Afghan Narcotrafficking
A Joint Policy Assessment
Sunrise over a poppy field in Maiwand District, Kandahar Province, Afghanistan.
Acknowledgements

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Since its inception, the EastWest Institute’s (EWI) Joint U.S.-Russia Working Group on Afghan Narcotrafficking has endeavored to build greater trust between the United States and Russia. Established in 2011 at the height of the “reset,” the group aimed to tackle the mutual security threat posed by the Afghan narcotics trade with the same cooperative outlook that characterized prospects for the overall bilateral relationship at that time.

Of course, for a variety of reasons, the U.S.-Russia relationship has deteriorated dramatically in recent years. In particular, the situation in eastern Ukraine in 2014 and the sharp U.S. policy response that generated, along with the bitter, ongoing and multifaceted dispute as to whether Russia interfered in the U.S. presidential election of 2016 and the massive political reverberations relating to this issue in the United States, have created a vastly more challenging and indeed prohibitive climate for U.S.-Russia cooperation, even with respect to issues where there appears to be substantial commonality of interest. To its great credit, the U.S.-Russia Working Group on Afghan Narcotrafficking sustained productive dialogue throughout this enormously difficult period.

As regards Afghanistan, the prospects for enduring stability are bleak. Following the 2014 drawdown of coalition troops from the country, the overall security situation has deteriorated appreciably. Weak governance, significant levels of corruption and continued economic development challenges exacerbate an already difficult set of national circumstances. Moreover, as a long-term trend, U.S. (and global) “Afghanistan fatigue,” as well as the real possibility of sharp cuts to U.S. foreign assistance budget, increasingly constrains U.S. and other external responses to events in Afghanistan.

Given the current state of U.S.-Russia relations and conditions in Afghanistan, many of the policy recommendations in this report will seem far more ambitious and less attainable than they did at the outset of this project or even a mere three or four years ago. That said, we continue to believe that, notwithstanding massive and perhaps unbridgeable U.S.-Russia differences on a number of matters of principle and policy and very difficult conditions in Afghanistan, there is still value to U.S.-Russia cooperation on matters of common interest such as Afghanistan. With a clear-eyed recognition of the limits of our work in the present environment, but also with a continued deep institutional commitment to doing what we can to build trust and surface innovative and actionable ideas, we are proud to present this report.
Executive Summary

This Joint Policy Assessment, the sixth and final report produced by the East-West Institute’s (EWI) Joint U.S.-Russia Working Group on Afghan Narcotrafficking, offers an updated assessment of the Afghan drug trade and the role that both countries might be able to play in countering narcotrafficking, in addition to specific policy suggestions for key stakeholders to curtail the flow of opiates from Afghanistan.

1. The trafficking of narcotics from Afghanistan constitutes only one of many threats facing the international community and Afghanistan itself. Poor governance, weak rule of law, corruption and a struggling economy continue to impede the country’s prospects for stability and security. Added to this confluence of factors is the narcotics trade, which has steadily grown in past years and lies at the core of a vicious cycle of endless failed state-building attempts. Narcotrafficking feeds into these multiple threats including:

- **The nexus between drugs and the shadow economy:** As a cash crop, opium poppy has an accessible and relatively stable market. It is often the only available income source for Afghanistan’s rural population and thus, rarely faces competition from other crops; however, its cultivation, processing and trafficking draw human and financial resources away from legal businesses and undermine them institutionally by nurturing corruption, crime and insurgency.

- **The nexus between drugs and political violence:** In recent years, the Taliban has grown increasingly reliant on narcotrafficking as a source of income and legitimacy in controlled and contested areas (including but not limited to the direct involvement of Taliban commanders in trafficking drugs). Meanwhile, insurgents favor drug production and trafficking both as a means to safeguard their future proceeds (through taxation) and to ensure the loyalty of the population.

