Afghan Narcotrafficking
Finding an Alternative to Alternative Development
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Joint U.S.–Russia Working Group on Afghan Narcotrafficking

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A young boy helping with the final irrigation of the opium poppy season in Dawlat Yar district, Ghor province.
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An Alternative to Alternative Development
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Left: Poppy and wheat crop, Khogiani district, Nangarhar province.
After almost three decades of experience with rural development in opium-poppy-growing areas in Afghanistan, there remains a great deal of confusion over terms and what kinds of interventions are required to support farmers’ transitions out of opium poppy cultivation. It is clear that “alternative livelihoods” is not what it set out to be. The idea behind moving away from boundaried, integrated rural development programs—known as alternative development—was to work within the development architecture that was being established in Afghanistan post-2001. Many believed that alternative development programs were uncoordinated with wider development thinking and, in particular, with how assistance was being structured in Afghanistan after the fall of the Taliban.

This report shows that attempts to reframe the debate on and practice of conducting development in drug-crop-growing areas of Afghanistan have faltered. Many senior policymakers look to find a simple solution to illicit drug crop cultivation—a solution that they understand and can sell easily to their political superiors. This is often a rural development project linked to what is described as a “credible” eradication campaign and conditionality—the “carrot-and-stick” approach. Success is still measured by reductions in the amount of crop destroyed or the net level of cultivation and not in terms of sustained improvements in the quality of life of rural communities and a lower dependency on opium production as a livelihood strategy.

The persistence of the “carrot-and-stick” approach lies with its simplicity. It is a consequence of not only the high staff turnover that we see in Western government bureaucracies, but also an example of the teleological prism through which many officials and scholars continue to see the world, where outcomes such as a reduction in drug crop production are a direct result of the specific line of activities funded. Surprisingly, this view of the world prevails as much in fragile and conflict-affected states as it does in the investments made in developed Western nations. This is despite the challenges of weak institutions, conflict, lack of domestic sovereignty and high levels of poverty that make conflict-affected and fragile states qualitatively different.

The lessons learned from the last decade of assistance in Afghanistan—where reductions in cultivation have been found to be a function of a much wider process of development that includes improvements in security, governance and diversification in rural livelihoods—are ignored. Although there is growing recognition that the degree of dependency on opium production differs by socio-economic group and by both the resource endowments and state societal relations in a given area, these lessons are still rarely built into program design and seldom inform the pace of reduction that policymakers might expect from the initiatives they fund.

Programs continue to promise to deliver reductions in opium production over a wide area and a short time frame. Current funding mechanisms only make matters worse, compelling those looking for the financial resources to implement a program in a drug-crop-growing area to overstate what they can hope to achieve within the life of a project or program. To gain traction with those making
budgetary decisions, they are required to oversell what it is possible to achieve, thereby adding to the perception of the “failure” of the program and—like so many alternative development programs in the 1990s—increasing the likelihood of withdrawing funds.

This report demonstrates that one of the major funding components missing in Afghanistan has been consistent, constructive engagement by the development community—both internal and international. Development donor-engagement on the drugs issue falls into three broad categories: (1) reluctance, (2) compartmentalization and (3) mainstreaming.

Reluctance typically has taken the form of ignoring the drugs issue altogether. This type of engagement has largely dominated the development community over the last decade and reflects the failure by many in the international community—not just development donors—to engage with complex, dynamic phenomena that sit beyond the mandate of a single government department or agency, as well as the tendency to concentrate effort on short-term political priorities. It has led to rural programs that have, on a number of occasions, made things worse, increased the vulnerability of marginal groups—such as the land poor—and resulted in growing levels of opium poppy cultivation. The approach is counterintuitive, neither making the best use of funds nor delivering on development outcomes or counternarcotics objectives.

Donor compartmentalization of the drugs issue took the form of a return to discrete, boundaried interventions. Compartmentalization—often labeled as “alternative livelihoods” or “alternative development” because they were located in areas of poppy cultivation, even if they largely ignored the crop—allowed development donors to claim that they were addressing the opium problem when under pressure from ministries within their own governments. As with alternative development programs of the 1990s, these compartmentalized interventions rarely worked beyond the specific area they were operating in and did not engage with the wider development policy debates and processes.

The final category of development donor-engagement on the drugs issue in Afghanistan—counternarcotics mainstreaming—has been intermittent. It was driven by development practitioners and technocrats who understood that it is not appropriate to undertake rural development in Afghanistan without understanding the multifunctional role that opium production plays in rural livelihoods and how programs might impact levels of opium dependency. The approach also recognizes that efforts to reduce the dependency on opium poppy cultivation in Afghanistan need to address the wider political economy integrated across national development policy and planning rather than be limited to discrete, rural development efforts. It requires development organizations to take a more explicit role in addressing the harms of both illicit drugs and a drug policy focused on short-term targets. This is the only viable approach in Afghanistan today, placing efforts to reduce opium poppy cultivation within the framework of the Sustainable Development Goals (SDGs). This report offers recommendations for achieving the counternarcotics mainstreaming of conducting development in a drugs environment.
Illegal opium poppy cultivation is well suited to the challenging socio-economic political and ecological terrain of rural Afghanistan. For landed farmers, opium poppy offers relatively high returns on one of the countries’ scarcest resources—irrigated land. It also yields a high-value-low-weight product, ideal for the limited road network and for the proven demand within the country, region and the world as a whole. The marketing network is such that traders will often purchase at the farmgate, mitigating the challenges to farmers of transporting goods across, what can sometimes be, violent and contested territory and reducing the transaction and transportation costs they incur when taking other agricultural goods to market. For those farmers with insufficient land to meet their basic needs, the labor intensity of the opium crop creates significant off-farm employment through opportunities to work as a sharecropper; itinerant harvester; or—for those with more capital—as a tenant farmer, leasing the land of others.

For those with access to the right patronage networks, there are further opportunities of employment and income generation in the opium economy: the transportation of both drugs and precursor chemicals within the country and across its borders, the conversion of opium to morphine base and heroin, the sale of agricultural inputs and services, and the provision of security through each of the stages in the value chain. The scale of the opium economy is such that it is estimated to provide as many as 410,000 direct jobs (full-time equivalent)—more than the number employed by the Afghan National Security Forces (ANSF) that the U.S. government has invested over 53.5 billion USD in since 2002. Indeed, the economic benefits to the Afghan economy are such that commentators have periodically suggested that were it not for the fact that the end product is illegal, opium poppy would be the ideal crop for Afghanistan and development agencies might promote its uptake.

The recognition that illegal drug crop cultivation has benefited many in rural Afghanistan, as it has in other source countries, presents the development community with a number of conceptual and institutional challenges when it comes to identifying a constructive and consistent way to engage in efforts to reduce the negative impact of opium production. For example, for development donors tied to the Washington Consensus and its emphasis on “market-based solutions,” it is counterintuitive to intervene and actively seek to undermine one of the few value chains that works in conflict-affected environments where illegal drug crops are concentrated. Rather, donors like the United States Agency for International Development (USAID) and the United Kingdom’s Department for International Development (DFID) look to work with markets, intervening in order to make them “work for the poor.” They do not look to destroy a market entirely, as is the intent of the prohibition of opium, and they would no doubt question whether such an aim is achievable.
An Alternative to Alternative Development
There are further institutional challenges for the development community in the narratives about drug-crop-growing households and the communities to which they belong. Some donors, institutions and academics talk of the “poverty” of those growing opium and coca—referring to low levels of literacy, poor health, limited social and physical infrastructure and prevailing levels of conflict and violence—and press for assistance to these areas. At the same time, other donors will refer to the relative wealth of those that grow drugs—typically referring to their income—and argue that scarce development funds should be focused on more vulnerable populations to comply with “pro-poor” mandates.

Moreover, many of the development initiatives designed to directly address drug crop cultivation are often weak and ill-conceived. Initiatives falling under the rubric of counter-insurgency—such as the Quick Impact Projects (QIPs) and “stabilization” initiatives—have jarred with a development community that has often expressed doubts as to the efficacy (and ethics) of these efforts. The kind of alternative development programs typically formulated in Afghanistan have been short term and suboptimal. They are designed primarily to either (1) provide largess to local officials and politico-military leaders so that they can gain access to rural areas to enforce prohibition, or (2) mitigate the negative economic and political outcomes of dramatic reductions in opium poppy cultivation due to eradication or the imposition of an opium ban.

An exemplar of this kind of initiative would be the Helmand Food Zone (HFZ), a counternarcotics program funded by the UK and U.S. that provided wheat seed and fertilizer to farmers in the southern province at the start of each winter cropping season, from late 2009 to 2012. This was at a time when there was a significant uptick in Afghan and international military forces in Helmand. Although the HFZ helped build some support among local political actors, including the provincial governor at the time—largely due to the patronage they gained from acting as intermediaries in the distribution of inputs—it did nothing to address the long-term causes of cultivation in the province.

To some extent, the causes of cultivation were addressed—at least in some areas—by the wider development, security and governance effort in Helmand. That said, it was not under the rubric of alternative development or drug control but instead was under the wider “state-building effort” and involved the inflow of large amounts of resources into the well-irrigated area around the provincial center. Further afield—where resource endowments were not as favorable, local political structures were less hierarchical and development investments were less dramatic—the rural
A population experienced increasing levels of vulnerability. This resulted from the opium ban imposed over an ever growing area as the International Security Assistance Force (ISAF) and ANSF soldiers increased their control of the central canal command area. The provision of wheat seed and fertilizer did not meet the shortfall in income experienced by the bulk of rural households, and the ban on opium production restricted access to credit, land, water and shelter, especially for tenant farmers and sharecroppers. The result was migration out of the area into the former desert areas to the north, where the increased levels of cultivation ultimately more than offset reductions in the canal area.6

There are many other examples of these kinds of short-term, single-sector interventions that failed to address the underlying causes of cultivation, particularly for those farmers most dependent on the opium crop for their livelihood. Many of these interventions have been funded by development donors compelled to respond to pressure—from the Afghan government, international diplomats and the military—to respond to counternarcotics interventions like eradication or coercion not to plant. Most of these interventions had a common format and, like HFZ, looked to trade development assistance for farmers’ agreement not to grow poppy; other development programs simply assumed that investments in the legal economy would lead automatically to a contraction in opium production. On the whole, a genuine development response to the challenging problem has been lacking, hampered by a development community that lacked the tools to engage constructively, that often decided that addressing opium poppy cultivation was just too hard, and that felt it did not need yet another intractable problem on its hands.

This report provides an analysis of the characteristics of development interventions in Afghanistan with the aim of reducing drug crop cultivation—some under the rubric of alternative development, others under its successor, alternative livelihoods—as rural development programs designed with the intent of supporting farmers’ move from opium-dependent livelihoods to legal ways of earning a living. The report is the latest in a series of papers produced by the EastWest Institute’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking. It emanates from an ongoing dialogue between experts from Russia and the United States that focuses on identifying common areas of interest and potential areas of operational and policy convergence concerning the threat that illicit drug production in Afghanistan poses to both nations.

