



# Afghanistan: Narcotics and U.S. Policy

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## Summary

Opium poppy cultivation and drug trafficking have become significant negative factors in Afghanistan's fragile political and economic order over the last 25 years. Afghan, U.S., and coalition efforts to provide viable economic alternatives to poppy cultivation and to disrupt corruption and narco-terrorist linkages succeeded in reducing opium poppy cultivation in some areas during 2004 and 2005. However, escalating violence, particularly in Helmand, and widespread corruption fueled a surge in cultivation in 2006 and 2007, pushing opium output to all-time highs. Cultivation has decreased in north-central Afghanistan and skyrocketed in the southwest. In spite of ongoing efforts by the Afghan government, the United States, and their partners, Afghanistan is now the source of 93% of the world's illicit opium.

Across Afghanistan, militia commanders, criminal organizations, and corrupt officials have exploited narcotics as a reliable source 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. U.N. officials estimated that in-country illicit revenue from the 2006 opium poppy crop reached over \$3 billion, sustaining fears that Afghanistan's economic recovery continues to be underwritten by drug profits. 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 the resurgent remnants of the Taliban and some Al Qaeda operatives. Although coalition forces may be less frequently relying on figures involved with narcotics for intelligence and security support, many observers have warned that drug-related corruption among appointed and elected Afghan officials may create new political obstacles to further progress.

President Bush personally stated in February 2007 that narcotics are "a direct threat to a free future for Afghanistan" and warned that, "the Taliban uses drug money to buy weapons ... and they pay Afghans to take up arms against the government." Afghan president Hamid Karzai has identified the opium economy as "the single greatest challenge to the long-term security, development, and effective governance of Afghanistan." In August 2007, the Administration unveiled plans to strengthen counternarcotics efforts through a renewed focus on promoting rural development, coordinating counterinsurgency and counternarcotics, and building political will. Members of the 110<sup>th</sup> Congress may be asked to consider options for further strengthening counternarcotics efforts. The Administration requested \$1.54 billion in regular and supplemental counternarcotics assistance and related defense funding for Afghanistan and surrounding countries for FY2007 and FY2008.

In addition to describing the structure of the Afghan narcotics trade, this report provides current statistical information, profiles the narcotics trade's participants, explores narco-terrorist linkages, and reviews U.S. and international policy responses since late 2001. The report also considers current policy debates regarding the counternarcotics roles of the U.S. military, poppy eradication, alternative livelihoods, and funding issues for Congress. The report will be updated to reflect major developments. For more information on Afghanistan, see CRS Report RL30588, *Afghanistan: Post-War Governance, Security, and U.S. Policy*, by Kenneth Katzman.

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## Introduction

In spite of ongoing international efforts to combat Afghanistan's narcotics trade, U.N. officials estimate that a record opium poppy crop was produced in Afghanistan during the 2006-2007 season that supplied 93% of the world's illicit opium.<sup>1</sup> 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. 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 recurring debate in the Bush Administration and in Congress concerning the United States' 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 necessities and emerging political realities. Coalition forces pursuing regional security and counterterrorism objectives may rely on the cooperation of commanders, tribal leaders, and local officials who may be involved in the narcotics trade. Similarly, U.S. officials and many observers believe that the introduction of a democratic system of government to Afghanistan has been accompanied by the election and appointment of narcotics-associated individuals to positions of public office.

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 an unprecedented upsurge of opium poppy cultivation and heroin production: they continue to implement 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 during the first session of the 110<sup>th</sup> Congress as such options continue to be debated.

## Afghanistan's Opium Economy

Opium production has become an entrenched negative 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.<sup>2</sup> Since the 1980s, a trend of increasing opium

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<sup>1</sup> United Nations Office on Drugs and Crime (UNODC)/Government of Afghanistan Ministry of Counternarcotics (MCN), *Afghan Opium Survey 2007 - Executive Summary*.

<sup>2</sup> See Jonathan C. Randal, "Afghanistan's Promised War on Opium," *Washington Post*, November 2, 1978, and Stuart (continued...)

poppy cultivation and opium production has unfolded during successive periods of insurgency, civil war, fundamentalist government, and recently, international engagement (**Figures 1 and 2**).

During the 2006-2007 poppy growing season, Afghanistan produced a world record opium poppy crop that yielded 8,200 MT of illicit opium—an estimated 93% of the world's supply. This continued the significant reversal of the slight downward trend in national poppy cultivation and opium output that occurred from 2004 to 2005. Afghan government and United Nations reporting finds that downward trends continue in many northern provinces, while remote areas in eastern provinces and the conflict-ridden southern provinces continue to provide growth opportunities for traffickers and farmers. In relation to this trend, the United Nations Office on Drugs and Crime (UNODC) concludes that “opium cultivation in Afghanistan is no longer associated with poverty,” but rather, “is now closely linked to insurgency,” as the Taliban have “started to extract from the drug economy resources for arms, logistics and militia pay.”<sup>3</sup>

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. 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 threatens to transform Afghanistan into a failed narco-state.

## **Current Production Statistics**

According to the 2007 Afghanistan Opium Survey conducted by the UNODC and the Afghan Ministry of Counternarcotics (MCN):

- Opium poppy cultivation took place in 21 Afghan provinces in 2006-2007 (see **Figure 3**). The land area under poppy cultivation rose by 59% to 165,000 hectares in 2005-2006 (equal to 3.65% of Afghanistan's arable land). The increase was concentrated in conflict-ridden Helmand province, which produced over 69,000 hectares of poppy—42% of the national total and an area greater than or equivalent to the entire country's poppy cultivation for most of the 1980s and 1990s. The U.S. government estimates that 172,600 hectares were cultivated in 2006.
- The 2006-2007 opium poppy crop produced 8,200 MT of illicit opium, a 34% increase from the prior season. Crop yields improved 15% due to better weather conditions. A range of accepted opium to heroin conversion rates indicate that this year's estimated opium yield of 8,200 MT could produce 820 to 1160 MT of refined heroin.<sup>4</sup> The U.S. government estimated that 5,644 MT of opium were produced in 2005-2006.

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(...continued)

Auerbach, “New Heroin Connection: Afghanistan and Pakistan Supply West With Opium,” *Washington Post*, October 11, 1979.

<sup>3</sup> UNODC, *Afghanistan Opium Survey 2007 - Executive Summary*, pp. iv-v.

<sup>4</sup> UNODC/Afghan Gov., *Afghanistan Opium Survey 2004*, November 2004, pp. 105-7.

- Approximately 509,000 Afghan families cultivated opium poppy in 2006-2007, a 64% increase from 2005 and equal to roughly 3.3 million people or 14.3% of the Afghan population. Over 500,000 laborers and an unknown number of traffickers, warlords, and officials also participate.
- The estimated \$1 billion farmgate value of Afghanistan's 2006-2007 illicit opium harvest is equivalent in value to approximately 13% of the country's licit GDP. Trafficking proceeds may exceed \$2 billion. Many licit and emerging industries are financed or supported by profits from narcotics trafficking.<sup>5</sup>

The 2007 UNODC/MCN report identifies insecurity and poor governance as the major factors that fueled the large growth in poppy cultivation and opium production during the 2005-2006 season. The report echoes previous assessments that significant sustainable declines in opium poppy cultivation occurred in provinces and districts that were economically integrated and politically stable and in those that received alternative livelihood assistance and where effective eradication took place. 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 reduced raw opium price levels (**Table 1**) and may undercut price incentives for farmers to cultivate poppy. Price levels have declined across Afghanistan as poppy cultivation and opium production have increased since 2004.<sup>6</sup>

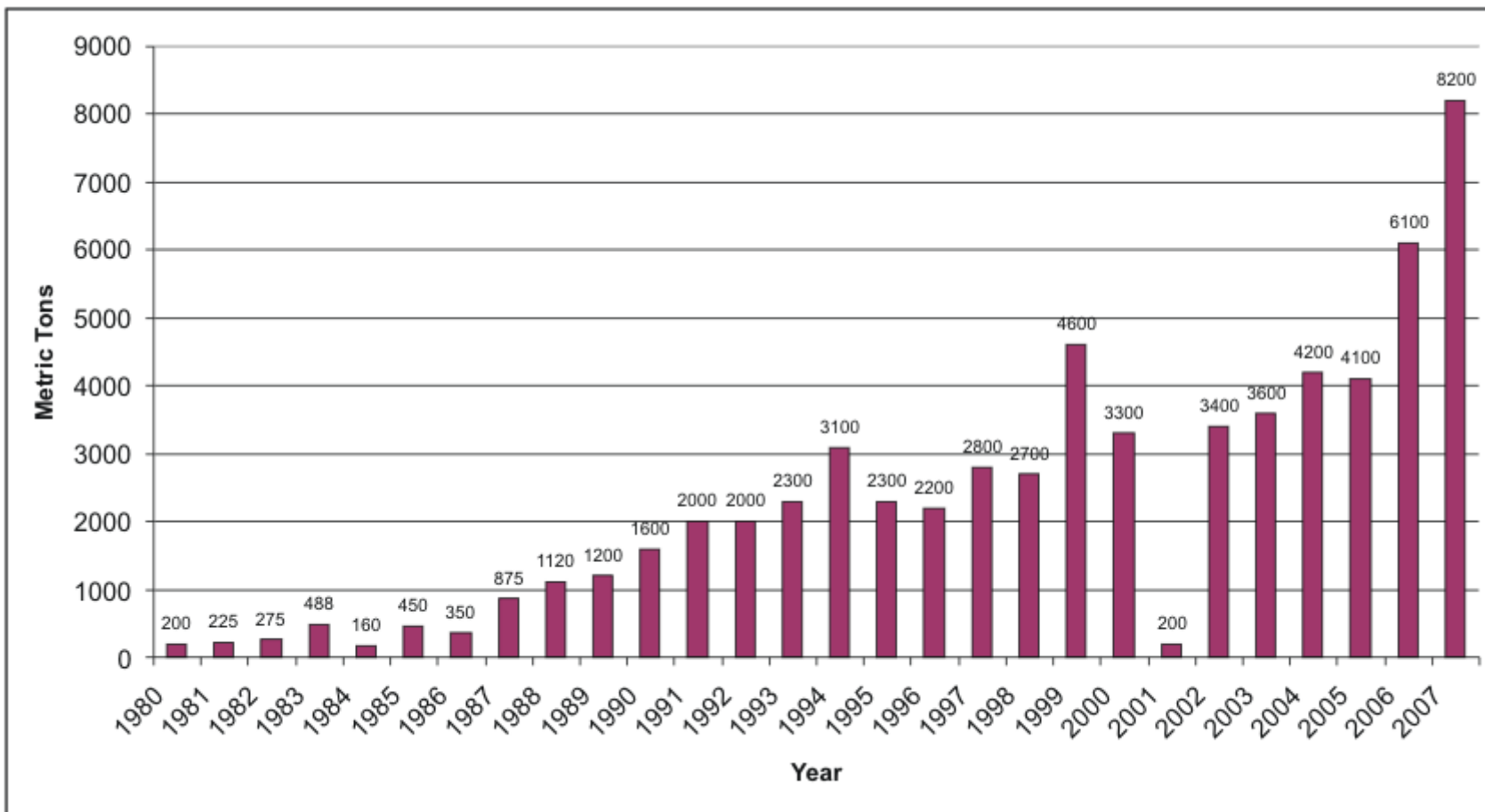
**Note:** The following figures display trends in poppy cultivation and opium production in Afghanistan over the last 25-plus years. The sharp declines in the 2000-2001 growing season are related to the Taliban decision to ban opium poppy cultivation. According to U.S. officials, opium trafficking continued unabated.

