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Letter dated 14 February 2006 from the Permanent Representative of Afghanistan to the United Nations addressed to the President of the Security Council

I have the honour to enclose herewith the text of Afghanistan's National Drug Control Strategy, presented by the Islamic Republic of Afghanistan at the London Conference on Afghanistan, held on 31 January and 1 February 2006 (see annex).*

I should be grateful if you could arrange for the enclosed text to be circulated as a document of the Security Council.

(Signed) Ravan **Farhâdi** Ambassador Permanent Representative

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^{*} The annex is reproduced in the language of submission only.

Annex to the letter dated 14 February 2006 from the Permanent Representative of Afghanistan to the United Nations addressed to the President of the Security Council

Islamic Republic of Afghanistan Ministry of Counter-Narcotics



NATIONAL DRUG CONTROL STRATEGY

An Updated Five-Year Strategy for Tackling the Illicit Drug Problem

Kabul, January 2006

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"The state prevents all types of terrorist activities, cultivation and smuggling of narcotic drugs and production and consumption of intoxicants."

The Constitution of the Islamic Republic of Afghanistan

<u>Message from H.E. Hamid Karzai, the President of Islamic Republic of</u> <u>Afghanistan</u>

"Since the National Drug Control Strategy was first launched by the Afghan Government in May 2003, Afghanistan has come a long way. Through a remarkable process that gave a voice to the views of people across the country, we have agreed a constitution for our country. We have held presidential and parliamentary elections. We have re-built the basic institutions of a modern state and are well on our way to full re-integration into the community of nations. And we are witnessing real signs of economic recovery. Nonopium GDP is growing at 8%. The IMF forecasts a growth rate for Afghanistan in 2005/06 of 13.6%.

Each phase of Afghanistan's recovery since the December 2001 Bonn Agreement has been characterised by particular dangers and unique opportunities. None of these, however, match the peril posed by the resurgence of the 'opium economy', which grew to unprecedented levels in 2004. As the Bonn Process draws to a close, rather than permanently opening a door to a new era for Afghanistan's development, the opium trade threatens to reverse our accomplishments and drag us back into chaos, criminality and abject poverty.

It is difficult to over-state the dangers of the 'opium economy' for our country and the region's future. It is the single greatest challenge to the long term security, development and effective governance of Afghanistan. It also represents a significant risk to the stability of the region and accounts for almost 90% of the global supply of opiates. The drugs trade fuels corruption and it undermines the very rule of law that is key for bringing safety and security to our people, it jeopardises the prospects for long-term economic growth, and it impoverishes thousands of farmers who become indebted to drug traffickers, money-lenders and criminals. The opium trade rewards those who plunged our country into decades of lawlessness, chaos and left us at the hands of terrorists. It soils our honour, forces us to dampen our national pride, and makes us look incompetent in the eyes of the world.

For the ever-growing numbers of problem drug users in Afghanistan, the drug robs them of ambition and the ability to provide for themselves and their families – and to help re-

build Afghanistan. And with so many citizens engaged in such an illegal and un-Islamic activity it undermines the moral foundation of our state.

We therefore have to tackle this problem head-on. There can be no further consolidation of peace until we substantially reduce the cultivation, production, trafficking and consumption of illicit drugs in Afghanistan. It is vital too that our strategy is targeted where it can make the most sustainable impact in the near term. In the immediate future we will therefore reinforce our efforts to target the trafficking network, while at the same strengthening rural livelihoods, government institutions and drug treatment facilities.

I therefore call upon all Afghans and, specifically, all Ministers, Governors and public officials to open the doors to our future, and reject a return to our tortured past. We must implement this updated National Drug Control Strategy and, in so doing, allow our country to maintain its standing as a member of the community of nations, proud, and free of an illicit drugs economy."

Kabul, Afghanistan January 2006

Preamble by the Minister of Counter Narcotics

When His Excellency Hamid Karzai was inaugurated as the first freely elected President of Afghanistan in December 2004, he said the main priority of his Government would be to tackle the illicit drugs industry of the country. This updated National Drug Control Strategy strongly echoes President Karzai's desire to face this scourge head on.

In doing so it highlights four key national priorities which we believe will enable us to make the greatest and most sustainable impact on the trade in the near term and to consolidate successes seen to date. In the coming three years we will focus on targeting the trafficker and the top end of the trade; strengthening and diversifying legal rural livelihoods; reducing the demand for illicit drugs and improving the treatment of problem drug users; and developing state institutions at the central and the provincial vital to the delivery of our counter narcotics strategy.

In highlighting these priorities we judge that targeting the traffickers will provide us with the best means of injecting greater risk into the trafficking network while access to legal livelihoods remains limited. We also recognize that "alternative livelihoods" is not simply about crop substitution, but about facilitating access to credit, land, food, employment and markets while maintaining a credible enforcement and eradication threat. And we are focusing on reducing drug use and improving drug treatment. At the same time we recognize that unless we develop accountable, transparent and effective institutions our capacity to deliver on our counter narcotics strategy will be severely limited.

These priorities will allow us to entrench the considerable success the Government achieved in 2005: UNODC reported a 21% drop in cultivation.¹ Nangarhar Province, which in 2004 boasted the second largest amount of poppy cultivation in the country – over 28,000 hectares – reported the lowest amount of cultivation in 2005. Badakhshan dropped from 15,607 to 7,370 hectares. In the south, Uruzgan broke a three-year trend of rising cultivation figures, reporting that 4,605 hectares, compared to 11,080 hectares in

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¹ UNODC, 2005. The Opium Situation in Afghanistan. Kabul: UNODC.

2004, were used for opium cultivation.² In its annual report, the UNODC noted that the Government had delivered "an important result in 2005."₃

More broadly it is crucial that counter narcotics is fully integrated into the broader national development agenda as set out in the National Development Strategy and the Government's Security Sector Reform programmes as laid out in the National Security Policy. Bringing about a sustainable reduction in cultivation and trafficking cannot just be the Ministry of Counter Narcotics' responsibility and target. The opium trade fuels crime and insurgency and traps the rural poor in opium debt-related poverty. As such it constitutes a serious threat to the security, accountable governance and economic development of Afghanistan. Efforts to combat it must therefore be targeted towards the destruction of a highly profitable enterprise that has become deeply interwoven within the economic, political and social fabric of our country. This is a task for all Government ministries and organizations and will require the support of the entire international community.

It has been said that Afghanistan can only become a full member of the community of nations if it rids itself of the 'opium economy'. But the prize is, in fact, even greater: when we succeed in our task we will play a positive role in the world in a way that we have failed to manage for several decades.

Engineer Habibullah Qaderi Minister of Counter Narcotics

² UNODC, 2005. The Opium Situation in Afghanistan. Kabul: UNODC.

³ UNODC, 2005. The Opium Situation in Afghanistan. Kabul: UNODC.

Executive Summary

This National Drug Control Strategy (NDCS) has been updated by the Ministry of Counter Narcotics (MCN) on behalf of the Government of Afghanistan. It is the second version of the NDCS, the first of which was drafted in 2003. The NDCS was updated with the input and participation of relevant Ministerial representatives through a four-month consultative process. It was endorsed by the Cabinet and approved by the President.

Chapter One introduces the NDCS and explains how the MCN undertook the task of updating the current strategy. Importantly, it lays out a programme of work, which will lead to a comprehensive review of the NDCS in 2007. As part of this work, the MCN will assess the impact of drug policies from first principles. Chapter one also explains why the successful delivery of our goal will depend, in large part upon work to improve the security, governance and socio-economic development of the country more generally. This is why CN has been included as a cross-cutting issue within the National Development Strategy.

Chapter Two sets out the strategic direction of the NDCS. It identifies the Government's policy goal and four key priorities and sets out benchmarks by which progress will be measured. The goal is to **secure a sustainable decrease in cultivation, production, trafficking and consumption of illicit drugs** with a view to complete and sustainable elimination. In working towards this, the Government will focus its efforts on four national priorities in order to make the most sustainable impact on the trade in the near term. The four priorities are:

- Disrupting the drugs trade by targeting traffickers and their backers;
- Strengthening and diversifying legal rural livelihoods;
- Reducing the demand for illicit drugs and treatment of problem drug users; and
- **Developing state institutions** at the central and provincial level vital to the delivery of our CN strategy.

The Government intends to expend the majority of its resources in these four priority areas.

Chapter Three focuses on evaluation and sets out the mechanisms to be used in monitoring the strategy. It also highlights the Ministries that are responsible for the implementation of the strategy and sets out plans to develop a detailed budget for CN activity. Chapter 3 also addresses the cost of the NDCS. Costs will emerge clearly when the Government has developed its ability to analyse CN expenditure in the National Budget. Until this occurs, the available figures are a preliminary analysis of the 2005 National Development Budget (NDB), which **estimated the total cost of the Government's CN activities at US\$ 2,467.81 million.**

Chapter Four outlines the history and nature of the 'opium economy'. Understanding the underlying causes of the 'opium economy' – and outlining these – is important if the Government is to design the most effective policy responses. The 'opium economy' has previously been described as 'footloose' i.e. having an ability to shift cultivation and production within the country in response to the Government's activities. A prerequisite to any drug strategy is an understanding of these shifts. Chapter 4 therefore briefly seeks to outline future trends – to prepare us for the challenge of tomorrow.