The report is divided into three sections. The first section examines attempts to reduce opium poppy cultivation in Afghanistan prior to the intervention of the North Atlantic Treaty Organization (NATO) in late 2001. Initially, it looks at the experience of alternative development projects, the rural development initiatives aimed directly at reducing drug crop cultivation in the 1980s and 1990s. It outlines the failings of the approach in Afghanistan over this period and some of the salient lessons that can be drawn. Subsequently, the first section considers the Taliban ban on opium production before the regime’s fall in 2001. It explores, in particular, how this prohibition built upon and reinforced the concept of conditional assistance, and how politico-military leaders in Afghanistan often traded reductions in opium for development funds and political kudos rather than for development outcomes in rural communities.

The second section of the report traces the evolution to alternative livelihoods and how this concept emerged as a response to both the failure of alternative development in the 1990s and the new development architecture constructed following the fall of the Taliban in 2001. It charts efforts to integrate an understanding of the causes of opium poppy cultivation into rural development programs and the different institutions involved, and why this approach ultimately faltered.

The final section provides recommendations on how Russia and the United States might work together to gain greater traction for development interventions that can best support Afghan farmers’ transition out of opium-dependent livelihoods in the context of a post-transition environment. This is an environment where both development and counternarcotics opportunities are increasingly hampered by worsening security, reductions in public and private investment and rising levels of opium production.
Kutobi traders at a livestock market, Chaghcharan district, Ghor province.
2. Efforts to Reduce Opium Poppy Cultivation Prior to 2001

Rural development interventions have been a component of drug control efforts since the late 1960s, when first introduced in Thailand. Initially, these development programs were rather limited in scope, technical in nature and focused on providing specific agricultural alternatives to farmers who were cultivating illicit drug crops. Substitute crops tended to be high value—comparable to the returns on opium production—and included coffee, flowers and medicinal plants. Over the course of the 1970s and 1980s, as the limits of crop substitution became more apparent, the governments of drug-crop-producing countries, along with the United Nations Fund for Drugs Abuse Control (UNFDAC)—as the United Nations Office on Drugs and Crime (UNODC) was then known—began to experiment with a broader set of development investments, and the concept of alternative development began to emerge.

By the late 1980s and 1990s, alternative development became the primary vehicle for delivering development assistance in illicit drug-crop-producing areas, including Afghanistan. At the heart of alternative development efforts in Afghanistan during this period was the concept of “conditionality”—in this case, the act of making development assistance conditional on reductions in opium poppy cultivation. Conditionality came to shape how the development process worked in rural areas. It impacted how institutions engaged with rural communities through mechanisms like the “opium clause” and Drug Control Action Plans (DCAPs). It affected the relationship between the United Nations and other development organizations, including donors. It also shaped the dialogue with politico-military actors, culminating in a number of short-term opium bans, including the Taliban prohibition in the 2000-2001 growing season.

2.1 Alternative Development

In the late 1980s and throughout much of the 1990s, there were a number of development interventions implemented in Afghanistan with the primary objective of reducing opium poppy cultivation. UNODC, along with a more limited number of projects funded directly by the Narcotics Affairs Section (NAS) of the U.S. Embassy in Islamabad, funded most of the interventions. At the time, these efforts were referred to as alternative development programs, but the term was often used to describe a wide array of rural development initiatives. These could include activities aimed at improving agricultural yields and incomes,
such as irrigation projects; the provision of agricultural inputs and livestock interventions; and more all-encompassing multi-sector programs that looked to improve the health and education of the local population, as well as local incomes. The common feature of these alternative development programs was their specific tie to achieving drug control targets within a given geographic boundary.

Problems beset each of these projects and programs: all closed early, and none succeeded in reducing opium poppy cultivation. For example, both UNODC’s projects—the Afghanistan Drug Control and Rural Rehabilitation Programme (ADCRRP), which ran from 1989 to 1996, and its Afghanistan Pilot Program’s Poppy Reduction Project (C28), which ran from 1997 to 2000—ended earlier than planned due to a lack of funding. The U.S. government also ceased its support to an alternative development project implemented by Mercy Corps International (1989-1999), a U.S.-based non-governmental organization, a year early due to increased opium poppy cultivation in the communities targeted in Helmand.9

A review of these alternative development interventions, particularly ADCRRP and C28, suggests that each suffered from the same structural weakness: the lack of a coherent and effective strategy for addressing the causes of opium poppy cultivation and, as a consequence, the setting of what were unrealistic goals and timeframes. In the absence of a clear “change model” and how interventions might address the multifunctional role that opium played in livelihood strategies, each project adopted a rather crude model, trading development assistance for reductions in opium poppy cultivation. Sometimes, this was directly with the community and its political elite; sometimes in conjunction with local political-military actors; and, in the case of UNODC’s C28, sometimes with the Taliban authorities themselves.10

The timeframe that communities were expected to abandon opium poppy in return for assistance was short (between two to four years); the development assistance was insufficient, geographically dispersed and failed to account for both the uneven nature of the development process and the fact that motivations and factors that influenced opium poppy cultivation varied across population groups. The approach was so unrefined that it was often hard to tell the difference between projects funded under the rubric of “alternative development” and those designed simply to offer respite to a rural population that was experiencing vulnerability due to conflict and poverty.

ADCRRP represents an exemplar of such an alternative development intervention. Consisting of over 200 subprojects implemented by more than 40 different international and national NGOs and with a budget of only 9.2 million USD,11 its activities were scattered across the five provinces of Badakhshan, Helmand, Kunar, Nangarhar and Qandahar. There was little hope that ADCRRP could achieve much beyond the delivery of rehabilitation and reconstruction activities in the different funded sectors: agriculture, health, education, income-generation and infrastructure.12

Yet, despite the limited development impact that ADCRRP was expected to achieve, the program stipulated that communities that received assistance should cease opium poppy cultivation altogether regardless of what activities were delivered and who accrued the benefits. It was not apparent how the delivery of the particular subprojects selected could actually manifest in reducing opium poppy cultivation beyond the requirement that communities sign an agreement to abandon the crop—“a poppy clause.”13

The poppy clause itself was criticized by implementing NGOs as well as UNODC’s own review team, which went so far as to suggest it was counterproductive. The signed agreements brought communities, NGOs and the
UN into the dispute. At the time, some of the NGOs involved in humanitarian work, such as demining, questioned the ethics of making assistance conditional on reducing poppy cultivation. In some cases, the poppy clause pressed local military commanders to destroy the opium crop of remote rural communities despite limited evidence of development impact. In most cases, continued cultivation did not lead to the termination of project activities.

In the end, ADCRRP was deemed ineffective in reducing opium poppy. The United Kingdom’s Department for International Development (DFID) went further and—unable to discern a clear program strategy that distinguished ADCRRP from other rural development programs—questioned the efficacy of funding UNODC to undertake what appeared to be conventional rural development projects.

UNODC’s follow-up Poppy Reduction Project (C28) offered some improvements on its predecessor, ADCRRP, but ultimately very few. Learning from the experience of ADCRRP and its disparate geographic spread, C28 did focus its efforts on four target districts: Shinwar district in Nangarhar and the districts of Ghorak, Khakrez and Maiwand in Kandahar.

However, C28 also consisted of more than 200 subprojects implemented by NGOs, the Drug Control and Coordination Units (DCCUs)—which belonged to the Taliban authorities of the time—and the Agricultural Departments of the Universities of Kandahar and Nangarhar. Like ADCRRP, the budget for C28 was also insufficient for the task. Of the 10.5 million USD that UNODC received in funds, approximately three million USD was spent in the four target districts, as well as on a number of provincial-level initiatives aimed at gaining the support of the provincial Taliban authorities.

Finally, like ADCRRP, C28 also committed to dramatic reductions in opium poppy cultivation over a short period. In the case of C28, opium poppy was to be eliminated in each of the target districts over a four-year period. Future development assistance was contingent on meeting an agreed schedule of reductions formalized in what became known as Drug Control Action Plans, which were drawn up by UNODC and signed by the Taliban authorities and representatives of local communities.

Multiple reviews of UNODC’s Afghanistan program expressed concerns regarding the ambition of C28 and the targets that it had set for reducing opium poppy cultivation. The donors raised questions about UNODC’s relationship with the Taliban or, as they were referred to at the time, “the presumptive authorities;” the capacity-building work they were doing with Taliban institutions; the technical and financial assistance that UNODC provided to the Taliban’s efforts to electrify Kandahar; and the then Executive Director’s efforts to launch a 10-year national program, which would undoubtedly have led to the channeling of further support to the Taliban.

The DCAPs and the “conditionality” under which C28 operated were also subject to criticism. Perceived as inflexible, inappropriate for what was meant to be a pilot program designed “to develop and implement replicable methodologies for achieving reductions in poppy cultivation in Afghanistan,” and lacking community ownership, the DCAPs often became little more than fora for negotiating assistance by the Taliban, the local authorities and community representatives. Moreover, despite the yearly breach of elimination schedules, development assistance was not withdrawn. As with ADCRRP, the final Project Impact Report described C28 as “largely a district wide, village level agricultural development project with little to distinguish it from many other such projects implemented by international agencies and NGOs.”

In sum, by the turn of the millennium, alternative development had fallen into disrepute.
in Afghanistan. In the absence of a coherent strategy to address the different reasons why farmers produced opium and the multiple roles that the crop played in livelihood strategies, alternative development became closely associated with crude efforts to encourage those who had gained military power—first local warlords and then the Taliban—into coercing the rural population to abandon opium poppy. To those in the drug control community, the provision of development assistance appeared to be the means by which to persuade those in positions of power to coerce the population to desist from cultivation rather than a means by which to improve the quality of the lives of those cultivating the crop. Devoid of a clear understanding of the multifunctional role of opium production and how to replace it, alternative development largely engaged in horse-trading—making offers of assistance to the local authorities and elites within communities in return for poppy elimination.

In reality, none of those involved in this horse-trading kept their end of the deal. For those delivering the development assistance, the funds received were insufficient and too short-term to deliver the necessary development outcomes required for farmers to meet their basic needs. Moreover, the benefits accrued from development assistance tended to go to the wealthier members of the community who were the least dependent on opium. Regarding the rural population, few reduced opium poppy cultivation even where they had signed agreements to refrain from production, arguing that they could not sustain themselves on the limited assistance provided without recourse to opium production.

Finally, those charged with imposing a ban and eradicating the crop were reluctant to compel farmers to abandon the crop if the rural population were not provided with viable alternatives. Indeed, the local authorities rarely acted against the crop, aware of the fact that power in rural Afghanistan is negotiated, decentralized and contested. In the absence of the concentration of coercive power, the politico-military leadership in rural Afghanistan remained concerned that marginalizing large sections of the rural population through eradication or imposing a ban on opium poppy would result in a loss of support and ultimately, political power.