- **The nexus between drugs and corruption:** In addition to poor governance, which undermines opportunities for the licit economy to grow and strips the population of justice, dignity and hope, government officials’ involvement in drug trafficking and drug-related businesses—whether through direct participation, patronage or other practices—reportedly has been the driving force of Afghan narcotrafficking. In turn, as a source of national and transnational illicit financial flows, narcotrafficking breeds all forms of corruption.

- **The nexus between drugs and healthcare issues:** Record-high levels of drug consumption (an estimated 11 percent of the Afghan population consumes drugs) and the negative consequences of such use could create a healthcare disaster requiring enormous resources to manage and alleviate. Furthermore, limited access to and the poor quality of healthcare services augment the negative impact of drug consumption among the population.

- **The nexus between drugs and regional insecurity:** Afghan narcotrafficking poses a growing challenge to the security and stability of neighboring, transit and consumer states—directly, by nurturing transnational crime and corruption and undermining public health and indirectly, by contributing to Afghanistan’s instability and political violence. At the same time, by acting in their own self-interest, regional and extra-regional powers exacerbate the narcotrafficking issue in Afghanistan, contributing to the country’s overall insecurity.

2. The current state of U.S.-Russia relations is characterized generally by confrontation and rivalry rooted in competitive interests over several regions. Russia’s pursuit of region-specific interests in Central Asia includes the following:
A JOINT POLICY ASSESSMENT

• Reaffirming its regional political and security leadership and consolidating its support among Central Asian states;
• Balancing the influence of other great powers involved in the region;
• Preventing the overflow of violence and crime (including drug trafficking) from Afghanistan into Central Asia and Russia, as well as deteriorating levels of security that would necessitate Russia’s direct involvement in regional conflicts; and
• Further strengthening and developing Russia-led integration frameworks, such as the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EEU).

3. Meanwhile, the United States is pursuing its own agenda in Afghanistan, which includes the following:

• Promoting its security interests in the region, namely, to eliminate and prevent existing and emerging breeding grounds and safe havens of extremism—including terrorist groups and extremist movements—within Afghanistan and the region;
• Promoting the stability and security of Afghanistan as the major non-North Atlantic Treaty Organization (NATO) U.S. ally in the region; and
• Preventing any regional hegemony that would undermine regional security and/or the political independence of regional states, including Afghanistan itself and the Central Asian nations.

4. The interests of the United States and Russia in Central Asia, Afghanistan, Pakistan and the surrounding region are different but not inherently incompatible. The same holds true for the interests of other important regional stakeholders such as China, Iran, Pakistan and India. Owing to the current state of the U.S.-Russia relationship and the complicated relationship between other involved major actors, the overall climate in and around Afghanistan seemingly favors competition rather than cooperation. That said, it also favors instrumental, pragmatic cooperation on regional issues (including Afghan narcotrafficking) that further each party’s respective national interests.

5. In their national and Afghanistan-specific agendas, both the United States and Russia have recently shifted away from counternarcotics toward “hard security.” However, despite their differing and often conflicting regional interests as well as the asymmetry of the threat and how it is perceived by each country, Afghan narcotrafficking remains an important issue of mutual strategic concern for both the Russian and U.S. administrations. Both countries have found common ground, particularly in terms of the following:

• The global impact of Afghan narcotrafficking, which remains the largest transnational crime threat and accounts for a large share of global narcotics trafficking and markets;
• The link between Afghan narcotrafficking and other transnational threats such as money laundering and trafficking in precursor chemicals, humans and arms; and
• The link between narcotrafficking, corruption, dysfunctional governance and organized armed violence, including terrorism, which constitutes an important factor in a number of countries whose territories are part of the transit routes for Afghan narcotrafficking.

Moreover, the United States and Russia share common positions on drugs as a global issue.