Finally, **Annex A** explains each pillar, lays out an aim for each one and, crucially, enumerates the high-level outcomes/outputs required to reach the aim. Annex A also specifies benchmarks that will determine whether or not we have reached the outcomes/outputs. **Annex B** details the Government's CN activities from 2001 until the present day.

As with any strategy with a longer-term focus – in this case until 2010 – the NDCS will have to be flexible and change in response to emerging issues. As capacity increases across all Ministries, NDCS working groups will continue to develop detailed programmes of activity corresponding to the four key priorities. Detailed programmes will be available by the middle of 2006.

Beginning in 2007 the MCN will also lead a fundamental *review* of the strategy, which will lead to a new NDCS. The Government intends to review its strategy at least every three years.

Chapter One: Introduction

Between 2002 to 2004 opium production in Afghanistan rose from 3,400 metric tonnes to 4,200 metric tonnes. The area under cultivation increased from about 80,000 hectares in 2003 to an unprecedented 131,000 hectares in 2004 thus increasing global opium poppy cultivation by 16%.⁴ In 2005, however, the area under opium poppy cultivation decreased by 21% from about 131,000 hectares to a level of 104,000 hectares while production decreased by 3%. The largest opium producing province in 2005 was Helmand (25% of total). Kandahar (12%) was the second largest producer, with Balkh (11%) and Farah (10% of the total) in third and fourth place.

In 2005, cultivation covered only 2.3% of the country's arable land (up to 10% of land in opium growing villages), and provided regular employment for just 8.7% of the population as a whole⁵. The proportion of families who derive at least part of their annual income from opium, however, may be higher. However while resource rich farmers have access to land, water, labour and working capital and may choose to cultivate opium in addition to other food and cash crops, poorer farmers who do not have access to sufficient land for a viable livelihood must either work as labourers or enter into sharecropping contracts normally requiring the cultivation of opium. Opium growing has thus become the principal means of access to livelihoods, via land and credit, for the poor in opium areas. Nobody knows how many opium traders exist, but estimates have placed the number at 15,000.⁶ Similarly, the number of labourers is unknown. But large numbers of labourers move seasonally following the poppy harvest; in 1999 1.26 million people were estimated to have taken part in the harvest.

Moreover, according to the UN Office of Drugs and Crime (UNODC) Afghanistan produced approximately 87% of illicit opium worldwide in 2005⁷ and, at approximately \$2.7 billion, the total value of opium exported by traffickers equalled 52% of Afghanistan's 2004/5 GDP.⁸ This represents a mark up of five times the farm-gate value

¹⁰⁻⁻⁻⁻⁻

⁴ UNODC, 2004. *Opium Survey*. Kabul: UNODC; UNODC, 2005. *World Opium Report*. Vienna: UNODC

⁵ UNODC, 2005. *Opium Survey*. Kabul: UNODC

⁶ Byrd, W. and C. Ward, 2004. *Afghanistan's Drug Economy. A Preliminary Overview and Analysis*. Draft Technical Annex 2. Washington: World Bank.

⁷ UNODC, 2005. Opium Survey. Kabul: UNODC; UNODC, 2005. World Opium Report. Vienna: UNODC

⁸ The value of 2005 opium production, exported by traffickers, was in 2005 estimated at US\$2.7 billion, slightly less than in 2004 (US\$2.8 billion). The farm-gate value of the opium harvest

of the opium harvest and contrasts with the Government's (core) budget of \$ 1.9 billion. By comparison, the drug trade in Myanmar (the country with the next largest drug trade relative to GDP) is just under 25% of the size of the legal economy.

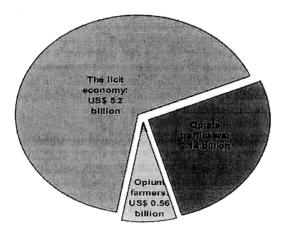


Diagram 1. Size of the licit economy and the 'opium economy' in 2005

Source: UNODC, 2005

Given the size of the opium economy and the extent to which it is defined by traffickers rather than farmers, the key is not just to reduce the level of cultivation but simultaneously to reduce the value of the opium economy, as defined by the total value of opium exported by traffickers. This has the potential to increase or remain static even while cultivation is falling. There are two principal reasons for this. Firstly drug prices may increase in response to reduced supply; and secondly yields may increase as a result of better planting conditions. It is only when we are able to successfully reduce cultivation, production and disrupt the trade that the total value of the opium economy will decrease, thereby indicating long term success both in the fight against narcotics and in the transition towards a more secure and effectively governed Afghanistan.

amounted to US560 million in 2005. The GDP figure for 2004/2005 was 254,487 million Afs. This figure does not include the value of opium production.

UNODC, 2005. *Opium Survey*. Kabul: UNODC; UNODC, 2005. *World Opium Report*. Vienna: UNODC

Indeed, so long as traffickers continue to operate, their interests are likely to become increasingly aligned with those of insurgent groups, corrupt officials, corrupt business

people, and others who seek oppose the to extension of an effectively governed state. Collusion between these groups as well as the activities of individual groups will undermine progress towards equitable economic growth, social development, security and accountable governance. Thus the fight against narcotics in Afghanistan is not just a drugs agenda.

Nevertheless, the NDCS recognizes Afghanistan's responsibility in the global fight against drug addiction.

In 2003, there were

What Are Drugs

In the context of the NDCS the term 'drugs' refers to those illicit psychoactive substances, natural or synthetic, and including the illicit use of pharmaceutical products such as analgesics and tranquillizers, proscribed by the law. Psychoactive pharmaceutical drugs are sometimes referred to as psychotropics, although in a more general sense the term psychotropic means the same as psychoactive – mood-altering substances that affect the mind or mental processes.

The most common drugs found in Afghanistan are opium (*taryak*) and its derivatives morphine and heroin (*poder*), hashish (*charas*), and alcohol (*sharab*). In Islam all drugs used as intoxicants (*khamr*) are forbidden (*haram*) as they are said to cloud the mind and distract it from the path of God.

A major problem arising from such drugs is that users are at risk of developing psychological and physical dependence. In 1964 the WHO recommended that the term 'dependence' should replace 'addiction' and 'habituation' as dependence can exist in different degrees of severity, unlike addiction which tends to be seen as an 'all or nothing' disease. Even those who are not dependent can experience a range of social, financial and health-related problems related to drug users. This is usually referred to as 'problem drug use' or 'misuse' rather than the more moralistic labels of addict and abuser.

800,000-1.2 million problem drug users in Iran. This figure may be as high as 3 million today. The latest figures for Pakistan, that country's 1993 National Drug Abuse Survey, estimated that there were 3.01 million problem drug users. This number is believed to have risen considerably since the survey.⁹ Figures from the UNODC point to a 17-fold increase in opiate abuse between 1990 and 2002 in Central Asia. Drug users now make up almost 1% of Central Asia's population (three times the percentage in the rest of Asia).¹⁰ Between 70% and 90% of the heroin found in Europe has been processed from

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 ⁹ Government of Pakistan, Drug Abuse Control Master Plan 1998-2003, 1993. Islamabad. It is difficult to compare figures across different countries as surveys rarely cover the same period.
 ¹⁰ UNODC, 2005. World Opium Report. Vienna: UNODC

opium produced in Afghanistan: the European Union now has up to 2 million drug users.¹¹

Most importantly, drug use in Afghanistan has increased markedly in recent years: it is estimated that there are now more than 920,000 problem drug users (which includes opium, hashish, pharmaceuticals and alcohol) and on this basis, 3.8% of all Afghans consume illicit drugs. This total includes an estimated 150,000 opium users, 50,000 heroin users, and 520,000 hashish users. In Kabul alone, the number of heroin users has doubled in less than three years.¹² Heroin is increasingly administered by injection and so brings with it the risk of associated health-related problems such as HIV/AIDS or Hepatitis C, which are spread by drug users sharing injecting equipment (e.g. needles).

The Drugs Strategy

CN has been at the forefront of the Government's activities following the overthrow of the Taliban. The "Bonn Agreement" of 5 December 2001, requested the Interim Authority and the Loya Jirga to "cooperate with the international community in the fight against . . . drugs and organized crime." The purpose of the NDCS, the first version of which was issued in 2003, is to provide a strategic framework to inform and direct the allocation of resources in support of the Government's CN effort.

In the last year and in the wake of the 2004 Presidential and 2005 Parliamentary elections, and the creation of the MCN, we have reassessed the strategic direction of our CN policy based on lessons learned and consultation with narcotics and development experts. The updated strategy is the result of that reassessment.

More infrequently, a strategy needs to be thoroughly *reviewed*. This requires a reassessment of existing policies and programmes from first principles. The MCN intends to lead such a fundamental review of the NDCS in January 2007 with a view to conducting a review at least every 3 years.