2.2 The Taliban Ban

In July 2000, the Taliban announced a comprehensive ban on opium poppy cultivation across Afghanistan, contrasting with previous counternarcotics efforts in the 1980s and 1990s. Although there had been earlier efforts to prohibit opium production by local politico-military actors—such as Nasim Akhundzade in Helmand in the 1989-1990 growing season and Hajji Qadeer in Nangarhar in 1994-1995—these were imposed over relatively limited areas. Considerable doubt remains as to the effectiveness of these campaigns due to the challenges associated with estimating levels of cultivation at the time. The Taliban prohibition in the 2000-2001 growing season was markedly different. Effective across the vast majority of Afghan territory and verified by an international mission of donor nations, the Taliban ban created a precedent that succeeded in changing perceptions of the nature of state-power in Afghanistan.

It is not for this report to offer a detailed analysis of the Taliban ban, as this has been done elsewhere. Nevertheless, it is worth drawing on some of the salient points with regard to the imposition of the ban and how it relates to rural development, particularly the way that a variety of regional and national actors use drug control to gain both political support and development assistance from the international community. Furthermore, it is also important to understand the impact of pursuing a course of action that imposes what James Scott refers to as “patterns of collective insecurity that affect substantial numbers of peasants” on a population with “strong communal traditions” and a history of challenging the hegemony of the state.

With regard to drug control, the opium ban successfully reduced cultivation in Afghanistan as a whole from 82,000 hectares to 8,000 hectares between 2000 and 2001, and in Taliban-held areas, from 78,885 hectares to 1,220 hectares. This was an unprecedented fall in cultivation over a single season, not just in Afghanistan but also in any drug-crop-producing countries. Of far greater significance, the ban on opium served a number of more important political objectives for the Taliban regime.

First and most importantly, the ban on opium projected an image of a regime that had ac-
quired the necessary concentration of coercive power over the population and large tracts of territory. This image persisted following the fall of the Taliban in November 2001, and is something the Western allies sought to replicate with the establishment of the new government over the course of the state-building project. Second, the opium ban helped recast the Taliban regime’s international image as a pariah state following the widespread criticism it received due to the succor it gave to Osama Bin Laden, its oppression of minority groups and women and allegations that it was directly engaged in the production and trade of opium. Third, the ban on opium served to embarrass the official government of Afghanistan of the time, the United Front, and challenged their international legitimacy as the recognized authority and occupiers of the official seat at the United Nations.

Finally, the prohibition of opium production forced Western nations to engage with the Taliban as a credible interlocutor; it compelled Western donors to provide short-term development assistance in response to the humanitarian impact of the ban and to consider how they might engage with the regime through medium- to long-term development support. This was particularly important given the impact that the ongoing conflict had on the Afghan population, the drought that had beset some parts of the countryside since 1998 and the growing problems that the UN had raising donor funds for their Afghan program. The low price of opium, high wheat prices and a growing unrest in rural areas—even in some of the Taliban’s heartlands in the southern region—meant that the ban served as an opportunity to raise funds for a rural population that was rapidly losing patience with a regime failing to deliver improvements in economic welfare.

In terms of domestic politics, the ban was far less successful. When the Taliban banned opium, there were few other economic opportunities in Afghanistan. With the cessation of opium poppy cultivation across the entire area and the widespread cultivation of wheat, farmers had not only lost the opportunity to cultivate opium on their own land, but they also had lost the daily wages they earned from working as itinerant harvesters in a neighboring district or further afield. At the time, income from opium production had become an important part of the overall income of numerous farmers, not only in those areas where opium poppy was cultivated but also in areas where there was no tradition of cultivation. The loss of both on-farm and off-farm income from opium production during the Taliban ban was significant.

Maintaining order in the face of the widespread economic dislocation caused by the opium ban would have been a challenge, particularly in areas where the Taliban did not have a strong presence. The imposition of the ban changed the nature of the relationship between rural communities, the Taliban and those in the rural elite who had played a part in imposing prohibition. Although coercion had been an important element of the bargaining process with rural elites and the local population, it was largely used judiciously to encourage compliance. A far more critical element in gaining consent in these more autonomous areas was the potential for patronage and rent from future development assistance. The expectation that development assistance would be forthcoming was high at all levels of society, but particularly among the rural population and key tribes who had been instrumental in the imposition of the ban.

The ban on opium shifted the political settlement reached between the Taliban and much of rural Afghanistan during its rule. It is important to recognize that in Afghanistan, every leader has both his constituents as well as political and military adversaries who are adept at capitalizing on their opponent’s failure to deliver patronage. The fragile deals that were struck in rural areas in order to impose a ban without widespread dissent would have been hard to maintain without some evidence that the rural population’s economic prospects would not continue on a downward trajectory. It is highly likely that, without the delivery of development assistance, the Taliban would have come under considerable political pressure from key tribal groups to abandon the ban. It is equally likely that the leadership would have capitulated, particularly given the availability of weaponry within Afghanistan and throughout the region, the ongoing conflict and the Taliban’s own internal struggles. Ultimately, the ban served to weaken the Taliban’s political position in the countryside, following the attacks on the United States on September 11, 2001, making it easier for the regime to collapse once the U.S. and its allies intervened.
3. The Shift to and from Alternative Livelihoods

3.1 Alternative Livelihoods: Alternative Development in a Changing Development Paradigm

With the fall of the Taliban in 2001, the political landscape changed significantly. Alongside shifts in development thinking, there was a move away from the small-scale geographically focused alternative development interventions implemented in Afghanistan in the 1990s. There was little appetite for interventions that placed drug control at the forefront of international state-building efforts to extract reductions in cultivation from Afghan leaders in return for development assistance.

Furthermore, at the turn of the 21st century, donors began to prioritize sector-based interventions, with Western nations and multilateral institutions supporting wide-scale reform across entire areas of government delivery, including health, education, rural development and roads. In Afghanistan, sectoral assistance often took the form of technical support to central ministries in Kabul, as well as funds for the delivery of national development programs. Much of this assistance was directed through the World Bank, which took the lead in the design and oversight of the National Priority Programs (NPPs) and administered the Afghanistan Reconstruction Trust Fund (ARTF) from which donor funds were pooled and prioritized.

The Security Sector Reform (SSR) process also placed key donors in charge of coordinating the international effort in the reform of the Afghan Army (United States), Police (Germany), Disarmament and Reintegration (Japan), Justice (Italy) and Counter Narcotics (United Kingdom) units. These “lead nations,” initially charged with coordinating international assistance with the newly formed Interim Administration and supporting the authorities in developing comprehensive strategies, soon acquired a growing responsibility for funding and implementing programs in their particular area of security sector reform.

Within the development architecture of sectoral assistance, NPPs and SSR, there was less space for the kind of alternative development projects of the past. Many rural areas were also decidedly more congested than they were in the 1990s, with multiple agencies and initiatives operating in the same districts and communities, often regardless of whether opium poppy was cultivated or not. With large national sectoral programs being designed and implemented and a multitude of national, international and non-governmental organizations working across rural Afghanistan, there were few areas where drug control organizations like UNODC could set apart, call their own, and implement a range of different sectoral programs tied to reductions in opium production. The policy of conditionality was also rejected in the initial years after the fall of the Taliban by most of the major do-
nors on the grounds that it would undermine efforts to build a social contract between the Afghan state and the rural population, one of the core objectives of the reconstruction effort.

In fact, there was broad support for an approach that put reconstruction and development first. Even those leading global counternarcotics efforts within the U.S. administration—who had long been advocates of aggressive eradication in other parts of the world—realized that the situation in Afghanistan was qualitatively different from other drug-producing nations. For example, Rand Beers, the then head of the U.S. Department of State’s Bureau of International Narcotics and Law Enforcement Affairs (INL), argued that the scale of cultivation within the country, the formidable challenges the population faced following the civil war, drought, the collapse of state institutions, and the amount of reconstruction and development assistance that was to be made available meant that responses to drug production in Afghanistan needed to be different from those in other source countries. As such, neither INL nor USAID pressed for rural development programs specifically aimed at reducing opium poppy cultivation or for making development assistance contingent on reductions in poppy cultivation. Instead, the emphasis in these initial years was on designing a wide range of development interventions that would meet the immediate needs of the Afghan population and, in part, address the causes of opium poppy cultivation.

Indeed, the term “alternative livelihoods” was established to signify change and to move away from the alternative development model that had been rejected by the development community in Afghanistan and more broadly. It represented a break from an approach to development assistance that had—perhaps unfairly—become increasingly associated with crop substitution as well as with UNODC, an organization whose development capacity was being questioned by many donors following its experience with ADCRRP and C28 in the 1990s. The development funding available for Afghanistan far exceeded any of the alternative development programs of the past, and was beyond the capacity of a single agency to manage. For example, multi-lateral initiatives, such as the first phase of the National Solidarity Program (NSP)—a community-based rural development program—implemented between 2003 and 2007 cost 600 million USD. Bilateral programs, such as the U.S. government’s Rebuilding Agricultural Markets Program (RAMP), had a budget of 143 million USD between 2003 and 2007. The development landscape of the post-Taliban era was fundamentally different from that of the 1990s.

3.2 Development in a Drugs Environment: Building Ownership amongst the Development Community

It was also recognized that there was no single project or program that could address the multiple factors that have led to the expansion of opium poppy cultivation in Afghanistan, and that a more concerted and comprehensive effort was required. Counternarcotics had been made a cross-cutting issue under the Interim Afghanistan National Development Strategy (I-ANDS), and the National Drug Control Strategy (NDCS) of 2003 called for the mainstreaming of counternarcotics policy in national and provincial plans and strategies. Intimately linked with the concept of counternarcotics mainstreaming, the intention of alternative livelihoods was to integrate efforts to address the causes of opium poppy cultivation in the wider policies and programs of international, national and non-governmental organizations working in rural Afghanistan. This move was a recognition that the drugs issue in Afghanistan, as it is elsewhere, was a complex and “wicked problem” where a “whole-of-government” approach was needed, not only by the Afghan government but also by the donors and, particularly, the development institutions within Western governments that programmed much of the assistance being given to Afghanistan.

Over time, the Russian government began to support a more comprehensive development response to opium production in Afghanistan. Although Russian government support for development had been negligible since the 1990s and it did not invest directly in efforts to reduce opium poppy cultivation, despite requests, its thinking was shaped by the investments the Union of Soviet Socialist Republics (USSR) had made in Afghanistan in the 1970s and 1980s. In particular, in 2014, Russia mounted an initiative that called for a
comprehensive response that looked beyond investments in high-value crops and agriculture and pressed for the impact that wider investment in infrastructure, large enterprises (including in the sectors that the USSR had supported in the 1970s and 1980s) and job creation would have on opium production. Although this approach lacked funding and failed to gain traction, it highlighted the evolution of thinking and a wider recognition of the limits of alternative development.41

There were periods when some of the largest development donors in Afghanistan engaged heavily in efforts to integrate an understanding of drug crop cultivation and the multifunctional role it plays in rural livelihood strategies into broader development planning. The Asian Development Bank, the European Commission and the World Bank all pursued initiatives aimed at designing their programs so that they could be more effective in addressing the causes of opium poppy cultivation. A number of NPPs were also appraised during design and implementation to ensure that they took better account of the fact that opiates were produced, traded and used in Afghanistan. These programs were adjusted so that their activities might better address the causes or, at least, not make matters worse. This included programs such as the National Emergency Rural Access Project (NERAP), the National Horticulture and Livestock Project (NHLP) and the Emergency Irrigation Rehabilitation Project (EIRP).