6. Taking into consideration the current state of U.S.-Russia relations and the present reality in Afghanistan, the working group proposes a number of policy recommendations, several of which are feasible under the current conditions. The recommendations should generally be seen as a wide-ranging “toolkit” suggesting various options for broadening and deepening potential cooperation and possible steps that could be taken to counter Afghan narcotrafficking, if and when the state of U.S.-Russia relations permits. Recommendations include the following:

• All stakeholders, including nations and international and regional organizations, should prioritize counternarcotics, both politically and institutionally, including providing the necessary
financial support and technical assistance for counternarcotics, supporting the leading role of the Government of the Islamic Republic of Afghanistan (GIRoA) and introducing counternarcotics-related conditionality in development aid. The United States and Russia should be uncompromising in their commitment to counternarcotics in Afghanistan and call for the same from other stakeholders in order to maximize cooperation on this critical issue.

- **Development policies, at all levels, should be revised to ensure that counternarcotics is fully integrated into the development frameworks of both GIRoA and international donors.** Given the shortcomings of alternative development programs in past years, donors should review performance measurements and evaluation instruments to ensure that aid is delivered in the most effective way and aim for development strategies in line with “counternarcotics mainstreaming.” Stakeholders should also work to mobilize more donor support, especially given the possible contraction of U.S. development aid.

- **All stakeholders should work to stem illicit financial flows, particularly to destination countries and international financial hubs, such as Dubai.** Special attention should be paid to hawala and other value transfer systems, in terms of additional research, as well as official oversight. Stakeholders should also intensify intelligence-sharing in this sphere and focus on migration-related drugs and financial flows, as well as the use of drug proceeds for funding terrorism. Information regarding drug-related financial flows is insufficient and not well documented. To generate a more comprehensive analysis of the opiate trafficking economy, all stakeholders involved should increase their efforts in researching the financial flows stemming from the Afghan drug trade.

- **Afghanistan and all bordering countries should strengthen their borders and regional cooperation to tackle Afghan narcotrafficking, which should be established as a key security concern for all regional stakeholders.** The United States and Russia together with China should push Pakistan to contribute to counterterrorism and counternarcotics efforts in Afghanistan, particularly in terms of improved border control. The U.S., Russia and China should embrace opportunities for counternarcotics cooperation with Iran by promoting Iran-Afghanistan cooperation on the issue. The United States and Russia should also push for consistent counternarcotics policies and compliance practices from the Central Asian states.

- **The United States and Russia should push for multilateral cooperation when full-fledged U.S.-Russia bilateral cooperation seems impossible.** Countries should prioritize the issue of Afghan narcotrafficking in the United Nations (UN) and Organization for Security and Co-operation in Europe (OSCE) and support United Nations Office on Drugs and Crime (UNODC) and OSCE initiatives related to counternarcotics efforts in Afghanistan and Central Asia. EEU member states, as well as other relevant regional states and bodies, should undertake a thorough assessment of drug-related risks stemming from interstate economic integration.

- **The U.S. and Russian governments should manage the bilateral relationship in a way that prevents any sort of rivalry that would undermine counternarcotics commitments and efforts in and around Afghanistan.** The continued deterioration of the U.S.-Russia relationship has led to a significant reduction of cooperation and engagement at the official level, including in counternarcotics efforts. As such, it would also be appropriate to establish a Track 2 mechanism to help sustain dialogue between the two countries by monitoring the bilateral relationship, providing early warning of potential conflicts and drawing attention to possible opportunities for cooperation.
The Project and Its Evolution

In 2011, the EastWest Institute (EWI) established a Joint U.S.-Russia Working Group on Afghan Narcotrafficking, comprising U.S. and Russian technical and policy experts, to help sustain bilateral cooperative engagement on Afghan narcotrafficking. Their aim is to share knowledge, make consensus assessments of the situation on the ground and deliver innovative and concrete policy solutions that could have traction in both countries, as well as in the larger relevant policy communities.

From the start of the project, the purposes of the working group’s efforts have been two-fold: to generate solutions to mitigate the severity of the Afghan drug problem and to build trust between the United States and Russia. The ultimate goal was for the working group’s ideas to gain traction in policymaking communities and help improve the overall tonality of the relationship, irrespective of its starting baseline. In a sense, building rapport and trust within the group itself—as well as between the two nations—was also a prerequisite for fulfilling its overall mandate.