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¹¹ European Monitoring Centre for Drugs a Drug Addition, 2005. Annual Report 2005: The State of The Drugs Problem in Europe. Lisbon

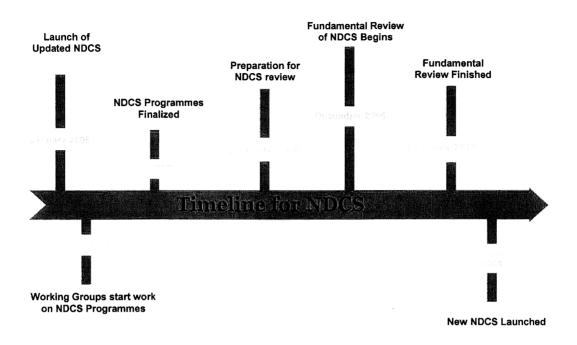
¹² UNODC, 2005 Drug Use Survey for Afghanistan. Kabul: UNODC

NDCS Updating Process

Responsibility for conducting the update of the current strategy rested with the MCN's Strategy and Research Directorate (SRD), which reports to the Minister of Counter Narcotics. The United Kingdom, in its role as G8 'Lead Nation' on CN, provided advice to the MCN on the updating of the NDCS. The SRD used cross-Government working groups to discuss the NDCS with all relevant Ministerial and international stakeholders. The intention was to ensure that all relevant stakeholders took part in the policy discussions that led to the updated strategy and that those charged with delivering policy would be given a voice in policy development. Given their wide representation, the working groups provided an opportunity to improve cross-ministerial cooperation generally. In many cases, officials from different Ministries (e.g. the Ministry of Interior, the Ministry of Rural Reconstruction and Development, the Ministry of Agriculture, the Ministry of Defence, the National Directorate for Security, the Office of the National Security Adviser, the Ministry of Education, the Ministry of Public Health , the Ministry of Public Works and others) began discussing CN policy issues in a way that has not been seen previously.

Moreover, the SRD researched other countries' strategies and policies and examined various relevant evaluation reports. Once a draft was produced, it was distributed to all the working groups for comments. Their contributions were incorporated, and the draft was sent directly to all the Ministries and relevant international partners for review. Having incorporated comments from these stakeholders, the draft was discussed in the Cabinet Sub-Committee for Counter Narcotics and passed to the President for approval.

However the NDCS 'process' does not stop with the publication of the strategy itself; rather, detailed programmes will be generated through the working groups used to draft the NDCS. The programmes will also approve specific actions that will be used to guide and monitor implementation. As such, they will replace the 2005 CN Implementation Plan. The MCN, in cooperation with line Ministries, will aim to finalise this work by the middle of 2006. The below diagram lays out the timeline for the development and revision of the NDCS:



How the NDCS relates to other Government policies

The existence of the NDCS does not negate the need to address CN issues in the Government's other policy documents. The Government's CN policy must occur within the context of a broader stabilisation process. CN policy must therefore be 'mainstreamed', that is, included and facilitated in both national and provincial plans and strategies. Thus just as the establishment of a secure and effectively governed environment will help to accelerate the pace of reconstruction and the creation of sustainable rural livelihoods, disrupting the trafficking networks and the power bases of corrupt officials will contribute to the establishment of that same environment. At the same time the elimination of opium poppy cultivation must be effectively sequenced with the broader stabilisation effort and eradication targeted where rural livelihoods exist.

CN has therefore been included as a cross-cutting issue within the Interim Afghan National Development Strategy (I-ANDS). To ensure that the NDCS and I-ANDS are aligned and that CN becomes a core component of the Government's policies and programmes, the SRD represented the MCN in discussions with the ANDS Office and the Office of the National Security Adviser.

Chapter Two: Policies and Strategy

The NDCS is designed to present a clear and systematic approach to the drugs problem. The Strategy is centred on four key priorities identified for their potential to make the greatest and most sustainable impact on the trade in the near term. The whole gamut of the Government's activities is captured in the concept of eight pillars to implement projects against the four main priorities. The below diagram illustrates the hierarchy of the NDCS components:



This approach recognises that activities need to be effectively sequenced rather than proceeding in isolation, and acknowledges the need to build sustainable institutions to underpin the CN strategy. No sustainable reduction in cultivation, achieved either through self-restraint or eradication, will be possible until farmers have access to sufficient legal livelihoods. Similarly until cross-border drug traffickers are convicted and detained, interdiction activity will have only a limited effect on the trade. However, ensuring that we have clean, effective and accountable structures in place to deliver on both these goals will be crucial to the success of the NDCS.

At the same time we recognise that the Government's CN strategy must be set in the context of the broader development agenda. Bringing about a sustainable reduction in cultivation and trafficking cannot just be an MCN target. CN policy must therefore be 'mainstreamed', that is, included and facilitated in both national and provincial plans and strategies.

Overall Policy Goal

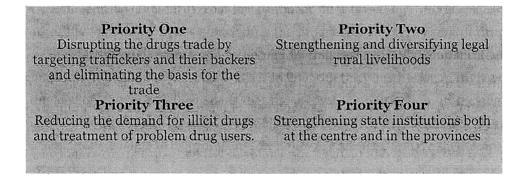
The NDCS sets one over-arching objective for the Government, which is:

To secure a sustainable decrease in cultivation, production, trafficking and consumption of illicit drugs with a view to complete and sustainable elimination

The Government has chosen its goal for a number of reasons. First, to emphasize all aspects of the 'opium' economy' – including the production and trafficking of drugs as well as the cultivation of opium poppy. Second to emphasise that the long term goal is the complete elimination of the trade. This is in line with the Constitution of Afghanistan and the Law on Narcotics which states that the cultivation, production, trafficking and consumption of illicit drugs, including opium, are illegal activities. Those who engage in illegal activities are liable to be prosecuted or, if they are farmers, to have their crops and harvest eradicated.

National Priorities

Identifying national priorities helps to provide a focus for coordinating a range of different strategies, programmes and activities to achieve the overall goal of the policy. These priorities may need to change over time, but currently represent the best means of making sustainable progress towards our ultimate goal. These priorities are as follows:



The Government intends to spend the preponderance of its resources and energy on these four priority areas.

<u>Priority One: Disrupting the drugs trade by targeting traffickers and their</u> <u>backers and eliminating the basis for the trade</u>

Focusing on the traffickers who profit from the trade rather than on poor farmers who may have little choice but to cultivate poppy offers the best means of injecting greater risk into the trafficking system while access to legal livelihoods remains limited. Whereas excessive eradication may have a detrimental impact on our wider security, governance and economic development goals, focusing on the trafficking network with its links to other forms of criminality can help contribute to the achievement of those goals. Disrupting (including through asset recovery and targeting illicit financial flows) the trafficking networks that thrive on instability will, over the longer term, foster a more stable security environment. It will promote a more democratic process by dismantling the power bases of corrupt officials. And it will help to decrease pressure on poor farmers who may have no option but to grow poppy in order to feed their families.

Over the past year or so, Afghan Special Narcotics Force (ASNF) and CN Police of Afghanistan (CNPA) operations have led to an increase in seizures and the CN Criminal Justice Task Force (CJTF) has, since May 2005, convicted over 150 traffickers. We have also seen the first extraditions of traffickers to the US and establishment of intelligence sharing mechanisms with our neighbours. This has had an impact on the trade. In particular it has caused traffickers to adapt their *modus operandi* and to move and store drugs in smaller quantities. Over the coming three years we will build on this progress, including by improving the quality of our intelligence, interdiction and investigative capacities, transferring the important drug cases and criminals to the capital, ensuring security of CJTF members and court witnesses and the coordination of those efforts.

Priority Two: Strengthening and diversifying legal rural livelihoods

Research shows that the majority of Afghan farmers do not grow poppy merely to maximise profit, but as a result of a complex set of motivations. These are influenced by availability of credit; access to land; alternative employment opportunities; existence of viable alternative crops and markets; availability of infrastructure to grow and transport produce; and food security. Unless we focus activity in all these areas, while continuing to inject risk into the trafficking system through a credible enforcement and eradication threat, we will not make a sustainable impact on cultivation levels. Instead we risk shifting cultivation from province to province and bringing about year on year fluctuations which do little to contribute to our overall goal.

To speed the transition into legal rural livelihoods, we will focus on both quick impact and medium/long term activities. Specifically we will concentrate not only on crop substitution but on improving social protection for the poor through cash for work programmes and social safety nets; road construction and renovation of irrigation systems; improving access to finance and credit (in order to break the cycle of opium debt); and developing research programmes into new crops and markets.

Priority Three: Reducing the demand for illicit and treatment of problem drug users

All indicators suggest that over the last few decades there has been an increase in consumption of a wide range of drugs in Afghanistan, for example opium, heroin, hashish, pharmaceuticals and alcohol. The incidence of injecting drug use is also of growing concern. In 2005 a UNODC/MCN survey estimated that there were 920,000 drug users, representing 3.8% of the total population and including 50,000 heroin users, 15% of whom are injectors. Continuing impoverishment, unemployment, social dislocation, insecurity and conflict suggest that these figures are likely to increase and that problems related to drug use will continue long after the country ends large-scale opium cultivation. Drug use still carries a stigma and can lead to social exclusion, in particular the arrest and punishment of drug users needs to be reduced and those dependent on drugs diverted into treatment and harm reduction programmes.

Currently there are only limited services available and in the next three years these need to be rapidly scaled up through mainstreaming of demand reduction in healthcare, education and law enforcement sectors. Drug awareness and prevention campaigns need to be targeted at high-risk groups in order to stop people from starting to use drugs. Community-based and residential treatment services need to be established for those dependent on drugs. For injecting drug users, harm reduction measures must be introduced as a public health measure to prevent the transmission of blood-borne diseases like HIV and hepatitis C.