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<sup>5</sup> Edouard Martin and Steven Symansky, "Macroeconomic Impact of the Drug Economy and Counter-Narcotics Efforts," in Doris Buddenberg and William A. Byrd (eds.), *Afghanistan's Drug Industry: Structure, Functioning, Dynamics, and Implications for Counter-Narcotics Policy*, World Bank/UNODC, November 2006.

<sup>6</sup> UNODC/MCN, *Afghanistan Opium Survey 2007 - Executive Summary*, September 2007.

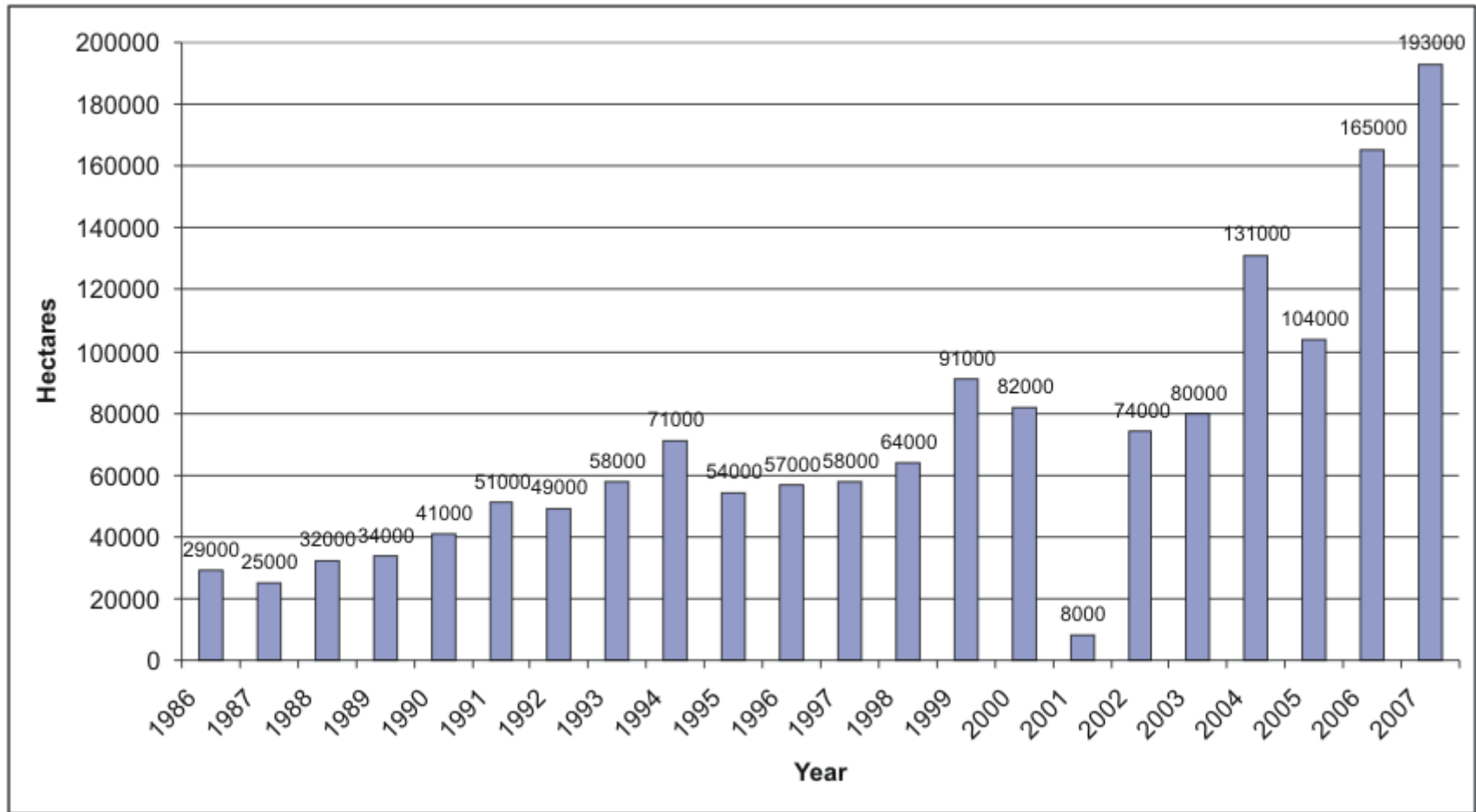
Figure I. Opium Production in Afghanistan, 1980-2007



**Source:** Graphic developed by CRS using UNODC/MCN data. One metric ton is equal to 2,200 pounds. U.S. government estimates placed 2006 opium production at 5,644 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.

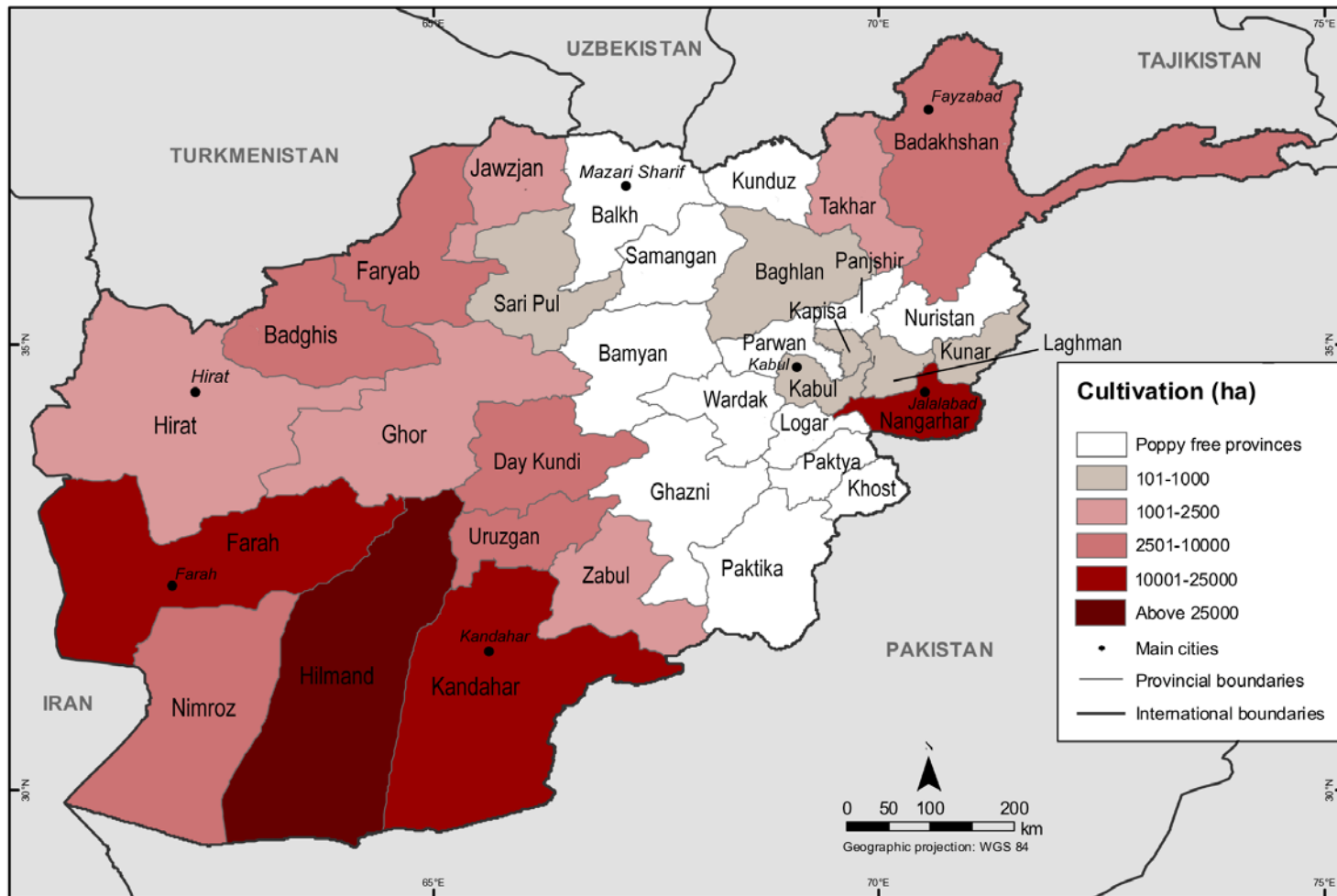


Figure 2. Opium Poppy Cultivation in Afghanistan, 1986-2007



Source: Graphic developed by CRS using UNODC/MCN data. One hectare is equal to 10,000 square meters. U.S. government estimates placed 2006 opium cultivation at 172,600 hectares. 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 by Province, 2006-2007



Source: Map from UNODC/MCN, Afghanistan Opium Survey 2007 - Executive Summary.

**Table I. Recent Opium Prices in Afghanistan**  
(regionally weighted fresh opium farmgate<sup>a</sup> price US\$/kilogram)

	2000	2001 <sup>b</sup>	2002	2003	2004	2005	2006	2007
Opium Price	\$28	\$301	\$350	\$283	\$92	\$102	\$94	\$86

**Source:** United Nations Office on Drugs and Crime, Afghanistan Opium Surveys 2004-2007.

- a. Farmgate price for fresh opium is the price paid to farmers for non-dried opium.
- 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.<sup>7</sup> 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."<sup>8</sup> 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 remains 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 mujahideen 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.<sup>9</sup> Elements of Pakistan's Inter-Services Intelligence (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

<sup>7</sup> 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*, November 2, 1978.

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

<sup>9</sup> 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 Post*, December 17, 1983.

markets.<sup>10</sup> 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.<sup>11</sup> 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.<sup>12</sup> Although U.S. and international officials initially applauded the Taliban policy shift, many 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.<sup>13</sup>

## **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.<sup>14</sup> The United Kingdom was designated the lead nation for international counternarcotics assistance and policy

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<sup>10</sup> 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*, November 19, 1989; Kathy Evans, "Money is the Drug," *The Guardian* (UK), November 11, 1989; and Lawrence Lifschultz, "Bush, Drugs and Pakistan: Inside the Kingdom of Heroin," *The Nation*, November 14, 1988.

<sup>11</sup> 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.

<sup>12</sup> UNODC, "The Opium Economy in Afghanistan," p. 92.

<sup>13</sup> 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*, December 25, 2001. See **Table 1** and UNODC, *Opium Economy in Afghanistan*, p. 57.

<sup>14</sup> The Bonn Agreement, December 5, 2001.

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 failed to reverse an overall trend of increasing opium poppy cultivation and opium output, although year-on-year reductions occurred from 2004 to 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.<sup>15</sup> 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."<sup>16</sup> Household debt and land access needs also motivate opium poppy cultivation. Cultivation patterns and motives vary from district to district.