Although U.S.-Russia relations have been deteriorating since late 2011, working group members have been able to build mutual trust with each other and produce six consensus-based reports. This was mainly due to understanding the severity of the threat that Afghan narcotrafficking posed to Russia and the international community, as well as the ways it contributes to state dysfunctionality and a rising insurgency in Afghanistan, which also constitute serious challenges for the United States. These positive dynamics had been reinforced by the constructive, professional cooperation between Russia’s Federal Drug Control Service (FSKN) and the U.S. Drug Enforcement Administration (DEA) from the start of the U.S.-Russia “reset” until early 2014. DEA-FSKN cooperation included not only bilateral visits and intelligence- and experience-sharing on Afghan narcotrafficking, but also conducting U.S.-led operations against drug processing laboratories in Afghanistan with the participation of Russian FSKN special forces.\textsuperscript{1} Counternarcotics cooperation in this period could be seen as rare sectoral cooperation taking place amid otherwise deteriorating bilateral relations.

It was during this period of cooperation that the working group released its first consensus report, *Afghan Narcotrafficking: A Joint Threat Assessment*.\textsuperscript{2} The report outlines the threats that Afghan opiates pose to Russia, the United States and the international community.

The working group’s next consensus report, *Afghan Narcotrafficking: Post-2014 Scenarios*,\textsuperscript{3} presents scenarios for the security, economic and political environment in Afghanistan after the end of the International Security Assistance Force (ISAF) mandate and drawdown of U.S. and NATO troops from the country at the end of 2014. It also highlights how the possible developments could influence the fight against Afghan opiates. *Post-2014 Scenarios* was released on the eve of the Group of Eight (G8) Summit in Sochi, which had been expected to focus on Afghan narcotrafficking as a core issue. Given substantial U.S.-Russia collaboration on counternarcotics, it was thought that cooperation on this issue could have served as a turning point for the relationship, reversing, in part, some negative developments that had occurred to date.

Prospects for improved U.S.-Russia relations changed radically following the tumultuous events of 2014: the overthrow of Viktor Yanukovych’s government in Ukraine, the disruption of Ukraine’s national unity and territorial integrity\textsuperscript{4} and the resulting outbreak of conflict in eastern Ukraine. The confrontation that followed, including Russia’s expulsion from the G8 and the United States’ placement of FSKN chief Viktor Ivanov on its sanctions list, buried hopes for deeper U.S.-Russia cooperation in Afghanistan, as well as in many other areas. Relations between Russia and the West deteriorated so fundamentally that the commonplace characterization of the situation as a new Cold War seemed to become
increasingly applicable as the United States gravitated toward new containment policies vis-à-vis Russia. This created numerous political, ideological and legal impediments for further practical cooperation on mutually important issues.

The fallout of the Ukraine crisis forged the context for the working group’s third consensus report, *Afghan Narcotrafficking: The State of Afghanistan’s Borders*. This was the first report to focus on sectoral cooperation that corresponds to the changing nature of U.S.-Russia relations. Afghan narcotrafficking remained a high-priority issue for Moscow, despite the existing unfavorable political climate for developing U.S.-Russia cooperation; pursuing practical and technical cooperation provided a viable approach with positive, although limited, implications for counternarcotics efforts in Afghanistan during a time when open, political alignment was impossible.

This approach was further exemplified in other areas. U.S.-Russia cooperation on chemical weapons disarmament in Syria from 2013 to 2014, negotiations over the Iran nuclear deal, imposition of sanctions on North Korea and the push for political dialogue in Syria demonstrated that the United States and Russia were still capable of managing high-priority, critical issues together. Reported visits of the Russian Federal Security Service (FSB) chief to Washington, D.C. and the U.S. Central Intelligence Agency (CIA) chief to Moscow also show that, in spite of public confrontation, the two countries preserved opportunities for strategic communication.

