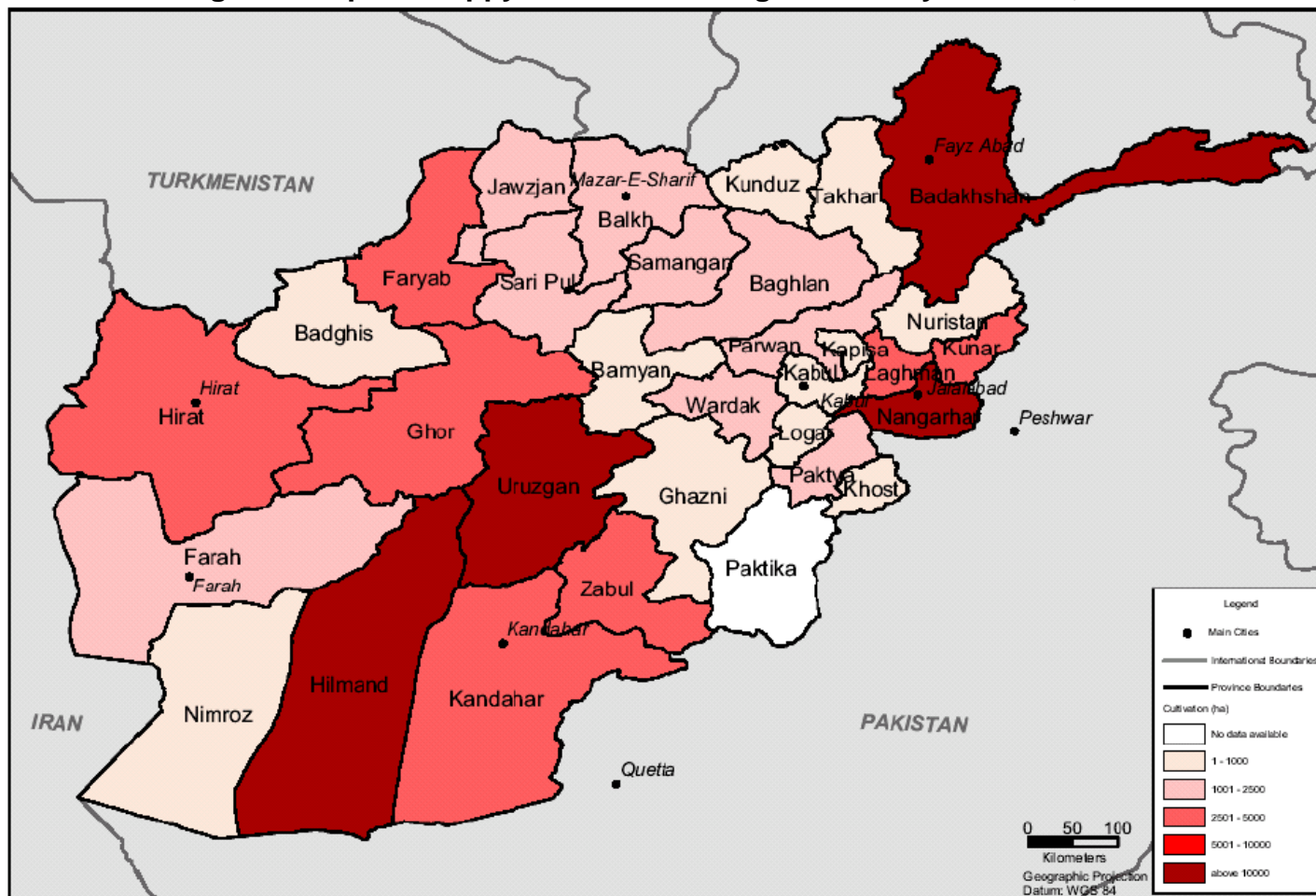
Source: UNODC/CND, Afghanistan Opium Survey 2004. U.S. government estimates place 2004 cultivation at 206,000 hectares. Figures for 1986-1993 based on U.S. government estimates. Figures for 1994-2004 based on UNODC survey data. One hectare is equal to 10,000 square meters. The Taliban banned opium poppy cultivation in areas under their control in 2001, but allowed opium trafficking to continue and profited from the sale of regime-controlled opium stocks. Limited cultivation continued in areas under Northern Alliance control.

Figure 2. Opium Production in Afghanistan, 1980-2004
(Weight in Metric Tons)



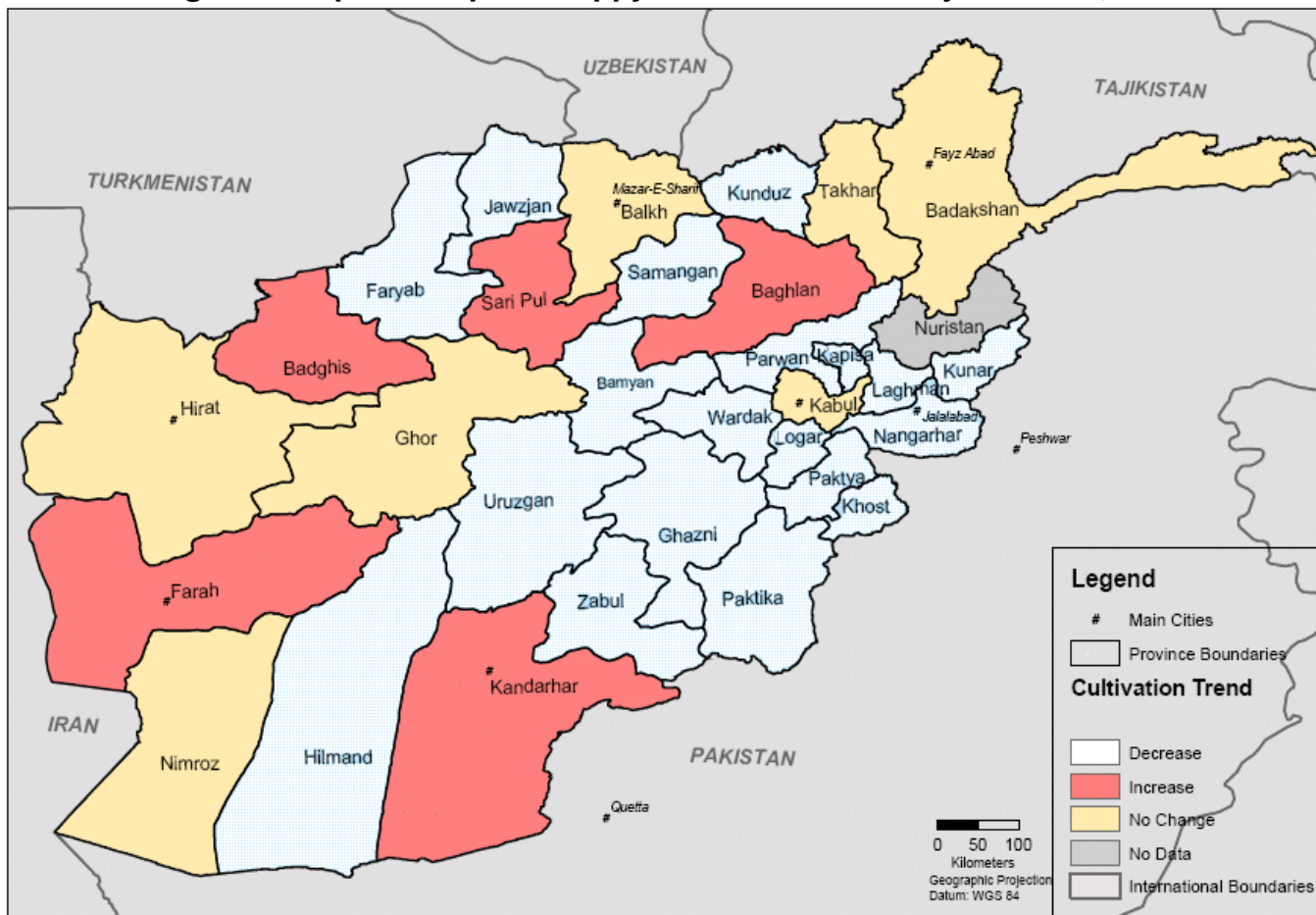
Source: Graphic from UNODC/CND, Afghanistan Opium Survey 2004, p. 4. One metric ton is equal to 2200 pounds. U.S. government estimates placed opium production at 4,950 metric tons. The Taliban banned opium poppy cultivation in areas under their control in 2001, but allowed opium trafficking to continue and profited from the sale of regime-controlled opium stocks. Limited cultivation continued in areas under Northern Alliance control.

Figure 3. Opium Poppy Cultivation in Afghanistan by Province, 2004



Source: Map from UNODC/CND, Afghanistan Opium Survey 2004, p. 13.

Figure 4. Expected Opium Poppy Cultivation Trend by Province, 2005



Source: Map from UNODC, Afghanistan Opium Poppy Rapid Assessment Survey, February 2005, p. 10.

Table 1. Recent Opium Prices in Afghanistan
(regionally weighted farmgate^a price US\$/kilogram)

	1999	2000	2001 ^b	2002	2003	2004	2005
Opium Price	\$40	\$28	\$301	\$350	\$283	\$92	\$186

Source: United Nations Office on Drugs and Crime, Afghanistan Opium Survey 2004. Figure for 2005 from UNODC, Afghanistan Opium Poppy Rapid Assessment Survey, February 2005.

a. Farmgate price is the price paid to farmers by traffickers.

b. Dry opium prices skyrocketed to nearly \$700/kg immediately following the September 11, 2001 terrorist attacks and fell to \$93/kg after U.S. airstrikes began.

Historical Development

During the more than two decades of occupation, foreign interference, and civil war that followed the 1979 Soviet invasion, opium poppy cultivation and drug trafficking served as central parts of Afghanistan's war economy, providing revenue to individuals and groups competing for power and an economic survival mechanism to a growing segment of the impoverished population. In December 2001, Afghan leaders participating in the Bonn conference that formed Afghanistan's interim post-Taliban government echoed pleas issued by their pro-Communist predecessors decades earlier.⁷ They strongly urged that "the United Nations, the international community, and regional organizations cooperate with the Interim Authority to combat international terrorism, cultivation, and trafficking of illicit drugs and provide Afghan farmers with financial, material and technical resources for alternative crop production."⁸ In spite of renewed efforts on the part of Afghan and international authorities to combat opium poppy cultivation since the fall of the Taliban, Afghanistan has reemerged as the world's leading producer of opium.

Opium and Afghanistan's War Economy. Following the Soviet invasion of 1979 and during the civil war that ensued in the aftermath of the Soviet withdrawal, opium poppy cultivation expanded in parallel with the gradual collapse of state authority across Afghanistan. As the country's formal economy succumbed to violence and disorder, opium became one of the few available commodities capable of both storing economic value and generating revenue for local administration and military supplies. Some anti-Soviet mujahidin commanders encouraged and taxed opium poppy cultivation and drug shipments, and, in some instances, participated in the narcotics trade directly as a means of both economic survival and military financing.⁹ Elements of Pakistan's Inter-Services Intelligence

⁷ In 1978, pro-Communist Afghan officials reportedly requested "a lot of assistance from abroad, especially economic help, to help replace farmers' incomes derived from opium poppy cultivation." Randal, Washington Post, Nov. 2, 1978.

⁸ Agreement on Provisional Arrangements in Afghanistan Pending the Re-establishment of Permanent Government Institutions [The Bonn Agreement], December 5, 2001.

⁹ See Arthur Bonner, "Afghan Rebel's Victory Garden: Opium," *New York Times*, June 18, 1986, and Mary Thornton, "Sales of Opium Reportedly Fund Afghan Rebels," *Washington* (continued...)

(ISI) agency and Afghan rebel commanders to which the ISI channeled U.S. funding and weaponry are also alleged to have participated in the Afghan narcotics trade during the Soviet occupation and its aftermath, including in the production and trafficking of refined heroin to U.S. and European markets.¹⁰ After the withdrawal of Soviet troops and a drop in U.S. and Soviet funding, opium poppy cultivation, drug trafficking, and other criminal activities increasingly provided local leaders and military commanders with a means of supporting their operations and establishing political influence in the areas they controlled.