The MCN chairs a regular monthly meeting of the National Demand Reduction Working Group, bringing together representatives of national and international NGOs, UN agencies, donors, and government Ministries including Public Health, Education, Hajj and Awqaf, Labour and Social Affairs and Women's Affairs and others. Two sub-groups also meet, one for treatment and rehabilitation and one for education and prevention. In May 2005, the Ministers of Counter Narcotics and Public Health signed the National Harm Reduction Strategy for Injecting Drug Use and the Prevention of HIV, and a draft set of National Drug Treatment Guidelines have also been developed and await ratification.

<u>Priority Four: Strengthening state institutions both at the centre and in the provinces</u>

Until strong, effective and accountable institutions and law enforcement agencies are established at the central and provincial level, our ability to deliver on the key priorities highlighted above and on the overall CN campaign will be limited. Drug-related corruption will continue to hamper progress. In the last two years we have established the MCN, the CN division of the Ministry of Interior, the CNPA, the ASNF, the CN CJTF and the CNTF. We have also begun to work with our neighbours under the framework of the Good Neighbourly Relations Declaration (GNRD) and other regional coordination bodies.

In the next three years we will work to develop capacity within these institutions and to extend their reach to the provinces. We will prioritise the establishment of secure CN penal facilities in Kabul and ensure the passage of effective CN legislation. We will also work with international partners to develop capacity and mainstream CN within other key institutions including the Permanent Justice institutions, non-CN law enforcement agencies; the Ministry of Rural Rehabilitation and Development; the Ministry of Agriculture, Animal Husbandry and Food Stuff; the Ministry of Public Health; and the Ministry of Justice. We will develop a robust CN budgetary, planning and resource allocation process at both the central and the provincial level in order to ensure resources are allocated equitably and without corruption.

Pillars of Activity

The whole gamut of the Government's activities is captured in the concept of eight pillars to implement projects against the four main priorities. These 'pillars' are a conceptual way to group the Government's activities together. Importantly, they should not be seen as impermeable and unrelated areas of work. On the contrary, they must be as closely related as possible. It is also important to realise the distinctive values and limitations of each pillar so that each is brought to bear to the extent necessary but expectations stay in line with reality.



The Role of Eradication

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Eradication – the physical destruction of established poppy cultivation in the field – is a controversial and frequently misunderstood element of the Government's CN policies. In updating the NDCS it is important to clarify that the Government of Afghanistan's drugs control policy is not eradication-led. However, where there are legal livelihoods, a credible threat of eradication is needed in order to incentivise the shift away from poppy cultivation.¹³ We will therefore carry out targeted ground-based eradication throughout Afghanistan in order to ensure we make maximum progress towards our long term elimination goal. The Government has also decided that eradication must only be delivered by manual or mechanical ground based means; that no compensation should be made available to those whose poppy fields have been eradicated; and that eradication should not be conducted in fields where poppy has already been lanced and ideally should be conducted prior to flowering.

The MCN will prepare draft prioritised eradication target areas within respective provinces each year. These will be in line with the agreed principles and will be considered by a cross-ministerial group empowered to authorise and agree the target

¹³ UNODC, 2005. *Opium Survey*. Kabul: UNODC; UNODC, 2005. *World Opium Report*. Vienna: UNODC

areas. Once agreed, the targeted areas will be included in an annual eradication plan. Where required, eradication targeting areas should be made publicly available only after the planting season in any given year

The Ministry of Interior is responsible for ensuring eradication is delivered in accordance with approved prioritised eradication target areas. Provincial Governors are responsible for ensuring that required eradication is delivered effectively within their own respective provinces, whether by provincial or central eradication forces. Provincial Governors should eradicate all cultivated poppy within the approved targeted areas.

It is important to ensure that quantitative and qualitative claims of eradication delivered by eradication forces are verified. Any force conducting eradication should provide accurate and timely reporting to the Ministry of Interior. The Ministry of Interior should pass all reporting received to the MCN who, supported by other Ministries and international organisations, should monitor, verify and report on these claims of eradication. The MCN will also deploy staff under the Poppy Elimination Programme (PEP). PEP teams will focus on persuading farmers not to plant through an information campaign; verifying that reported eradication has been carried out; and ensuring that it has been targeted where legal livelihoods opportunities exist.

Public Awareness

A sustained information campaign is crucial for spreading awareness of the harms of illicit cultivation and trade in narcotics. The drive requires a multi-dimensional effort including an inter-Ministerial approach led by the MCN and involving line ministries including the Ministries of Hajj and Awqaf, Interior Affairs, Agriculture, Rural Rehabilitation and Development, National Defence, Education, Information, Culture and Tourism, Women Affairs and others. Reaching this goal will also require the engagement of national and international media, civil society groups and various other groups of Afghan society through MCN co-ordination. The concerted efforts must alert the Afghan people to the harm and shame that illicit cultivation and trade in opium brings; that their engagement in such activities is both illegal and un-Islamic; persuade farmers not to cultivate opium poppy; and, highlight the increasing effectiveness of Afghan law and criminal justice enforcement mechanisms that are tackling the trade in illicit drugs.

International & Regional Cooperation

Due to the nature of the drug trade within and beyond Afghanistan's borders, the Afghan administration is working to improve cooperation and coordination with its immediate neighbours – Pakistan, Iran and the Central Asian states – and the international community. Efforts are being made to improve information-sharing and develop closer working relationships with the neighbours concerning border control and law enforcement agencies; judicial cooperation is another aspect that needs to be strengthened in bilateral relations. Improved cooperation will also result in the disruption of the flow of narcotics (and precursor materials) across Afghanistan's borders. Afghanistan today is an active participant in UNODC-sponsored meetings and forums such as the Inter-Governmental Technical Committee (IGTC) meeting and the Senior Law Enforcement Officers (SLEO) meetings.

Chapter Three: Implementation and Assessment

The Ministry of Counter Narcotics

Implementation of the various elements of the NDCS will be a matter for Ministries and organizations involved in the delivery of drug policy. The system for monitoring progress in implementing the NDCS and reporting progress to the President, the Cabinet and the National Assembly at regular intervals will be managed by the MCN. This mandate is enshrined in the Law on Counter Narcotics, which states that the MCN exists "to coordinate the Government of the Islamic Republic of Afghanistan's counter narcotics policies, and funds."

CN is not only the responsibility of the MCN it is the responsibility of each Ministry whose activities contribute to, or impact on, the eventual output. This responsibility is enshrined in the Counter Law on Narcotics. Besides the MCN. other bodies and institutions in Afghanistan, including but not limited to the Ministry of Interior, the Ministry of Finance, the Ministry of Defence, the Ministry of Foreign Affairs, the Ministry of Hajj and Awqaf, the CNPA, the Afghan National Police and the National Directorate for Security are responsible mutually to cooperate, and assist one

The Law on Narcotics

The Law on Narcotics, drafted by the Counter Narcotics Directorate with UN assistance in 2002/3, was a major step forward compared to previous legislation, but almost upon its promulgation concerns were voiced that it did not address the working needs' of drugs law enforcement officials. To provide a better basis for the prosecution of CN cases, it was determined that the CN legislation needed a number of changes, including a schedule of CN offences and penalties, clarity over rules of evidence, and clarity over the roles and responsibilities of the various law enforcement organisations. The MCN and the Ministry of Interior assisted by the United States and the UNODC, began revising the country's counter narcotics legal framework.

The Law on Narcotics now lays penalties for possession of drugs, and prohibits the importation, exportation, sale, purchase, delivery, receipt, production, processing and possession of certain substances. The Law also enumerates the duties of different ministries and agencies.

The Law states also that the MCN "shall be responsible for coordinating, monitoring, and evaluating law enforcement efforts against illegal drug use and trafficking, including collecting and publishing all written procedures and regulations required under this law."

another in performing their duties and coordinating activities. The same is the case for

international organizations and bilateral donors. For the NDCS to be implemented, all Ministries and international partners will need to consider how their work programmes impact on CN.

Table 1 shows the various organizations involved in implementing the NDCS. Roles and responsibilities is detailed in the Law on Narcotics and other relevant legislation.

Pillar	Responsible Ministries and Organizations	
Law Enforcement	Ministry of Interior, CNPA, ASNF, MCN, Border Police,	
	National Police,	
Criminal Justice	Ministry of Justice, Attorney-General's Office, CJTF, MCN	
International and Regional	Ministry of Foreign Affairs, Ministry of Defence, National	
Cooperation	Directorate for Security, Office of National Security	
	Adviser, MCN	
Institution-Building	All line ministries and provincial administration	
Public Awareness	MCN, Ministry of Higher Education, Ministry of Public	
	Health, Ministry of Information, Culture & Tourism,	
	Ministry of Hajj and Awqaf, Ministry of Women's Affairs,	
	Ministry of Education, Provincial Administrations	
Demand Reduction	MCN, Ministry of Higher Education, Ministry of Public	
	Health, Ministry of Information, Culture & Tourism,	
	Ministry of Hajj and Awqaf, Ministry of Women's Affairs,	
	Ministry of Education	
Eradication	MCN, Ministry of Interior, Afghan Eradication Force,	
	Provincial Administrations	
Alternative Livelihoods	Ministry of Rural Reconstruction and Development,	
	Ministry of Agriculture, Animal Husbandry and Food	
	Stuff, MCN, Ministry of Energy and Water, Ministry of	
	Finance, Ministry of Public Works, Provincial	
	Administration	

Measuring Progress

The NDCS aims to provide a basis for making measurable progress towards achieving the priority policy objectives. To date, the Government has measured progress on CN by year on year reductions in levels of opium poppy cultivation. This has been – and remains – an important measure. But it suffers from considerable draw-backs. Focusing on cultivation levels tell us little about the sustainability of any decrease in cultivation and tends to obscure the complexity and implications of differing cultivation patterns within and between provinces. Thus it fails to identify problems associated with very rapid or uneven decreases in cultivation, be they through self restraint or eradication. Furthermore, given the current possibility that stockpiles continue to exist, the 2005 recovery in yield/hectare, and the fact that reduced supply can push prices up, near-term reductions in cultivation levels are unlikely to affect the activities of those involved in trafficking.