### 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, 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 2005 UNODC/MCN opium survey reported that *salaam* lending had continued. Increased debt has led some farmers to mortgage land and to agree to cultivate opium poppy in

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<sup>15</sup> 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**.

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

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. The 2005 UNODC/MCN opium survey warned that in areas where farmers carry high salaam and other loan debt, significant decreases in opium poppy cultivation and associated revenue may be “potentially problematic” and could have created “severe financial pressure on to farmers to resume opium production [in 2006] in order not to default.”

## **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.<sup>17</sup> Although opium prices have fallen since reaching a peak of \$350/kg in 2002, farmers have experienced greater profit loss than land owners.<sup>18</sup> 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.<sup>19</sup> According to the UNODC, “most of the opium produced in Afghanistan is converted to heroin within the country.”<sup>20</sup> 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 processing facilities. The large 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.

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

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<sup>17</sup> See UNODC, “An Analysis of the Process of Expansion of Opium Poppy Cultivation to New Districts in Afghanistan,” June 1998.

<sup>18</sup> UNODC, “Afghanistan Opium Survey 2003,” p. 8.

<sup>19</sup> See UNODC, “The Opium Economy in Afghanistan,” pp. 129-40, 165-8.

<sup>20</sup> UNODC/MCN, Afghanistan Opium Survey 2007 - Executive Summary.

such as heroin to Middle Eastern, European, or North American consumer markets.<sup>21</sup> 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.<sup>22</sup> 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.

## 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. Political observers have warned that figures involved with the drug trade have been elected or appointed to public office and may oppose or undermine current and future counternarcotics initiatives.
- **"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.

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<sup>21</sup> "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.

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

## **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 that 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 4**) that constitute “a grave danger” to the “entire state-building and reconstruction agenda.”<sup>23</sup>

### **Anti-Government Elements and Popular Violence**

Anecdotal reporting suggests that armed and well-financed trafficking groups may be encouraging Afghan farmers to violently resist 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.<sup>24</sup> 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.

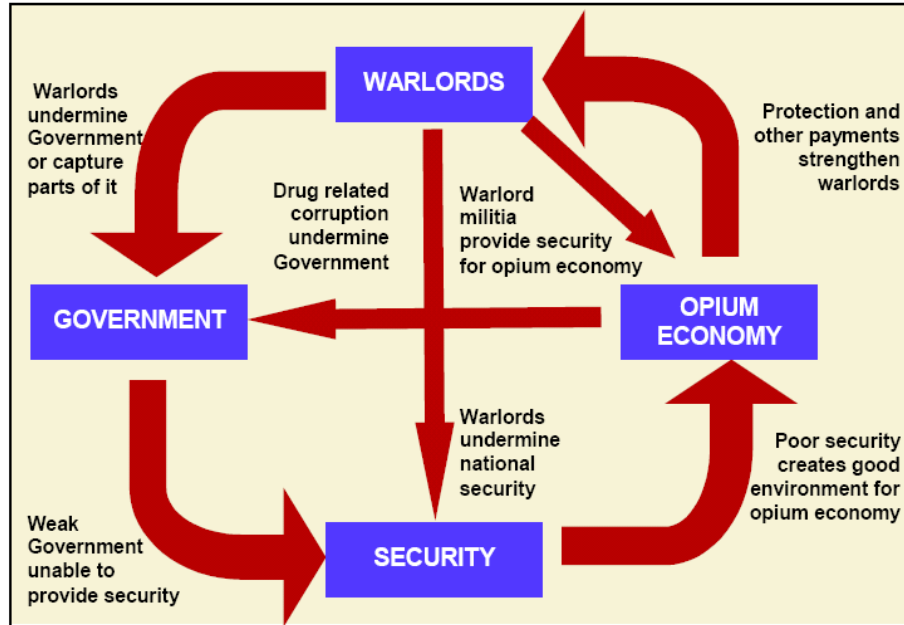
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<sup>23</sup> Testimony of Robert B. Charles, then-Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, House International Relations Committee, September 23, 2004.

<sup>24</sup> 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, August 12, 2004.



Figure 4. 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 patterns of clashes between Afghan farmers and counternarcotics authorities seeking to eradicate crops. Recent clashes have involved eradication teams that include U.S. officials and advisers.<sup>25</sup> In May 2006, fighting between the security detail for a government eradication force and farmers during the destruction of opium crops in the northern province of Sar-e Pol led to the death of two farmers and the wounding of nine Afghan police. Afghan soldiers and police also were killed during 2005 by attackers firing on government eradication forces in Uruzgan and Kandahar. These 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.<sup>26</sup>

### Corruption and Challenges to Afghan Democracy

According to the U.S. State Department's 2007 International Narcotics Control Strategy Report (INCSR) on Afghanistan, "drug-related corruption remains a problem, being particularly pervasive at provincial and district government levels." Although the 2006 report warned that President Karzai's "ability to move vigorously against corruption... is severely constrained by the practical political considerations of a nascent central government," the 2007 report details a number of steps taken by the central government to begin a comprehensive anti-corruption program. In the past, Afghan counternarcotics officials have stated that "high government officials, police commanders, governors are involved" in the drug trade and have identified

<sup>25</sup> Jon Lee Anderson, "The Taliban's Opium War," *New Yorker*, Vol. 83:19, July 9, 2007.

<sup>26</sup> 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.

“former commanders and warlords who are still in power” serving as “district chiefs and local police” as the main problem with regard to corruption.<sup>27</sup>

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.<sup>28</sup> 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, former presidential candidates, and members of parliament are alleged to participate in the opium trade.<sup>29</sup>

As the Afghan government develops stronger counternarcotics policies and capabilities, groups that are involved with the opium trade may join others in seeking to corrupt or subvert Afghanistan’s democratic process. With regard to the Afghan parliament, some experts have argued that drug money may have financed the campaigns of candidates, and at least one expert warned that “drug lords” were candidates.<sup>30</sup> High-level appointees also have been alleged to be involved in narcotics trafficking. One frequently cited example is the former governor of Helmand province, Sher Mohammed Akhundzada, who was removed from office after 9 metric tons of opium were found at his offices in June 2005.<sup>31</sup> When asked about the case later that year, President Karzai said, “We don’t need to have an investigation on [Sher Mohammed]. We will remove him from his place and bring him to do some other government work. Maybe he should become a senator or something.”<sup>32</sup> President Karzai appointed Akhundzada to Afghanistan’s House of Elders (Senate equivalent) in December 2005. In June 2006, Akhundzada claimed to have recruited several hundred armed tribesmen to combat the Taliban in Helmand with financial support from the national government.<sup>33</sup>

## **Opium Profits and Afghanistan’s Economic Recovery**

Reports continue to indicate that profits from Afghanistan’s opium trade may be overwhelming efforts to reestablish a functioning, licit economy. According to the UNODC/MCN 2006 opium survey, the value of the 2006 opium harvest, an estimated \$3 billion, was equal in value to 45% of the country’s licit GDP. The World Bank reports that the opium economy has produced significant

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<sup>27</sup> “Curbing Rampant Afghan Opium Trade Will Take Karzai Years,” *Agence France-Presse*, December 5, 2004; and Pamela Constable, “A Poor Yield For Afghans’ War on Drugs,” *Washington Post*, September 19, 2006.

<sup>28</sup> See “7 Are Killed in a Clash of Afghan Militias,” *New York Times*, February 9, 2004.

<sup>29</sup> 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.

<sup>30</sup> Anne Barnard and Farah Stockman, “U.S. Weighs Role in Heroin War in Afghanistan,” *Boston Globe*, October 20, 2004.

<sup>31</sup> John Jennings, “Opium Crops Flourish in Afghanistan after U.S. Breaks Aid Promise,” *Reuters*, July 4, 1991; Paul Watson, “Where Taliban Rules Again,” *Los Angeles Times*, June 24, 2006; and, DEA Administrator Karen P. Tandy Statement Before the House Committee on Armed Services, June 28, 2006.

<sup>32</sup> Steve Kroft, “Afghanistan: Addicted to Heroin,” *60 Minutes* (CBS), October 16, 2005.

<sup>33</sup> Akhundzada: “I have raised 500 people and am working on their registration. The Finance Ministry pays them \$200 a month.” Simon Cameron-Moore, “Afghanistan Mulls Enlisting Tribesmen Against Taliban,” *Reuters*, June 11, 2006.

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.”<sup>34</sup> 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.<sup>35</sup>

## **Narcotics, Insurgency, and Terrorism**

Afghan, coalition, 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 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. According to the U.S. State Department’s 2007 INCSR report, “Poppy cultivation contributes to Taliban funding to include the taxing of poppy farmers by the Taliban. In addition, some drug traffickers willingly finance insurgency activities and provide money to buy weapons. Traffickers provide weapons, funding, and personnel to the Taliban in exchange for the protection of drug trade routes, poppy fields, and members of their organizations.” British officials refer to these relationships as “alliances of convenience” based on the use of drug money to recruit tribal “foot soldiers.”<sup>36</sup> **Table 2** describes linkages between groups involved in terrorism and the drug trade as presented by State Department officials to Members of Congress in 2004 and 2005.

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<sup>34</sup> World Bank, *State Building...*, p. 87.

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

<sup>36</sup> United Kingdom Defense Secretary Des Browne, “Speech to the Royal United Services Institute,” London, September 19, 2006.

**Table 2. 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) <sup>a</sup>	<b>Almost Definitely:</b> HIG commanders involved in trafficking have led attacks on Coalition forces, and U.S. troops have raided labs linked to the HIG.	<b>Most Likely:</b> HIG commanders involved in the drug trade may use those ties to facilitate weapons smuggling and money laundering.	<b>Probably:</b> Afghan government officials say the Taliban encourage and in some instances force poppy cultivation. Existing State Department estimates suggest other groups interested in weakening the government in Kabul—like the HIG—may have followed suit.
Taliban	<b>Almost Definitely:</b> U.N. and Afghan officials report the group earns money from trafficking and gets donations from drug lords.	<b>Most Likely:</b> 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.	<b>Possibly:</b> No reports, and these groups—as foreigners in Afghanistan—may lack the moral and political authority needed to influence farmers' planting decisions.
Islamic Movement of Uzbekistan (IMU)	<b>Probably:</b> Uzbek officials have accused the group of involvement in the drug trade, and its remnants in Afghanistan may turn to trafficking to raise funds.	<b>Probably:</b> Members with drug ties may turn to traffickers for help crossing borders.	<b>Possibly:</b> No reports, and these groups—as foreigners in Afghanistan—may lack the moral and political authority needed to influence farmers' planting decisions.
Al Qaeda <sup>b</sup>	<b>Possibly:</b> Only scattered reports, but fighters in Afghanistan may be engaged in low-level—but still lucrative—drug deals.	<b>Probably:</b> Traffickers stopped during December 2003 in the Arabian Sea were linked to Al Qaeda. Al Qaeda may hire criminals in South Asia to transfer weapons, explosives, money, and people through the region.	<b>Possibly:</b> No reports, and these groups—as foreigners in Afghanistan—may lack the moral and political authority needed to influence farmers' planting decisions.