Taliban Era. The centralization of authority under the Taliban movement during the mid-to-late 1990s further fueled Afghan opium poppy cultivation and narcotic production, as Taliban officials coopted their military opponents with promises of permissive cultivation policies and mirrored the practices of their warlord predecessors by collecting tax revenue and profits on the growing output.¹¹ In 1999, Afghanistan produced a peak of over 4500 MT of raw opium, which led to growing international pressure from states whose populations were consuming the end products of a seemingly endless supply of Afghan drugs. In response, the Taliban announced a ban on opium poppy cultivation in late 2000, but allowed the opiate trade to continue, fueling speculation that the decision was designed to contribute to their marginalized government's campaign for international legitimacy. Under the ban, opium poppy cultivation was reduced dramatically and overall opium output fell to 185 MT, mainly because of continued cultivation and production in areas under the control of Northern Alliance forces. Individual Northern Alliance commanders also taxed opium production and transportation within their zones of control and continued producing opium and trafficking heroin following the Taliban prohibition.¹² Although U.S. and international officials initially applauded the Taliban policy shift, most experts now believe that the ban was designed to increase the market price for and potential revenue from stocks of Afghan opium maintained by the Taliban and its powerful trafficking allies within the country.¹³

⁹ (...continued)

Post, Dec. 17, 1983.

¹⁰ See James Rupert and Steve Coll, "U.S. Declines to Probe Afghan Drug Trade: Rebels, Pakistani Officers Implicated," *Washington Post*, May 13, 1990; Jim Lobe, "Drugs: U.S. Looks Other Way In Afghanistan and Pakistan," *Inter Press Service*, May 18, 1990; John F. Burns, "U.S. Cuts Off Arms to Afghan Faction," *New York Times*, Nov. 19, 1989; Kathy Evans, "Money is the Drug" *The Guardian* (UK), Nov. 11, 1989; and Lawrence Lifschultz, "Bush, Drugs and Pakistan: Inside the Kingdom of Heroin," *The Nation*, Nov. 14, 1988.

¹¹ The Taliban government collected an agricultural tax (approximately 10%, paid in kind), known as *ushr*, and a traditional Islamic tithe known as *zakat* (variable percentages). The Taliban also taxed opium traders and transport syndicates involved in the transportation of opiates. UNODC, "The Opium Economy in Afghanistan," pp. 92, 127-8.

¹² UNODC, "The Opium Economy in Afghanistan," p. 92.

¹³ In December 2001, then Assistant Secretary of State for International Narcotics and Law Enforcement Affairs Rand Beers stated that the Taliban had not banned opium cultivation "out of kindness, but because they wanted to regulate the market: They simply produced too much opium." Marc Kaufman, "Surge in Afghan Poppy Crop Is Forecast," *Washington Post*, Dec. 25, 2001. See **Table 1** and UNODC, *Opium Economy in Afghanistan*, p. 57.

Post-Taliban Resurgence. Following 9/11, Afghan farmers anticipated the fall of the Taliban government and resumed cultivating opium poppy as U.S.-led military operations began in October 2001. International efforts to rebuild Afghanistan's devastated society began with the organization of an interim administration at the Bonn Conference in December 2001, and Afghan leaders committed their new government to combat the resurgence of opium poppy cultivation and requested international counternarcotics assistance from the United States, the United Kingdom and others.¹⁴ The United Kingdom was designated the lead nation for international counternarcotics assistance and policy in Afghanistan. On January 17, 2002, the Afghan Interim Administration issued a ban on opium poppy cultivation that was enforced with a limited eradication campaign in April 2002. In spite of these efforts, the 2001-2002 opium poppy crop produced over 3400 MT of opium, reestablishing Afghanistan as the world's leading producer of illicit opium. Since 2002, further government bans and stronger interdiction and eradication efforts have failed to reduce poppy cultivation and opium output, although recent reports suggest that a reduction may occur in 2005.

Actors in Afghanistan's Opium Economy

Farmers, laborers, landowners, and traffickers each play roles in Afghanistan's opium economy. Ongoing field research indicates that the motives and methods of each group vary considerably based on their geographic location, their respective economic circumstances, their relationships with ethnic groups and external parties, and prevailing political conditions.¹⁵ Studies suggest that profit is not the universal motivating factor fueling opium poppy cultivation in Afghanistan: opium trade field researcher David Mansfield argues that the "great diversity in the socio-economic groups involved in opium poppy in Afghanistan and the assets at their disposal" ensures that "there is great disparity in the revenues that they can accrue from its cultivation."¹⁶ Household debt and land access needs also motivate opium poppy cultivation.

Farmers. Field studies have identified several structural barriers that limit the profitability of opium poppy cultivation for the average Afghan farmer. Many Afghan farming households cultivate opium poppy in order to improve their access to land, water, agricultural supplies, and credit — inputs that remain in short supply in many of the rural areas where opium poppy is grown. Experts have identified high levels of household debt as a powerful structural determinant of the continuation of opium poppy cultivation among some Afghan farmers. An opium-for-credit system,

¹⁴ The Bonn Agreement, Dec. 5, 2001.

¹⁵ Analysis in this report relating to the motives and methods of Afghan farmers, land owners, and traffickers is based on the findings of the UNODC's "Strategic Studies" series on Afghanistan's opium economy and a series of commissioned development reports by David Mansfield, the Aga Khan Foundation, Frank Kenefick and Larry Morgan, Adam Pain, and others. UNODC Strategic Studies reports are available at [<http://www.unodc.org/pakistan/en/publications.html>]. Complete citations are provided in Appendix A.

¹⁶ David Mansfield, "The Economic Superiority of Illicit Drug Production: Myth and Reality," International Conference on Alternative Development in Drug Control and Cooperation, August 2001.

known as *salaam*, allows farmers to secure loans to buy necessary supplies and provisions if they agree in advance to sell future opium harvests at rates as low as half their expected market value. Crop failures that occurred as a result of a severe four-year nationwide drought (1998-2001) reportedly caused many farming households to accumulate large amounts of debt in the form of *salaam* loans based on future cultivation of opium poppy. In some cases, the introduction of strict poppy cultivation bans and crop eradication policies by the Taliban in 2001 and the Afghan Interim Authority in 2002 and 2003 increased the debt levels of many Afghan farmers by destroying opium crops that served as collateral for *salaam* arrangements.

Although the Afghan government issued a decree banning opium-based loans and credit in April 2002, the 2004 UNODC/CND opium survey reports that *salaam* lending has continued. Increased debt has led some farmers to mortgage land and to agree to cultivate opium poppy in the future through sharecropping arrangements. Other landless farmers have reportedly been forced to accept the crop selection choices of landowners who control their access to land and water and who favor opium poppy over other traditional crops. According to experts, this combination of drought-induced debt, predatory traditional lending systems, and the unintended side-effects from government cultivation bans and eradication programs has fueled opium poppy cultivation in Afghanistan.

Land Owners. Afghan land owners are better positioned to profit from opium poppy cultivation because of the labor intensive nature of the opium production process. Land owners who control vital opium cultivation inputs like land, water, and fertilizers enjoy an economic advantage in the opium production cycle, which places heavy demands on Afghanistan's rural agricultural labor market during annual opium poppy planting, maintenance, and harvesting seasons. Wealthy land owners secure the services of skilled itinerant laborers to assist in the complex opium harvesting process, which improves their crop yields and profits. Itinerant laborers, in turn, contribute to the spread of opium cultivation expertise around Afghanistan.¹⁷ Although opium prices have fallen since reaching a peak of \$350/kg in 2002, farmers have experienced greater profit loss than land owners.¹⁸ Land owners also have benefitted from consolidation of property related to rising debt levels among Afghan farmers. Land valuation based on potential opium yields also benefits land owners.

Traffickers. International market prices for heroin and intermediate opiates such as morphine ensure that individuals and groups engaged in the shipment and distribution of refined opium products earn substantially higher profits than those involved with cultivating and producing raw opium gum.¹⁹ Although opium refining facilities that produce morphine base and heroin traditionally have been located in tribal areas along the Afghan border with Pakistan, the growth and spread of opium cultivation in recent years has led to a corresponding proliferation of opiate

¹⁷ See UNODC, "An Analysis of the Process of Expansion of Opium Poppy Cultivation to New Districts in Afghanistan," June 1998.

¹⁸ UNODC, "Afghanistan Opium Survey 2003," p. 8.

¹⁹ See UNODC, "The Opium Economy in Afghanistan," pp. 129-40, 165-8.

processing facilities, particularly into northeastern Badakhshan province.²⁰ The increasing proportion of heroin in the composition of drugs seized in countries neighboring Afghanistan reflects this proliferation and suggests that the profitability of opiate trafficking for Afghan groups has increased significantly in recent years. The amount of heroin and morphine base seized by authorities in Central Asia has increased substantially relative to seizures of unrefined opium gum (See **Table 2**).

Although Afghan individuals and groups play a significant role in trafficking opiates within Afghanistan and into surrounding countries, relatively few Afghans have been identified as participants in the international narcotics trafficking operations that bring finished opiate products such as heroin to Middle Eastern, European, or North American consumer markets.²¹ Ethnic and tribal relationships facilitate the opium trade within Afghanistan, while relationships between ethnic Tajik, Uzbek, Pashtun, and Baluchi Afghans and their counterparts in Central Asia, Pakistan, and Iran provide a basis for the organization and networking needed to deliver Afghan opiates to regional markets and into the hands of international trafficking organizations.²² Some observers argue that trafficking profits are a source of economic and political instability and that interdiction and prosecution should precede eradication efforts so that increased post-eradication opium prices do not enrich trafficking groups further. Multilateral intelligence gathering and interdiction operations have been initiated since 2001 and are described in further detail below.

Table 2. Balance of Narcotics Production as Reflected in Seizures of Opiates in Central Asia

(percentages based on calculation in kilogram heroin equivalents)

Year	Heroin and Morphine	Opium
2000	75%	25%
2001	92%	8%
2002	94%	6%
2003	96%	4%

Source: UNODC figures featured in Barnett Rubin, "Road to Ruin: Afghanistan's Booming Opium Industry," Center on International Cooperation/Center for American Progress, October 2004.

²⁰ UNODC, "The Opium Economy in Afghanistan," pp. 139, 158.

²¹ "The involvement of Afghan groups/individuals is basically limited to the opium production, the trade of opium within Afghanistan, the transformation of some of the opium into morphine and heroin, and to some extent, the trafficking of opiates to neighboring countries." UNODC, *The Opium Economy in Afghanistan*, p. 64.

²² See Tamara Makarenko, "Bumper Afghan Narcotics Crop Indicates Resilience of Networks," *Jane's Intelligence Review*, May 1, 2002.

Narcotics and Security

Experts and officials have identified three areas of concern about the potential impact of the Afghan narcotics trade on the security of Afghanistan, the United States, and the international community. Each is first summarized, and then more fully developed below.

- **Prospects for State Failure:** Afghan, U.S., and international officials have identified several correlations between the narcotics trade and negative political and economic trends that undermine efforts to stabilize Afghanistan, establish the rule of law, and restore a functioning and licit economy. These trends include corruption and the existence of independent armed groups opposed to the Afghan government's reform and counternarcotics agendas. Similar drug-related trends threaten countries neighboring Afghanistan. Election observers have warned that militia commanders, land owners, and traffickers may seek to disrupt or corrupt Afghanistan's upcoming parliamentary, provincial, and district elections.
- **"Narco-Terrorism":** Afghan and U.S. officials believe that Taliban insurgents and regional groups associated with Al Qaeda continue to profit from Afghanistan's burgeoning narcotics trade. Officials also suspect that drug profits provide some Al Qaeda operatives with financial and logistical support. U.S. officials believe that financial and logistical relationships between narcotics traffickers, terrorists, and criminal groups pose threats to the security of Afghanistan and the wider international community.
- **Consumption and Public Health:** World health officials believe that Afghan narcotics pose social and public health risks for populations in Afghanistan, its neighbors, Russia, Western Europe, and, to a limited extent, the United States. Increased use of Afghan opiates has been closely associated with increased addiction and HIV infection levels in heroin consumption markets.