Building on this, the working group’s subsequent thematic reports—*Afghan Narcotrafficking: Finding an Alternative to Alternative Development* and *Afghan Narcotrafficking: Illicit Financial Flows*—also focus on the practical and technical measures that can be taken to further U.S.-Russia cooperation in countering Afghan narcotrafficking. Although bilateral relations have deteriorated dramatically, the working group has been able to uphold its consensus-based mandate and an overall dynamic of mutual respect and trust among its members.

**Report Overview**

At its core, this report combines assessments of the evolving international environment, an understanding of the nature and dynamics of the threat that Afghan narcotrafficking poses and recommendations for addressing the Afghanistan drug issue by or with the participation of the United States and Russia.

The report is structured as follows:

- **Evolution of the Strategic Environment** outlines major international developments to set the stage for thought, discussion and action on Afghan narcotrafficking.
- **Afghan Narcotrafficking: The Threat and Its Evolution** provides an update on the interdependence of the Afghan narcotrafficking threat with other critical issues in Afghanistan, such as political violence, economic decline, healthcare issues, poor governance and corruption in the wake of the drawdown. This chapter also builds on the working group’s *Joint Threat Assessment and Post-2014 Scenarios* reports and highlights how the issue of Afghan narcotrafficking remains relevant to the United States and Russia.
- **Policy Recommendations** contains the working group’s recommendations for addressing Afghan narcotrafficking. These comprise all recommendations outlined in previous thematic reports, as well as supplemental proposals. Each group of recommendations is preceded by a brief background that seeks to outline previously implemented initiatives and assess their effectiveness.

The members of the working group aimed to be realistic in the process of drafting, discussing and finalizing this and all previous reports. However, group members also acted on personal convictions that solving the critical issue of Afghan narcotrafficking requires the resolute commitment of all parties. Despite numerous differences in the national priorities and interests of their respective countries, working group members agree it is critical for both the United States and Russia to contribute to managing and mitigating the Afghan narcotrafficking issue per se and fostering cooperation on this issue. Thus, this report ultimately aims to delineate relevant, practical recommendations crucial for managing the Afghan narcotrafficking issue in the wider context of Afghanistan’s nation-building and regional security, stressing the need and opportunities for U.S.-Russia cooperation on the matter.
In recent years, heated developments in international relations have created a new set of conditions under which international cooperation has had to evolve, including those related to the issue of Afghan narcotrafficking. The present chapter aims to outline the major changes that took place since the inception of working group in 2011, as well as their impact on how the issue of Afghan narcotrafficking should be approached.

**U.S.-Russia Relations**

At the writing of this report, the United States and Russia still find themselves at odds over the Ukraine crisis. Confrontation between Russia and the West, in addition to other major events that have unfolded since early 2014, has fundamentally transformed U.S.-Russia cooperation.

Although it would be inaccurate to call the present situation a “new Cold War,” as many media outlets have done, tensions between Russia and Western nations have been institutionalized. Russia adopted a new military doctrine, national security strategy and foreign policy concept, all of which stress Russian leadership’s long-term commitment to a multipolar world order. The West has also taken steps to institutionalize this confrontation through military and strategic decisions, such as those made at the NATO Wales and Warsaw Summits, as well as threat assessments made by the United States and Germany in which Russia was framed as a major challenge. Both Russia and NATO also accused each other of breaching arms control treaties, which brought confrontation to the previously unaffected domain of nuclear security. Thus far, the United States and its allies have failed to elaborate a comprehensive institutional framework for managing an “assertive Russia,” instead, focusing on freezing cooperation or excluding Russia from international organizations that previously included Russia as a strategic partner.

Neither the current U.S. nor Russian administration can afford an all-out confrontation. Washington, D.C. needs Moscow’s cooperation in addressing such global issues as international terrorism and nuclear proliferation. In turn, Russia needs these cooperative opportunities to legitimize its new international role and advance its view of national and international security.