**Source:** Robert Charles, then-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 mujahideen commander Gulbuddin Hekmatyar—is alleged to have been involved in the Afghan narcotics trade since the 1980s.
- b. According to U.S. officials, senior Al Qaeda leaders considered and subsequently rejected the idea of becoming directly involved in managing and profiting from Afghan narcotics. Ideological considerations and fear of increased vulnerability to intelligence and law enforcement reportedly were the predominant factors in their decision. Author interviews with U.S. officials in Kabul, Afghanistan, January 2005.

## Taliban and Al Qaeda Financiers

Afghan individuals serve as middlemen between the groups described in **Table 2** and narcotics producers and traffickers. Press reports and U.S. officials have identified three 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.”<sup>37</sup> 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.”<sup>38</sup>
- **Haji Baz Mohammed** is an alleged drug organization leader from the eastern province of Nangarhar who was transferred to the United States in October 2005 to face charges of importing Afghan heroin into the United States. According to his indictment, Mohammed's organization was “closely aligned with the Taliban” and “provided financial support to the Taliban and other associated Islamic-extremist organizations in Afghanistan” in return for protection.<sup>39</sup>
- **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.”<sup>40</sup>

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.<sup>41</sup> DEA officials reportedly were unable to question him at the time.<sup>42</sup> Noorzai's forces later surrendered a large number of weapons to coalition and Afghan authorities and provided security for the then-governor of Qandahar province Gul Agha Sherzai.<sup>43</sup> Juma Khan remains at large, and

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

<sup>38</sup> See *U.S. v. Bashir Noorzai*, U.S. District Court, Southern District of New York, S1 05 Cr. 19, April 25, 2005.

<sup>39</sup> See *U.S. v. Baz Mohammed*, U.S. District Court, Southern District of New York, S14 03 Cr. 486 [DC], October 25, 2005.

<sup>40</sup> Tim McGirk, “Terrorism's Harvest,” *Time Magazine* [Asia], August 2, 2004.

<sup>41</sup> 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...,” February 7, 2002.

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

<sup>43</sup> See Mark Corcoran, “America's Blind Eye,” Australian Broadcasting Corporation, *Foreign Correspondent*, April 10, (continued...)

Defense Department 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.<sup>44</sup>

## **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,<sup>45</sup> 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.<sup>46</sup> Since the 1980s, several figures involved in the Afghan drug trade have been convicted of trafficking illegal drugs, including heroin, into the United States.<sup>47</sup> 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. 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.<sup>48</sup> Officials have indicated that some of the individuals involved in these recent cases may have relationships with Taliban insurgents and members of Al Qaeda.<sup>49</sup> Al Qaeda operatives and sympathizers have been captured trafficking large quantities of heroin and hashish and attempting to trade drugs for Stinger missiles.<sup>50</sup>

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(...continued)

2002.

<sup>44</sup> Defense Department response to CRS inquiry, November 12, 2004.

<sup>45</sup> Drug Enforcement Agency, "The Availability of Southwest Asian Heroin in the United States," May 1996.

<sup>46</sup> Drug Enforcement Agency, "Heroin Signature Program: 2002," March 2004.

<sup>47</sup> 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, December 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)].

<sup>48</sup> *U.S. v. Afridi, et. al.*, [U.S. District Court of Maryland, (Baltimore), AW-03-0211].

<sup>49</sup> Testimony of DEA Administrator Karen Tandy before the House International Relations Committee, February 12, 2004.

<sup>50</sup> 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*, March 4, 2004.

## **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.<sup>51</sup> 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 response, Russian counternarcotics officials have been deployed to Kabul.

## **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 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.<sup>52</sup> The United Kingdom has served 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. British defense officials have deployed 5,700 British troops to participate in the NATO-led International Security Assistance Force (ISAF), many of whom are serving in the key southern opium-producing province of Helmand, where their mission includes efforts to support counternarcotics operations.

## **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.<sup>53</sup> As a public health issue, Afghan narcotics have contributed to a dramatic upsurge in opiate use and

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<sup>51</sup> 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, September 23, 2004.

<sup>52</sup> House of Commons (UK) - Foreign Affairs Committee, Seventh Report, July 21, 2004.

<sup>53</sup> 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.

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."<sup>54</sup> With the exception of Turkey, intravenous use of Afghan opiates is the dominant driver of growing HIV infection rates in each of these countries.<sup>55</sup> 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<sup>56</sup>**

The emergence of the so-called "Northern Route" of opiate trafficking through Central Asia and the Caucasus in the mid-1990s transformed the 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.<sup>57</sup> The 201<sup>st</sup> 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 completed efforts to replace these Russian military forces with Tajik border security guards in August 2005. Russian counternarcotics officials have reported increases in narcotics smuggling via the Tajik-Afghan border following the replacement of the Russian border guards. Tajik officials deny the claims and have announced large-scale seizures since the handover.<sup>58</sup> In January 2005, Russian press sources reported that Russian border guards seized 2.5 MT of heroin on the Tajik-Afghan border in 2004. A Russian-led Collective Security Treaty Organization interdiction effort known as Channel-2005 seized close to 9 MT of drugs in 2005, including over 200 kg of heroin.<sup>59</sup>

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<sup>54</sup> UNODC, "The Opium Economy in Afghanistan," p. 33, 35.

<sup>55</sup> 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*.

<sup>56</sup> 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*, by Jim Nichol and CRS Report RL30970, *Health in Russia and Other Soviet Successor States: Context and Issues for Congress*, also by Jim Nichol.

<sup>57</sup> IRIN Report, "Tajikistan: Stemming the Heroin Tide," OCHA, September 13, 2004. Available at <http://www.irinnews.org/webspecials/opium/regTaj.asp>.

<sup>58</sup> U.S. Department of State, International Narcotics Control Strategy Report 2006, "Russia," March 2006.

<sup>59</sup> *Moscow Interfax*, "Russia Says Around 9 Tonnes of Afghan Drugs Seized in International Operation," November 13, 2005. FBIS Document CEP20051113029009.



## **Pakistan**

According to the State Department's 2007 INCSR, Pakistan "remains a significant transit country" for Afghan opiates, and Pakistani narcotics traffickers "are an important source of financing to the poor farmers of Afghanistan." 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 and improved opium seizures by 61% in 2005. 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) agency in the heroin trade from 1997-2003 had been "substantial."<sup>60</sup> The 2006 INCSR stated that "as a matter of policy, neither the government of Pakistan nor any of its senior officials encourages or facilitates" narcotics trafficking, although the report also stated that corruption "is likely to be associated with the movement of large quantities of narcotics and pre-cursor chemicals."

## **Iran**

Narcotics trafficking and use continue to present serious security and public health risks to Iran, which, according to the State Department, serves as the transit route for 60% of the opiates smuggled from Afghanistan. According to the 2007 INCSR, Iran claims that over 3,500 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 some of the country's more than 3 million estimated opiate users. 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 199 MT of opiates in the first seven months of 2005.

The 2007 INCSR cites "overwhelming evidence of Iran's strong commitment" to counternarcotics programs, including interdiction and demand reduction. Although the absence of bilateral diplomatic relations prevents the United States from directly supporting counternarcotics initiatives in Iran, the 2007 INCSR indicated that the United States and Iran "have worked together productively" in the U.N.'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.<sup>61</sup>

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<sup>60</sup> Ambassador Wendy Chamberlain, "Transcript: Hearing of the Subcommittee on Asia and the Pacific of the House International Relations Committee," Federal News Service, March 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, March 7, 1990.

<sup>61</sup> Jason Barnes, "The Desert Village that Feeds UK's Heroin Habit," *The Observer* (UK), December 12, 1999.

## 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."<sup>62</sup> 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 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 and has announced plans to spend \$510 (£270 million) on counternarcotics from 2005 through 2008 (**Table 6**).<sup>63</sup> Under British leadership, basic eradication, interdiction, and alternative livelihood development measures began in the spring of 2002. The U.S. Department of State's International Narcotics and Law Enforcement (INL) Bureau administers U.S. counternarcotics and law enforcement assistance programs in Afghanistan and coordinates with the Department of Defense, 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. The role of the U.S. military in counternarcotics expanded in 2005 to include police training and limited interdiction mission support. British military units carry out interdiction missions in cooperation with Afghan authorities on a bilateral basis that target drug production laboratories and trafficking infrastructure. By mutual agreement, the NATO-led International Security Assistance Force (ISAF) does not engage directly in eradication or interdiction operations, but may provide support by improving Afghan force protection abilities and sharing intelligence. The United States also provides counternarcotics assistance to other countries in the region.

The Bush Administration continues to implement a "five-pillar" inter-agency initiative to reinvigorate U.S. support for the implementation of Afghanistan's national counternarcotics strategy. The initiative has been accompanied by 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 of and equipment for Afghan counternarcotics forces and prosecution teams also have figured prominently in the strategy.

In August 2007, the State Department released a new strategy document outlining plans to improve the implementation of current counternarcotics efforts.<sup>64</sup> According to the document,

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<sup>62</sup> The Bonn Agreement, December 5, 2001.

<sup>63</sup> Dr. Kim Howells, Foreign and Commonwealth Office Minister for the Middle East, "Afghanistan: Counter Narcotics," House of Commons Hansard Ministerial Statements for July 13, 2006, (Pt. 0134).

<sup>64</sup> Detailed program information is included in the strategy document. Available at <http://www.state.gov/p/inl/rls/rpt/90561.htm>.

Administration officials will focus on strengthening rural development efforts, coordinating counternarcotics and counterinsurgency operations, and securing political support from Afghan and international counterparts in order to improve performance. Each of these issues has proven to be a key sticking point in counternarcotics efforts to date. In particular, the symbiotic relationship between insecurity and narcotics production that has taken hold in provinces such as Helmand may prove difficult to break. 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.<sup>65</sup> 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 drug control strategy (NDCS) in 2003 in consultation with experts and officials from the United States, the United Kingdom, and the UNODC.<sup>66</sup> The strategy declared 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. In 2005, the Afghan government released an implementation plan for the strategy that outlines specific initiatives planned in five policy areas, as well as for regional cooperation, eradication, and public information campaigns.<sup>67</sup> New implementation plans to replace those outlined in the 2005 document remain under consideration. The government also issued a new counternarcotics law to clarify administrative authorities for counternarcotics policy and establishes clear procedures for investigating and prosecuting major drug offenses.

In January 2006, the Afghan government released an update of the NDCS to incorporate changes in the structure of the government and lessons learned from previous counternarcotics efforts and

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<sup>65</sup> "Afghan Religious Scholars Urge End To Opium Economy," *Associated Press*, August 3, 2004.

<sup>66</sup> Transitional Islamic State of Afghanistan, National Drug Control Strategy, May 18, 2003.

<sup>67</sup> Islamic Republic of Afghanistan, The 1384 (2005) Counter Narcotics Implementation Plan, February 16, 2005.

interagency and inter-governmental initiatives.<sup>68</sup> Unlike the original NDCS, the latest version refrains from setting firm elimination targets or deadlines and identifies more general, overarching goals. The fundamental objective, as outlined in the updated strategy, is “to secure a sustainable decrease in cultivation, production, trafficking, and consumption of illicit drugs with a view to complete and sustainable elimination.” Four priority areas outlined in the report focus on the disruption of the drug trade (including high-level traffickers), the strengthening and diversification of legal rural livelihoods, the reduction of the demand for and consumption of illegal drugs, and the development of central and provincial level counternarcotics institutions. Afghan authorities plan to complete a full review of the NDCS in 2007 and release a new strategy sometime in 2008.