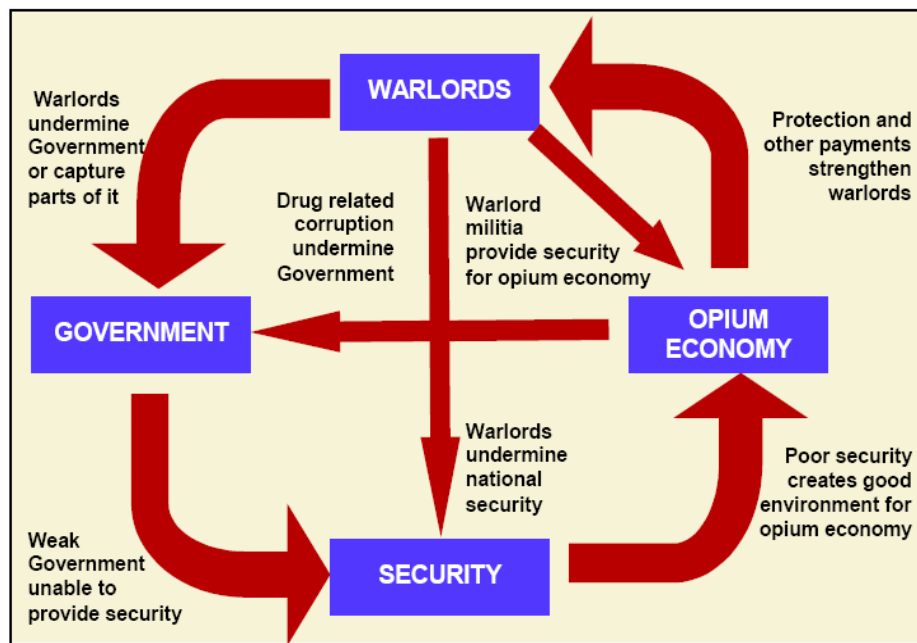
Narcotics and Prospects for State Failure in Afghanistan

Afghan authorities and international observers have identified negative trends associated with the narcotics trade as barriers to the reestablishment of security, the rule of law, and a legitimate economy throughout Afghanistan — goals which U.S. and Afghan authorities have characterized as essential for the country's long term stability. In a September 2004 report on Afghanistan's economic development, the World Bank described these related trends as "a vicious circle" (**Figure 5**) that constitute "a grave danger" to the "entire state-building and reconstruction agenda."²³

²³ Testimony of Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, House International Relations Committee, Sept. 23, 2004.

Anti-Government Elements and Popular Violence. Authorities fear that heavily armed trafficking groups and regional militia may join Afghan farmers in violently resisting expanded drug interdiction and crop eradication efforts. Opium production remains a source of revenue and patronage for some armed groups and militia leaders seeking to maintain their power and influence over areas of the country at the expense of the extension of national government authority.²⁴ According to U.N. and Afghan officials, some armed groups impose informal taxes and checkpoint fees of 10% to 40% on farmers, traffickers, and opiate processing laboratories within their areas of control, receiving cash or payment in opium.²⁵ Although much of the outright conflict between regional and factional militias that motivated opium cultivation in the past has ended, long-established political and commercial networks linking armed groups, landowning elites, transportation guilds, and drug syndicates continue to constitute the foundation of the opium economy.

Figure 5. Narcotics and Security in Afghanistan



Source: World Bank, Afghanistan: State Building, Sustaining Growth, and Reducing Poverty, Country Economic Report No. 29551-AF September 9, 2004, p. 87.

Fears of widespread violence are based in large part on a series of recent clashes between Afghan farmers and counternarcotics authorities seeking to eradicate crops. In April 2005, a large government eradication force clashed with approximately 2,000 villagers demonstrating against the destruction of opium crops in the southern district of Maiwand, leading to the death of one security officer and the wounding of several civilians. Afghan soldiers and police also have been killed in 2005 by

²⁴ See UNODC, “The Opium Economy in Afghanistan,” p. 69, and Report of the Secretary-General on the Situation in Afghanistan and its Implications for International Peace and Security, Aug. 12, 2004.

²⁵ UNODC/CND, Afghanistan Opium Survey 2004, p. 66.

attackers firing on government eradication forces in Uruzgan and Kandahar. The recent clashes and attacks follow a pattern evident in previous years, in which eradication teams employed by provincial authorities faced demonstrations, small arms fire, and mined poppy fields.²⁶ At the outset of the Afghan government's first eradication campaign in April 2002, for example, Pashtun farmers barricaded the major highway linking Pakistan and Afghanistan, and clashes between opium farmers and Afghan eradication teams killed 16 people.²⁷

Corruption and Challenges to Afghan Democracy. According to the State Department, national government officials are generally "believed to be free of direct criminal connection to the drug trade," although among provincial and district level officials, "drug-related corruption is pervasive."²⁸ In December 2004, Afghan counternarcotics official Mirwais Yasini indicated that "high government officials, police commanders, governors are involved" in the drug trade.²⁹ Government authorities and security forces in Afghanistan have accused each other of involvement in opium production and trafficking, and militia commanders have clashed over opium production and profits in various regions of the country, threatening the country's stability and the lives of civilians.³⁰ Although most of Afghanistan's prominent political figures have publicly condemned the country's opium economy, some political figures and their powerful supporters are alleged to have links with the trade or hold responsibility for areas of Afghanistan where opium poppy cultivation and drug trafficking take place. Commanders under the control of former cabinet members and former presidential candidates are alleged to participate in the opium trade.³¹ Some observers fear that as the Afghan government develops stronger counternarcotics policies and capabilities, groups that are involved with the opium trade will join others in seeking to corrupt or subvert Afghanistan's democratic process and upcoming parliamentary, provincial, and district elections.

²⁶ The Afghan government's Central Eradication Force reportedly was "rocketed by furious villagers" during a 2004 eradication mission in Wardak province outside of Kabul. *Reuters*, Pressure on Karzai as Afghan Drug Problem Worsens, October 5, 2004.

²⁷ See *Agence France Presse*, "Afghanistan Deploys 67 Million Dollars in War on Drugs," April 11, 2002, and Anwar Iqbal, "War on Dug Begins in Afghanistan," *United Press International*, April 10, 2002.

²⁸ Department of State, International Narcotics Control Strategy Report, March 2005.

²⁹ *Agence France Presse*, "Curbing Rampant Afghan Opium Trade Will Take Karzai Years," December 5, 2004.

³⁰ See *New York Times*, "7 Are Killed in a Clash of Afghan Militias," February 9, 2004, and FBIS IAP20040707000101 - Afghanistan Briefing 5-7 Jul 04.

³¹ See Victoria Burnett, "Outlook Uncertain: Can Afghanistan Take the Next Step to Building a State?" *Financial Times*, August 19, 2004; Carol Harrington, "Ruthless Dostum a Rival for Karzai," *Toronto Star*, September 20, 2004; and Jurgen Dahlkamp, Susanne Koelbl, and Georg Mascolo, (tr. Margot Bettauer Dembo), "Bundeswehr: Poppies, Rocks, Shards of Trouble," *Der Spiegel* [Germany], November 10, 2003.

Although no major attempts were made to disrupt the Afghan national presidential election on October 9, 2004, armed factions and local militia leaders continue to exert political influence across Afghanistan.³² As authorities prepare for national parliamentary and provincial elections in September 2005, such influence may become more pronounced and disruptive if local and regional politicians involved in the opium trade become directly involved in the elections. Some experts have argued that drug money may finance the campaigns of candidates, and at least one expert has warned that “drug lords are candidates.”³³

Opium Profits and Afghanistan’s Economic Recovery. Recent reports indicate that profits from Afghanistan’s opium trade may be overwhelming efforts to reestablish a functioning, licit economy. According to the UNODC/CND 2004 opium survey, the value of the 2004 opium harvest, an estimated \$2.8 billion, was equal to 60% of the country’s licit GDP from 2003. The World Bank reports that the opium economy has produced significant increases in rural wages and income and remains a significant source of credit for low income rural households. Opium profits fuel consumption of domestic products and support imports of high value goods such as automobiles and appliances from abroad. Funds from the drug trade are also a major source of investment for infrastructure development projects, including major projects in “building construction, trade, and transport.”³⁴ Analysts argue that efforts to combat narcotics must address Afghanistan’s economic dependence on opium and replace drug profits with licit capital and investment. In February 2005, the IMF warned that new counternarcotics efforts, if successful, “could adversely affect GDP growth, the balance of payments, and government revenue” by lowering drug income and weakening its support for domestic consumption and taxed imports.³⁵

Narcotics, Insurgency, and Terrorism

Afghan and U.S. officials believe that linkages between insurgents, terrorists, and narcotics traffickers threaten the security of Afghanistan and the international community. In addition to moving deadly opiates, sophisticated drug transportation and money laundering networks may also facilitate the movement of wanted individuals and terrorist funds and support illicit trafficking in persons and weapons. Although some U.S. officials have made unequivocal statements about the existence of narco-terrorist linkages, most officials address the issue in general terms and indicate that intelligence agencies are continually developing more complete pictures of these relationships. According to U.S. officials, senior Al Qaeda leaders considered and subsequently rejected the idea of becoming directly involved in managing and profiting from aspects of Afghanistan’s narcotics trade. Ideological considerations and fear of increased visibility and vulnerability to foreign intelligence and law enforcement services reportedly were the predominant factors in their

³² Human Rights Watch, “The Rule of the Gun.” September 2004.

³³ Anne Barnard and Farah Stockman, “U.S. Weighs Role in Heroin War in Afghanistan,” *Boston Globe*, October 20, 2004.

³⁴ World Bank, *State Building...*, p. 87.

³⁵ International Monetary Fund, IMF Country Report No. 05/33 - Islamic State of Afghanistan: 2004 Article IV Consultation and Second Review, February 2005.

decision.³⁶ **Table 3** describes known linkages between groups involved in terrorism and the drug trade as presented by State Department officials to Members of Congress in April 2004 and February 2005.

³⁶ Author interviews with U.S. officials in Kabul, Afghanistan, January 2005.

Table 3. Afghan Extremists' Links to the Drug Trade

Afghan Extremists	Are they receiving money from the trade?	Do traffickers provide them with logistical support?	Are they telling farmers to grow opium poppy?
Hizb-i Islami/ Gulbuddin (HIG) ^a	Almost Definitely: HIG commanders involved in trafficking have led attacks on Coalition forces, and U.S. troops have raided heroin labs linked to the HIG.	Most Likely: HIG commanders involved in the drug trade may use those ties to facilitate weapons smuggling and money laundering.	Probably: Afghan Transitional Authority officials say the Taliban now encourages poppy cultivation, and other extremist groups interested in weakening the government in Kabul — like the HIG — may be following its lead.
Taliban	Almost Definitely: U.N. and Afghan Transitional Authority officials report the group earns money from trafficking and gets donations from drug lords.	Most Likely: Major drug barons who supported the Taliban when it was in power remain at large, and may be moving people, equipment, and money on the group's behalf.	
Islamic Movement of Uzbekistan (IMU) ^b	Probably: Uzbekistani officials have accused the group of involvement in the drug trade, and its remnants in Afghanistan may turn to trafficking to raise funds.	Probably: Members with drug ties may turn to traffickers for help crossing borders.	Possibly: No reports, and these groups — as foreigners in Afghanistan — may lack the moral and political authority needed to influence farmers' planting decisions.
Al Qaeda	Possibly: Only scattered reports, but fighters in Afghanistan may be engaged in low-level — but still lucrative — drug deals.	Probably: Traffickers stopped last December [2003] in the Arabian Sea were linked to Al Qaeda. Al Qaeda may hire professional criminals in South Asia to transfer its weapons, explosives, money, and people through the region.	

Source: Robert Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, Testimony Before the House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy and Human Resources, April 1, 2004.

a. Hizb-i Islami's leader — former anti-Soviet mujahidin commander Gulbuddin Hekmatyar — is alleged to have been involved in the Afghan narcotics trade since the 1980s.

b. The State Department's 2003 Patterns of Global Terrorism report indicates that the IMU is "closely affiliated" with Al Qaeda. See also Tamara Makarenko, "Terrorism and Religion Mask Drug Trafficking in Central Asia," *Jane's Intelligence Review*, November 1, 2000.