The World Bank also developed a guideline note for “Treating the Opium Problem in World Bank Operations in Afghanistan” or what became known as “counternarcotics mainstreaming guidelines” (see Annex I). DFID and the World Bank went further, producing a major report examining how development efforts might better address the causes of opium poppy cultivation.42 This report served as the justification for the design of the Comprehensive Agriculture and Rural Development - Facility (CARD-F), a rural development program designed to identify and then support potential turnkey operations in rural areas of economic opportunity where opium poppy had been all but eliminated.

3.3. Beneath the Veneer: A Reluctance to Engage and the Loss of Quorum

Despite a number of efforts made by those donors most involved in rural livelihoods programs to better integrate drugs into development programs, little progress was made with implementation. The reasons for this were manifold and were largely political and technical, in addition to the ubiquitous challenge of maintaining a quorum of interested donors given the rapid staff turnover in Kabul.

As a complex, “wicked problem,”43 the drugs issue in Afghanistan required cross-government support and ownership, not just within the Afghan government but also among Western donor nations. This was not achieved. Then Afghan President Hamid Karzai showed little interest in the subject and, despite the United Kingdom’s “lead nation” and then “partner nation” role, successive UK prime ministers failed to understand fully what was required.

What is more, neither the political leadership in Afghanistan nor among the Western allies had a common and consistent understanding of the drugs issue or how it related to the wider “Afghan project” in its various forms—counterterrorism, state building or counter-insurgency. Those institutions charged with responsibility to deliver on counternarcotics—such as the UK Afghan Drugs and Inter-Departmental Unit (ADIDU) and the Bureau of International Narcotics and Law Enforcement Affairs (INL) in the U.S. Department of State—did not control all the levers, nor did they always have the technical capacity to engage constructively with those institutions responsible for delivering security, governance and economic growth.

Set up as a parallel strand of institutions and activities, they found themselves in a state of constant competition for resources and the attention of senior political leaders, who did not always see the relevance of the drugs issue to the wider mission, and lacked a common understanding of how to best manage the negative consequences of widespread opium production. Moreover, the drugs control community was often seen as pursuing short-term drug control targets—specifically, dramatic reductions in annual levels of opium poppy cultivation—that were often viewed
by members of the development, diplomatic and security communities as detrimental to their institutional objectives.

The development community itself faced major challenges building ownership over the drugs issue in Afghanistan. This was particularly true for senior officials in Afghan development ministries and Western donors. Both preferred to see the drugs issue as one for someone else to deal with—typically the growing drug control community that inhabited institutions such as the Afghan Ministry of Counter Narcotics (previously the Counter Narcotics Directorate); INL; the British Embassy Drugs Team (BEDT); and law enforcement organizations within the Afghan Ministry of Interior and the international community, such as the U.S. Drug Enforcement Administration (DEA) and the UK’s Serious Organised Crime Agency (SOCA).

Regarding Western development donors, senior managers were particularly resistant to engaging with the drugs issue. Although technocrats in Kabul responsible for programs promoting development in rural Afghanistan would rarely countenance designing or funding an intervention that ignored the country’s most valuable export, many senior officials in capitals did not want to see their organization engage on counternarcotics, fearing they would be held responsible for any subsequent fluctuations in opium poppy cultivation. They were of the view that no good would come of being part of what might be perceived as a counternarcotics mandate and would argue that doing so would run contrary to the pro-poor development objectives of their institution. Afghan leadership would typically follow this lead, absent pressure to engage from their main development donors.

Another challenge, particularly in the formative years of the Western allies’ intervention in Afghanistan, was the largely bilateral strategy of USAID. The scale of the U.S. development budget and its focus on implementing bilateral programs through contractors meant that it could pursue its own agenda, separate from that of the other major donors. Thus, while some of the largest development donors involved in rural development—such as the World Bank, Asian Development Bank, the European Commission and the DFID—would meet to discuss how to better integrate the drugs issue into their development plans and even pursue joint initiatives between 2005 and 2009, USAID often was absent from the discussions. Instead, it pursued large bilateral programs, some of which were described as alternative livelihoods (and then, following a change of ambassador, alternative development) and others as rural development, often
with no clarity as to what differentiated one from the other.

The absence of USAID from donor discussions, as well as the perception that it persisted with a set of distinct alternative livelihoods/development projects, did not match the messages technocrats in Kabul presented to the Afghan development ministries. The continuation of a type of “alternative development” from the 1990s reinforced the tendency of senior managers in Western donors to look for boundaried development projects that they could label as “counternarcotics.” This seemingly allowed senior managers to respond to political pressure within their own governments and engage in counternarcotics, while maintaining a strategic distance—they did not have to integrate drugs into their wider portfolio of development programs and policy dialogue in Afghanistan.

A further constraint preventing the integration of drugs into the wider development was the planning process itself. Designed mostly from Kabul, development programs were rather generic, identifying the provinces and districts that they would work in with little detail. They lacked specifics on the context of particular areas, the resource endowments and the complex and diverse nature of the rural livelihood strategies pursued by the local population. This was all to be worked out during the implementation of individual NPPs or bilateral programs.

Efforts to build synergies between these different, centrally designed programs at the local, district and provincial level were often hampered. The National Solidarity Program (NSP) was intended to establish local mechanisms for development planning in the form of Community Development Councils (CDCs), but some ministries and programs were reluctant to work through them. Attempts to build provincial development plans under the National Area-Based Development Programme (NABDP) also faltered. This led to the counternarcotics community developing counternarcotics provincial plans for a number of key provinces through the technical support it provided to the Ministry of Counter Narcotics. Due to a heavy focus on counternarcotics and the failure to gain traction in the wider development community, which held the purse strings, this initiative proved unsuccessful.

Related to the problem of coherent provincial- and district-level development plans was the issue of technical capacity. Integrating the causes of opium poppy cultivation into rural development interventions; understanding how the reasons for cultivation differ by
socio-economic group; and designing interventions that, at best, reduce the dependency on opium as a livelihood strategy and, at least, do not make matters worse, required a deep knowledge of rural Afghanistan.44 This was knowledge that many donors and the contractors that implemented their programs—including those that provided technical assistance to Afghan development ministries—did not possess. Although this lack of knowledge became a consequence of the deteriorating security conditions and the stringent duty of care that Western donors imposed upon their staff, it was also a function of high staff turnover beleaguering the Afghan reconstruction effort since its start.

In the absence of knowledge about rural Afghanistan, the default scenario for development organizations was to assume that an intervention that promotes growth in the legal economy would lead to a contraction in the opium economy. There is a litany of development programs that followed just such a lead, including the current USAID Regional Agricultural Development Programs (RADPs) for South (125 million USD),45 North (78.5 million USD)46 and West (70 million USD)47 as well as the Commercial Horticulture and Agricultural Marketing Program (CHAMP) (45 million USD).48 Criticized by USAID’s own Inspector General,49 this approach—according to a recent evaluation—rested on a false assumption in the case of the program, Incentives Driving Economic Alternatives-North East West (160 million USD)50 in the province of Nangarhar.51

Indeed, programs like the Helmand Food Zone highlight the consequences of failing to consider adequately the impact that encouraging widespread wheat cultivation would have on different population groups, marginalizing the land-poor and driving them into the former desert areas of Helmand. There, they became more dependent on opium production, as well as ardent supporters of the insurgency, whose agricultural practices led to increasing levels of salinization and falling levels of ground water.52

It was assumed that less harmful interventions that increased irrigation would lead to higher wheat yields and an uptake of value in annual and perennial horticulture; this assumption failed to recognize that without the agricultural inputs and market support for these crops, these interventions could just as easily lead to an increase in the amount of land dedicated to a higher yielding poppy.53 For example, the initial appraisal of the World Bank’s Agriculture Sector Review that began in 2012 ignored opium production despite plans to bring tens of thousands of hectares of land under irrigation, including in some of the major opium-growing provinces in the southern region. It was only after 12 months into the appraisal process that a review was done to look at the potential impact the proposed interventions might have on opium production.54

Ultimately, the lack of senior political leadership, the inconsistent and insufficient ownership of the drugs issue among the development community, centralized and disparate development planning processes, and the limited technical capacity described above resulted in intermittent and inconsistent engagement by development organizations on the drugs issue in Afghanistan. Indeed, the degree of involvement was a function of the personality and persistence of technical staff with responsibility for rural development programs, and the degree of political pressure applied by Western governments.

Periods of peak engagement often occurred when levels of opium poppy cultivation increased nationally or in a particular province, especially one where a Western government led the Provincial Reconstruction Team (PRT), and development staff would find themselves compelled to engage directly in counternarcotics efforts. This was largely driven by the perception that rising levels of cultivation reflected a failure in the state-building project in Afghanistan or, worse still, represented poor performance of a Western nation’s military and civilian effort within the province where cultivation was increasing. When levels of cultivation were static or falling, there would be...
no such pressure, and senior development officials would even dissuade their staff from engaging in the drugs issue at all—even when programs they were funding were providing assistance in areas where opium production was concentrated.

3.4. Reverting to Type: Filling the Gap Left by the Development Community

In the absence of a more consistent and meaningful engagement on the drugs issue by a quorum of development donors and Afghan ministries, the drug control community filled the gap. In fact, it is fair to say that the default position has typically been one where institutions such as UNODC, the Afghan Ministry of Counter Narcotics and INL have pushed what they perceive as a development model in drug-growing areas, repeating calls for conditionality or a “social compact” that tied aid to reductions in opium poppy cultivation. Over time, alternative livelihoods came to be seen as synonymous with alternative development and in some areas—most notably with the provision of wheat seed in Helmand under the Food Zone initiative—even began to look like crop substitution, an approach that even the drug control community had abandoned in the 1980s. In 2012, those that designed and implemented the Kandahar Food Zone (KFZ) asked community representatives and the provincial authorities to sign agreements that committed development inputs—in this case, the rehabilitation of the irrigation system—in return for communities to commit to not growing opium poppy within a two-year time frame.56

The reality is conditionality, and what appears to be a simplistic exchange of development inputs for a commitment to reduce drug crop cultivation, retains a certain attraction, particularly to senior political leadership. First, tying development assistance directly to reductions in cultivation infers causality between development inputs and drug control outcomes, even where evidence in rural Afghanistan has shown it does not exist. Second, it provides an appearance of specificity between an investment of funds and reductions in cultivation that development specialists can rarely offer, particularly given the weakness in the prevailing monitoring and evaluation mechanisms of the development community in Afghanistan and the reliance on attitudinal surveys.