## **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 (MCN) in December 2004. Habibullah Qaderi resigned as Afghanistan’s Minister for Counternarcotics in July 2007. Former deputy minister General Khodaidad currently serves as acting minister. According to the updated NDCS, the MCN will prepare quarterly and annual reports summarizing interagency progress on implementing the strategy.

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 with U.S. and British officials in implementing the Afghan government’s expanded counternarcotics enforcement plan. In November 2006, the World Bank and UNODC warned that a lack of progress in reforming the Ministry of Interior in relation to other ministries such as the Ministry of Defense has left Afghan police and counternarcotics officials more vulnerable to corruption.<sup>69</sup> Other relevant ministries include the Ministries of Agriculture, Rural Rehabilitation and Development, Justice, National Defense, Education, Foreign Affairs, Provincial Administrations, Finance, and Information.

The Ministry of Interior supervises of the following Afghan counternarcotics and law enforcement entities:

- **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.

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<sup>68</sup> Islamic Republic of Afghanistan - Ministry of Counternarcotics, National Drug Control Strategy: An Updated Five-Year Strategy for Tackling the Illicit Drug Problem, January 2006.

<sup>69</sup> Buddenberg and Byrd (eds.), *Afghanistan’s Drug Industry*, World Bank/UNODC, November 2006.

- **National Interdiction Unit (NIU).** The NIU was established as an elite element of the CNP-A in October 2004 and continues to conduct significant raids across Afghanistan. Approximately six 50-member NIU teams have received U.S. training and over 125 officers now operate in cooperation with DEA Foreign Advisory Support Teams (FAST teams, for more see below).
- **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).
- **Afghan Eradication Force (AEF).** The U.S.-supported AEF conducts ground-based eradication of poppy crops based on targeting data provided by the Central Eradication Planning Cell (CPEC). The force is made up of approximately 800 trained eradicators and is supported by security personnel. Afghan and U.S. officials prioritized so-called “governor led” eradication efforts supported by Poppy Elimination Program supervision teams for 2006, after the AEF failed to meet its targets for 2005.
- **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. According to the Ministry of Counternarcotics, the ASNF destroys approximately 150 MT of opium annually and has raided over 190 drug laboratories.
- **Border Police, National Police, and Highway Police.** Approximately 62,000 Afghan police have graduated from U.S.-sponsored training facilities, including over 7,000 border police. 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. The number of fully trained and equipped police cited by U.S. officials in September 2006 was 42,000, including border police.

## **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 has increased substantially from late 2001 through 2006. 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. Such efforts were not centrally coordinated or linked directly to counternarcotics goals and initiatives until late 2004: they remain highly dependent on regional security conditions.

Substantial growth in opium poppy cultivation and narcotics trafficking from 2001 through 2004 led U.S. officials, in consultation with their Afghan and coalition partners, to develop a more

comprehensive, complementary plan to support the implementation of Afghanistan's national counternarcotics strategy. The evolving policy initiative currently being implemented by U.S. agencies consists of five key elements, or pillars, that mirror Afghan initiatives and call for increased interagency and international cooperation.<sup>70</sup> The five pillars of the U.S. initiative are (1) public information, (2) judicial reform, (3) alternative livelihood development, (4) interdiction, and (5) eradication.

### **Strengthening Implementation**

According to U.S. officials, new initiatives to improve the results of existing counternarcotics policies will be implemented over the coming 12 months.<sup>71</sup> Highlights of the new plans include the enlargement of existing financial and development rewards to poppy-free provinces and the introduction of new development awards for provinces contributing to significant interdiction or prosecutions. Eradication rewards on a per hectare basis also are planned. Resources devoted to interdiction activities are to be doubled, and airlift and intelligence operations in support of interdiction and eradication efforts are to be expanded. The three strategic goals for the new initiatives are as follows:

- “dramatically increasing development assistance to incentivize licit development while simultaneously amplifying the scope and intensity of both interdiction and eradication operations;”
- “coordinating counternarcotics (CN) and counterinsurgency (COIN) planning and operations in a manner not previously accomplished, with a particular emphasis on integrating drug interdiction into the counterinsurgency mission; and,”
- “encouraging consistent, sustained political will for the counternarcotics effort among the Afghan government, our allies, and international civilian and military organizations.”

### **Public Information**

Afghan and U.S. authorities have initiated public information campaigns 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.<sup>72</sup> The efforts build on the Afghan government's 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

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

<sup>71</sup> For detailed information see, U.S. Counternarcotics Strategy for Afghanistan, August 2007, available at <http://www.state.gov/p/inl/rls/rpt/90561.htm>; Principle Deputy Assistant Secretary of State for International Narcotics and Law Enforcement Affairs Schweich News Briefing on the Counternarcotics Situation in Afghanistan, August 29, 2007; and Ambassador William Wood's Remarks at the Third Annual National Counter Narcotics Conference, August 29, 2007.

<sup>72</sup> *Ibid.*

Council of Ulema have supported this effort by publicly condemning poppy cultivation and involvement in the drug trade.<sup>73</sup>

The UNODC/MCN 2005 Opium Survey found that farmers across Afghanistan were well aware of the government's ban on opium poppy cultivation and that many farmers who declined to cultivate opium poppy did so because they feared eradication or incarceration. An earlier survey also reported 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. The UNODC/MCN's 2006 and 2007 surveys reported that Islamic prohibitions on involvement with narcotics also was influential among Afghans, particularly those that had not yet been involved with cultivation or trafficking.

The U.S. campaigns supplement 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 newly launched strategic initiative will expand U.S. officials' participation in targeted local outreach campaigns.

## **Judicial Reform**

State Department (INL office) and Justice Department personnel are undertaking judicial reform efforts to further enable Afghan authorities to enforce counternarcotics laws and prosecute prominent individuals involved in narcotics trafficking. A Criminal Justice Task Force (CJTF) has been developed and granted jurisdiction over significant narcotics cases under presidential decree. The CJTF features integrated teams of prosecutors and investigators that are being specially trained to handle complex, high-profile cases. U.S. federal prosecutors participate in CJTF training activities in Afghanistan, and the training program is set to be expanded as part of the new strategy launched in August 2007. The CJTF prepares cases for the Central Narcotics Tribunal (CNT) under the jurisdiction of fourteen specially trained judges. The U.S. Defense Department supported the construction of a secure court facility and has contributed to the construction of a maximum-security wing at the Pol-e Charki prison near Kabul to hold 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 Haji Bashir Noorzai by U.S. officials and the transfer of Haji Baz Mohammed raised concern about the readiness and ability of Afghan authorities to investigate, prosecute, and incarcerate drug suspects independently. According to an Afghan Interior Ministry official, "Afghan police had no role in [Noorzai's] arrest," and Afghan authorities were constrained because of "a lack of concrete evidence against him."<sup>74</sup>

With U.S. and coalition support, the government of Afghanistan drafted and issued a new counternarcotics law in December 2005 that clarifies administrative authorities for counternarcotics policy and establishes clear procedures for investigating and prosecuting major drug offenses. The Afghan Parliament has proposed amendments to the law that remain pending. U.S. officials have called on the Afghan authorities "to start prosecuting corrupt officials" and "to

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<sup>73</sup> "Afghan Religious Scholars Urge End To Opium Economy," *Associated Press*, August 3, 2004.

<sup>74</sup> Interior Ministry spokesman Lutfullah Mashal. "Afghan Drugs Kingpin Seized by US was Untouchable in Afghanistan: Experts," *Agence France-Presse*, April 27, 2005.

start building cases that will stand up in court” under the new law.<sup>75</sup> Former Counternarcotics Minister Habibullah Qaderi conceded in September 2006 that to date Afghan authorities were “not going after the people who matter,” although some observers expect that corrupt officials and higher level narcotics traffickers may be prosecuted under the new law as planned anti-corruption initiatives move forward. President Karzai has named a new Chief Justice for Afghanistan’s Supreme Court and a new Attorney General, who, according to the State Department is “an anti-corruption activist” and is “pursuing corruption investigations against politically sensitive targets.”

### **Alternative Livelihood Development<sup>76</sup>**

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 accelerated 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 continued through 2006.

The second phase of the plan consists of an “immediate needs”/ “cash-for-work” program that continues to sponsor labor-intensive work projects to provide non-opium incomes to rural laborers and to rehabilitate agricultural infrastructure. The program began in December 2004 and continued through 2007. 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.<sup>77</sup> According to USAID, in main opium producing provinces, USAID-sponsored alternative livelihood cash-for-work programs have paid \$19.6 million in salaries to 214,000 farmers who otherwise may have engaged in or supported opium poppy cultivation. Over 6,200 km of irrigation canals, drainage ditches, and traditional water transportation systems have been repaired and cleaned in a number of provinces, improving irrigation and supporting high value agriculture on an estimated 290,000 hectares of land. More than 650,000 farmers have received seeds or fertilizer (or both) in conjunction with counternarcotics information across Afghanistan since late 2005.<sup>78</sup>

The third, “comprehensive development” phase of the plan began in six key poppy-producing provinces during 2005 and is scheduled to be implemented through 2009. Current and planned projects include long-term infrastructure development for urban and rural areas, credit and

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<sup>75</sup> Thomas A. Schweich, Principal Deputy Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, quoted in Pamela Constable, “A Poor Yield For Afghans’ War on Drugs,” *Washington Post*, September 19, 2006.

<sup>76</sup> USAID information available online at [http://www.usaid.gov/locations/asia\\_near\\_east/countries/afghanistan/alt\\_live.html](http://www.usaid.gov/locations/asia_near_east/countries/afghanistan/alt_live.html).

<sup>77</sup> USAID has established a “Good Performer’s Fund” to reward districts that end cultivation with high visibility infrastructure development projects.

<sup>78</sup> Anne W. Patterson, Assistant Secretary for International Narcotics and Law Enforcement Affairs, Testimony before the House Committee on Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs, September 12, 2006; USAID, *Alternative Livelihoods Update: Issue 13*, August 2006; and, author consultation with USAID Afghanistan Desk Office, January 2006.



financial services expansion, agricultural diversification, and private investment support. The Afghan government requested that USAID expand alternative livelihood programs into the provinces of Ghor, Dai Kundi, Konar, Farah, and Uruzgan, and USAID personnel have consulted with contractors and security officials and initiated preliminary projects in some of those provinces.

**Table 3. Alternative Livelihood Proposed Spending Targets by Province, FY2005-2007**  
(\$ millions)

Province	Immediate Needs	Comprehensive Development	2004 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.