Taliban and Al Qaeda Financiers. Afghan individuals serve as middlemen between the groups described in **Table 3** and narcotics producers and traffickers. Press reports and U.S. officials have identified two prominent figures involved in Afghanistan's drug trade that reportedly have financed Taliban insurgents and some low-level Al Qaeda operatives:

- **Haji Bashir Noorzai** is a former confidant of ousted Taliban leader Mullah Omar who served as a military commander during the Taliban era and was reportedly a “major financial supporter of the Taliban.”³⁷ In a February 2004 statement to the House Committee on International Relations, Congressman Mark Kirk alleged that Haji Bashir Noorzai's Kandahar-based trafficking organization reportedly supplied some Al Qaeda operatives in Pakistan with significant amounts of heroin.³⁸ In June 2004, the Bush Administration added Haji Bashir Noorzai to the U.S. government's drug kingpin list. In April 2005, Noorzai was arrested by DEA officials and charged with conspiracy to import heroin into the United States over a 15-year period. The indictment charges that Noorzai and his organization “provided demolitions, weaponry, and manpower to the Taliban” in return for “protection for its opium crops, heroin laboratories, drug-transportation routes, and members and associates.”³⁹
- **Haji Juma Khan** has been identified as an alleged drug lord and Al Qaeda financier. In August 2004, then-U.S. Assistant Secretary of State for International Narcotics and Law Enforcement (INL) Robert Charles told *Time Magazine* that Haji Juma Khan is “obviously very tightly tied to the Taliban.” Afghan Counter Narcotics Directorate chief Mirwais Yasini added that “there are central linkages among Khan, Mullah Omar and [Osama] Bin Laden.”⁴⁰

U.S. forces reportedly detained and released both Haji Juma Khan and Haji Bashir Noorzai in late 2001 and early 2002. Press accounts state that Noorzai voluntarily provided intelligence about his Taliban and Al Qaeda colleagues during questioning at Kandahar's airport prior to his release.⁴¹ DEA officials reportedly were unable to question him at the time.⁴² Noorzai's forces later surrendered a large number of weapons to coalition and Afghan authorities and provided security for

³⁷ Liz Sly, “Opium Cash Fuels Terror, Experts Say,” *Chicago Tribune*, Feb. 9, 2004; John Fullerton, “Live and Let Live for Afghan Warlords, Drug Barons,” *Reuters*, Feb. 5, 2002.

³⁸ Kirk, Testimony Before the House International Relations Committee, February 12, 2004.

³⁹ See *U.S. v. Bashir Noorzai*, U.S. District Court, Southern District of New York, S1 05 Cr. 19, April 25, 2005.

⁴⁰ Tim McGirk, “Terrorism's Harvest,” *Time Magazine* [Asia], Aug. 2, 2004.

⁴¹ Haji Bashir reportedly described his time with U.S. forces in the following terms: “I spent my days and nights comfortably... I was like a guest, not a prisoner.” *CBS Evening News*, “Newly Arrived US Army Soldiers Find it Difficult to Adjust...,” Feb. 7, 2002.

⁴² Steve Inskeep, “Afghanistan's Opium Trade,” *National Public Radio*, April 26, 2002.

Qandahar province governor Gul Agha Sherzai.⁴³ Juma Khan remains at large, and Department of Defense officials indicate that U.S. military forces are not directly pursuing major figures in the Afghan opium trade, although U.S., Afghan, and coalition authorities continue to monitor and collect intelligence on their activities and support Afghan authorities and their operations.⁴⁴

Consumption Markets

Afghan opium presents significant public health and internal security challenges to downstream markets where refined heroin and other opiates are consumed, including the United States. Russia and Europe have been the main consumption markets for Afghan opiates since the early 1990s, and estimates place Afghan opium as the source of over 90% of the heroin that enters the United Kingdom and Western Europe annually. Russian and European leaders have expressed concern over the growth of Afghanistan's opium trade as both a national security threat as well as a threat to public health and safety.

Trafficking to the United States. Heroin originating in southwest Asia (Afghanistan, Pakistan, Iran, and Turkey) “was the predominant form of heroin available in the United States” from 1980 to 1987,⁴⁵ and the DEA's Heroin Signature Program has indicated that southwest Asia-derived heroin currently constitutes up to 10% of the heroin available in the United States.⁴⁶ Since the 1980s, several figures involved in the Afghan drug trade have been convicted of trafficking illegal drugs, including heroin, into the United States.⁴⁷ Afghan and Pakistani nationals have been indicted and convicted on heroin trafficking and money laundering charges in U.S. courts as recently as April 2005. In addition to the case of Haji Bashir Noorzai noted above, the following other recent cases involve links to the Taliban and Al Qaeda.

- In the mid-1990s, several Pakistani nationals were extradited to the United States and convicted of heroin and hashish trafficking, including Haji Ayub Afridi, a former member of Pakistan's Parliament and alleged drug baron.⁴⁸

⁴³ See Mark Corcoran, “America's Blind Eye,” Australian Broadcasting Corporation, *Foreign Correspondent*, April 10, 2002.

⁴⁴ Defense Department response to CRS inquiry, November 12, 2004.

⁴⁵ Drug Enforcement Agency, “The Availability of Southwest Asian Heroin in the United States,” May 1996.

⁴⁶ Drug Enforcement Agency, “Heroin Signature Program: 2002,” March 2004.

⁴⁷ In 1985, the DEA developed evidence against a wealthy Afghan national alleged to have been “involved in supplying Afghan rebels with weapons in exchange for heroin and hashish, portions of which were eventually distributed in Western Europe and the United States.” See Select Committee on Narcotics Abuse and Control - Annual Report 1985, Dec. 19, 1986, p. 58; See *U.S. v. Roeffen, et al.* [U.S. District Court of New Jersey (Trenton), 86-00013-01] and *U.S. v. Wali* [860 F.2d 588 (3d Cir.1988)].

⁴⁸ Marcus W. Brauchli, “Pakistan's Wild Frontier Breeds Trouble — Drugs, Terrorism Could Overflow Into Other Regions,” *Wall Street Journal*, June 3, 1993; Kathy Gannon, (continued...)

- Since 2001, DEA and FBI investigators have prosecuted several Afghan and Pakistani nationals in connection with heroin trafficking and money laundering charges, including members of Pakistan's Afridi clan.⁴⁹ Officials have indicated that some of the individuals involved in these recent cases may have relationships with Taliban insurgents and members of Al Qaeda.⁵⁰
- Al Qaeda operatives and sympathizers have been captured trafficking large quantities of heroin and hashish and attempting to trade drugs for Stinger missiles.⁵¹

Russia. Afghan opiates have been a concern for Russian leaders since the 1980s, when Afghan drug dealers targeted Soviet troops and many Russian soldiers returned from service in Afghanistan addicted to heroin.⁵² More recently, the Russian government has expressed deep concern about "narco-terrorist" linkages that are alleged to exist between Chechen rebel groups, their Islamist extremist allies, and Caucasian criminal groups that traffic and distribute heroin in Russia. Since 1993, HIV infection and heroin addiction rates have skyrocketed in Russia, and these trends have been linked to the influx and growing use of Afghan opiates. These concerns make the Afghan narcotics trade an issue of priority interest to Russian decision makers, and motivate attention and initiative on the part of Russian security services in the region. In March 2005, the head of Russia's counternarcotics service announced plans to open a counternarcotics field office in Kabul by the end of the year.⁵³

Western Europe. In Europe, press outlets and public officials in several countries have devoted significant attention to Afghanistan's opium trade since the 1990s. In the United Kingdom, where British officials estimate that 90-95% of the heroin that enters the country annually is derived from Afghan opium, the public places a high priority on combating the Afghan opiate trade. In October 2001, British Prime Minister Tony Blair cited the Taliban regime's tolerance for opium cultivation and heroin production as one justification for the United Kingdom's involvement in

⁴⁸ (...continued)

"Pakistan Extradites Suspected Drug Dealers to U.S.," *Associated Press*, Oct. 16, 1993; Jeanne King, "U.S. Denies Bail to Alleged Pakistani Drug Baron," *Reuters*, Dec. 21, 1995; and Ron Synovitz, "U.S. Indicts 11 In Connection With Drug Ring," *RFE/RL*, Sep. 17, 2003.

⁴⁹ U.S. v. Afridi, et. al., [U.S. District Court of Maryland, (Baltimore), AW-03-0211].

⁵⁰ Testimony of DEA Administrator Karen Tandy before the House International Relations Committee, Feb. 12, 2004.

⁵¹ James W. Crawley, "U.S. Warships Pinching Persian Gulf Drug Trade," *San Diego Union-Tribune*, February 9, 2004, and Tony Perry, "2 Convicted of Seeking Missiles for Al Qaeda Ally," *Los Angeles Times*, Mar. 4, 2004.

⁵² Defense Department officials report that steps are taken to educate U.S. troops serving in Afghanistan about the dangers of narcotics use and to monitor and prevent drug use. Testimony of Lt. Gen. Walter L. Sharp, Director of Strategic Plans (J-5), Before the House International Relations Committee, Sept. 23, 2004.

⁵³ *Agence France Presse*, "Russia plans anti-drug centre in Kabul," Mar. 29, 2005.

the U.S.-led military campaign in Afghanistan. Some British citizens and officials have criticized the Blair Administration's counternarcotics efforts in Afghanistan and argued that more should be done to stem the flow of Afghan opiates in the future.⁵⁴ The United Kingdom currently serves as the lead nation for international counternarcotics efforts in Afghanistan, and British government officials assist Afghan counternarcotics authorities in intelligence gathering and targeting operations for interdiction and eradication.

Regional Security Implications

Afghanistan's opiate trade presents a range of policy challenges for Afghanistan's neighbors, particularly for the Central Asian republics of the former Soviet Union. As a security issue, regional governments face the challenge of securing their borders and populations against the inflow of Afghan narcotics and infiltration by armed trafficking and terrorist groups. Regional terrorist organizations and international criminal syndicates that move Afghan opiates throughout the region have been linked to insecurity, corruption, and violence in several countries.⁵⁵ As a public health issue, Afghan narcotics have contributed to a dramatic upsurge in opiate use and addiction rates in countries neighboring Afghanistan, a factor that also has been linked to dramatic increases in HIV infection rates in many of Afghanistan's neighbors. According to the UNODC, by 2001, "Afghan opiates represented: almost 100% of the illicit opiates consumed in... Iran, Pakistan, Turkey, Kazakhstan, Turkmenistan, Kyrgyzstan, Tajikistan, Uzbekistan, Azerbaijan, and the Russian Federation."⁵⁶ With the exception of Turkey, intravenous use of Afghan opiates is the dominant driver of growing HIV infection rates in each of these countries.⁵⁷ These destabilizing factors could provide a powerful pretext for increased attention to and possible intervention in Afghan affairs on the part of regional powers such as Iran and Pakistan.

Central Asia.⁵⁸ The emergence of the so-called "Northern Route" of opiate trafficking through Central Asia and the Caucasus in the mid-1990s transformed the

⁵⁴ House of Commons (UK) - Foreign Affairs Committee, Seventh Report, July 21, 2004.

⁵⁵ For more information see Tamara Makarenko, "Crime, Terror and the Central Asian Drug Trade," *Harvard Asia Quarterly*, vol. 6, no. 3 (Summer 2002), and Integrated Regional Information Networks (IRIN) Report, "Central Asia: Regional Impact of the Afghan Heroin Trade," U.N. Office for the Coordination of Humanitarian Affairs (OCHA), August 2004. Available at [<http://www.irinnews.org/webspecials/opium/regOvr.asp>]

⁵⁶ UNODC, "The Opium Economy in Afghanistan," p. 33, 35.

⁵⁷ For more information, see the World Health Organization's Epidemiological Fact Sheets on HIV/AIDS at [<http://www.who.int/GlobalAtlas/PDFFactory/HIV/index.asp>], and Julie Stachowiak and Chris Beyrer, "HIV Follows Heroin Trafficking Routes," Open Society Institute - Central Eurasia Project, Available at [http://www.eurasianet.org/health.security/presentations/hiv_trafficking.shtml].

⁵⁸ For more on Central Asian security and public health, including information on narcotics trafficking, organized crime, and terrorism see CRS Report RL30294, *Central Asia's Security: Issues and Implications for U.S. Interests*, and CRS Report RL30970, *Health in Russia and Other Soviet Successor States: Context and Issues for Congress*.

region's previously small and relatively self-contained opiate market into the center of global opium and heroin trafficking. Ineffective border control, civil war, and corruption facilitated this trend, and opiate trafficking and use in Kazakhstan, Uzbekistan, Turkmenistan, and Kyrgyzstan now pose significant security and public health threats to those countries. U.S. officials have implicated the Islamic Movement of Uzbekistan in the regional drug trade, as well as well-organized and heavily armed criminal syndicates that threaten U.S. interests.