The Government has therefore decided to focus on four yearly indicators to measure that its priority objectives are being achieved:

Indicator Reduced level of opium cultivated year-on- year	Benchmark Reduction in hectares of opium cultivation (using 2004 UNODC figures as a baseline)
Sustainable reduction in the relative value of the opium economy vis-à-vis licit GDP	Year on year reduction in illicit drug GDP, measured against licit GDP growth (using 2004 UNODC figures as a baseline)
Reduction in trafficking of illicit drugs and precursor chemicals	
Reduction in the number of problem drug users in Afghanistan and a reduction in drug- related harm	A yearly reduction in illicit drug consumption (using 2005 UNODC figures as a baseline) and a yearly reduction in blood-borne disease infections among injecting problem drug users.

Taken together, these give a better indication of whether the Government's CN policies are succeeding than relying only on one indicator, for example cultivation levels. In some cases, there are existing indicators to show whether the strategies being implemented have made a demonstrable difference. In other instances, the first step will be to capture baseline data. For example, it is not yet clear how best to measure the trafficking of illicit drugs and precursor chemicals.

In order for the MCN to undertake the task of tracking progress, the following mechanisms will need to be, or already have been, established:

- The Cabinet Sub-Committee on Counter Narcotics. This committee, which meets once a month and is chaired by the Minister of Counter Narcotics or by the President at every second meeting, is the Government's highest CN policy-setting and coordinating body. In the future, one of its main tasks will be to review progress of the NDCS.
- The **Senior Officials Monitoring Group**, consisting of nominated Deputy Ministers in the line Ministries, and chaired by the Deputy Minister in the MCN, will meet before each Cabinet Sub-Committee meeting to ensure that policies and programmes developed by Ministries are consistent and mutually supportive, and will make recommendations to the Cabinet Sub-Committee. This forum will also be responsible for trying to *sequence* activities across the pillars.

In order to ensure the **support of key donors**, before each, or as deemed appropriate, meeting of the Cabinet Sub-Committee on Counter Narcotics the Minister for Counter Narcotics, the Deputy Minster of Interior, the Minister for Rural Rehabilitation and Development other relevant Ministers, key Ambassadors and UNODC will meet to discuss forthcoming issues and the progress of the NDCS.

Furthermore, in order for these mechanisms to operate, the following bureaucratic processes will be instituted:

• A **Strategy Assessment Group** will be established. It will be chaired by the Director of Strategy in the MCN and all line Ministries will be required to send their representatives. It will meet once every three months (or more frequently if required) to examine the details of the implementation of the NDCS. The group will be responsible for preparing documents for discussion by the Senior Official Monitoring Group and the Cabinet Sub-Committee. It will also be the forum through which the review of the NDCS takes place.

- **Progress reports**, on the state of NDCS implementation and other relevant policy issues, will be issued by the MCN on a quarterly basis and will be submitted to the Cabinet Sub-Committee on Counter Narcotics through the above coordination mechanisms.
- Annual reports on the implementation of the NDCS will be prepared for the National Assembly by the MCN with input from all the line Ministries. The reports will be discussed and approved in the Strategy Assessment Group, the Senior Official Monitoring Group and the Cabinet Sub-Committee.
- The **Pillar Working Groups** used to discuss the NDCS will continue their operation to coordinate activities across Ministries.

The MCN will develop detailed terms of reference to assist the operation of the above forums.

The National Budget and the Counter Narcotics Trust Fund

Tackling the illicit drug problem in Afghanistan will be a resource-dependent task. Securing resources for the NDCS and related policies will be key. It is not something that Afghanistan can fund alone. The Government's CN policies can only be implemented if the international community is willing to continue its financial and technical assistance.

The National Budget is the key instrument for structuring the implementation of the NDCS. The National Budget and related processes will assist to define roles and responsibilities of the institutions engaged in CN activities and establish the required relationships and reporting lines among public institutions. The National Budget establishes the mechanism for Government prioritisation of available resources to best achieve implementation of the NDCS. To this end, the Law on Counter Narcotics states that the MCN "will coordinate a budget proposal to the Ministry of Finance to implement a whole of government budget strategy for counter-narcotics."

For this reason it is essential that all CN activities by international donors and institutional partners be integrated into the National Budget and that the Cabinet Sub-Committee on Counter Narcotics and the MCN are kept informed of all CN-related donor projects. This ensures that donor projects are consistent with the Government's CN policies. In some cases this may simply mean that existing bilateral activities are recognised in the National Budget, but continue with existing execution modalities.

To improve CN resource allocation at central, provincial and district levels, in mid 2004 the Government decided to establish a Counter Narcotics Trust Fund (CNTF). The CNTF is intended to be available to support all strands of the NDCS. The CNTF is an important mechanism to direct projects consistent with the NDCS, collecting, distilling and reporting CN activities by all Ministries.

The MCN is only now developing the Government's ability to analyse CN expenditure in the National Budget. This is not an easy task as there is no agreement on what specifically constitutes a CN expenditure. In this context, the only available figures are a preliminary analysis of the 1384 National Development Budget (NDB). The table below provides a summary of the estimated expenditure requirements for projects proposed in the NDB. The estimates are based on tagging those project proposals in the 1384 NDB which may have possible relevance to CN. For illustrative purposes, total funding requirements for these proposals have been set against the relevant pillars in the table below. This initial review provides only a starting point for further costing analysis of the NDB and the NDCS. As such, it does not yet correspond to the national priorities laid out in this strategy.

Preliminary Estimate of CN-related projects in 1384 NDB by Pillar (US\$m)		
Pillar	Total	
Pillar 1: Building Institutions	8.98	
Pillar 2: Public Awareness	35.00	
Pillar 3: Alternative Livelihoods	1295.02	
Pillar 4: Law Enforcement	624.95	
Pillar 5: Criminal Justice	65.81	
Pillar 6: Eradication	299.20	
Pillar 7: Drug Demand Reduction	138.85	
Pillar 8: International and Regional Cooperation	0.00	
CN Total:	2467.81	

Risks to the National Drug Control Strategy's success

It is necessary to manage the risks associated with the Government's strategy and propose measures to deal with these risks before they impact on policies, programmes or funds. Risks fall into different categories. There are overall risks to the implementation of the entire NDCS and there are risks associated with each pillar and even each programme. These may relate to the availability of financial and other technical resources, including the provision of funding and training from donors or may relate to the delivery of non-CN programmes. The risks associated with the NDCS fall into these broad categories:

- Political or physical insecurity
- Governmental corruption
- The level of international funding, particularly of overall development and reconstruction activity
- Lack of efficient structures to plan and allocate resources at the provincial and district level
- Lack of progress on wider reforms that CN policy depends on including judicial, police, administrative, fiscal reforms and disbandment of illegal armed groups
- Duplication and lack of coordination of activities across Ministries and donors.
- Failure to take account of CN in other Government policies (mainstreaming)

Together or individually, these factors may impede the Government's CN policies. If, for example, there is no progress on penitentiary reform then attempts to prosecute, convict and incarcerate offenders may be jeopardised. The ability to implement the NDCS will be hampered even though CN institutions may play no role in this issue. Similarly, if governmental corruption remains pervasive then it will be difficult to implement the NDCS. As part of the 2007 review of the NDCS, the MCN will elaborate on these risks and develop ways for the Cabinet Sub-Committee on Counter Narcotics to assess and manage risks.

Provincial Delivery

One of the key questions will be how the NDCS can be delivered in the provinces. There has, for some time, been more focus on provincial problems. Government programmes that concentrate on the provinces include the National Solidarity Programme (NSP), which is helping set up elected Community Development Councils in communities across the country and providing grants to finance local projects. The National Area Based Development Programme, supported by the Ministry of Rural Rehabilitation and Development and the United Nations Development Programme provides small-scale infrastructure projects and capacity development support to the district councils and Provincial Development Committees. In the next couple of years there will be increased focus on provincial administration and provincially-based delivery of national policies and programmes.

The Government intends to place greater emphasis on provincial delivery of the NDCS. With the support of the United States and the United Kingdom, the MCN is developing the Poppy Elimination Programme (PEP). The PEP 'project' will focus on preventative efforts provincially, assisting Governors to marshal key elements of the CN strategy together in their province. In parallel, the following mechanisms will be established to support delivery of the NDCS in the provinces:

- A **Governors' CN Forum**, chaired by the Minister of Counter Narcotics, will convene six-monthly to discuss progress in all the provinces. This forum will assist the exchange of information about the drug trade and coordination of CN policies across the provinces. It will also allow the Governors to participate in the central CN policy-making process.
- **CN will be 'mainstreamed' into Provincial Development Plans** to lay out the actions required in each province to implement the NDCS.