Russia’s interventions in Ukraine and Syria in 2014 to 2015, respectively, bore significant implications for U.S.-Russia cooperative engagement. Previously, both Ukraine and Syria had been relatively low-ranking in terms of the U.S. administration’s foreign policy and security priorities. Moscow’s involvement consequently raised Russia’s profile as a significant strategic player, from the perspectives of both the U.S. and global community, and as a major stakeholder, both in Eastern Europe and the Middle East.

The situation in Afghanistan presents a similar opportunity for Moscow. The ongoing disengagement of the United States, de-prioritization of Afghanistan as a critical issue during the 2016 presidential election and Russia’s extensive military and political capabilities in the region all favor a proactive approach by Moscow in Afghanistan, both because of regional security and the creation of one more venue for U.S.-Russia cooperation that implicitly legitimizes Russia’s post-2014 international posture. In fact, this intensification of Moscow’s activities in the region is already taking place. In the first half of 2016, information regarding the signing of a Russia-Af-
ghanistan security cooperation treaty began circulating in the media, despite the lack of official confirmation. The two countries held a number of talks on security issues, including Russia’s Mi-35 helicopters and other possible military aid delivery to Afghanistan. Since the start of 2017, Moscow has been particularly active in holding a series of international talks on Afghanistan, reportedly aimed at finding an internal solution to the crisis.

With Russia’s more active stance on Afghanistan, it may be possible for the United States and Russia to work together more. The issue of Afghanistan was discussed at the Russia-NATO Council meeting on July 13, 2016, and Russia’s Permanent Representative to NATO, Ambassador Alexander Grushko, declared that Moscow is ready for more cooperation in this area.

In November 2015, the United States also partially lifted its sanctions against Rosoboronexport, permitting the company to implement its projects on Mi-17 helicopter maintenance in Afghanistan. However, further developments in this area have been ambiguous: after the United States decided to finance acquisitions of UH-60 Black Hawks to replace Mi-17 helicopters for GIRoA, Russia declined to assist in the maintenance of those Mi-17s already in service.

These developments illustrate the trajectory of U.S.-Russia relations at the end of the Obama Administration’s second term, a period marked by an accelerating deterioration of bilateral relations, including—among other measures—putting the Federal Security Service on the sanctions list. However, these negative developments might be rooted not only in U.S.-Russia dynamics but also in the dynamics of U.S. domestic politics. The electoral victory of Donald Trump, who repeatedly insisted on swift normalization of U.S.-Russia relations, created numerous tensions in the U.S. political establishment. These tensions might be the key reason for the rapid escalation of anti-Russian bias in Washington, D.C.

Although President Trump has called for a pragmatic approach to developing relations with Russia, the path towards normalizing bilateral relations will be neither quick nor simple. Even in the framework of negotiating a strategic U.S.-Russia deal, the White House might view existing sanctions against Russia as leverage over its Russian partners who seek more concessions. In this situation, Moscow is poised to seek ways to strengthen its own bargaining position. In this context, cooperation on Afghanistan—where the U.S. government displays some sort of vulnerability and Russia could potentially exert influence—might appear relevant.

At present, U.S.-Russia relations concerning Afghanistan are dominated by mistrust and instrumentality. Although the United States regards Afghanistan’s stabilization as a prerequisite for disengaging from the region (the perspective of the Obama administration) or for serving as a strategic military-political asset in the region (a possible perspective of the Trump administration), Russia pursues its own region-specific goals and is establishing itself as an important security stakeholder. This approach widens the options for engagement by the United States and Russia, as well as other global and regional powers.
A Shift in Priorities: From Drugs to Security

Separate from the escalation of Russia-West tensions, the issue of drugs has been deprioritized in the United States and Russia, as well as on the multilateral agenda. The 2016 United Nations General Assembly Special Session (UNGASS) gathered world leaders to assess global drug priorities, but it ultimately failed to live up to the expectations of both supporters of liberal reform and advocates for more stringent, prohibitionist measures against drug production and trafficking. At its conclusion, UNGASS released a joint resolution reasserting conservative consensus and making some concessions to human rights- and public health-oriented advocacies, but the resolution did not propose any strategies to increase the effectiveness of drug-related policies.