Tajikistan has emerged as the primary transit point for Afghan opiates entering Central Asia and being trafficked beyond. From 1998 to 2003, Tajikistan's Drug Control Agency seized 30 MT of drugs and narcotics, including 16 MT of heroin. U.N. authorities estimate that the European street value of the 5,600 kg of heroin seized by Tajik authorities in 2003 was over \$3 billion.⁵⁹ The 201st Russian Army Division stationed troops along the Afghan-Tajik border to disrupt the activities of criminals, narcotics traffickers, and terrorist groups from 1993 through late 2004. Tajik and Russian authorities have begun replacing these Russian military forces with Tajik border security guards and are scheduled to complete the process by the end of 2006.⁶⁰ Some observers have expressed concern that the relatively poor training and inexperience of the Tajik forces may result in an increase in the flow of opium and heroin into Central Asia and onward to Russia and Europe. Others fear that Tajik security forces may prove more vulnerable to corruption than their Russian counterparts.⁶¹ In January 2005, Russian press sources reported that Russian border guards seized 2.5 MT of heroin on the Tajik-Afghan border in 2004.

Pakistan. According to the 2005 State Department International Narcotics Control Strategy Report (INCSR), "Pakistan remains a substantial trafficking country for heroin, morphine, and hashish from Afghanistan," and Pakistani narcotics traffickers "play a very prominent role in all aspects of the drug trade" in regions of Afghanistan that border Pakistan. Trafficking groups routinely use western areas of Afghanistan and Pakistan as staging areas for the movement of opiates into and through Iran. Efforts to control the narcotics trade in Pakistan have historically been complicated by the government's limited ability to assert authority over autonomous tribal zones, although recent cooperative border security efforts with the United States have increased the presence of government authorities in these regions. The Pakistani government's efforts to reduce opium poppy cultivation and heroin production since 2001 have been moderately successful; however, drug usage remains relatively high among some elements of Pakistani society. In March 2003, former U.S. Ambassador to Pakistan Wendy Chamberlain told a House International Relations Committee panel that the role of Pakistan's Inter-Services Intelligence (ISI)

⁵⁹ IRIN Report, "Tajikistan: Stemming the Heroin Tide," OCHA, Sept. 13, 2004. Available at [<http://www.irinnews.org/webspecials/opium/regTaj.asp>]

⁶⁰ *Agence France Presse*, "Tajiks to Take Over Patrolling Half of Tajik-Afghan Border From Russians," Oct. 1, 2004.

⁶¹ See Rukhshona Najmiddinova, "Tajikistan Arrests Anti-Drug Agency Head," *Associated Press*, Aug. 6, 2004.

agency in the heroin trade from 1997-2003 had been “substantial.”⁶² The 2003 State Department INCSR stated that U.S. officials have “no evidence” that any senior government officials were involved with the narcotics trade or drug money laundering, although the report also stated that narcotics remained a source of “persistent corruption” among lower level officials.

Iran. Narcotics trafficking and use continue to present serious security and public health risks to Iran, which the State Department has called “a major transit route for opiates smuggled from Afghanistan.” According to the 2003 State Department INCSR, over 3200 Iranian security personnel have been killed in clashes with heavily-armed narcotics trafficking groups over the last twenty years, and 67% of HIV infections in Iran are related to intravenous drug use by the country’s more than 1 million estimated addicts. Iran’s interdiction efforts along its eastern borders with Afghanistan and Pakistan are widely credited with forcing opiate traffickers to establish and maintain the “Northern Route” through Central Asia. According to the State Department, Iranian officials seized 181 MT of opiates in the first six months of 2004.

The 2005 INCSR states that the Iranian government “has demonstrated sustained national political will and taken strong measures against illicit narcotics, including cooperation with the international community.” Although the absence of bilateral diplomatic relations prevents the United States from directly supporting counternarcotics initiatives in Iran, the INCSR indicates that United States and Iran “have worked together productively” in the UN’s multilateral “Six Plus Two” group. Shared interest in interdiction has led the United Kingdom to support the Iranian government’s counternarcotics efforts since 1999 by providing millions of dollars in grants for security equipment purchases, including bullet-proof vests for Iran’s border patrol guards.⁶³

The International Policy Response

The Bonn Agreement that established the Afghan Interim Authority committed Afghanistan’s new government to cooperation with the international community “in the fight against terrorism, drugs and organized crime.”⁶⁴ After taking office in early 2002, Hamid Karzai’s transitional administration took a series of steps to combat the growth of the Afghan narcotics trade, including issuing a formal ban on opium cultivation, outlining a national counternarcotics strategy, and establishing

⁶² Ambassador Wendy Chamberlain, “Transcript: Hearing of the Subcommittee on Asia and the Pacific of the House International Relations Committee,” Federal News Service, Mar. 20, 2003. See also, Ahmed Rashid, *Taliban*, Yale University Press, 2000, pp. 120-2, and Barnett Rubin, *The Fragmentation of Afghanistan*, Yale University Press, 2002, pp. 197-8. See also Rubin, Testimony Before the House Foreign Affairs Subcommittee on Europe and the Middle East and Asian and Pacific Affairs, Mar. 7, 1990.

⁶³ Jason Barnes, “The Desert Village that Feeds UK’s Heroin Habit,” *The Observer* (UK), Dec. 12, 1999.

⁶⁴ The Bonn Agreement, Dec. 5, 2001.

institutions and forces tasked with eradicating poppy crops and interdicting drug traffic. Karzai's government places a high priority on creating alternative livelihoods and sources of income for opium growing farmers. Many countries have contributed funding, equipment, forces, and training to various counternarcotics programs in Afghanistan, including crop eradication and judicial reform. The United States and others work closely with Afghanistan's neighbors in an effort to contain the flow of narcotics and strengthen interdiction efforts.

The United Kingdom serves as the lead coalition nation for international counternarcotics policy and assistance in Afghanistan. Under British leadership, basic eradication, interdiction, and alternative livelihood development measures began in the spring of 2002. The State Department's INL Bureau administers U.S. counternarcotics and law enforcement assistance programs in Afghanistan and coordinates with the U.S. Agency for International Development (USAID), the Drug Enforcement Administration (DEA), the Government of Afghanistan, the United Kingdom, Italy, Germany, and the United Nations Office on Drugs and Crime (UNODC). To date, U.S. forces in Afghanistan have engaged in some counternarcotics activities based on limited rules of engagement, although military officials indicate that the role of the U.S. military in counternarcotics has expanded in 2005 to include police training and interdiction mission support. British military units carry out interdiction missions in cooperation with Afghan authorities that target drug production laboratories and trafficking infrastructure. The United States also provides counternarcotics assistance to other countries in the region.

The Bush Administration has begun a new "five pillar" inter-agency initiative to reinvigorate U.S. support for the implementation of Afghanistan's national counternarcotics strategy. The initiative calls for a substantial increase in spending on counternarcotics programs, with particular emphasis on alternative livelihood development and greater U.S. support for crop eradication efforts. Training and equipment of Afghan counternarcotics forces and prosecution teams also figure prominently in the new strategy. Most observers and officials expect that a long-term, sustained international effort will be necessary to reduce the threat posed by the opium trade to the security and stability of Afghanistan and the international community.

Afghan Counternarcotics Policies, Programs, and Forces

Bans, Prohibitions, and Policy Statements. Among the first acts of the newly established Afghan Interim Authority created by the Bonn Agreement was the issuance of a decree that banned the opium poppy cultivation, heroin production, opiate trafficking, and drug use on January 17, 2002. On April 3, 2002, Afghan authorities released a second decree that described the scope and goals of an eradication program designed to destroy a portion of the opium poppy crop that had been planted during late 2001. In order to prevent further cultivation during the autumn 2002 planting season, the government issued a third, more specific decree in September 2002 that spelled out plans for the enforcement of bans on opium cultivation, production, trafficking, and abuse.

Religious and political leaders have also spoken out adamantly against involvement in the drug trade. Islamic leaders from Afghanistan's General Council

of Ulema issued a *fatwa* or religious ruling in August 2004 that declared poppy cultivation to be contrary to Islamic *sharia* law.⁶⁵ Following his election in October 2004, President Hamid Karzai has made a number of public statements characterizing involvement in opium cultivation and trafficking as shameful and stating that provincial and district leaders would be held accountable by the central government for failure to combat drug activity in areas under their control.

Afghan authorities developed a national counternarcotics strategy in 2003 in consultation with experts and officials from the United States, the United Kingdom, and the UNODC.⁶⁶ The strategy declares the Afghan government's commitment to reducing opium poppy cultivation by 70% by 2008 and to completely eliminating poppy cultivation and drug trafficking by 2013. The strategy identifies five key tactical goals to support its broader commitments: "the provision of alternative livelihoods for Afghan poppy farmers, the extension of drug law enforcement throughout Afghanistan, the implementation of drug control legislation, the establishment of effective institutions, and the introduction of prevention and treatment programs for addicts." In 2005, the Afghan government released an implementation plan for the strategy that outlines specific initiatives planned in each of the five policy areas, as well as for regional cooperation, eradication, and public information campaigns.⁶⁷

Institutions and Forces. In October 2002, then-Interim President Hamid Karzai announced that the Afghan National Security Council would take responsibility for counternarcotics policy and would oversee the creation and activities of a new Counternarcotics Directorate (CND). The CND subsequently established functional units to analyze data and coordinate action in five areas: judicial reform, law enforcement, alternative livelihood development, demand reduction, and public awareness. Following its establishment in late 2002, the CND worked with other Afghan ministries, local leaders, and international authorities to develop counternarcotics policies and coordinate the creation of counternarcotics institutions and the training of effective personnel. The CND was transformed into a new Ministry of Counternarcotics in December 2004. Habibullah Qaderi currently serves as Afghanistan's minister for counternarcotics.

Counternarcotics enforcement activities have been directed from within the Ministry of Interior since 2002. General Mohammed Daud was named Deputy Ministry of Interior for Counternarcotics in December 2004. General Daud and his staff work closely with U.S. and British officials in implementing the Afghan government's expanded counternarcotics enforcement plan. The Ministry of Interior directs the activities of the following Afghan counternarcotics and law enforcement entities.

⁶⁵ Afghan Religious Scholars Urge End To Opium Economy, *Associated Press*, Aug. 3, 2004.

⁶⁶ Transitional Islamic State of Afghanistan, National Drug Control Strategy, May 18, 2003. Available at [<http://www.cnd.gov.af/ndcs.html>].

⁶⁷ Islamic Republic of Afghanistan, The 1384 (2005) Counter Narcotics Implementation Plan, Feb. 16, 2005. Available at [http://www.cnd.gov.af/imp_plan.htm].

- **Counternarcotics Police-Afghanistan (CNP-A).** The CNP-A consists of investigative and enforcement divisions whose officers work closely with U.S. and British counternarcotics authorities. CNP-A officers continue to receive U.S. training to support their ability to plan and execute counternarcotics activities independently.
- **National Interdiction Unit (NIU).** The NIU was established as an element of CNP-A in October 2004 and has conducted several significant raids across Afghanistan in early 2005. Approximately 100 NIU officers have received U.S. training and now operate in cooperation with DEA Foreign Advisory Support Teams (FAST teams, for more see below). Plans call for a 200-officer NIU force to be in place by the end of 2005.⁶⁸
- **Central Eradication Planning Cell (CPEC).** The CPEC is a U.K.-supported targeting and intelligence center that uses sophisticated technology and surveying to target poppy crops and monitor the success of eradication operations. The CPEC provides target data for the Central Poppy Eradication Force (CPEF).
- **Central Poppy Eradication Force (CPEF).** The U.S.-supported CPEF conducts ground-based eradication of poppy crops throughout Afghanistan based on targeting data provided by the Central Eradication Planning Cell (CPEC). The force is made up of approximately 1,000 trained eradicators and is supported by security personnel. Plans call for 3,000 CPEF officers to be trained by the end of 2005.⁶⁹
- **Afghan Special Narcotics Force (ASNF).** The elite ASNF, or “Force 333,” has received special training from the British military and carries out interdiction missions against high value targets and in remote areas. The U.S. military provides some intelligence and airlift support for the ASNF.
- **Border Police, National Police, and Highway Police.** Approximately 27,000 Afghan police have graduated from U.S.-sponsored training facilities, and elements of all three forces have received training, equipment, and communications support from British, German, and U.S. authorities to improve their counternarcotics enforcement capabilities. U.S. and German authorities plan to train 50,000 border and national police by December 2005.