Finally, perhaps the most valuable aspect of a policy of conditionality is that it provides a political target for subsequent recriminations when reductions in opium poppy cultivation do not occur or when they are not sustained. Once cultivation fails to fall or there is a resurgence, it is easy to blame the national leadership, provincial governors, district officials or even community leaders for their “lack of commitment” to drug control; their cynicism in taking development monies and not living up to their side of the bargain; and perhaps even their corruption and involvement in the drugs trade. Although many of these claims may be true in part, conditionality fundamentally continues to fail to reflect the decentralized and contested nature of political power in rural Afghanistan. The reality is that those in positions of power do not have the capacity to retain that power if they were to impose prolonged periods of hardship on large sections of the rural population.

Without recourse to the kind of coercive capacity required to enforce conditionality, those looking for reductions in drug crop cultivation in Afghanistan have to work at a different pace and with unfamiliar instruments. Reaching a common understanding with the development community as to how improved welfare, social protection and economic growth can address the causes of opium poppy cultivation and reduce dependency on drug crops as a livelihood strategy would help. Working with development donors and ministries to ensure that current and pipeline programs do not lead to growing levels of cultivation or to the population’s increasing dependency on opium production as a livelihood strategy would also prove an invaluable exercise.
Afghan police destroy poppy in the eastern province of Kunar, Afghanistan.
After almost three decades of experience with rural development in opium-poppy-growing areas in Afghanistan, there remains a great deal of confusion over terms and what kinds of interventions are required to support farmers’ transitions out of opium poppy cultivation. It is clear that “alternative livelihoods” is not what it set out to be. The idea behind moving away from boundaried, integrated rural development programs—known as alternative development—was to work within the development architecture that was being established in Afghanistan post-2001. Many believed that alternative development programs were uncoordinated with wider development thinking and, in particular, with how assistance was being structured in Afghanistan after the fall of the Taliban.

This report has shown that attempts to reframe the debate on and practice of conducting development in drug-crop-growing areas of Afghanistan continue to falter. It remains the case that many senior policymakers look to find a simple solution to illicit drug crop cultivation—a solution that they understand and can sell easily to their political superiors. This is often a rural development project linked to what is described as a “credible” eradication campaign and conditionality—the “carrot-and-stick” approach. Success is still measured by reductions in the amount of crop destroyed or the net level of cultivation and not in terms of sustained improvements in the quality of life of rural communities and a lower dependency on opium production as a livelihood strategy.

The persistence of the “carrot-and-stick” approach lies with its simplicity. It is a consequence of not only the high staff turnover that we see in Western government bureaucracies, but also an example of the teleological prism through which many officials and scholars continue to see the world, where outcomes such as a reduction in drug crop production are a direct result of the specific line of activities funded. Surprisingly, this view of the world prevails as much in fragile and conflict-affected states as it does in the investments made in developed Western nations. This is despite the challenges of weak institutions, conflict, lack of domestic sovereignty and high levels of poverty that make conflict-affected and fragile states qualitatively different.

Unfortunately, the lessons learned from the last decade of assistance in Afghanistan—where reductions in cultivation have been found to be a function of a much wider process of development that includes improvements in security, governance and diversification in rural livelihoods—continue to be ignored. Although there is growing recognition that the degree of dependency on opium production differs by socio-economic group and by both the resource endowments and state societal relations in a given area, these lessons are still rarely built into program design and seldom inform the pace of reduction that policymakers might expect from the initiatives they fund.

Programs continue to promise to deliver reductions in opium production over a wide area and a short time frame. Current funding mechanisms only make matters worse, compelling those looking for the financial resources to implement a program in a drug-crop-growing area to overstate what they can hope to achieve within the life of a project or program. To gain traction with those making budgetary decisions, they are required to oversell what it is possible to achieve, thereby adding to the perception of the “failure” of the program and—like so many alternative development programs in the 1990s—increasing the likelihood of withdrawing funds.

This report has shown that one of the major funding components missing in Afghanistan has been consistent, constructive...
engagement by the development community—both internal and international. Development donor-engagement on the drugs issue falls into three broad categories: (1) reluctance, (2) compartmentalization and (3) mainstreaming.

The first category of engagement—reluctance—has typically taken the form of ignoring the drugs issue altogether or “assuming it away.” Without political pressure to engage in any substantive way—including the concomitant quantitative targets and performance indicators that often accompany counternarcotics when it is deemed a priority—the development community has taken a rather circumscribed view of the importance of the drugs economy within the wider political economy of Afghanistan. This approach has often been adopted by development donors during periods when other priorities—including growing insecurity, corruption, concerns over the transfer of civilian power during the 2014 presidential elections, as well as the transition of Western military forces—have been considered more pressing to the success of the “Afghan project.”

The reluctance engagement approach has dominated the development community over the last decade. This reflects the failure by many in the international community, not just development donors, to engage with complex and dynamic phenomena that sit beyond the mandate of a single government department or agency, as well as the tendency to concentrate efforts on short-term political priorities. As this paper has shown, it has led to rural programs that have, on a number of occasions, made things worse, increased the vulnerability of marginal groups—such as the land-poor—and resulted in growing levels of opium poppy cultivation. The approach is counterintuitive, neither making the best use of funds nor delivering on development outcomes or counternarcotics objectives.

Donor compartmentalization of the drugs issue took the form of a return to discrete, boundaried interventions. Compartmentalization—often labeled as “alternative livelihoods” or “alternative development” because they were located in areas of poppy cultivation, even if they largely ignored the crop—allowed development donors to claim that they were addressing the opium problem when under pressure from ministries within their own governments. For example, between 2004 and 2009, when the drugs issue was a priority for the U.S. government, much of USAID’s expenditures on rural development were labeled as “alternative development.” After 2009, the proportion of total expenditures on rural development that were considered “alternative development” fell significantly, even if some of the programs being funded remained largely the same. The Afghan government’s flagship program, the National Solidarity Program (NSP) went from being labeled as counternarcotics expenditures by some donors to being labeled as counterinsurgency, after 2009. As with alternative development programs of the 1990s, these compartmentalized interventions rarely worked beyond the specific area they were operating in and did not engage with the wider development policy debates and processes.

The final category of development donor-engagement on the drugs issue in Afghanistan—counternarcotics mainstreaming—has been intermittent. It was driven by development practitioners and technocrats who understood that it is not appropriate to undertake rural development in Afghanistan without understanding the multifunctional role opium production plays in rural livelihoods and how programs might impact levels of opium dependency. The approach also recognizes that efforts to reduce the dependency on opium poppy cultivation in Afghanistan need to address the wider political economy integrated across national development policy and planning rather than be limited to discrete, rural development efforts. It requires development organizations to take a more explicit role in addressing the harms of both illicit drugs and a drug policy focused on short-term targets.

Challenges to this approach are numerous and remain so, largely due to the lack of political commitment by the development donors and the Afghan government. Yet, counternarcotics mainstreaming remains the only viable way forward, particularly given the reduction in development funds and the significant challenges associated with implementing development programs in what is an increasingly insecure space in rural Afghanistan. Given this, this report recommends the following:
Russia and the United States should jointly and individually press the Government of the Islamic Republic of Afghanistan (GIRoA) to request that the drugs issue be factored into national development planning. To achieve this, Russia and the U.S. should request that the Ministry of Finance of GIRoA introduce a mandatory review of all development assistance to ensure that it takes full account of its impact on counternarcotics and that this assistance, at a minimum, conforms with “do-no-harm” principles.

Through their delegations, Russia and the United States should mount similar advocacy efforts with international financial institutions and multilateral development institutions—such as the United Nations Development Programme (UNDP)—to request that they also ensure their programs in Afghanistan include drugs as a cross-cutting issue.

In particular, Russia and the United States should approach the World Bank at the highest level to reengage on the drugs issue as a matter of urgency. The World Bank has both the necessary development credentials and considerable experience with counternarcotics mainstreaming in Afghanistan and is best equipped to support GIRoA and other agencies to factor drugs into national development policy and planning.

From a bilateral perspective, USAID has a number of rural development programs that it currently claims are designed to address the causes of drug crop cultivation, such as the Kandahar Food Zone (KFZ), Regional Agricultural Development Program (RADP)-South, RADP-North, RADP-West and CHAMP. USAID is also designing another program for the east, Regional Agricultural Development East (RADP-East). All of these programs need to be reviewed to see if they build on best practices in their designs and adequately address the multifunctional role of opium poppy in the livelihoods of the different population groups in their target geographic areas.

A similar review should be conducted of USAID’s wider development program to include its interventions in economic growth, governance, health and education. Investments in each of these sectors could either support efforts to reduce the negative impact of the production, trade and use of opiates, or they could make matters worse. USAID should ensure that its programs adopt a position of “do-no-harm.”

Performance measurement in Afghanistan needs to prioritize the assessment of crop and income diversification. Empirical research shows that replacing opium poppy with wheat or other staples is typically a short-term response to coercion and that farmers will soon resume opium production. Experience demonstrates that enduring reductions in cultivation are a function of livelihood diversification, movement into high-value horticultural crops, and reductions in staples like wheat and maize, as well as non-farm income. There is a need to move away from measuring the success and failure of counternarcotics efforts based on the hectares of opium poppy grown. It has proven to be unhelpful and has distorted policy discussions.

In this regard, there is a need to move towards more effective monitoring and evaluation (M&E) systems that capture both development and counternarcotics outcomes, including the use of geospatial imagery and crop mapping. Current methods of assessing the performance of rural development programs rely on attitudinal surveys. These are unreliable and do not provide verifiable data concerning what is actually happening on the ground. Geographic information systems (GIS) and high-resolution imagery provide robust data on livelihood diversification that are invaluable to assessing the results of both rural development investments and efforts to reduce farmer dependency on opium production. USAID already has a program of monitoring support but needs to give greater priority to the use of crop mapping. Both Russia and the United States—through their missions in Vienna—should press UNODC to improve its analytical and GIS capacity so that it can support GIRoA in the development of M&E systems that not only measure the changing amount of poppy, but also assess the type of replacement crops, thereby understanding whether any reductions in cultivation are sustainable.
A. Strategic Approach

The opium problem

Reducing opium production is one of the greatest challenges facing Afghanistan. Opium is central to the macroeconomy, contributing one third of GDP and significant support for aggregate demand and the balance of payments. In the rural economy, opium is a key livelihoods coping strategy for as many as 350,000 farm families, most of them poor. In the area of security, opium is fuelling warlordism and terrorism, and in governance the illegal economy is capturing or undermining state building efforts at all levels.

Government strategy

Government’s strategy to reduce and ultimately eliminate opium from the Afghan economy comprises essentially three elements. The first is to improve governance and the rule of law, strengthening public institutions and mechanisms to control drugs, together with the development of responsible governance structures and the “social contract” at all levels from the community up. The second is to raise the general level of economic activity and services, improving living standards and providing social protection. The third is to emphasize in development programs specific components that can have a significant impact on farmer behavior, with a focus on poorer farmers, laborers and more vulnerable areas.