The outcomes of UNGASS did not play a significant role in forging mutual understanding between the United States and Russia. Additionally, the session did not become a forum for Russia’s vigorous push for a comprehensive zero-based, development-oriented supply reduction effort in Afghanistan—as had been expected—due to influences from developments inside Russia itself.

These developments included, first and primarily, the economic crisis and subsequent cuts in state spending. Since the onset of the Ukraine crisis, negative economic dynamics further deteriorated following a drastic drop in oil and gas prices; sanctions introduced against several Russian individuals and legal entities; Russian counter-sanctions against European Union (EU) states; the fracturing of numerous cooperative ties between Russian and foreign economies (including Ukraine, Turkey and the EU); and substantially increased military spending. These developments effectively undermined Russia’s readiness and ability to implement development-oriented policies in Central Asia and Afghanistan. The concept of “security through development” outlined by the leadership of Russia’s FSKN, irrespective of how realistic it had been prior to the Ukraine crisis, has become largely irrelevant in the context of Russia’s new economic reality. Now, decisions are formulated within the constraints of tightening resources and regional priorities increasingly more pragmatic than those previously outlined by FSKN leadership.

This trend was further confirmed by the liquidation of the FSKN itself, announced on April 5, 2016. As outlined in a presidential decree, drug control responsibilities were transferred to the Ministry of the Interior (MVD), where the relevant work is now carried out by the General Administration for Drug Control (GADC). According to its statutes, the GADC is required to cooperate with law enforcement agencies of foreign states and international law enforcement organizations. It is also authorized with the necessary powers to draft international agreements to organize or participate in the exposure of drug-related transnational and intra-regional crimes.

The transfer of powers and resources from FSKN to MVD, whose chief is not listed on the U.S. sanctions list, seems to be a positive change that could reinvigorate U.S.-Russia cooperation in counternarcotics. Nevertheless, this transfer also led to several developments that could impede cooperation.

First, the liquidation of the FSKN led to a considerable decentralization of counternarcotics efforts. Despite MVD’s mandate for international cooperation, it remains primarily focused on law enforcement inside Russia, while the role of the Ministry of Foreign Affairs (and specifically, its Department for New Challenges and Threats) increasingly involves
international counternarcotics cooperation, especially at the political level.\textsuperscript{28}

It is also noteworthy that part of FSKN’s functions, particularly concerning interdiction at the national and international level, was assumed not only by MVD but also by the FSB and its Border Service. The impact of this on the potential for U.S.-Russia cooperation in counternarcotics is uncertain. Although a substantial amount of drug control authority is shared between the FSB (and its Border Service) and MVD, the two are very different and often have differing interests. It is also important to note that the ongoing economic crisis in Russia substantially undermined the capacity of its consumer market for narcotic drugs.\textsuperscript{29} In early 2016, then FSKN Chief Viktor Ivanov briefed President Putin on 2015 statistics, stating that the number of drug users in Russia had declined by 1.2 million over the past two years (from 8.5 million in 2013 to 7.3 million at the end of 2015).\textsuperscript{30} Indeed, it is highly likely that lower incomes led to shifts in substance use among Russian citizens, which could lead to a drop in Afghan opiate consumption, among other results.\textsuperscript{31}