⁶⁸ Statement of James E. Stahlman, Assistant Operations Officer, U.S. Central Command, Committee on House Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources, May 10, 2005.

⁶⁹ *Agence France Presse*, “Afghanistan Launches Poppy Eradication Force,” Feb. 2, 2005.

U.S. Policy Initiatives: The “Five-Pillar” Plan

In spite of limited efforts on the part of Afghan, U.S., and international authorities, the land area used for opium poppy cultivation in Afghanistan and Afghanistan’s corresponding opiate output increased annually from late 2001 through 2004. Although public awareness of government opium poppy cultivation bans and laws outlawing participation in the narcotics trade is widespread, until recently, counternarcotics enforcement activities have been hindered by the Afghan government’s tactical inability to carry out nationwide, effective eradication and interdiction campaigns as well as a lack of adequate legal infrastructure to support drug-related prosecutions. International development agencies have made positive, but limited, efforts to address structural economic issues associated with rural livelihoods and drug production, such as household debt and the destruction of local agricultural market infrastructure. However, until recently, these efforts have not been centrally coordinated or linked directly to counternarcotics goals and initiatives.

Substantial growth in opium poppy cultivation and narcotics trafficking since late 2003 has led U.S. officials, in consultation with their Afghan and coalition partners, to develop a more comprehensive, complementary plan to support the implementation of the Afghan national counternarcotics strategy. The new policy initiative developed by U.S. agencies consists of five key elements, or pillars, that mirror Afghan initiatives and call for increased interagency and international cooperation.⁷⁰ The five pillars of the new U.S. initiative are public awareness, judicial reform, alternative livelihood development, interdiction, and eradication. New initiatives in these areas are building upon a range of preexisting policy initiatives being implemented by U.S., Afghan, and coalition authorities.

Public Awareness. Afghan and U.S. authorities have initiated a new public information campaign to reach out to ordinary Afghans and raise public awareness about the threat of narcotics and the danger of participation in the illegal drug trade.⁷¹ The effort builds on the Afghan government public awareness strategy, which enlists local community and religious leaders to support the government’s counternarcotics policies and encourages them to speak out in their communities against drug use and involvement in the opium trade. As noted above, Islamic leaders from Afghanistan’s General Council of Ulema have supported this effort by publicly condemning poppy cultivation and involvement in the drug trade.⁷²

The U.S. campaign supplements existing public information efforts designed to reduce demand for illegal drugs within Afghan society and spread awareness of the Afghan government’s opium poppy cultivation bans and drug laws. The UNODC February 2005 Rapid Assessment Survey found that farmers across Afghanistan were well aware of the government’s ban on opium poppy cultivation but also reported

⁷⁰ David Shelby, “United States to Help Afghanistan Attack Narcotics Industry,” *Washington File*, U.S. Department of State, Nov. 17, 2004.

⁷¹ *Ibid.*

⁷² “Afghan Religious Scholars Urge End To Opium Economy,” *Associated Press*, Aug. 3, 2004.

that farmers in provinces where opium poppy cultivation was found to have increased believed that the government could not or would not enforce the ban.

Judicial Reform. New judicial reform efforts are being made to further enable Afghan authorities to enforce counternarcotics laws and prosecute prominent individuals involved in narcotics trafficking. A Counternarcotics Vertical Prosecution Task Force (CNVPTF) is under development and will feature integrated teams of Afghan judges, prosecutors, and enforcement officials that are being specially trained to handle complex, high-profile cases. Some U.S. federal prosecutors are participating in CNVPTF training activities in Afghanistan. As of April 2005, an Afghan team of ten investigators, seven prosecutors, and three judges were active and were serving under the jurisdiction of the Kabul criminal court. Reconstruction efforts are planned for the creation of a maximum-security wing at the Pol-i-Charki prison near Kabul to hold narcotics offenders prosecuted by the Task Force. Afghan and coalition officials are currently working to identify targets for prosecution, although, according to U.S. officials, political concerns and security considerations will play a role in the targeting of individuals.

The April 2005 arrest of major drug figure Haji Bashir Noorzai by U.S. officials raised concern about the readiness and ability of Afghan authorities to investigate, prosecute, and incarcerate drug suspects. According to an Afghan Interior Ministry official, “Afghan police had no role in his arrest,” and Afghan authorities were constrained because of “a lack of concrete evidence against him.”⁷³ Discussion of a limited amnesty program for prominent narcotics traffickers surfaced in January 2005 but is reportedly no longer under consideration.⁷⁴ Afghan authorities also are considering an amendment to existing counternarcotics provisions that would serve as a new basic anti-drug law.

Alternative Livelihood Development.⁷⁵ In order to provide viable economic alternatives to opium poppy cultivation and drug production, U.S. officials have developed a three-phased plan that directly links development initiatives to overall counternarcotics efforts through a comprehensive program targeted to opium producing areas. The first phase of the alternative livelihoods plan calls for an acceleration of existing agricultural development initiatives, including improvements to agricultural market infrastructure, farmer education programs, and micro-credit lending systems to support rural families. The new efforts build on existing USAID programs to develop integrated systems of crop processing facilities, storage areas, roads, and markets, and to restore wheat and other cereal crop production levels. Work began on phase one projects in early 2005 and will continue through 2006.

The second phase of the plan consists of a one-year “immediate needs”/ “cash-for-work” program that is sponsoring labor intensive work projects to provide non-

⁷³ Interior Ministry spokesman Lutfullah Mashal. *Agence France Presse*, “Afghan Drugs Kingpin Seized by US was Untouchable in Afghanistan: Experts,” Apr. 27, 2005.

⁷⁴ Author interview with U.S. officials, Kabul, Afghanistan, January 2005 and Washington, D.C., May 2005.

⁷⁵ Sources: Author interviews with USAID officials, Kabul, Afghanistan, January 2005; and USAID Alternative Livelihoods Conference, Washington, D.C., May 2005.

opium incomes to rural laborers and to rehabilitate agricultural infrastructure. The program began in December 2004 and is scheduled for completion in November 2005; it may be renewed in 2006. USAID personnel design “immediate needs” projects in consultation with local councils and tribal leaders in districts where crop eradication has been planned or where farmers have agreed to cease poppy cultivation.⁷⁶ According to USAID, in the main opium producing provinces of Nangarhar and Helmand, close to 30,000 thousand laborers are engaged in a series of irrigation and drainage system rehabilitation projects designed to create job opportunities and improve the ability of local farmers to grow non-poppy cash crops. USAID reports state the program’s goal is “to have paid \$20 million in wages and created 5 million days of work in the Provinces of Helmand and Nangarhar” by November 2005.⁷⁷

The third, “comprehensive development” phase of the plan is scheduled to be implemented from mid-2005 through 2009 in key poppy-producing provinces. Planned projects include long-term infrastructure development for urban and rural areas, credit and financial services expansion, agricultural diversification, and private investment support. The Afghan government has requested that USAID expand its alternative livelihood programs into the provinces of Ghor, Dai Kundi, Konar, Farah, and Uruzgan by the end of 2005, and USAID personnel are consulting with contractors and security officials on initial projects scheduled for introduction to those provinces from July 2005 onward. A Counter-Narcotics Trust Fund has been established to manage international donations for alternative livelihood programs and judicial and law enforcement reform. Since the fall of the Taliban, Japan and Iran have provided funding to support agricultural development efforts in Afghanistan. The British Department for International Development also sponsors research on rural livelihoods and the implementation of alternative livelihood programs, including cash-for-work activities in the remote northern province of Badakhshan.⁷⁸

Table 4. Alternative Livelihood Proposed Spending Targets by Province, FY2005-2007
(\$ millions)

Province	Immediate Needs	Comprehensive Development	Province Share of Nationwide Poppy Cultivated Area
Nangarhar and Laghman	\$18	\$110	21.1%
Helmand and Kandahar	\$19	\$120	34.2%
Badakhshan and Takhar	\$1.5	\$60	8.6%

Source: USAID, Alternative Livelihoods Update: Issue 2, March 16 — 31, 2005.

⁷⁶ USAID has established a “Good Performer’s Fund” to reward districts that end cultivation with high visibility infrastructure development projects.

⁷⁷ USAID, Alternative Livelihoods Update: Issue 3, Apr. 1-15, 2005.

⁷⁸ Ben Russell, “Afghans Warned They Face Bleak Future Unless Illegal Heroin Trade Is Curbed,” *The Independent* (London), Feb. 9, 2004.

Interdiction. Reflecting on the absence of effective counternarcotics institutions and authorities in post-Taliban Afghanistan, international authorities led by the United States Drug Enforcement Administration (DEA) established a series of cooperative interdiction initiatives in countries neighboring Afghanistan beginning in early 2002. The primary U.S.-led effort, known as “Operation Containment,” is designed to “implement a joint strategy to deprive drug trafficking organizations of their market access and international terrorist groups of financial support from drugs, precursor chemicals, weapons, ammunition and currency.”⁷⁹ Operation Containment has continued since early 2002 and currently involves “nineteen countries from Central Asia, the Caucasus, Europe and Russia.”⁸⁰ According to the DEA, Operation Containment activities were responsible for the seizure of “2.4 metric tons of heroin, 985 kilograms of morphine base, three metric tons of opium gum, 152.9 metric tons of cannabis, and 195 arrests” in the first quarter of 2005.⁸¹ A similar multinational DEA-led effort named Operation Topaz has focused on interdicting acetic anhydride — a primary heroin production precursor chemical — to Afghanistan.

In addition to ongoing international narcotics and precursor interdiction initiatives under Operation Containment and Operation Topaz, U.S. officials are providing increased support to Afghan government interdiction efforts through intelligence cooperation, training programs, equipment transfers, and joint operations. The DEA has expanded its presence in Afghanistan since January 2003, although in the past DEA officials have cited restrictions on the capabilities and freedom of movement of their staff in Afghanistan due to a general lack of security outside of Kabul. On November 17, the DEA announced plans to deploy DOD-supported Foreign Advisory and Support Teams (FAST) to Afghanistan “to provide guidance and conduct bilateral investigations that will identify, target, and disrupt illicit drug trafficking organizations.” FAST teams have been deployed to Afghanistan with Defense Department support and are currently conducting operations and providing mentoring to newly-trained Afghan recruits.

U.S. military forces in Afghanistan will not directly target drug production facilities or pursue drug traffickers as part of the new U.S. initiative.⁸² Current rules of engagement allow U.S. forces to seize and destroy drugs and drug infrastructure discovered during the course of routine military operations.⁸³ U.S. forces continue to provide intelligence and air support to Afghan and British forces during interdiction missions, including the destruction of heroin laboratories and opiate storage warehouses. U.S. initiatives that supply Afghan counternarcotics and border police with tents, boots, communication equipment, and training are expected to

⁷⁹ DEA Administrator Karen P. Tandy, House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy and Human Resources, Feb. 26, 2004.

⁸⁰ *Ibid.*

⁸¹ Statement of Michael Braun, Chief of Operations - Drug Enforcement Agency, Before the House Committee on International Relations, Mar. 17, 2005.

⁸² Defense Department response to CRS inquiry, Nov. 12, 2004.