World Bank approach

With this background, the World Bank’s working approach to the opium problem is:

- to factor considerations of the opium problem into analysis and dialogue at all levels, including the macroeconomic dimension
- to support and engage in analytical work on the development dimensions of the drug problem in Afghanistan and associated options for addressing it
- to help support the development elements of the Government’s strategy through Bank-financed programs as appropriate
- to ensure that the activities supported by the Bank do not inadvertently contribute in any way to the opium economy

Screening

Under this approach, the Bank proposes to screen all its activities in Afghanistan, both operations and analytical and advisory work, to ensure that counter-narcotics aspects are treated consistently and in a way that can make the maximum contribution to the national effort against drugs. The screening process will demonstrate to what extent the operation or activity:
1. Contributes to the governance agenda
2. Maximizes synergies to deliver broad livelihoods impacts at the community and household level
3. Maximizes more specific counter-narcotics impacts by geographical area coverage and by addressing the poorer target groups, with components which strengthen and diversify legal livelihoods
4. Identifies risks and develops an approach to ensure that Bank support “does no harm” and does not create risks to the Bank’s reputation
5. Contains a monitoring and reporting capability that can effectively track outcomes related to the opium economy

B. Understanding the Role of Opium in Livelihood Strategies and Devising Appropriate Development Responses

Reasons for the “success” of poppy cultivation in Afghanistan

In Afghanistan’s current economic and political climate there are many advantages to cultivating opium poppy. It is a high-value, low-weight, durable commodity, for which there is strong demand. There are sufficient returns at each stage of the value chain and well-developed market linkages in terms of credit, purchase, transport, and processing, all of which function well and flexibly despite Afghanistan’s fractured infrastructure. Traders are willing to purchase at the farm gate for cash, often in advance of the harvest.

Opium poppy can be cultivated almost anywhere in the country, although it grows best in free draining sandy loam soils. It is so well suited to Afghanistan’s agro-climatic conditions that it produces higher than the global average yields of raw opium and morphine and maximizes returns to scarce irrigation water. This latter attribute and its marketability have proven crucial to farmers with small landholdings and large families, particularly in remote areas where opium poppy cultivation is becoming increasingly concentrated. For small marginal farmers there is no other crop under current conditions that can provide the same returns; when opium declines in those areas, the opportunities for farm income for such households will also decline, driving people off the land.

With these characteristics – and despite law enforcement efforts – opium poppy is a relatively low risk crop in many areas in what is generally a high risk environment – for both farmers and traders. The traditional credit system known as salaam, that provides an advance payment on an agreed amount of a future crop, has increasingly favored opium poppy cultivation over other crops. In areas in which opium poppy has become entrenched, access to credit has become dependent on a farmer’s willingness to cultivate this crop. This willingness and the possession of the requisite skills to cultivate opium poppy have increasingly determined sharecroppers’ access to land. The rental value of land also has become determined by potential opium yields rather than by wheat productivity.

Uneven distribution of the considerable benefits of opium production

The economic advantages associated with cultivating opium poppy differ according to the assets farmers have at their disposal. For the relatively few large landowners, opium poppy represents a high-value crop that can accrue even greater value if it is not sold immediately after the harvest season but later on, when prices rise. As larger farmers have other income streams and liquid assets, they can realize higher prices by selling later in the year. Moreover, landlords who make sharecropping arrangements for opium production can do even better:
some inequitable sharecropping arrangements allow the landowner to take two thirds of the final opium yield, despite contributing only 20% of the total costs of production. Landlords may also make advance purchases of opium at rates considerably less than the harvest price, generating further considerable profits on the opium crop. These profits can then be reinvested in further diversifying assets and income sources or in the opium trade itself – an ascending spiral of wealth accumulation for the larger landowner.

The position for the land-poor is quite different. For this group, opium poppy is not just a source of income. Opium poppy cultivation increases the opportunity to obtain land on a sharecropping or tenancy basis and draws on the labor supply of the household. It provides access to both cash income from opium poppy and, in the typical mixed cropping system practised in Afghanistan even among poppy growers, to the means of producing food crops for household consumption. Without opium poppy cultivation, the opportunity to access land diminishes considerably, as happened in the province of Nangarhar in 2004/05.

Opium poppy cultivation also creates a demand for itinerant labor to assist in the weeding and harvesting of the crop. Based on UNODC’s estimate that 104,000 hectares of opium poppy were cultivated in the 2004/05 growing season, the crop would have generated approximately 36.4 million days of employment, of which one-third would have been daily wage labor opportunities. Where a household has more than one male able to follow the staggered weeding and harvesting seasons, the off-farm income generated from opium poppy can last up to five months and is typically higher than the on-farm income earned from cultivating the crop as a sharecropper.

Opium poppy also provides an important source of credit for the resource-poor. In areas where opium cultivation is entrenched, it defines the “creditworthiness” of the land-poor. Without it, access to basic food items, agricultural inputs, and funds for health care becomes severely constrained. In addition to the above direct benefits, the cultivation and trade of opium has considerable multiplier effects in the rural economy. Some estimates even suggest that for every hectare of opium poppy cultivated, as many as 5-6 jobs are created in the rural non-farm economy.

Typology of opium farmers

For the purposes of this Guideline, rural households involved in the opium economy have been classified as (1) “better off” and not dependent; (2) less affluent but not dependent; and (3) poor and highly dependent. As a general rule, Class (1) “better off” farmers have more diversified livelihood strategies. They reside in areas in close proximity to provincial or district centers, they cultivate a variety of crops including high-value horticulture, and they have better access to land and irrigation, and to the commodity and labor markets. They are not dependent on opium for a decent living and could be considered to be “opportunist producers”, for whom application of the law is the primary instrument of drug control. More marginal farmers (Class 2) and the poor (Class 3, landless or with very small landholdings) are considered to be the target group for development programs that aim at contributing to the reduction of drug production. As such, poverty reduction and opium poppy reduction strategies are closely entwined. The characteristics of these three classes are summarized in Table 1.

Appropriate development responses

Opium poppy cultivating households are diverse and dynamic, and their decision as to how much land to dedicate to opium is influenced by a range of different factors – not just price. Policies and programs that treat opium poppy farmers as homogenous will not only be ineffective, they could prove counterproductive. It is necessary to work with the diversity that exists among opium poppy cultivators. Understanding the contribution of the different socio-economic groups involved in opium poppy cultivation and the multiple benefits (for example social, economic, and political) they derive from their involvement are critical for identifying the entry points for developing effective strategies for the sustainable elimination of the crop in Afghanistan.
Development programs that offer farmers real livelihoods alternatives would need to have as many characteristics as possible that “mimic” the attractions of the opium economy, particularly for smaller and poorer farmers and laborers (Classes 2 and 3), for whom choices are very limited at present. Programs need to avoid adopting a strategy of simply attempting to replace the relatively high level of income from opium as derived by the resource-rich (Class 1 farmers). Interventions are needed that improve the access of smaller farmers (Class 2 and 3) to those assets which they currently have access to only through their willingness to produce opium poppy. Improving access to credit, land, and off-farm and non-farm income

### Table 1: Typology of Opium Producing Areas and Farmers within Them

<table>
<thead>
<tr>
<th>Class 1 Not Dependent</th>
<th>Class 2 Dependent</th>
<th>Class 3 Highly Dependent</th>
</tr>
</thead>
</table>
| **Access to markets/services/Governance** | » Close to district and provincial centers  
Government can impose will with minimum reaction | » Accessible but limited physical infrastructure | » Remote  
Government presence and service delivery limited  
Government finds difficult to impose will beyond district center |
| **Land cultivated (winter+summer)** | » Larger cultivable land (>15 jeribs) | » Medium sized (>7.5 <15 jeribs) | » Small cultivable (<7.5 jeribs) |
| **Irrigation** | » Canal or main river | » Canal and river but also karez and mountain spring | » Karez and mountain spring |
| **Land Tenure** | » Landlord  
» Owner cultivator | » Owner cultivator  
» Tenant | » Owner cultivator  
» Sharecropper |
| **No. of Crops** | » Double Crop | » Double Crop but limited in summer | » Single Crop |
| **Cropping** | » Diversified  
Popp 30%-50%.  
Wheat  
Vegetables for sale  
Fruits/nuts for sale | » Poppy 50%+  
Wheat  
Vegetables –some for sale  
Fruits/nuts –some for sale | » Poppy 70%+  
Wheat 20-30%  
Vegetables solely for consumption |
| **Population density** | » 1 – 1.5 per jerib | » 2 – 3 per jerib | » 3.5 – 5 per jerib |
| **Livestock** | » Sale of dairy products and cattle | » Some sale of dairy products | » Goats/sheep  
Dairy cow for milk products for household |
| **Off farm** | » Limited | » Daily wage labor – poppy during harvest | » Daily wage labor – mainly poppy throughout season |
| **Non Farm** | » Salaried (NGO, Govt), trade, transport | » Construction  
Semi Skilled | » Limited |
| **Credit** | » Accumulated debt marginal  
Variety of sources of credit  
Gives loans | » Some accumulated debts  
Variety of sources | » Accumulated debts significant as proportion of total income  
Opium only source of loans |
| **Opium Sales** | » Some time after harvest | » Pre harvest but some surplus | » Pre harvest |
opportunities to the poor should be a priority. Table 2 lists some of the development responses that should be emphasized to address the situation of these Class 2 and 3 farmers. For those farmers who are not economically reliant on opium poppy cultivation (i.e. Class 1 farmers), greater emphasis should be given to applying social and legal pressure.

In addition to the development responses that may directly offer income earning opportunities to poor farm families, much might be done to improve governance and so develop responsible reciprocity between rural communities and the state. The spread of efficient and responsive delivery of services like health and education, and the development of counterpart community structures like parent-teacher associations, increase respect for the Government’s development capability, build responsible local community social capital, and open paths for dialogue on the drugs issue. In addition, specific programs like education, health, and the National Solidarity Program may offer multiple entry points for education and dialogue and for the building of trust and good governance. The problem of opium is thus a consideration that may be factored in across a whole range of development activities in rural areas.

Finally, institutional development at the broader level – for example strengthening the central and local administration or improving institutions and mechanisms in specific sectors bearing on the opium economy, such as financial services (e.g. anti-money laundering actions) – can support the Government strategy to improve governance and thereby control drugs. Many aspects of governance and institutional development at the broader level can thus have an impact on the opium economy.

C. Implementing counter-narcotics screening for Bank activities

This section sets out a checklist for screening Bank activities, assesses the benefits to be gained, and discusses institutional responsibilities for implementation.

The checklist

The following eight questions provide an analytic framework for screening Bank activities. The questions are designed to highlight how activities may contribute to the counter-narcotics effort, and also to underline any risks that need to be managed.

1. **How does the activity touch the target population or areas?** Review the activity description and assess the “interface” with the opium economy in terms of the target population, the causes of cultivation, the type of actions envisaged, and the targeting, timing, and geographical location in relation to opium production.

2. **Does the activity promote governance and institution building?** Do governance and institution building under the activity create the possibility at some stage of development of responsible interaction between the state and the population on the subject of drugs? Within the governance and institutional set up of the activity, is there scope to conduct dialogue or transmit information, provide education, and engage in communication about drugs? What measures could improve the impact on governance?