Accountability standards have been built into the USAID alternative livelihood programs, including seed and fertilizer distributions and cash-for-work programs. Seed and fertilizer recipients, including government officials, are required to agree in writing not to grow poppy in exchange for program support. Cash-for-work program participants must make similar commitments, and program staff monitor participant activities outside of the program to ensure compliance. According to USAID, all alternative livelihood program assistance is 100% conditional on the reduction of poppy cultivation within one year of the receipt of assistance.<sup>79</sup> Positive incentives also are provided via a multi-million dollar “Good Performers Fund,” which is scheduled to be expanded as part of the new U.S. implementation plan announced in August 2007. The United Kingdom’s Department for International Development (DfID) plans to contribute over \$245 million (£130 million) to development and alternative livelihood programs as part of the UK’s counternarcotics program from 2005-2008.<sup>80</sup>

## 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.”<sup>81</sup> Operation Containment has continued since early 2002 and currently involves “nineteen countries from Central Asia, the Caucasus, Europe and Russia.”<sup>82</sup> According to the DEA, Operation Containment activities in FY2005 were

<sup>79</sup> Author consultation with USAID Afghanistan Desk Office, January 2006.

<sup>80</sup> Dr. Kim Howells, UK Foreign and Commonwealth Office Minister for the Middle East, “Afghanistan: Counter Narcotics,” House of Commons Hansard Ministerial Statements for July 13, 2006, (Pt. 0134).

<sup>81</sup> DEA Administrator Karen P. Tandy, House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy and Human Resources, February 26, 2004.

<sup>82</sup> Ibid.

responsible for the seizure of “11.5 metric tons of heroin, 1.3 metric tons of morphine base, 43.9 metric tons of opium gum, 248 drug labs, and 146 investigations including efforts that led to the arrest of alleged drug lords Haji Bashir Noorzai and Haji Baz Mohammed.”<sup>83</sup> A similar multinational DEA-led effort named Operation Topaz has focused on interdicting acetic anhydride—a primary heroin production precursor chemical—to Afghanistan.

According to U.S. officials, resources devoted to interdiction efforts will be doubled over the period from September 2007 to September 2008. In addition to ongoing international narcotics and precursor interdiction initiatives, U.S. officials provide support to Afghan government interdiction efforts through intelligence cooperation, training programs, equipment transfers, and joint operations. The DEA has significantly 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 and difficulty in securing air mobility assets (see discussion of security and mobility issues below). DEA Foreign Advisory and Support Teams (FAST) have been deployed to Afghanistan “to provide guidance and conduct bilateral investigations that will identify, target, and disrupt illicit drug trafficking organizations.” The FAST teams receive Defense Department transportation and construction support and are currently conducting operations and serving as mentors to officers of the Afghan National Interdiction Unit. The DEA received new FY2006 funding to expand its operational presence in Afghanistan and Central Asia, including support for FAST teams, Operation Containment activities, and new field officers. In December 2006, House International Relations Committee Chairman Henry Hyde announced a reported change in policy that will allow DEA agents to accompany U.S. military forces on operational raids of narcotics-related sites in Afghanistan.<sup>84</sup>

Current Defense Department directives state that U.S. military forces in Afghanistan do not and will not directly target drug production facilities or pursue drug traffickers as a distinct component of ongoing U.S. counternarcotics initiatives.<sup>85</sup> Current rules of engagement allow U.S. forces to seize and destroy drugs and drug infrastructure discovered during the course of routine military operations carried out in pursuit of conventional counterterrorism and stability missions.<sup>86</sup> U.S. forces continue to provide limited 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 police with tents, boots, communication equipment, mobility support, infrastructure improvements, and training are expected to 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.<sup>87</sup>

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<sup>83</sup> DEA Administrator Karen P. Tandy Statement Before the House Committee on Armed Services, June 28, 2006.

<sup>84</sup> The Department of Defense and the Drug Enforcement Administration did not comment publicly. “Hyde Praises Department of Defense Support for Drug Enforcement Administration Efforts in Afghanistan,” House Committee on International Relations News Advisory, Thursday, December 07, 2006.

<sup>85</sup> Defense Department response to CRS inquiry, November 12, 2004.

<sup>86</sup> Testimony of Thomas W. O’Connell, Assistant Secretary of Defense for Special Operations and Low-intensity Conflict Before House International Relations Committee, February 12, 2004; and Defense Department response to CRS inquiry, November 12, 2004.

<sup>87</sup> 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.

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 and other troops in the key opium-producing province of Helmand province in southern Afghanistan are under the NATO-led support security and counternarcotics operations but do not have a role in directly targeting high-level narcotic traffickers.<sup>88</sup>

## **Eradication**

Some critics have cited growth in opium poppy cultivation figures as evidence that manual eradication campaigns have failed thus far to serve as a credible deterrent for Afghan farmers. Plans developed by the State Department, 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.<sup>89</sup> State Department officials identified the failure of 2004-2005 eradication activities as one factor behind the surge in poppy cultivation that occurred during the 2005-2006 season, and made similar judgments with regard to the 2006-2007 crop.

The centrally organized and executed eradication plan in 2004-2005 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 response to these trends, "poppy elimination programs" (PEPs) have been established in select Afghan provinces as part of a change toward "governor-led" and centrally monitored eradication. The PEPs consist of 7-member Afghan and international teams that direct and monitor locally led and administered counternarcotics activities, including public information campaigns eradication, and will advise the central government on any needed intervention.

Central government and governor-led eradication efforts during the 2005-2006 season tripled the amount of eradicated poppy (15,713 hectares, roughly 10% of the total national poppy crop). Expanded dual-track eradication further increased the eradicated area in the 2006-2007 season (19,047 hectares, a 24% increase). U.S. officials have stressed the importance of early season, locally executed eradication in order to minimize violent farmer resistance and give Afghan farmers time to plant licit replacement cash crops. A persistent problem remains the targeting of eradication on the fields of non-influential and smaller scale landowners and farmers. U.S. officials emphasized in August 2007 the need for non-negotiated, equitable eradication to strengthen the effect of current efforts.

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<sup>88</sup> "Troops deployed as part of the NATO-led International Security Assistance Force (ISAF)—including British forces deployed as part of the Helmand Task Force—are authorized to provide support to Afghan counter-narcotics forces, including training, and they will help the Afghans create a secure environment in which economic development and institutional reform—both essential to the elimination of the opium industry—can take place." Des Browne, UK Secretary of State for Defense, House of Commons Hansard Record, Written Answers to Questions, July 24, 2006.

<sup>89</sup> Author conversation with DEA official, Washington, DC, May 2005.

New methods and technologies for future eradication activities also are under consideration, including the introduction of manual herbicide spraying to improve eradication teams' efficiency. In January 2007, President Karzai announced that any herbicide-based eradication efforts would be delayed until 2008 at the earliest. Coalition partners such as the United Kingdom have refused to provide security support to eradication programs in the absence of more widespread economic development and alternative livelihood assistance.

## 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 officials argue that the full effectiveness of new U.S. efforts will not be apparent until capacity building efforts are complete and all elements of the strategy are advanced simultaneously. Regional insecurity and corruption also present formidable challenges.

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 108<sup>th</sup> Congress addressed the issue of counternarcotics in Afghanistan in intelligence reform proposals, and the 109<sup>th</sup> Congress considered new counternarcotics policy proposals in relation to FY2006 and FY2007 appropriation and authorization requests. During the term of the 110<sup>th</sup> Congress, the full effectiveness of the U.S. five-pillar plan should become apparent—Administration officials have argued that, to date, insecurity in key opium poppy producing areas, delays in building and reforming Afghan institutions, and widespread local Afghan corruption have prevented its full implementation. According to Administration officials, the new U.S. implementation plan announced in August 2007 is designed to capitalize on achievements to date and improve performance in weaker areas.

## 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.<sup>90</sup> Conflict and regional security disruptions have accompanied efforts to expand crop eradication programs and previous efforts to implement central government counternarcotics policies.

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<sup>90</sup> National Drug Control Strategy, Transitional Islamic State of Afghanistan, May 18, 2003.

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.<sup>91</sup> 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. As of September 2007, new U.S. initiatives were planned to strengthen Afghan force protection capabilities.

From a political perspective, U.S. officials maintain that parliamentary and provincial elections contributed to the political legitimacy of the central government and, by extension, its counternarcotics initiatives. However, the creation of sufficient political and military stability for effective counternarcotics operations is likely to remain a significant challenge. Local police and officials are considered to be the best positioned to create conditions of security necessary for “full spectrum” counternarcotics activity. They also are considered to be the most susceptible to narcotics related corruption. The death of several local contractor employees working on USAID alternative livelihood projects in May 2005 brought renewed urgency to concerns about the provision of security as a prerequisite for non-enforcement related counternarcotics programs.

## **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.<sup>92</sup> 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.”<sup>93</sup>

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 contradictions. “Tactical” coalition allies

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<sup>91</sup> “Poppy cultivation is likely to continue until responsible governmental authority is 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.” Department of State, INCSR, March 2005.

<sup>92</sup> See Syed Saleem Shahzad, “U.S. Turns to Drug Baron to Rally Support,” *Asia Times*, December 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*, February 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*, September 28, 2004; and Anne Barnard and Farah Stockman, “U.S. Weighs Role in Heroin War in Afghanistan,” *Boston Globe*, October 20, 2004.

<sup>93</sup> Rubin, “Road to Ruin: Afghanistan’s Booming Opium Industry,” October 7, 2004.

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. According to the 2007 UNODC Afghanistan Opium Survey, “in the provinces bordering with Pakistan, tacit acceptance of opium trafficking by foreign military forces as a way to extract intelligence information and occasional military support in operations against the Taliban and Al-Qaida undermines stabilization efforts.” At the same time, U.S. and Afghan officials have been increasingly adamant in stating that the Taliban resurgence that has unfolded since early 2006 has been supported in part by narcotics proceeds.

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 has 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.”<sup>94</sup> Striking such a balance may continue to create challenges for the United States and its allies.

## **Defining the Role of the U.S. Military**

Some observers have argued that U.S., coalition, and NATO military forces should play an active, direct role in targeting the leaders and infrastructure of the opiate trade. Following the announcement of record poppy cultivation and opium production in 2005-2006, UNODC Director Antonio Maria Costa called for direct NATO military involvement in counternarcotics enforcement operations in Afghanistan, which is precluded under the NATO agreement governing the International Security Assistance Force (ISAF). 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,”<sup>95</sup> military officials have resisted the establishment of a direct counternarcotics enforcement role for U.S. forces. Former NATO Commander U.S. General James Jones supported the idea that counternarcotics enforcement is “not a military mission,” stating that “having NATO troops out there burning crops, for example, is not going to significantly contribute to the war on drugs.”<sup>96</sup>

Other opponents of a direct enforcement role for U.S., coalition, or NATO forces claim that such a role may alienate forces from the Afghan population, jeopardize ongoing counterterrorism missions that require Afghan intelligence support, and divert military resources from direct counter-insurgent and counterterrorism operations. The House report on the FY2007 Defense authorization bill argued that the Department of Defense “must not take on roles in which other countries or other agencies of the U.S. Government have core capabilities” with regard to counternarcotics in Afghanistan. According to the Department of Defense, U.S. military forces currently are authorized to seize narcotics and related supplies encountered during the course of normal stability and counterterrorism operations. Similarly, at present, NATO forces provide

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<sup>94</sup> Testimony of Mary-Beth Long, then-Deputy Assistant Secretary of Defense for Counternarcotics before the House Committee on International Relations, March 17, 2005.