⁸³ Testimony of Thomas W. O’Connell, Assistant Secretary of Defense for Special Operations and Low-intensity Conflict Before House International Relations Committee, Feb. 12, 2004; and Defense Department response to CRS inquiry, Nov. 12, 2004.

continue. Defense Department and military personnel plan to focus future efforts on further improving Afghanistan's border security and providing greater intelligence support to Afghan law enforcement officials through joint military/DEA/Afghan "intelligence fusion centers" located at U.S. facilities in Kabul and the Afghan Ministry of Interior.⁸⁴

British forces currently contribute to a central targeting operation that identifies opiate warehouses and processing facilities for destruction. British Customs and Excise authorities also work with Afghan officials through mobile heroin detection units in Kabul. British military forces reportedly will operate under more permissive rules of engagement that will allow them to carry out "opportunistic strikes" against narcotics infrastructure and to support Afghan eradication teams with a "rapid-reaction force." British officials also have discussed proposals to transfer 5,000 troops to the major opium growing provinces of Helmand and Kandahar in 2006, when the United Kingdom is scheduled to assume control over provincial reconstruction teams there.⁸⁵

Eradication. Critics have cited growth in opium poppy cultivation figures as evidence that manual eradication campaigns have failed to serve as a credible deterrent for Afghan farmers. Plans developed by the Department of State, in consultation with Afghan authorities, called for early and more robust opium poppy eradication measures for the 2004-2005 growing season to provide a strong deterrent to future cultivation. The Afghan Central Poppy Eradication Force (CPEF) carried out limited operations with support from U.K. intelligence officers, U.S. advisors, and international contractors in early 2005. Field reports indicated that CPEF personnel met violent resistance from farmers in some instances and largely failed to meet their eradication targets for the 2004-2005 season.⁸⁶

The centrally organized and executed eradication plan marked a departure from previous eradication campaign strategies, which largely relied upon governors and local authorities to target and destroy crops. Most governors pledged to support President Karzai's eradication initiatives in 2005, and U.S. officials report that areas where governors and local leaders embraced and enforced the central government's eradication demands saw significant reductions in poppy cultivation. In the past, governor-led eradication has received some criticism because of uneven enforcement and charges of corruption (i.e. reports that some governors allowed opium growth in some areas, while demanding bribes or eradicating the fields of political opponents). Prior to 2005, accounts also surfaced of low-yield or diseased crops being targeted

⁸⁴ Statement of Lennard J. Wolfson, Assistant Deputy Director for Supply Reduction, Office of National Drug Control Policy, Committee on House Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources, May 10, 2005.

⁸⁵ Jason Burke, "British to Destroy Afghan Heroin," *Observer* (London), Dec. 5, 2004; and Nick Meo, "Iraq: Up to 5,000 British Troops Sought for Afghanistan Drugs Crackdown," *Independent On Sunday* (London), Dec. 5, 2004.

⁸⁶ Author conversation with U.S. official, Washington, D.C., May 2005.

for destruction in order to meet quotas and minimize backlash from local farmers.⁸⁷ Field observations demonstrated that previous compensation plans encouraged some Afghans to resume or increase future opium poppy cultivation in the hope of receiving cash payments for the eventual eradication of their crops.

Issues for Congress

Experts and government officials have warned that narcotics trafficking may jeopardize the success of international efforts to secure and stabilize Afghanistan. U.S. officials believe that efforts to reverse the related trends of opium cultivation, drug trafficking, corruption, and insecurity must expand if broader strategic objectives are to be achieved. A broad interagency initiative to assist Afghan authorities in combating the narcotics trade has been developed, but the effectiveness of new U.S. efforts will not be apparent until later this year. Primary issues of interest to the Congress include program funding, the role of the U.S. military, and the scope and nature of eradication and development assistance initiatives. The 108th Congress addressed the issue of counternarcotics in Afghanistan in intelligence reform proposals, and the 109th Congress is considering counternarcotics policy proposals in relation to FY2006 appropriation and authorization requests.

Breaking the Narcotics-Insecurity Cycle

As noted above, narcotics trafficking and political instability remain intimately linked across Afghanistan. U.S. officials have identified narcotics trafficking as a primary barrier to the establishment of security and consider insecurity to be a primary barrier to successful counternarcotics operations. Critics of existing counternarcotics efforts have argued that Afghan authorities and their international partners remain reluctant to directly confront prominent individuals and groups involved in the opium trade because of their fear that confrontation will lead to internal security disruptions or armed conflict with drug-related groups. Afghan authorities have expressed their belief that “the beneficiaries of the drugs trade will resist attempts to destroy it,” and have argued that “the political risk of internal instability caused by counternarcotics measures” must be balanced “with the requirement to project central authority nationally” for counternarcotics purposes.⁸⁸ Conflict and regional security disruptions have accompanied recent efforts to expand crop eradication programs and previous efforts to implement central government counternarcotics policies.

U.S. officials have identified rural security and national rule of law as prerequisites for effective counternarcotics policy implementation, while simultaneously identifying narcotics as a primary threat to security and stability.⁸⁹

⁸⁷ Nick Jackson, “Record Poppy Crop Makes Mockery of Afghanistan’s ‘Jihad’ on Opium,” *Independent on Sunday (London)*, Apr. 18, 2004.

⁸⁸ National Drug Control Strategy, Transitional Islamic State of Afghanistan, May 18, 2003.

⁸⁹ “Poppy cultivation is likely to continue until responsible governmental authority is (continued...)”

Although an increasing number of Afghan police, security forces, and counternarcotics authorities are being trained by U.S. and coalition officials, the size and capability of Afghan forces may limit their power to effectively challenge entrenched drug trafficking groups and regional militia in the short term. Specifically, questions remain as to whether Afghan security and counternarcotics forces alone will be able to establish the security conditions necessary for the more robust eradication, interdiction, and alternative livelihood programs planned by U.S. and Afghan officials. From a political perspective, U.S. officials expect that parliamentary and provincial elections will contribute to the political legitimacy of government counternarcotics initiatives; however, the creation of sufficient political and military stability for effective counternarcotics operations is likely to remain a significant challenge. The death of several local contractor employees working on USAID alternative livelihood projects in May 2005 brought renewed urgency to these concerns.

Balancing Counterterrorism and Counternarcotics

In pursuing counterterrorism objectives, Afghan and coalition authorities also must consider difficult political choices when confronting corrupt officials, militia leaders, and narcotics traffickers. Regional and local militia commanders with alleged links to the opium trade played significant roles in coalition efforts to undermine the Taliban regime and capture Al Qaeda operatives, particularly in southeastern Afghanistan. Since late 2001, some of these figures have been incorporated into government and security structures, including positions of responsibility for enforcing counternarcotics policies.⁹⁰ According to Afghanistan scholar Barnett Rubin, “the empowerment and enrichment of the warlords who allied with the United States in the anti-Taliban efforts, and whose weapons and authority now enabled them to tax and protect opium traffickers,” have provided the opium trade “with powerful new protectors.”⁹¹

Pragmatic decisions taken since 2001 to prioritize counterterrorism operations and current plans to enforce counternarcotics policies more strictly may conflict with each other, forcing Afghan and coalition authorities to address seemingly difficult

⁸⁹ (...continued)

established throughout the country and until rural poverty levels can be reduced via provision of alternative livelihoods and increased rural incomes... Drug processing and trafficking can be expected to continue until security is established and drug law enforcement capabilities can be increased. “ State Department, INCSR, March 2005.

⁹⁰ See Syed Saleem Shahzad, “U.S. Turns to Drug Baron to Rally Support,” *Asia Times*, Dec. 4, 2001; Charles Clover and Peronet Despeignes, “Murder Undermines Karzai Government,” *Financial Times*, July 8, 2002; Susan B. Glasser, “U.S. Backing Helps Warlord Solidify Power,” *Washington Post*, Feb. 18, 2002; Ron Moreau and Sami Yousafzai, with Donatella Lorch, “Flowers of Destruction,” *Newsweek*, July 14, 2003; Andrew North, “Warlord Tells Police Chief to Go,” *BBC News*, July 12, 2004; Steven Graham, “Group: Warlords to Hinder Afghan Election,” *Associated Press*, Sep. 28, 2004; and Anne Barnard and Farah Stockman, “U.S. Weighs Role in Heroin War in Afghanistan,” *Boston Globe*, Oct. 20, 2004.

⁹¹ Rubin, “Road to Ruin: Afghanistan’s Booming Opium Industry,” Oct. 7, 2004.

contradictions. “Tactical” coalition allies in militia and other irregular forces with ties to the drug trade may inhibit the ability of the central government to extend its authority and enforce its counternarcotics policies. These issues may weigh strongly in decision concerning the feasibility and prospects for success of continuing counterterrorism and counternarcotics operations. One senior Defense Department official recently argued that U.S. counternarcotics strategy in Afghanistan must recognize “the impact the drug trade has on our other policy objectives, while complementing (and not competing with) our other efforts in furtherance of those objectives.”⁹²

Defining the Role of the U.S. Military

Some observers have argued that U.S. and coalition military forces should play an active, direct role in targeting the leaders and infrastructure of the opiate trade. Although U.S. Central Command (CENTCOM) officials have indicated that “the DoD counter-narcotics program in Afghanistan is a key element of our campaign against terrorism,”⁹³ military officials reportedly have resisted the establishment of a direct counternarcotics enforcement role for U.S. forces in Afghanistan. Critics claim that a direct enforcement role for U.S. or coalition forces may alienate them from the Afghan population, jeopardize ongoing counterterrorism missions that require Afghan intelligence support, and divert already stretched military resources from direct counter-insurgent and counterterrorism operations. According to the Defense Department, U.S. military forces are authorized to seize narcotics and related supplies encountered during the course of normal stability and counterterrorism operations. A total of 19 seizures were reported by U.S. forces in Afghanistan from July 2004 to March 2005.

Current U.S. policy calls for an expanded role for U.S. military forces in training, equipping, and providing intelligence and airlift support for Afghan counternarcotics teams but stops short of elevating narcotics targets to a direct priority for U.S. combat teams. The Senate version of the FY2006 Defense Authorization Bill (S. 1042) would authorize “the use of U.S. bases of operation or training facilities to facilitate the conduct of counterdrug activities in Afghanistan,” in response to the Defense Department’s request “to provide assistance in all aspects of counterdrug activities in Afghanistan, including detection, interdiction, and related criminal justice activities.”⁹⁴ Section 1033 of S. 1042 would allow the Defense Department to provide a range of technical and operational support to Afghan counternarcotics authorities based on provisions of the National Defense Authorization Act for Fiscal Year 1991 (P.L. 101- 510, Section 1004). This would

⁹² Testimony of Mary-Beth Long, Deputy Assistant Secretary of Defense for Counternarcotics before the House Committee on International Relations, Mar. 17, 2005.

⁹³ “U.S. CENTCOM views narcotrafficking as a significant obstacle to the political and economic reconstruction of Afghanistan... Local terrorist and criminal leaders have a vested interest in using the profits from narcotics to oppose the central government and undermine the security and stability of Afghanistan.” Major Gen. John Sattler, USMC, Dir. of Operations - US CENTCOM before the House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Apr. 21, 2004.

⁹⁴ S.Rept. 109-69.

include transportation of personnel and supplies, maintenance and repair of equipment, the establishment and operation of bases and training facilities, and training for Afghan law enforcement personnel.

Redefining Eradication

Proponents of swift, widespread eradication argued that destroying a large portion of the 2004-2005 opium poppy crop was necessary in order to establish a credible deterrent before opium production in Afghanistan reaches an irreversible level. Critics of widespread, near-term eradication argued that eradication in the absence of existing alternative livelihood options for Afghan farmers would contribute to the likelihood that farmers would continue to cultivate opium poppy in the future by deepening opium based debt and driving up opium prices.⁹⁵ U.S. and Afghan authorities maintain that the Central Poppy Eradication Force and government-led eradication programs have been effective in deterring and reducing some opium poppy cultivation in 2005. However, given recent clashes between eradication forces and farmers, some observers and officials have expressed concern about the safety and effectiveness of current ground-based eradication efforts. Some officials have indicated that future “poppy elimination” strategies may rely on early season, locally-executed eradication designed to minimize violent farmer resistance and give families time to plant replacement cash crops.

Aerial Eradication. Policy makers are likely to engage in further debate concerning the option of aerial poppy eradication and its possible risks and rewards. Afghan and U.S. authorities discussed the introduction of aerial eradication to Afghanistan in late 2004, but decided against initiating a program in early 2005 due to financial, logistical, and political considerations. Afghan President Hamid Karzai has expressed his categorical opposition to the use of aerial eradication, citing public health and environmental safety concerns.⁹⁶ Proponents of aerial eradication argue that the large amount of rural land under poppy cultivation in Afghanistan and poor road infrastructure makes ground-based eradication inefficient and subjects eradication teams to unnecessary security threats. Critics of aerial eradication argue that the mixed-crop cultivation patterns common throughout Afghanistan will expose legitimate food crops to damage and warn that aerial spraying may produce widespread, possibly violent resistance by villagers with vivid memories of centrally directed Soviet military campaigns to destroy food crops and agricultural infrastructure. The Senate report on the FY2005 supplemental appropriations bill (H.R. 1268) specifies that “none of the funds recommended by the Committee may

⁹⁵ Afghanistan’s National Drug Control Strategy expects that farmers with a “legacy of debt” will find that their “situation will be exacerbated by eradication efforts.” A September 2004 British government report argues that “if not targeted properly, eradication can have the reverse effect and encourage farmers to cultivate more poppy to pay off increased debts.” Response of the Secretary of State for Foreign and Commonwealth Affairs (UK) to the Seventh Report from the House of Commons Foreign Affairs Committee, September 2004.