3. **Is there an impact on the standard of living and on livelihoods in general?** Does the activity contribute to improvements in living standards and incomes in drug producing areas or “vulnerable” areas? What measures could improve the impact on the standard of living? Is the activity coordinated with other development efforts to avoid overlap or gaps and to achieve a critical mass of impacts on livelihoods at the local level that would increase the attractiveness of licit activity over opium production?

4. **Are there direct impacts on the target population?** Are components of the activity likely to directly affect actual or potential drug producing households, and are these components adapted to maximize the chances of raising the opportunity cost of opium poppy cultivation and providing an alternative to opium? How can direct impacts be optimized? Is there a case for targeting actual or “at risk” opium producing areas and households by selection of project areas growing or at risk of growing
### Table 2: Development Responses to Counterbalance the Advantages of Opium for the Rural Economy

<table>
<thead>
<tr>
<th>Asset</th>
<th>Advantages of the opium economy</th>
<th>Development responses</th>
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</table>
| Land  | » Preferential access to land for sharecroppers with experience of poppy cultivation  
      » Only poppy can pay the high land rents: in areas where poppy is concentrated the rentable value of land is inflated to such a point that farmers cultivating legal crops would not be able to meet their rent  
      » High returns per unit of land, preferred crop for those with limited land holdings | » Increase agricultural land under irrigation (winter and summer seasons)  
    » Promote high-value horticulture and cottage level agro processing to provide value added  
    » Increase income from livestock and by-products  
    » Develop non-farm income opportunities, for example through skills development and development of market linkages |
| Water | » High return per unit of water, poppy particularly attractive in single crop areas  
      » One of few crops to meet capital and recurrent costs of tubewells | » Increase agricultural land under irrigation (summer and winter)  
    » Integrated approach to improving value added in farming through water efficient techniques/technologies and high value added production packages |
| Credit| » Advance payment on future crop facilitates purchase of agricultural inputs  
      » Those that cultivate opium poppy, particularly the resource poor, are considered ‘creditworthy’. They can access credit, including consumption credit, and are able to repay both seasonal and outstanding loans | » Advance payments on other crops (orchards, onions, cumin) sometimes available, promote market linkages  
    » Contract growing, including provision of agricultural inputs  
    » Improve credit opportunities for consumption and investment through MISFA |
| Labor | » Labor-intensive crop, significant labor opportunities created during weeding and harvesting periods  
      » Maximizes use of unremunerated family labor, including women  
      » Sharecroppers receive greater share of final crop when they cultivate opium than they do for legal crops  
      » Food provided for those harvesting opium poppy | » Develop labor-intensive agro processing opportunities such as in dried fruit  
    » Raise opportunity cost of family labor through expanding potential income earning opportunities for women, including livestock, poultry, dairy, agro processing, etc  
    » Develop non-farm income opportunities  
    » Cash For Work during periods of peak labor demand in areas where strong law enforcement against cultivation is occurring  
    » Improve access to agricultural inputs for sharecroppers to allow greater share of larger final yield of legal crops. |

opium, or by modifying the components to address the production systems of those engaged in the opium economy – or who might be? Is such targeting desirable, and if so, is it feasible?

5. **Is there a risk of harm?** Is there a risk that the activity may promote drug production and how can that risk be managed? Could interventions be timed, targeted, and coordinated with other initiatives to reduce this risk?

6. **Do monitoring, evaluation, and reporting capture outcomes?** How would any agreed contribution of the activity to national drug control objectives be monitored and evaluated? How could an understanding of the movement from illicit to licit livelihoods be used to inform both operations and policy? How would any emerging risks be captured and reported?
7. **Overall, does the activity contribute to Afghanistan’s counter narcotics effort?**
   Overall, to what extent does the activity contribute to Afghanistan’s strategy to reduce and ultimately eliminate the opium problem?

8. **Can more impact be obtained through the activity?** What solutions could increase the contribution of the activity to Afghanistan’s fight against drugs? At what cost could those impacts be obtained, and what operational changes would be required?

**Examples**

For an illustration of the use of this checklist, see the four annexed examples:

Annex 1 summarizes the case of the Emergency Horticulture and Livestock Project which was approved by the Bank Board in May 2006. On the basis of the analysis, a set of guidelines for implementation was agreed with government, together with recommendations for the design of subsequent operations within the broader national program in the future.

In the case of the Emergency Irrigation Rehabilitation Project (Annex 2), a series of operational changes were made to the project, with government agreement, at the mid-term review in April, 2006. These included: (1) a survey of sites to assess whether opium poppy is grown and a dialogue with the communities on how the potential for increased opium cultivation will be managed; (2) a signed Memorandum of Understanding with the communities committing not to cultivate opium poppy; (3) piloting of high-value alternative crops; and (4) inclusion in the M&E system of poppy monitoring, in coordination with UNODC.

Two more summary analyses were conducted in 2004 for the Education Quality Improvement Program (EQUIP, Annex 3) and the Health Sector Emergency Reconstruction and Development Project (Annex 4). The recommendations have been discussed with the Government but so far have not been implemented.

**Benefits**

It is expected that the approach outlined above can contribute materially to Afghanistan’s efforts to combat drugs. In addition, development effectiveness should be increased by taking the opium economy into account, because of its strong links to Bank development goals of poverty reduction, governance building, and sustainability. Reputational risk will also be better managed. Finally, a lead from the Bank will provide a model that the Government and other donors can follow.

**Institutional responsibilities, scope, and key stages**

Within the region, the Operations Advisor for Afghanistan will be responsible for guiding teams in the completion of the checklist and in formulating appropriate changes to activities. Advice will be provided by SASPR as needed based on past and ongoing analytical work on the opium economy. It is expected that the checklist should be applied to all activities, both investment operations and analytical and advisory activities. For investment operations, an initial screening would normally be carried out upstream at concept review stage. Thereafter, the analysis and reporting would be conducted, as appropriate, through appraisal and supervision. “Opium compliance” will form one aspect of the review of readiness for entry to the program.

[Annexes that accompanied this Guideline Note are not included but are available separately.]
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADCRRP</td>
<td>Afghanistan Drug Control and Rural Rehabilitation Programme</td>
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<tr>
<td>ADIDU</td>
<td>Afghan Drugs and Inter-Departmental Unit (United Kingdom)</td>
</tr>
<tr>
<td>ANSF</td>
<td>Afghan National Security Forces</td>
</tr>
<tr>
<td>AREU</td>
<td>Afghanistan Research and Evaluation Unit</td>
</tr>
<tr>
<td>ARTF</td>
<td>Afghanistan Reconstruction Trust Fund</td>
</tr>
<tr>
<td>BEDT</td>
<td>British Embassy Drugs Team</td>
</tr>
<tr>
<td>CARD-F</td>
<td>Comprehensive Agriculture and Rural Development — Facility (Afghanistan)</td>
</tr>
<tr>
<td>CDC</td>
<td>Community Development Council</td>
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<tr>
<td>CHAMP</td>
<td>Commercial Horticultural and Agricultural Marketing Program</td>
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<td>CN</td>
<td>Counternarcotics</td>
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<tr>
<td>CND</td>
<td>Commission on Narcotic Drugs</td>
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<td>C28</td>
<td>Poppy Reduction Project</td>
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<td>DCAP</td>
<td>Drug Control Action Plan</td>
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<tr>
<td>DCCU</td>
<td>Drug Control and Coordination Unit</td>
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<tr>
<td>DEA</td>
<td>Drug Enforcement Administration (United States)</td>
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<tr>
<td>DFID</td>
<td>Department for International Development (United Kingdom)</td>
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<tr>
<td>EIRP</td>
<td>Emergency Irrigation Rehabilitation Project</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GIRoA</td>
<td>Government of the Islamic Republic of Afghanistan</td>
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<tr>
<td>GIS</td>
<td>Geographic Information Systems</td>
</tr>
<tr>
<td>GTZ</td>
<td>Deutsche Gesellschaft für Technische Zusammenarbeit GmbH</td>
</tr>
<tr>
<td>HFZ</td>
<td>Helmand Food Zone</td>
</tr>
<tr>
<td>I-ANDS</td>
<td>Interim Afghanistan National Development Strategy</td>
</tr>
<tr>
<td>IDEA-NEW</td>
<td>Incentives Driving Economic Alternatives for the North, East, and West</td>
</tr>
<tr>
<td>INL</td>
<td>Bureau of International Narcotics and Law Enforcement Affairs (United States)</td>
</tr>
<tr>
<td>ISAF</td>
<td>International Security Assistance Force</td>
</tr>
<tr>
<td>KFZ</td>
<td>Kandahar Food Zone</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>NABDP</td>
<td>National Area-Based Development Programme</td>
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<tr>
<td>NAS</td>
<td>Narcotics Affairs Section (United States)</td>
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<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<tr>
<td>NDCS</td>
<td>National Drug Control Strategy</td>
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<td>NERAP</td>
<td>National Emergency Rural Access Project</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>NHLP</td>
<td>National Horticulture and Livestock Project</td>
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<tr>
<td>NPP</td>
<td>National Priority Program</td>
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<tr>
<td>NSP</td>
<td>National Solidarity Program</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>OSDR</td>
<td>Organization of Sustainable Development and Research</td>
</tr>
<tr>
<td>PRT</td>
<td>Provincial Reconstruction Team</td>
</tr>
<tr>
<td>QIP</td>
<td>Quick Impact Project</td>
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<tr>
<td>RADP</td>
<td>Regional Agricultural Development Program</td>
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<tr>
<td>RAMP</td>
<td>Rebuilding Agricultural Markets Program</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goal</td>
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<tr>
<td>SOCA</td>
<td>Serious Organised Crime Agency (United Kingdom)</td>
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<tr>
<td>SSR</td>
<td>Security Sector Reform</td>
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<tr>
<td>UNDCP</td>
<td>United Nations Drug Control Programme</td>
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<tr>
<td>UNFDAC</td>
<td>United Nations Fund for Drug Abuse Control</td>
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<tr>
<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
</tr>
<tr>
<td>UNODCCCP</td>
<td>United Nations Office for Drug Control and Crime Prevention</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>USSR</td>
<td>Union of Soviet Socialist Republic</td>
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ENDNOTES


2. For example, the European Union stated: "Illicit drug crop cultivation is concentrated in areas where conflict, insecurity and vulnerability prevail. Poor health, illiteracy and limited social and physical infrastructure reflect the low level of human development experienced by the population in these areas." UNODC Commission on Narcotic Drugs, "Key points identified by EU experts to be included in the conclusion of the open-ended intergovernmental expert working group on international cooperation on the eradication of illicit crops and alternative development," UNODC/CNMD/2008WG.3/CRP.4 (Vienna: July 2-4, 2008), page 1.