Chapter Four: Afghanistan's Drug Profile

History of the 'Opium Economy'

Opium has been cultivated in Afghanistan for centuries but it was not until the 'Saur Revolution', the ensuing Soviet invasion and the emergence of the anti-Soviet resistance, the Mujahedeen, that opium cultivation increased dramatically. For most of the 1980s, the Mujahedeen groups fought an effective war against Soviet forces. Much of the countryside became a battle zone. The fighting destroyed the irrigation systems, mined the pastures, levelled the cities, cratered the roads, blasted the schools, while the various factions arrested, tortured, killed, and expelled the skilled and educated people. Half of all farms were abandoned, and there was a 70% decline in livestock. Cereal production per capita fell 45 % from 1978 to 2000.¹⁴ In total, one-fifth of the population was forced to flee abroad. The war also led to a complete collapse of state institutions, particularly in the countryside.

Throughout the Soviet occupation, farmers began relying on opium cultivation – especially in remote and mountainous regions – as part of their subsistence strategies. Opium poppy provided farmers a relatively secure and substantial cash income. Opium generally offers higher returns than any other crop. The poppy is also relatively weather-resistant. There are few major natural diseases and it has a high cash value. Whereas legitimate crops (e.g. cereal) cannot be sustained without storage, marketing and transportation facilities, opium can be stored with minimal risk of perishing, is easy to transport, and can be traded throughout the year, making it an ideal saving deposit for farmers. There is a relatively short time of six months between planting and harvesting, which means that farmers can plant a second crop in the same season. Lastly, opium serves as a source of credit where a formal financial system does not exist.

As the Soviet withdrawal did not lead to a lasting peace – or a re-establishment of state authority and economic normalization – farmers continued the practice of cultivating opium to survive. War-induced suffering and traumatisation of the population, the break-down of social and cultural values, the vulnerability of people in refugee camps, and the easy availability of illicit drugs led to an increase in consumption of drugs like opium and heroin.

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¹⁴ Rubin, R, 2004. Afghanistan's Booming Opium Industry: New York

At the same time, efforts by Turkey, Iran, and Pakistan to reduce illicit production raised the price of opium and drove traffickers to seek new sources of raw material. Weather conditions were particularly favourable throughout the 1991-92 poppy-growing season, thus setting the stage for growth in opium cultivation. In 1978, 300 metric tonnes of opium were produced. Ten years later, data shows that 23,000 hectares were used to cultivate opium, producing 750 metric tonnes. In 1992, the area of opium poppy cultivation increased 12% from 1991 levels to 19,470 hectares which would yield a potential 640 metric tonnes of opium.¹⁵ A year later, data showed that the area used for opium cultivation increased by 8.3%, to 21,080 hectares, with a potential yield of 685 metric tonnes of opium.¹⁶

The dynamic, which led farmers to cultivate opium throughout the Soviet occupation, remained the same under the Taliban.¹⁷ Between 1992 and 1995 Afghanistan produced 2200-2400 metric tonnes every year. The drug money paid for arms, ammunition, soldiers' salaries, fuel, food etc. ¹⁸ In 2001, the Taliban officially declared opium cultivation illegal. But while cultivation was banned, the regime did not attempt to ban the processing or trafficking of existing stocks, taxation of which was a more important source of revenue for the regime and the traders who supported them.

The defeat of the Taliban, and the beginning of Afghanistan's transition saw a considerable rise in opium cultivation. This was caused by a number of factors. First, opium cultivation was, at this stage, entrenched in the livelihood strategies of farmers, communities and itinerant labourers. Second, the ban on cultivation devastated the livelihoods of many farmers and labourers, and thus increased pressure to cultivate again, including in order to repay opium-related debt. In addition, the ban had raised opium prices and thus encouraged further cultivation. Third, increased availability of wheat and the subsequent reductions in wheat prices meant that opium cultivation was even more lucrative than usual. Finally, cultivation was expedited because the fall of the Taliban regime coincided with the planting season. In the absence of any Government authority from October 2001 until the establishment of the Transitional Authority in

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¹⁵ US State Department, 1993, International Narcotics Control Strategy Report: Washington

¹⁶ US State Department, 1994, International Narcotics Control Strategy Report: Washington

¹⁷ Colley, J.K., 1999. Unholy Wars: Afghanistan, America and International Terrorism. London: Pluto Press.

¹⁸ Rashid, A., 2000. *Taliban. Islam, Oil and the New Great Game in Central Asia*. London: I.B. Tauris.

2002, farmers could plant their fields uninhibitedly and traffickers could ply their trade openly. In the first year following the collapse of the Taliban, large-scale opium cultivation resumed in the south (Helmand), east (Nangarhar) and north (Badakhshan).

<u>Structure of the</u> <u>Drugs Trade</u>

The opium market consists of many different actors - from small itinerant buyers to large-scale traffickers.¹⁹ There are buyers who purchase opium at the farm-gate, buying directly from farmers and perhaps providing advice. inputs, or credit. The margins are slim, which indicates that entry into the market not is restricted, and that trading is competitive. In the regional bazaars, there are shop owners,

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The 'Opium Economy' and the Licit Economy

The interconnections between the 'licit' and 'illicit' markets appear to have become greater. There are two schools of thought on the relationship between the drug and nondrug economies. Some argue that enough funding needs to be found to 'replace' the entire value of the 'opium economy' including income from trafficking. Others have calculated that, while most of the farm-gate value of opium leaves the country it is far less clear whether all the proceeds form trafficking remain in Afghanistan. Historically, the dearth of information and reliable statistics has complicated the debate.

Irrespective of this, however, it is clear that the 'opium economy' has many links to the licit economy. Previous research has identified six areas: incomes, consumption, production, investment, balance-of-payments, fiscallinkages, asset prices, wage rates and credit. While more work will be required to establish the exact nature of the linkages a number of preliminary conclusion can be made. The opium economy undoubtedly increases people's income. Even if it assumed that most revenues are spent outside the country, some will be spent inside on goods and services. This consumption leads to a multiplier effect from opium-related revenues on aggregate demand. Depending on the level of consumption, domestic production of consumer goods and services and investment (for example in construction and infrastructure) can increase. This, in turn, can have two effects. First, it may create inflationary pressure in a number of areas.¹ Second. it may lead to a growing differentiation between 'resourcerich' and 'resource-poor' farmers i.e. a more uneven society.

who may buy from farmers. They sell to local consumers, clandestine labs, wholesale traders, or foreign traffickers. Finally, there are the bulk buyers, large-scale traders who buy throughout the year and organise shipments to border areas or directly abroad. This group consists of a small number of large traders, often linked by family or tribal connections.

¹⁹ IMF, 2003. *Rebuilding a Macroeconomic Framework for Reconstruction and Growth*. 'Annex II.1: The Poppy Dimension in the Afghan Economy'

In the past, the lack of an adequate transport infrastructure and the high costs and risks (in terms of shipments being stolen, ransomed or associated with high transit tolls) meant that opium markets developed apart from one another. As a result, the opium market is relatively fragmented. In 2001, assessments of local prices indicated the existence of an oligopolistic structure revealed in eastern markets (Nangarhar province). Prices in southern markets indicated that structures were more decentralised, atomistic and competitive. Generally, however, markets are relatively competitive. Entry and exit seem to be low-cost and relatively easy at both the production and trafficking levels, and the number of participants and the rate of change are high. It is important to note that markets change and assessments of their structure has to be continual.

The majority of opium produced in the country is converted into heroin or morphine prior to leaving the country although lately more and more processing takes place outside Afghanistan. Seizures of opium in the period 2002-2004 suggest that 71.5% of the harvest is transformed into morphine and/or heroin in Afghanistan before being sold, while the rest is sold in the form of opium.20 There are numerous processing plants mostly located near the borders across which opium products are shipped. Huge quantities of opium and morphine base are transformed into heroin on the route in neighbouring countries, transported via the Balkans, North Black Sea or East Mediterranean routes and sold on the Western European market in the form of crude heroin. One route links Kandahar to Herat and Iran via Zahedan, Zabol and Torbat-e Jam and, then, either reach the port of Bandar Abbas or on to Turkey via Kerman, Isfahan and Tabriz. In 2001, 56% of total opiate seizures in Afghanistan's neighbouring countries were made by Iran.21 Tajikistan and Kyrgyzstan have also turned into substantial processing, storage and transit countries. Equally, shipments now take place through Turkmenistan via Torghundi, into Iran or across the Caspian Sea, into the Caucasus to Turkey or up north into Russia. Finally, opium and heroin is still shipped through Pakistan via Chaman. Once in Pakistan, shipments are moved across the country and into Iran then through northern Iraq to Jordan into European markets or via Gulf countries to Europe.

Opium markets in the country are oriented towards these trafficking routes: markets in the south are linked to Iran and southern Pakistan; those in eastern Afghanistan are

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²⁰ UNODC, 2005. *Opium Survey*. Kabul: UNODC; UNODC, 2005. *World Opium Report*. Vienna: UNODC

oriented towards northern Pakistan, and those in northern Afghanistan are oriented towards Central Asia.