⁹⁶ Office of the Spokesperson to the President — Transitional Islamic State of Afghanistan, “About the Commitment by the Government of Afghanistan to the Fight Against Narcotics and Concerns About the Aerial Spraying of Poppy Fields.”

be available for aerial eradication programs within Afghanistan absent a formal request by the President of Afghanistan seeking such support.”

Reports of unauthorized aerial spraying in eastern Nangarhar province in mid-November 2004 angered Afghan officials and led to an investigation by the Afghan Ministries of Agriculture and Health of claims that crops had been sprayed with herbicides by unidentified aircraft. The government investigation reportedly revealed that unidentified chemicals were present in soil samples, that non-narcotic crops had been destroyed, and that an increase in related illnesses in local villages had occurred. Afghan officials cited U.S. control of Afghan airspace in their subsequent demands for an explanation. U.S. and British officials have denied involvement in the spraying and assured Afghan authorities that they support President Karzai’s position.⁹⁷ In early December 2004, U.S. Ambassador to Afghanistan Zalmay Khalilzad suggested that “some drug-associated people” may have sprayed the crops “in order to create the sort of distrust and problem between Afghanistan and some of its allies.”⁹⁸ Observers noted that the vocal negative reaction of the Afghan population and government to an alleged isolated spraying incident illustrates the type of popular opposition that may accompany any future aerial eradication program.

Afghan government officials would have to approve any future aerial spraying operations undertaken by U.S. or coalition forces in Afghanistan. Any future aerial eradication in Afghanistan also would require specific funding and the introduction of airframes and military support aircraft that exceed current U.S. capabilities in the region. Aerial eradication programs, if employed in the future, could feature the use of chemical herbicide such as the glyphosate compound currently approved for use in Colombia. The use of *mycoherbicides*, or fungal herbicides, also has been discussed in recent congressional testimony.⁹⁹ Opium poppy-specific mycoherbicide has been developed with U.N., U.K., and U.S. support at the Institute of Genetics and Experimental Biology, a former Soviet biological warfare facility in Tashkent, Uzbekistan.¹⁰⁰ Mycoherbicide tests continue, including efforts by USDA’s Agricultural Research Service, although USDA officials and others have expressed various concerns about the use of mycoherbicides for counternarcotics purposes.¹⁰¹

⁹⁷ See David Brunnstrom, “Afghans Committed to Drug War But Against Spraying,” *Reuters*, Nov. 19, 2004; and Stephen Graham, “Afghan Government Concerned at Spraying of Opium Crops by Mystery Aircraft,” *Associated Press*, Nov. 30, 2004.

⁹⁸ Carlotta Gall, “Afghan Poppy Farmers Say Mystery Spraying Killed Crops,” *New York Times*, Dec. 5, 2004, and *Reuters*, “U.S. Says Drug Lords May Have Sprayed Afghan Opium,” Dec. 2, 2004.

⁹⁹ *Ibid.*

¹⁰⁰ See Nicholas Rufford, “Secret Bio-weapon Can Wipe Out Afghan Heroin,” *Sunday Times* (London), May 26, 2002; Antony Barnett, “UK in Secret Biological War on Drugs,” *Observer* (London), Sept. 17, 2000; Juanita Darling, “Fungi May Be the Newest Recruits in War on Drugs Colombia,” *Los Angeles Times*, Aug. 30, 2000.

¹⁰¹ According to a USDA official, “The Department of Agriculture, as an agency, is opposed to the idea [of using mycoherbicides in Afghanistan]: The science is far from complete; There are real environmental and possible human health negative implications; There are (continued...) ”

Pending Legislation and Counternarcotics Funding

Several intelligence reform proposals in the 108th Congress sought to address the 9/11 Commission's recommendation on expanding the U.S. commitment to Afghanistan's security and stability, including U.S. counternarcotics efforts. Section 7104 of the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108 — 458) states the sense of Congress that “the President should make the substantial reduction of illegal drug production and trafficking in Afghanistan a priority in the Global War on Terrorism” and calls on the Administration to provide a secure environment for counternarcotics personnel and to specifically target narcotics operations that support terrorist organizations. The act also requires the submission of a joint Defense and State Department report within 120 days of enactment that describes current progress toward the reduction of poppy cultivation and heroin production in Afghanistan and provides detail on the extent to which drug profits support terrorist groups and anti-government elements in and around Afghanistan.

In the 109th Congress, H.R. 1437, the “Afghan Poppy Eradication and Prosperity Act of 2005,” would authorize \$1 billion to support a two-year USAID-led cash for work and poppy eradication pilot program in Afghanistan. Under the program, Afghan laborers would receive \$10 per day of work. As noted above, cash for work programs are currently being administered by USAID and British authorities in Afghanistan. The bill would require an annual report from USAID on progress toward poppy eradication and alternative livelihood creation. The bill has been referred to the House Committee on International Relations.

Helicopter Purchases and FY2005 Requests. A specific State Department request to reprogram \$28 million in FY2005 INCLE funding to support the purchase of helicopters for use in joint U.S./Afghan interdiction missions was held up by the House Committee on International Relations. An original State Department proposal requested reprogramming of funds to purchase 14 Bell 212 helicopters from the government of Israel at a cost of \$2 million per aircraft. Some Members objected to the plan because the helicopters were purchased by Israel using U.S. Foreign Military Sales assistance, and out of concern that Afghan farmers may object to Israeli aircraft being used by Afghan government counternarcotics forces. Others have advocated for the purchase of refurbished U.S. Huey II helicopters as an alternative to the Israel-owned Bell 212 aircraft.

Defense Department officials agreed in March 2005 to provide limited airlift assistance (four operations per month) to U.S. and Afghan interdiction teams using U.S. Blackhawk and Soviet-era Mi-8 helicopters. Successful interdiction operations in remote areas have been carried out on this basis since mid-March 2005, and further helicopter leasing and pilot training arrangements have been made. The Senate report on the FY2005 supplemental appropriation (S.Rept. 109-52) recommended shifting \$44 million of the \$46.5 million requested for operation and maintenance of helicopters to a pilot program to train local Afghan police forces. Under the terms

¹⁰¹ (...continued)

very real image problems... the use of any agent like this would be portrayed as biological warfare.” USDA response to CRS inquiry, Oct. 19, 2004.

of the Senate report, the Department of State is required to submit a proposal for this training program to the Senate Committee on Appropriations by July 1, 2005.

Counternarcotics Funding. Funding for U.S. counternarcotics operations in Afghanistan consists of program administration costs and financial and material assistance to Afghan counternarcotics authorities. Table 4 (below) displays the funding appropriated for U.S. counternarcotics activities in Afghanistan and related regional programs from FY2002 through FY2005, and includes the President's budget request for FY2006. Table 5 (below) describes the Administration's proposed use for the counternarcotics funding included in the FY2005 supplemental appropriation (P.L. 109-13), which provides \$758.15 million of the \$773.15 million in supplemental FY2005 counternarcotics funding originally requested by the Administration. Under the terms of P.L. 109-13, the Comptroller General must conduct an audit of the use of all Economic Support Fund and International Narcotics Control and Law Enforcement funds for bilateral counternarcotics and alternative livelihood programs in Afghanistan obligated and expended during FY2005.

Table 5. U.S. Counternarcotics Funding for Afghanistan by Source, FY2002-FY2005 and FY2006 Request
(\$ million)

	FY2002		FY2003		FY2004			FY2005		FY2006
	Appropriated Funds	P.L. 107-206	Appropriated Funds	P.L. 108-11	Appropriated Funds	P.L. 108-106	P.L. 107-38	Appropriated Funds	P.L. 109-13	Budget Request
Department of State	\$3.00 ^a	\$60.00	\$3.00 ^a	\$25.00	-	\$170.00 ^b	\$50.00 ^c	\$89.28	\$260.00	\$260.00
Department of Defense	-	-	-	-	-	\$73.00	-	\$15.40	\$242.00	-
Drug Enforcement Agency ^d	(\$0.58)	-	(\$2.92)	-	-	(\$3.96)	-	(\$7.67)	\$7.65	\$79.20 ^e
USAID ^f	-	\$9.99	\$14.29	-	\$53.55	-	-	\$95.69	\$248.50	\$94.50 ^g
Annual Total	\$73.57		\$45.21			\$350.51		\$966.19		\$433.70

Sources: U.S. Agency for International Development - Budget Justifications to the Congress, Department of State - Congressional Budget Justifications for Foreign Operations, Office of the Secretary of Defense - Defense Budget Materials, Office of Management and Budget, and Legislative Information System.

^a \$3 million funding for Southwest Asia Initiative counternarcotics programs in Pakistan partially designed to restrict the flow of Afghan opiates.

^b Of the \$170 million in supplemental funds, \$110 million was channeled toward police training and judicial reform programs.

^c Reprogrammed funds appropriated as part of \$40 billion Emergency Response Fund established in the aftermath of the September 11th attacks.

^d On May 8, 2002, Congress approved a reprogramming of 17 positions and \$15,125,000 in Violent Crime Reduction Program prior year funds to support the Drug Enforcement Administration's 'Operation Containment,' which targets heroin trafficking in Southwest Asia. The figures for FY2002-FY2005 reflect annual expenditure of the reprogrammed obligated funds. (DEA response to CRS request, October 2004.)

^e Requested funds for FY2006 will support "rightsizing DEA's overseas presence, including resources to address the threat of Afghan heroin and to operate effectively in Central Asia and the Middle East." (Office of Management and Budget, Budget of the U.S. Government Fiscal Year 2006, Appendix: Department of Justice.)

^f USAID funding figures for FY2002-FY2005 reflect funds applied to USAID's "Agriculture" and "Agriculture and Alternative Livelihoods" programs (Program #306-001).

^g USAID will shift activities currently funded through its "Agriculture and Alternative Livelihoods" program to a "Thriving Economy Led by the Private Sector" program (Program #306-YYY). Relevant requested funds include \$91.5 million to "Develop and Expand Alternative Development" and \$3 million to "Increase Agricultural Productivity" through continued Rebuilding Agricultural Market Program (RAMP) projects.

Table 6. Planned Use of FY2005 Supplemental Appropriations, P.L. 109-13
(\$ million)

Agency	Amount	Proposed Purpose
Department of Defense (Drug Interdiction and Counter-Drug Activities)	\$242	Funds for training, equipment, intelligence, infrastructure, and information operations related to the campaign against narcotics trafficking and narcotics-related terrorist activities in Afghanistan and the Central Asia area. Of this amount, \$70 million will restore funding to other DoD counternarcotics activities from which funds were used to finance counter-drug assistance to Afghanistan. P.L. 109-13 limits the provision of assistance to \$34 million for the Afghan government and allows for the delivery of individual and crew-served weapons for counter-drug security forces. (Note: The Administration's original request was for \$257 million.)
Department of State (International Narcotics Control and Law Enforcement Account)	\$260	Funds to continue the expanded counternarcotics effort in Afghanistan begun in FY2005. Of the total amount requested, \$95 million will replenish funding advanced to start this expanded effort in the areas of crop eradication, establishment of a National Interdiction Unit, prosecution of drug traffickers, and public information programs. The remaining \$165 million will support the Department of State's contribution to the expanded efforts in eradication (\$89 million), interdiction (\$51 million), law enforcement (\$22 million), and public information (\$3 million).
United States Agency for International Development (Economic Support Fund)	\$248.5	Funds to support alternative livelihoods programs. A portion (\$138.5 million) of the amount will replenish reconstruction and development aid accounts that had been drawn on previously to create alternative livelihood programs in late 2004 and early 2005. The balance (\$110 million) will be used to expand alternative livelihood programs beyond pilot provinces.
Drug Enforcement Agency	\$7.65	Funds to support and equip DEA's Foreign Advisory Support Teams (FAST) and to provide operational support for a 100-member Afghan Narcotics Interdiction Unit (NIU).
Total FY2005 Supplemental Appropriation	\$758.15	

Source: P.L. 109-13 and Office of Management and Budget, Estimate #1: Emergency Supplemental — Ongoing Military Operations in the War on Terror; Reconstruction Activities in Afghanistan; Tsunami Relief and Reconstruction; and Other Purposes, February 14, 2005.

Appendix A

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