<sup>95</sup> “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, April 21, 2004.

<sup>96</sup> Lolita C. Baldor, “NATO to Provide More Afghanistan Troops,” *Associated Press*, September 20, 2006.

support for Afghan and coalition counternarcotics initiatives but refrain from direct involvement with enforcement.

## **Equipment and Weaponry**

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. Section 1021 of the Defense Authorization Act for FY2004 (P.L. 108-136) added Afghanistan to the list of countries eligible for transfers of non-lethal Defense Department counternarcotics equipment authorized under Section 1033 of the Defense Authorization Act for FY1998 (P.L. 105-85). The FY2005 and FY2006 supplemental appropriations acts (P.L. 109-13 and P.L. 109-234) further authorized the provision of individual and crew-served weapons, ammunition, vehicles, aircraft, and detection, interception, monitoring and testing equipment to Afghan counternarcotics forces. To date, .50-caliber machine guns have been provided along with night vision equipment and a range of other supplies. Afghan counternarcotics forces have requested further weaponry in response to attacks by well armed and supplied trafficking groups. The FY2007 Defense Authorization Act (P.L. 109-364) reauthorized provision of .50-caliber and lighter crew-served weaponry and ammunition through FY2008.

The conference report (H.Rept. 109-360) on the Defense Authorization Act for FY2006 (P.L. 109-163) did not include a provision that was included in the Senate version of the bill (S. 1042, Section 1033) that would have authorized the Defense Department to provide a range of technical and operational support to Afghan counternarcotics authorities under Section 1004 of the Defense Authorization Act for FY1991 (P.L. 101-510). The Senate version would have authorized “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.”<sup>97</sup> This would have included 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.

## **Mobility**

Options for improving the mobility and reach of Afghan forces and U.S. advisors also have been considered and addressed since 2004. In response to calls for greater airlift support, 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 that will supply a total of 8 MI-17 helicopters to Afghan forces by the end of 2006. Training efforts for MI-17 pilots and crew are ongoing at Ft. Bliss in Texas. The Department of Defense prioritizes counterterrorism and counterinsurgency operations when considering requests for U.S. military airlift assistance by other entities.<sup>98</sup> The State Department operates ten Huey-II

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<sup>97</sup> S.Rept. 109-69.

<sup>98</sup> Prior to 2006, Defense Department airlift support to DEA and Afghan authorities was minimal. From January to June 2006, the Defense Department supported 12 of 17 airlift missions requested by DEA. As mentioned above, in December 2006, the Department of Defense reportedly agreed to allow DEA agents to ride along on select missions to (continued...)

helicopters that provide medical evacuation, re-supply, transportation, reconnaissance, command and control, and security for Afghan counternarcotics operations. A fixed-wing aircraft and two further helicopters also provide higher altitude and higher capacity airlift support. For other FY2007 equipment, weaponry, and mobility considerations, see below.

## **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.<sup>99</sup> U.S. and Afghan authorities maintain that the Central Poppy Eradication Force and governor-led eradication programs were effective in deterring and reducing some opium poppy cultivation in 2005. However, given recurrent clashes between eradication forces and farmers and accounts of selective, politicized eradication efforts by local authorities, some observers and officials have expressed concern about the safety and effectiveness of current ground-based eradication efforts.

During the 2006 season, “poppy elimination program” teams were partially introduced to key opium poppy growing provinces to monitor and direct early season, locally-executed eradication activities. This strategy was designed to minimize violent farmer resistance to central government forces and give farming families time to plant replacement cash crops. Eradication increased three-fold from 2004-2005 to 2005-2006, but results varied drastically based on location and local political and security conditions. In many areas, small farms have been targeted for eradication by local authorities rather than larger plantations associated with influential or wealthy individuals. In August 2007, U.S. officials identified non-negotiated, large-scale eradication operations as a goal and cited the need for better force protection capabilities and political will on the part of the Afghan government.

## **Manual or Aerial Herbicide-based Eradication**

Policy makers are likely to engage in further debate concerning options for using herbicides for manual or aerial poppy eradication and their possible risks and rewards. Afghan and U.S. authorities discussed the introduction of aerial herbicide-based 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.<sup>100</sup> The

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(...continued)

narcotics relevant locations. Sources: Author consultation with Defense Department officials, September 2006; and, House Committee on International Relations.

<sup>99</sup> 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.

<sup>100</sup> 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.”



updated 2006 Afghan national drug control strategy also states that “The Government has also decided that eradication must only be delivered by manual or mechanical ground based means.”<sup>101</sup> U.S. officials have argued for more widespread and non-negotiated eradication operations and have stated that while herbicides may be efficient and safe, U.S. officials will follow the decisions of Afghan officials concerning their potential use.

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, subjects eradication teams to unnecessary security threats, and raises associated costs. 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) specified that “none of the funds recommended by the Committee may be available for aerial eradication programs within Afghanistan absent a formal request by the President of Afghanistan seeking such support.” Manual herbicide spraying by Afghan eradication teams may be under consideration for future introduction as a means of improving efficiency.

Herbicide-based eradication, whether aerial or manual, remains politically sensitive. 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.<sup>102</sup> In early December 2004, then-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.”<sup>103</sup> 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 herbicide spraying eradication program. In January 2007, President Karzai announced that any herbicide-based eradication efforts would be delayed until 2008 at the earliest, and presidential spokesmen repeated their criticism of herbicides in September.

Afghan government officials would have to approve any future herbicide spraying operations undertaken by U.S. or Afghan personnel in Afghanistan. Any future aerial eradication in Afghanistan also would require significant funding and the introduction of airframes and military support aircraft that exceed current U.S. capabilities in the region. Herbicide-based eradication programs, if employed in the future, could feature the use of the glyphosate compound currently

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<sup>101</sup> Afghanistan Ministry of Counternarcotics, Updated NDCS, January 2006, p. 21.

<sup>102</sup> See David Brunnstrom, “Afghans Committed to Drug War But Against Spraying,” *Reuters*, November 19, 2004; and Stephen Graham, “Afghan Government Concerned at Spraying of Opium Crops by Mystery Aircraft,” *Associated Press*, November 30, 2004.

<sup>103</sup> Carlotta Gall, “Afghan Poppy Farmers Say Mystery Spraying Killed Crops,” *New York Times*, December 5, 2004, and “U.S. Says Drug Lords May Have Sprayed Afghan Opium,” *Reuters*, December 2, 2004.

approved for use in Colombia. The use of *mycoherbicides*, or fungal herbicides, also has been discussed. 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.<sup>104</sup> 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.<sup>105</sup>

## **Pending Legislation and Counternarcotics Funding**

Several legislative initiatives in the 108<sup>th</sup> and 109<sup>th</sup> Congresses 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) stated 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 called on the Administration to provide a secure environment for counternarcotics personnel and to specifically target narcotics operations that support terrorism. The act also required the submission of an interagency report that described current progress toward the reduction of poppy cultivation and heroin production in Afghanistan and provided detail on the extent to which drug profits support terrorist groups and anti-government elements in and around Afghanistan. The report was completed in October 2005.<sup>106</sup>

## **Reauthorization of Defense Counternarcotics Activities**

To date, Department of Defense authorizations for counternarcotics activities in Afghanistan have been provided via reference to Section 1033 of the Defense Authorization Act for FY1998 (P.L. 105-85, as amended) and Section 1004 of the Defense Authorization Act for FY1991 (P.L. 101-510, as amended). Both acts have been amended on a semi-annual basis to extend existing authorizations into subsequent fiscal years, and, as written, require reauthorization to extend beyond the end of FY2006. The FY2007 Defense Authorization Act (P.L. 109-364) restated the existing authorizations and reauthorized the Secretary of Defense to provide non-lethal counternarcotics assistance to Afghanistan and a number of its neighbors (and other countries) through FY2008. The act also allows the transfer of crew-served weapons of .50-caliber or less to Afghan counternarcotics forces. The act also requires annual reporting on overseas counterdrug activities, and Section 1025 required the Secretary of Defense to submit an interagency-coordinated report by December 31, 2006, updating "the interagency counter-narcotics implementation plan for Afghanistan and the South and Central Asian regions, including Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, Iran, Azerbaijan, Pakistan, India, and China."

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<sup>104</sup> 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), September 17, 2000; Juanita Darling, "Fungi May Be the Newest Recruits in War on Drugs Colombia," *Los Angeles Times*, August 30, 2000.

<sup>105</sup> 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 very real image problems ... the use of any agent like this would be portrayed as biological warfare." USDA response to CRS inquiry, October 19, 2004.

<sup>106</sup> Report on Counter Drug Efforts in Afghanistan—October 18, 2005, as required by Sec. 7104, Section 207 (b) of the Intelligence Reform and Terrorism Prevention Act, 2004 (P.L. 108-458); House Committee on International Relations, Ex. Comm. 4575.

## **Counternarcotics Funding FY2007 and FY2008**

Funding for U.S. counternarcotics operations in Afghanistan consists of program administration costs and financial and material assistance to Afghan counternarcotics authorities. On September 7, 2006, the Senate adopted an amendment to the Defense appropriations bill for FY2007 (S.Amdt. 4897 to H.R. 5631), which would make available up to an additional \$700 million for Defense Department interdiction and counter-narcotics activities “to combat the growth of poppies in Afghanistan, to eliminate the production and trade of opium and heroin, and to prevent terrorists from using the proceeds for terrorist activities in Afghanistan, Iraq, and elsewhere.” The conference report on H.R. 5631 (H.Rept. 109-676) did not contain this provision but provides \$100 million to “expedite” the Defense Department’s non-construction related counternarcotics efforts in FY2007. The conference report requires the Department of Defense to submit “a detailed execution plan” on the use of the \$100 million to the congressional defense committees prior to obligating any of the funds. The conference report also required the Department of Defense to submit an interagency report on the Administration’s plan to address drug production, drug smuggling, and narco-terrorism financing in the Central Asian region to the congressional appropriations committees no later than March 1, 2007.

The House version of the FY2007 Foreign Operations Appropriations Act (H.R. 5522) would have limited the obligation of Economic Support Fund (ESF) assistance to Afghanistan to \$225 million until the Secretary of State certified to the Appropriations committees that the Afghan government “at both the national and local level” was fully cooperating with U.S.-funded poppy eradication and drug interdiction efforts. The Senate version of the FY2007 foreign operations bill did not contain this provision. An identical certification condition was included in the 2006 Foreign Operations Appropriations Act (P.L. 109-102) that provided waiver authority to the President if he deems it necessary to preserve the vital national security interests of the United States. The Administration waived its certification requirement for FY2006 ESF appropriations for Afghanistan on May 22, 2006.<sup>107</sup>

FY2007 regular Foreign Operations funding for Afghanistan programs is provided under the terms of a continuing appropriations resolution (H.R. 5631/P.L. 109-289 Division B, as amended by H.J.Res. 20, P.L. 110-5 on February 15, 2007), which sets funding levels for major Foreign Operations aid accounts. Country allocations based on those levels were released in June 2007 (see **Table 4** below)..