Emerging Trends

It is difficult to predict what will happen in the next couple of years partly because the MCN's surveying capabilities are still being developed and partly because the impact of new CN initiatives and techniques has yet to be felt. It is, however, possible try to reach a number of tentative conclusions.

On cultivation, history suggests that it will be difficult to maintain low levels of cultivation in Nangarhar and Badakhshan. On the basis of this year's information, there is a risk of migration and increased cultivation in the Northern provinces where cultivation has hitherto been low or non-existent. The potential for significant increases in cultivation levels in these provinces is high; they possess large areas of arable land. Key southern provinces including Helmand and Kandahar continue to represent a potential for increases in cultivation. With regard to trafficking and processing opium, increasingly opium is now shipped out of the country for processing, from Southern provinces into Pakistan, and then back to Afghanistan for shipments to world markets.

There is likely to be a rise in the use of opiates such as opium and heroin among all age groups, but particularly high-risk groups such as returning refugees, ex-combatants, the unemployed and women, over the next couple of years. There may also be an increase in drug injecting, thus increasing the risk of transmission of blood-borne diseases such as HIV/AIDS and Hepatitis C.

²¹ UNODC, 2003. The Opium Economy in Afghanistan. Kabul: UNODC

Benchmarks	60% of polled Afghans, over a 6 month period, support the Government's CN molicer	10% farmers currently growing poppy intend not to cultivate poppy in the following year	Comprehensive pre-planting information campaign season including provincial 'CN Jirgas' held in every province every year	At least 4 National CN Conferences held in Kabul-with H.E. the President chairing)			The level of substance abuse reported	reduced year-on-year (using 2005 figures as a baseline)	Training workshops providing a basic	understanding of drugs, drug dependency and drug abuse prevention for 30 social	multipliers established in 34 provinces	1 raining of Ministry of Fublic Health in 34 provinces x 50 Community Healthcare	workers $(1,700)$ to work in community	drug abuse prevention, including home- based detox and treatment completed.	Residential treatment facilities in 6 major	cities developed/upgraded Community based treatment facilities and
Be	•	•	•	•				•		•			•			٠	•
High-Level Objectives/Outputs	Objective 1. Increase the Government's capacity to conduct targeted CN awareness-raising	campaigns including annual pre- planting media campaign	<u>Objective 2.</u> Develop effective mechanisms (e.g. strategies, plans) to conduct targeted	CN awareness-raising campaigns.	Objective 3. Deliver targeted CN awareness-raising	campaigns including annual pre- planting media campaign.		Objective 1.	Increase the Government's capacity in the following areas:	1) to collect and analyse DR	information 2) develop and deliver	mainstreamed evidence based	3) evaluate the impact of these	programmes.	<u>Objective 2</u> .	Collect and analyse DR information	<u>Objective 3</u> . Develop and deliver mainstreamed
Long-term Pillar Aim	Inform, educate, deter and dissuade the nomilation from	involvement in the illicit drugs trade, cultivation of opium and abuse of	opiates.					Reduce Afghan demand	for drugs, offer drug users treatment and reduce	harm caused by drug use.							
Explanation	Public awareness is the organization of information	campaigns to inform various segments of the	population – farmers, law enforcement	protessionals, public officials – of the	Government's policies, legislation	and available alternatives to	poppy cultivation.	Demand reduction	(DR) is the process of developing	primary prevention,	which is awareness and education	programmes to stop	using drugs,	secondary	prevention, which is developing	treatment and	rehabilitation services for problem drug users, and
Pillar	Public Awareness							Demand	Reduction								

Annex A: Pillars and High Level Objectives / Outputs

	tertiary prevention, which focuses on reducing the harm- related to drug use for those unable to stop using drugs.		evidence-based DR programmes and evaluate the impact of these.	harm reduction services in 10 provinces developed
Law Enforcement	Law enforcement is the process by which law enforcement organizations – including the Ministry of Interior, CNPA, Border Police, and Customs Police etc. – are erablished, staffed, housed, equipped investigate drug offenders.	Establish institutional capacity to increase drug trafficking risk through law enforcement.	<u>Objective 1</u> . Increase the capacity of law enforcement organizations (CNPA, Border Police, and Customs Police etc.) <u>Objective 2</u> . Carry out effective operations, including investigations, arrest and related activities, in support of prosecutorial action.	 2,000 strong CNPA operating throughout Afghanistan supported by 7 provincial offices, 5 regional bases, 10 Mobile detection teams and 12 drug detection dogs and handlers. 62,000 police in Ministry of Interior trained, resourced and mentored to effectively carry out their roles and responsibilities in drug law enforcement All other relevant agencies (Afghan National Army, Customs Police, National Directorate for Security) trained, resourced and mentored to effectively carry out their roles and responsibilities in drug law enforcement 6 High Value Targets, 20 Middle Value Targets and up to 200 Low Value Targets convicted following arrests by ASNF, CNPA and other law enforcement
Criminal Justice	Criminal justice is the establishment of CN-specific criminal justice institutions –	Establish an effective criminal justice system that can support drug law enforcement.	<u>Objective 1.</u> Increase the capacity of the CJTF.	 5 High Value Targets, 20 Middle Value Targets and up to 200 Low Value Targets convicted At least 6 public officials involved in the

 drugs trade dismissed from their posts and prosecuted. Secure penal facilities, operating to international human rights standards and capable of holding 70 High and Middle Value Targets. Effective CN legislation and regulations in place. 	 MCN embedded in government system with increased capacity (at central and provincial levels) to co-ordinate and monitor effective CN policy CN functions of other Government Ministries and law enforcement agencies (at central and provincial levels) strengthened, with roles better defined and greater interdepartmental cooperation Fully functioning CNTF managing 100 million dollars. I2 meetings of the Cabinet Sub-Committee held every year - with H.E the President chairing at least quarterly.
e the e	and sion. on d d d ivities ivities latters
<u>Objective 2.</u> Carry out effective prosecutions in particular of public officials acting illegally. <u>Objective 3.</u> Establish an effective CN legislative system including putting in place the relevant laws and regulations <u>Objective 4.</u> <u>Objective 4.</u> Establish a functioning CN Tribunal attached to the Kabul District Court. <u>Objective 5.</u> <u>Objective 5.</u> Create a functioning high-security prison facility in Kabul.	<u>Objective 1.</u> Increase the capacity of the MCN and the Ministry of Interior's CN Division. <u>Objective 2.</u> Collect and analyse CN information <u>Objective 4.</u> Develop and deliver mainstreamed evidence-based CN programmes and evaluate the impact of these. Develop and operate effective mechanisms to coordinate the activities of all Ministries, provincial governments and donors on CN matters
ve prosee blic offici sctive CN g putting d regulat tioning C Kabul Dis t Kabul.	acity of t haterior's liver mai CN prog pact of th erate effe erate effe coordina d donors
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	Build CN institutions tha provide for effective governance at the centre and in the provinces.
	Build CN provide f governan and in th and in th
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such as the CJTF, the Tribunal and penitentiary facilities etc – and the use of these institutions to prosecute, convict and imprison offenders. Within the next five years, the Government will:	Institution-building is the process by which Governmental institutions – both provincial levels – are established, staffed, housed, equipped and working to deliver CN policies and funds. Strong CN institutions are vital to the overall success of the NDCS. Within the next five years, the Government will:
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	Institution- Building

10% year on year increase in uptake of legal livelihood opportunities CN objectives fully reflected within Government's central (Agriculture Master plan and Ministry of Rural Reconstruction and Development's strategic plan) and provincial development plans 12,000 Community Development Councils operating as effective vehicles for coordinating National Programmes by October 2005: National Solidarity	Programme providing rural infrastructure investments support to each of those districts Year on year increase in international financial and technical assistance for rural	development in support of Government plans and programmes 600,000 rural Afghans accessing micro- finance to invest in legal on-farm, off- farm and non-farm activities; US\$400 million allocated as loans	Year on year increase in international financial and technical assistance for rural development in support of Government plans and programmes Short-term employment opportunities reduce hardship for rural Afghans and reduce the incentive to return to opium cultivation. This includes 5.8 million labour days provided through the National Rural Access Programme by March 2006 (programme not yet designed for 2006/7 onwards) and	50,000 labour days in Badakhshan by
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<u>Objective 1.</u> Mitigate the short-term impact on those who have lost their livelihoods either through self-restraint form planting poppy or eradication of their poppy crops. <u>Objective 2</u> Improve farm and off-farm opportunities for citizens to access sustainable licit income and employment, productive and social assets, markets and services.	Objective 3. Enhance the policy and planning environment for effective 'alternative livelihoods' activity.	<u>Objective 4</u> . Ensure that there is greater engagement and financial and technical support for 'alternative livelihoods' from donors, delivered in a more coherent fashion.		
Strengthen and diversify' alternative livelihoods' that free farmers and other rural workers from dependence on opium cultivation.				
Alternative Livelihoods is the term given to the rural development activities that provide licit economic alternatives to farmers.				
Alternative Livelihoods				