5. For example, DFID was the primary source of funding for the Helmand Food Zone, an initiative implemented between 2008 and 2011 that distributed wheat and fertilizer in central Helmand and required farmers to agree not to grow poppy on their land. Yet, by the time DFID Afghanistan’s operational plan for 2011-2015 was updated in June 2012, it made no mention of the opium or the illicit economy. “Operational Plans 2011-2015” (Kabul: Department for International Development, June 2012). http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67417/afghanistan-2011.pdf. Furthermore, by 2015, its flagship rural development program, the Comprehensive Agriculture and Rural Development-Facility (CARD-F)—designed following its work with the World Bank examining economic alternatives to opium poppy cultivation and in response to concerns that there might be a resurgence in opium poppy cultivation in provinces where it had been dramatically reduced in 2009—mentioned opium poppy only in passing. See “Afghanistan - Economic Incentives and Development Initiatives to Reduce Opium Production” (Washington, D.C.: World Bank and London: Department for International Development, February 2008), http://siteresources.worldbank.org/SOUTHASIAEXT/Resources/223546-1202156192201/4638255-1202156207051/fullreportAfghanistanOpiumIncentives.pdf. This was despite the fact that poppy cultivation had returned to some of the program’s target districts in Nangarhar and was increasing in target districts in Badakhshan.


7. UNFDAC was created in 1971. In 1990, it became the United Nations Drug Control Programme (UNDCP) before merging into the United Nations Office for Drug Control and Crime Prevention (UNODCCP) in 1997. The name was subsequently changed to the United Nations Office on Drugs and Crime (UNODC) in 2002 with the arrival of the then Executive Director and Under Secretary General, Antonio Maria Costa.

8. The Afghanistan Pilot Program consisted of four interdependent sub-projects: (1) capacity-building for drug control (C26); (2) the drug control monitoring system (C27); (3) the Poppy Reduction Project (C28); and (4) the drug demand reduction project (C29). A planned fifth project that addressed drug law enforcement was not undertaken due to the restrictions imposed by the UN on working with the presumptive authorities in Afghanistan.


10. For a review of the experiences with conditionality in the 1990s, see Mansfield, “Conditionality and


12. “It is a disturbing fact that as yet there is insufficient evidence to state positively that the programme of alternative development had made any reduction to opium production ... Projects undertaken in the provinces have been scattered and cannot be linked to any specific reduction.” UNDCP, “Assessment Strategy and Programming Mission to Afghanistan, May-July 1995,” pages 23-24.

13. “The mission believes that the present strategy of UNDCP funding a mix of small sub-projects, which are similar to the inputs of other agencies, is counterproductive. It is impossible to identify the impact of these sub-projects on drug control.” UNDCP, “Assessment Strategy and Programming Mission to Afghanistan, May-July 1995,” pages 23-28.

14. “It is important that contracts, whether with individuals, commanders or shuras, should set realistic terms of compliance. Eradication of opium cultivation is obviously the objective but if this is not a realistic short-term expectation then contracts must not require it. If unrealistic targets are set then they will inevitably not be achieved and the agency is placed in the position of either having to halt the programme or of having to ignore the requirements of its own contracts; with all the detrimental consequences this entails.” See Afghanaid, “Opium Crop Substitution Programme, Achin District, Nangarhar: Evaluation Report,” 1989, pages 22-24.

15. “It would appear that in the absence of law enforcement, placing ‘conditions’ on ‘development’ issues can in fact be counter-productive and lead to what has come to be termed ‘reverse conditionality’, whereby the Afghan community starts to make its own demands, which if not met will lead then to grow poppy. There is a danger that the whole question of relationships between the UN and the Afghan communities concerned being reduced to a fruitless round of demand being countered by demand. Sufficient evidence exists of this occurring, to warrant a complete review of the whole issue.” See UNDCP, “Assessment Strategy and Programming Mission to Afghanistan, May-July 1995,” page 24.

16. “It is important that contracts, whether with individuals, commanders or shuras, should set realistic terms of compliance. Eradication of opium cultivation is obviously the objective but if this is not a realistic short-term expectation then contracts must not require it. If unrealistic targets are set then they will inevitably not be achieved and the agency is placed in the position of either having to halt the programme or of having to ignore the requirements of its own contracts; with all the detrimental consequences this entails.” See Afghanaid, “Opium Crop Substitution Programme, Achin District, Nangarhar: Evaluation Report,” 1989, pages 22-24.


18. “UNDCP’s development projects appear no different from the numerous other small-scale inputs (schools, irrigation, health centres etc) being made by the NGO’s and other development orientated UN agencies. The latter agencies at least have experience in and some comparative advantage in development. It would not appear to be cost effective to fund UNDCP as an intermediary to build schools etc. when they simply contract out to others to do the work. We are also concerned that excessive UNDCP attention to a myriad of projects distracts attention away from the area of comparative advantage which relate to their mandate as a specialist drugs agency.” See Mukesh Kapila, Guy Templar, and Elizabeth Winter, “Review of British Aid to Afghanistan,” Emergency Aid Department/Western Asia Department, Overseas Development Administration, June 1995, page 52.


20. There were four reviews in total. The first was the “UNDCP Afghanistan Programme Appraisal Mission” in November 1997 and involved representation from UNDCP Vienna, the UNDCP Afghanistan program and a number of donors, including the UK, Germany, the Netherlands and the United States. The other reviews were commissioned by UNDCP and consisted of Douglas Mackrell, “A Review of Strategy in Shinwar District UNDCP Afghanistan Programme,” September 1999; Rita Gelbert, “An Assessment of Social Impact and Community Development,” October 2000; and finally, Sloane, “Project Impact Report: Impact Assessment of Project C28,” November 2000.

21. “UNDCP should be aware of recognizing presumptive authorities through this programme of building institutions for presumptive authorities or of strengthening rival factions in the establishment of
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23. “The proposed programme attributes a major role to the presumptive authorities in Afghanistan and proposes to support these through institution and governance building. This comes close to recognition of the presumptive authorities and contravenes present UN policies.” “UNDCP Afghanistan Programme Appraisal Mission - Aide Memoire,” November 1997, page 15.
25. For example, Mackrell (page 7) recommended, “UNDCP should identify and pursue options which avoid a blueprint top-down approach and create better conditions for strategy evolution in a timely response to lessons learned during implementation. The current format of the DCAP is more or less a blueprint. UNDCP should consider reforming its institutional culture in order to allow such a strategy evolution in response to lessons learned during implementation, rather than through other means.” Gebert (page 27) concluded that “Poppy conditionality clauses which are not based on livelihood analyses and which are not based on the reality of the most opium dependent socio-economic groups, cause more harm than good. They are observed in breach.” Sloane (page 30) suggested, “The reduction in area set out in the DCAPs were highly arbitrary. A time limit of four years was adopted with zero production as the end result. A series of steps were written in the document with no consideration given to what might be needed to enable farmers to meet these goals. No such goals will be achieved unless they represent a practical possibility to the households who must reduce their poppy area. How the project actions will impact on the economy of the various poppy producing household groups should be thought-through so that project activities support the ways in which these households can respond positively to any poppy reduction goal.”
27. “In pursuit of the conditional development approach, the project drew up DCAPs with specific area reduction targets and clauses to the effect that assistance would be withdrawn if the targets were not met. These plans were endorsed by the presumptive authorities. However, despite evidence that the area reduction targets have been clearly breached in every year, no assistance has ever been withdrawn. There is no evidence that the project has rigorously or consistently linked its development inputs to farmers individually or collectively reducing poppy plantings. Neither is there any evidence to suggest that had the project withdrawn its assistance that communities would have responded positively in poppy reduction terms.” Sloane, page 27.
29. Gebert (page 5) commented that “Poorer owner cultivators and sharecroppers have benefited from the project to a far lesser extent than the richer, even absentee landlords, with the former having no prospect of being able to substitute any other mix of crops and activities for opium poppy,” Sloane (page 17) suggested that “While orchard development can make a genuine contribution to the reduction of land committed to opium, it has little or no real impact on the households which produce more than half the opium.”
32. For a detailed review, including primary research in rural areas and discussions with senior members of the Taliban at the time, see chapter 6 in Mansfield, A State Built on Sand: How Opium Undermined Afghanistan.
34. Known in full as the United Islamic Front for the Salvation of Afghanistan and was under the leadership of the former president, Burhanuddin Rabbani.
36. UNODC estimates that “overall gross disbursements of alternative development funds from OECD countries declines by 71 per cent” from 2009 to 2014 and that only 0.1 percent of overall development assistance was allocated to alternative development in 2013, down from 0.3 percent in 2008. For more details, see “UNODC World Drug Report 2015,” (Vienna: UNODC, 2015), pages 84 and 118.
37. “…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 Security Sector Reform programmes laid out in the National Security Policy.” (page 7) “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.” (page 15) “National Drug Control Strategy: An Updated Five Year Strategy for Tackling the Illicit Drug Problem,” (Kabul: Ministry of Counter Narcotics, January 2006). See also the discussion on mainstreaming in Chapter VII.


39. For example, the Ministry of Counter Narcotics requested that Russia invest in a “Food Zone” for Badakhshan, building on the example of the program in Helmand, but the Russian government declined. Between 1978 and 1990, the USSR invested in more than 140 major industrial and infrastructure programs assets that included hydro-energy power plants, electric power supply lines, petroleum storage depots, oil and gas pipelines, nitrogen fertilizers plant, integrated house-building factories, irrigation channels and networks, farms, fruit- and vegetable-processing factories, as well as educational and scientific institutions, veterinary stations, and laboratories. Although the volume of official spending in Afghanistan remains undisclosed, it is estimated that the USSR invested 8.048 billion Soviet rubles between 1978 and 1990, the equivalent of 13.4 billion 1990 USD and no less than 24 billion USD in 2016 prices.

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42. See “Afghanistan - Economic Incentives and Development Initiatives to Reduce Opium Production,” World Bank and Department for International Development.


44. “Afghanistan - Economic Incentives and Development Initiatives to Reduce Opium Production,” World Bank and Department for International Development.


46. Ibid.

47. Ibid.

48. Ibid.


52. Mansfield, “Helmand on the Move: Migration as a response to Crop Failure” (Kabul: Afghanistan Research and Evaluation Unit, October 2015).

53. See Mansfield, “Examining the Impact of IDEA-NEW on Opium Production: Nangarhar - A Case Study,” USAID.


55. For example, then Executive Director Antonio Maria Costa initially called for a social compact as early as 2002 when announcing a micro-credit scheme for Kandahar where farmers would receive loans on the understanding that they would not cultivate opium poppy. Costa, “Statement by Antonio Maria Costa, Director General United Nations Office Vienna and Executive Director, UNDCPP,” Coordination Conference on Drugs (Kabul, July 23, 2002). https://www.unodc.org/unodc/en/about-unodc/speeches/speech_2002-07-23_1.html. In 2004, INL and USAID once again called for development assistance to be made contingent on reductions in opium poppy cultivation. This too was rejected during an extraordinary meeting of the alternative livelihoods working group convened especially to consider the matter. Further attempts to tie development assistance to reductions in cultivation at the national level were introduced by UNODC as recently as 2012.

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