The Senate and House-approved conference report on H.R. 1591 (H.Rept. 110-107), the FY2007 Emergency Supplemental Appropriations act, directs \$465 million in funding for counternarcotics activities in Afghanistan and surrounding countries. President Bush vetoed H.R. 1591 on May 1, 2007. However, the subsequently adopted supplemental (H.R. 2206/P.L. 110-28) contains general provisions that incorporate the text of the conference report (H.Rept. 110-107). Section 1306 of the act limits the amount of counternarcotics support that may be provided to Afghanistan and Pakistan to \$60 million in addition to funds already appropriated. The act also required the DEA Administrator to submit a report by July 31, 2007 that includes a plan to target and arrest Afghan drug kingpins in Helmand and Kandahar provinces.

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<sup>107</sup> U.S. Department of State Public Notice 5486, “Determination To Waive the Certification Requirement that the Government of Afghanistan Is Cooperating Fully with U.S.-Funded Poppy Eradication and Interdiction Efforts in Afghanistan,” May 22, 2006. *Federal Register*, Volume 71, Number 153, August 9, 2006.

The FY2008 Consolidated Appropriations Act (P.L. 110-161, H.R. 2764) limits the obligation of FY2008 ESF assistance to Afghanistan to \$300 million until the Secretary of State certifies to the Appropriations committees that the Afghan government “at both the national and local level” is fully cooperating with U.S.-funded poppy eradication and drug interdiction efforts. The report provides for a presidential waiver of this provision, subject to a reporting requirement. The act also states that no funds “shall be made available for eradication programs through the spraying of herbicides.” The act provides \$2,000,000 in emergency funds for non-personnel resources for the DEA FAST teams operating in Afghanistan.

The House report on H.R. 2765 (H.Rept. 110-197) directed the Secretary of State to initiate a pilot crop substitution program in “an area in which poppy production is prevalent.” The report also required the Administration to report on “the use of aerial assets to include fixed and rotary wing aircraft in coordination with and in support of Drug Enforcement Administration (DEA) counternarcotics operations,” and “the extradition status of Afghan drug kingpins and narco terrorists, the destruction of Afghan heroin laboratories, local Afghan prosecutions of heroin-related crimes, and illegal border crossings by foreign nationals from Pakistan into Afghanistan.”

See the tables below for more detail on Foreign Operations and Defense funding requests for FY2007 and FY2008.

**Table 4** displays the core counternarcotics funding requests for Afghanistan for the State Department, USAID, and the Department of Defense for FY2007-FY2008.

**Table 5** describes the Administration’s planned use for requested supplemental counternarcotics funding for the Department of Defense for FY2008.

**Table 6** displays the State Department/USAID Foreign Operations FY2008 request by program element.

**Table 7** displays the funding appropriated for U.S. counternarcotics activities in Afghanistan and related regional programs from FY2002 through FY2006.

**Table 8** describes the United Kingdom’s spending on counternarcotics programs in Afghanistan for 2005-2006.

**Table 4. U.S. Counternarcotics Funding and Requests for Afghanistan, FY2007-FY2008**

(\$ million)

Agency	FY2007 <sup>a</sup>	FY2007 Supplemental P.L. 110-28	FY2008 Request	FY2008 Defense Appropriation P.L. 110-116	FY2008 Supplemental Request
State/USAID	\$318.74	\$210.70 <sup>c</sup>	\$326.90	-	\$16.00 <sup>d</sup>
Defense Department	\$119.69 <sup>b</sup>	\$254.67	\$27.69	\$24.05 <sup>e</sup>	\$263.51 <sup>f</sup>

**Sources:** U.S. Department of State, Congressional Budget Justification for Foreign Operations Requests, FY2007 and FY2008, available at <http://www.state.gov/s/d/rm/rls/cbj/>; U.S. Department of State, Bureau for International Narcotics and Law Enforcement, FY2008 Program and Budget Guide - South Asia, available at <http://www.state.gov/p/inl/rls/rpt/pbg/93286.htm>; U.S. Department of Defense - Office of the Undersecretary of Defense (Comptroller), FY2007 and FY2008 Justification Materials, available at <http://www.dod.mil/comptroller/defbudget/fy2008/index.html>; and, Office of the Secretary of Defense communication to CRS, December 4, 2007.

- a. FY2007 regular State/USAID funding for Afghanistan is provided under the terms of a continuing appropriations resolution (H.R. 5631/P.L. 109-289 Division B, as amended by H.J.Res. 20, P.L. 110-5 on February 15, 2007), which sets funding levels for major Foreign Operations aid accounts. Total account allocations based on those levels were released in June 2007. The FY2007 column above shows the sum of the agreed allocation for the International Narcotics Control and Law Enforcement (INCLE) account and the original narcotics-related Economic Support Funding (ESF) request for Afghanistan.
- b. Includes \$100 million in Title IX funds provided by the conference report on H.R. 5631 (H.Rept. 109-676) to “expedite” the Defense Department’s non-construction related counternarcotics efforts in FY2007. The conference report requires the Department of Defense to submit “a detailed execution plan” on the use of the \$100 million to the congressional defense committees prior to obligating any of the funds.
- c. Includes \$155 million in Economic Support Funds (ESF) for rural development, \$47 million in International Narcotics Control and Law Enforcement (INCLE) funds, and \$8.7 million for special USAID operating expenses in Afghanistan.
- d. Includes \$16 million in supplemental funds requested for special USAID operating expenses in Afghanistan.
- e. Includes \$4.65 million in appropriated funds planned for use in Turkmenistan, Krygyzstan, and Tajikistan.
- f. Includes \$94.8 million in supplemental funds requested for use in Pakistan, Kazakhstan, Krygyzstan, Turkmenistan, and Tajikistan.

**Table 5. Defense Department Planned Use of FY2008 Appropriated and Supplemental Funds**  
(\$ million)

Proposed Purpose	FY2008 Defense Appropriation P.L. 110-116	FY2008 Supplemental Request
National Interdiction Unit (NIU), Counternarcotics Police of Afghanistan (CNPA) Support	\$6.296	\$97.775
Intelligence Fusion Center	\$5.100	\$2.175
Counternarcotics Border Police Support	-	\$17.546
Intelligence and Technology Efforts [inspection, imagery, technology support]	-	\$51.200
Other Program Support	\$8.000	-
Other Nation Support [CENTCOM AOR]	\$5.466 <sup>a</sup>	\$94.818 <sup>b</sup>
<b>Total</b>	<b>\$24.862</b>	<b>\$263.514</b>

**Source:** U.S. Department of Defense - Office of the Undersecretary of Defense (Comptroller), FY2007 and FY2008 Justification Materials. Drug Interdiction and Counter Drug Activities, Defense FY2007 and FY2008 Emergency Supplemental Requests - CN Supp OP-5, available at <http://www.dod.mil/comptroller/defbudget/fy2008/fy08GWOT.html>; and, Office of the Secretary of Defense communication to CRS, December 4, 2007.

- a. Includes appropriated funds planned for use in Turkmenistan, Krygyzstan, Tajikistan, and "other countries" in the CENTCOM area of responsibility.
- b. Includes supplemental funds requested for use in Pakistan, Kazakhstan, Krygyzstan, Turkmenistan, and Tajikistan.

**Table 6. State Department/USAID Foreign Operations FY2008 Request by Program Element**

(\$ million)

<b>Program Element</b>	<b>Request</b>
Eradication	\$190.30
Alternative Development and Alternative Livelihoods	\$118.61
Interdiction	\$13.00
Drug Demand Reduction	\$3.00
Program Support (Narcotics)	\$1.99
<b>Total</b>	<b>\$326.90</b>

**Source:** U.S. Department of State, Congressional Budget Justification for Foreign Operations Request, FY2008, available at <http://www.state.gov/s/d/rm/rls/cbj/>.

**Table 7. U.S. Counternarcotics Funding for Afghanistan by Source, FY2002-FY2006**

(\$ million)

	FY2002		FY2003		FY2004			FY2005		FY2006	
	Approp. Funds	P.L. 107-206	Approp. Funds	P.L. 108-111	Approp. Funds	P.L. 108-106	P.L. 107-38	Approp. Funds	P.L. 109-13	Approp. Funds	P.L. 109-234
Dept. of State	\$3.00 <sup>a</sup>	\$60.00	\$3.00 <sup>a</sup>	\$25.00	-	\$170.00 <sup>b</sup>	\$50.00 <sup>c</sup>	\$89.28	\$260.00	\$232.65	-
Dept. of Defense	-	-	-	-	-	\$73.00	-	\$15.40	\$242.00	\$27.80 <sup>h</sup>	\$141.87 <sup>g</sup>
DEA <sup>d</sup>	(\$0.58)	-	(\$2.92)	-	-	(\$3.96)	-	(\$7.67)	\$7.65	\$17.60 <sup>e</sup>	\$9.20
USAID <sup>f</sup>	-	\$9.99	\$14.29	-	\$53.55	-	-	\$95.69	\$248.50	\$90.50	-
<b>Annual Total</b>	<b>\$73.57</b>		<b>\$45.21</b>			<b>\$350.51</b>		<b>\$966.19</b>		<b>\$519.62</b>	

**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 11<sup>th</sup> 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. FY2006 funds include \$7.72 million for Operation Containment, \$4.3 million to support Foreign Advisory Support Teams (FAST) teams, and \$5.58 million for DEA offices in Kabul and Dushanbe, Tajikistan. New funds were not appropriated for the creation of a DEA office in Dubai, United Arab Emirates authorized in H.Rept. 109-272.
- f. USAID figures for FY2002-FY2005 reflect funds applied to USAID's "Agriculture" and "Agriculture and Alternative Livelihoods" programs (Program #306-001).
- g. Reflects supplemental funds earmarked for use in Afghanistan, Pakistan, Kazakhstan, Krygyzstan, and Tajikistan.
- h. Author consultations with Defense Department officials and appropriations committee staff, June 2005 and September 2006. Appropriated fund totals reflect funds requested and obligated to continue programs in the entire U.S. Central Command (CENTCOM) area of responsibility, including countries along the Arabian Sea littoral, the Horn of Africa, and Central Asia.



**Table 8. United Kingdom Counternarcotics Funding 2005-2006**

<b>Pillar/Program Area</b>	<b>\$ million</b>	<b>£ million</b>
Public Awareness	\$1.225	£0.649
Demand Reduction	\$2.100	£1.112
Law Enforcement	\$39.251	£20.787
Criminal Justice	\$2.100	£1.112
Institution Building	\$9.775	£5.177
Alternative Livelihoods	\$70.847	£37.520
International and Regional Cooperation	\$3.788	£2.006
Counternarcotics Trust Fund Contribution	\$16.994	£9.000
Law and Order Trust Fund Contribution	\$2.832	£1.500
Strategy, Research, and Reviews	\$5.608	£2.970
<b>Total</b>	<b>\$154.520</b>	<b>£81.833</b>

**Source:** Dr. Kim Howells, UK Foreign and Commonwealth Office Minister for the Middle East, "Afghanistan: Counter Narcotics," House of Commons Hansard Ministerial Statements for July 13, 2006 (Pt. 0134).

## Appendix.

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