March 2006 Increase in the availability of new agricultural techniques, vocational training and alternative crops, seed and fertilizer enables rural Afghans to increase production of legal goods. 537,000 farmers in 34 provinces covered by seed and fertilizer programme by January 2006.	 Eradication represents a credible threat as measured by farmer's motivations MCN's Eradication Planning Cell and Afghan Eradication Force fully equipped, funded and staffed. 	 Annual regional CN conferences held with attendance of all regional neighbours. 10 exchange visits with regional neighbours (e.g. CNPA, CJTF etc) Drug Liaison Officer stationed in at least 3 neighbouring countries A functioning follow-up and co-ordination mechanism for CN regional work in place
	Objective 1. Increase the capacity of the MCN, the Afghan Eradication Force and Provincial Administrations to target, plan, execute and evaluate eradication. Objective 2. Target, plan, execute and evaluate eradication.	<u>Objective 1.</u> Increase the capacity of the MCN, and the Ministry of Interior to engage in meaningful regional CN cooperation <u>Objective 2.</u> Strengthen existing forums for International and Regional Cooperation <u>Objective 3.</u> Organise regular and effective regional meetings on all aspects of the Government's CN policy
	Build the capacity to conduct targeted and verified eradication where there is access to 'alternative livelihoods'.	Improve International and Regional Cooperation to disrupt the flow of illicit drugs and precursor materials across borders.
	Eradication is the physical destruction of established poppy cultivation in the field and the establishment of Governmental systems to plan, execute and monitor this effort.	International and Regional Cooperation is the process of cooperating with neighbouring countries to align CN policies, and operational activities. Effective International and Regional Cooperation is an important contributing factor both to the success of NDCS and to the
	Eradication	International & Regional Cooperation

success of drugs control strategies within neighbouring countries.

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Annex B: The Evolution of Afghanistan's Drug Policy

The Bonn Agreement and the Interim Afghan Administration

In the immediate aftermath of the Taliban's fall, efforts began to deal with the threat of the 'opium economy'. United Nations Security Council resolution 1378 of 14 November 2001 noted that the new Government "should respect Afghanistan's international obligations, including cooperating fully in international efforts to combat terrorism and illicit drug trafficking." This resolution was reflected in the "Bonn Agreement" of 5 December 2001, which requested the Interim Authority and the Lova Jirga to "cooperate with the international community in the fight against . . . drugs and organized crime." Moreover, the conclusions of the International Conference on Reconstruction Assistance to Afghanistan. Tokyo, 21 January 2002, states that: "...Assistance will be conditional on all Afghan parties particularly contributing to the process and goals agreed in Bonn with the aim of establishing peace, representative governance and eliminating terrorism and illicit drugs production and trafficking". The Conference recognized the vital importance of counter narcotics issues to the success of reconstruction. Finally, The Joint Appeal for Afghanistan in Geneva in March 2002 clearly recognized drugs as a cross-cutting priority should underpin the activities of all agencies working in Afghanistan, to be incorporated at all stages of programming, from design to evaluation.

Presidential Decrees, the Constitution of Afghanistan and the Fatwa

On 17 January 2002, President Hamid Karzai issued a decree banning cultivation, production, drug abuse and trafficking of narcotic drugs. On 3 April 2002, he issued a decree for the implementation of the eradication campaign. Again, on 4 September 2002, the President issued a further decree for the enforcement of the ban.. In August 2004 the National Council of Ulema issued a *fatwa*, which declared poppy cultivation contrary to Islamic *sharia*. Similarly, the Constitution of Afghanistan ranked opium cultivation, trafficking and consumption on par with terrorist activities as threats. Article 7 the Constitution of Afghanistan states: "The state prevents all types of terrorist activities, cultivation and smuggling of narcotic drugs and production and consumption of intoxicants.

Counter Narcotics Directorate

In order to improve the CN effort, on 7 October 2003, the President announced that the National Security Adviser would have responsibility for the CN effort. In the same month the Counter Narcotics Directorate was established. As one of its first tasks, the Counter Narcotics Directorate developed a National Drug Control Strategy (NDCS) based on five pillars: Alternative Livelihoods, Law Enforcement, Institution-Building, Demand Reduction and Judicial Reform.

Law Enforcement Organizations

Following two years of limited CN progress by the regular police, it was felt that a specialized CN police organization was required and in 2003 the Counter Narcotics Police of Afghanistan (CNPA) was established to deal with CN offences. The aim was to create a law enforcement capability to conduct operations in all key geographical areas and against all levels of illicit drugs targets, resulting in seizures, arrests and disruption of the drug trade. In parallel with the CNPA's establishment, at the end of 2003, President Karzai signed a decree establishing the Afghan Special Narcotics Force (ASNF) or '333 Force'. The ASNF, a para-military force, was tasked with carrying out raids against high-value targets and drug infrastructure, e.g. bazaars, and laboratories, with a view to 'injecting' risk into the illicit drugs trade.

Judicial Reform

In 2004, it was decided to create a 'channel' for CN prosecutions through the establishment of a specialised judicial task force equipped with the necessary tools to prosecute drug traffickers and offenders. The idea was not to establish a parallel criminal justice system, but rather to create a specialisation within the existing and developing criminal justice system. In February 2005, a CN Criminal Justice Task Force (CJTF) became operational and began fast-tracking CN cases within the criminal justice system. In parallel, in July 2005, President Karzai established the Kabul Primary Court and the Kabul Appeal Court to deal with significant drug offenders. The new court has jurisdiction for any cases involving more than 2kg of heroin, morphine or cocaine, more than 10kg of opium and more than 50kg of hashish or precursors chemicals.

Legislative Developments

A corollary of strengthened prosecutorial efforts is improved CN legislation. The Law on Narcotics, drafted by the Counter Narcotics Directorate with UN assistance in 2002/3, was a major step forward compared to previous legislation, but almost upon its promulgation concerns were voiced that it did not address the 'working needs' of drugs law enforcement officials. To provide a better basis for the prosecution of CN cases, the Government, assisted by the United States and the UNODC, began revising the country's counter narcotics legal framework. The Law on Narcotics now lays penalties for possession of drugs, prohibits the importation, exportation, sale, purchase, delivery, receipt, production, processing and possession of certain substances unless they are for medical or scientific application. Violation of the Law is punishable by a fine, simple detention or imprisonment. The Criminal Code supplements the above-mentioned law. The Law also enumerates the duties of different ministries and agencies. To address the proceeds made from crime, in late 2004, a new Law on Money Laundering was adopted. New laws on the Freezing and Confiscation of Assets were also adopted.

Prison and Court Facilities

With increased efforts to investigate and prosecute offenders, in June 2004 the Government decided to construct secure court and prison facilities at Pul-e-Charki prison to deal with major drug trafficking cases. In parallel, it was decided to provide protection for judges, prosecutors and witnesses

Eradication

An important part of the Government's CN policy has been to eradicate crops where alternative livelihoods exist. In the course of the 2004/5 season, 5,100 hectares of opium were eradicated (4,007 hectares through governors-led efforts, 217 hectares by the Central Poppy Eradication Force and 888 hectares by the Afghan National Police).²² Even though this remains insignificant compared to the total size of opium cultivated, there are clear signs that the fear of eradication – and an increased belief in the Government's seriousness – played a considerable part in reducing cultivation figures in

⁴⁵⁻⁻⁻⁻⁻⁻²² UNODC 2005 Annual Poppy Survey

2005. To this end, the Government has developed capabilities to target, monitor and evaluate eradication efforts.

Kabul Conferences on Counter Narcotics

On February 8 and 9 2004, the Government, the UK and UNODC co-hosted an International CN Conference in Kabul to engender a wider and more informed discussion about CN by national, provincial and international stakeholders. Hosted by President Karzai, the National Security Advisor, the Counter Narcotics Directorate and several Ministers addressed the conference. Most important – given that that provincial officials had hitherto not participated in CN policy discussions – 18 Governors, 32 provincial Police Chiefs and many other community leaders were present. The February 2004 conference was followed up in December 2004 by another conference where President Karzai told the audience: "Opium cultivation, heroin production is more dangerous than the invasion and the attack of the Soviets on our country, it is more dangerous than the factional fighting in Afghanistan, it is more dangerous than terrorism," he said.

Ministry of Counter Narcotics

President Karzai reconstituted the Counter Narcotics Directorate as a Ministry of Counter Narcotics (MCN), headed by a Cabinet-level Minister, and appointed a Deputy Minister in charge of CN in the Ministry of Interior. The MCN drafted a CN Implementation Plan for 2005 to track progress in implementing the NDCS. The plan introduced three additional pillars: Information, Eradication and International and Regional Cooperation.

Furthermore, in order to ensure that CN services were coordinated at the highest level, a Cabinet Sub-Committee on Counter Narcotics, chaired by the Minister for Counter Narcotics, was established with participation from key line Ministries including the Minister of Finance, the Minister for Rural Development, the Minister of Agriculture, Minister for Public Works and the Deputy Interior Minister for Counter Narcotics. The MCN provides secretariat to the committee. In summer 2005, President Karzai began chairing regular meetings of the Committee.

Counter Narcotics Trust Fund

To improve coordination and planning of Government and donor activities on CN and to achieve more effective resource allocation at central, provincial and district levels, in mid 2004 the Government decided to establish a CN Trust Fund (CNTF). Managed by the MCN, and administered by the United Nations Development Programme, the CNTF is intended to be available to support all strands of the NDCS, but the top priority for 2005 will be support for alternative livelihoods. The CNTF has also heralded efforts to use the National Budget to direct projects consistent with the NDCS, collecting, distilling and reporting CN activities by all actors.