This shift in priority away from counternarcotics has not yet been reflected in actual policy, which continues to stress the importance of drug trafficking. Russia’s new national security strategy lists transnational crime (including drug trafficking) as a major national and public security threat. Russia’s new military doctrine identifies the growing scale of transnational crime, specifically arms and drug trafficking, among the country’s major external military dangers. Russia’s new foreign policy concept also features transnational crime, including drug trafficking, as part of the international security agenda. In this light, it appears that drugs and specifically Afghan narcotrafficking remain high priorities on Russia’s agenda. At the same time, given numerous other challenges (such as international terrorism, lingering tensions with the West, economic turbulence and others) and institutional transformations (including the liquidation of the FSKN and the creation of the National Guard), drug trafficking and transnational crime, in reality, are not currently the primary focus of Russian leadership as compared to the 2000-2015 period.\textsuperscript{32}

The United States, meanwhile, has growing incentives for prioritizing drug-related issues in Afghanistan, which are both domestic (such as the growing use of heroin and the rising related death toll contained only by wider naloxone use\textsuperscript{33}) and international, connected to regional security. Although the deteriorating situation in Afghanistan prompts the U.S. government to reconsider its strategy and intervention in the country, it also provides grounds for reconsidering various factors, including narcotrafficking, that threaten security and stability.\textsuperscript{34} Outmanned, overburdened by Train, Advise and Assist Commands (TAAC) and counterterrorism missions and facing budget cuts, U.S. and NATO forces, as well as international civil personnel and the Afghan government, have to consider both the acute fighting and wider strategy needed to stabilize the country. Given this, the United States government may be better positioned to have an active policy on the Afghan narcotrafficking issue.

Conversely, as an increasing number of Afghan officials profit from drug production and trade,\textsuperscript{35} the drug control agenda is likely to become increasingly less attractive for GIROA, as it might entail further division and infighting within the Afghan establishment. To advance adequate drug control policies inside Afghanistan, the United States needs the support of the international community, including Russia, who is striving to be a key security stakeholder in Afghanistan.
Overcoming “Afghanistan Fatigue”

Since the first decade of the 21st century, Afghanistan has dropped as a top policy priority for both the United States and the larger international community. The U.S. military, politicians, and aid donors—as well as the American public—have been increasingly reluctant to prolong involvement in Afghanistan and bear responsibility for the strategic outcomes of the U.S.-led intervention in the country. By mid-2013, two-thirds of Americans agreed that the war in Afghanistan had not been worth fighting, and half felt that the war had failed to contribute to the country’s long-term security.

The drawdown of ISAF forces greatly contributed to this “Afghanistan fatigue.” Against rigid and unconditional deadlines, numerous actors planned for the withdrawal, cessation or reduction of activities mirroring the drawdown of troops, which affected investment, foreign spending and future plans, as well as the quality and scope of reporting on the country. The negative influences of the decrease in troops were exacerbated further by the security situation, which quickly deteriorated following the drawdown.

U.S. priorities shifted even more following the rise of ISIS in Iraq and its expansion into Syria. Listed as a top priority of the Obama administration, the task of containing, degrading and disrupting ISIS overshadowed any remaining concerns about the rapidly deteriorating security situation in Afghanistan. It also influenced spending by the United States and its allies, making the Middle East (and to some extent, Central and Eastern Europe) a matter of high budgetary priority.

However, the rise of ISIS in Iraq; the Taliban’s advancements in 2015 and 2016 (including successful assaults on Kunduz City); the emergence of the Kandahar-based Al-Qaeda affiliate, Al-Qaeda in the Indian subcontinent; and the creation of the Islamic State in Khorasan Province all helped raise public and political awareness of the situation in Afghanistan. The likely prospect of a failed state allowed for some conditionality in U.S. policies towards Afghanistan, prompting Washington to decrease the pace of troops withdrawal, which is critical at least for slowing down the pace of the Taliban’s advance.

The NATO Warsaw Summit in July 2016 was also crucial in reiterating participating countries’ commitment to the Resolute Support mission and extending the timeframe of their financial support to 2020. Development support was confirmed at the Brussels Conference on Afghanistan in October 2016, where participants endorsed the ambitious reform agenda presented by the Afghan government. Conference participants also undertook to ensure continued international political and financial support for Afghanistan over the next four years. The total sum committed by the international community is $15.2 billion USD, from 2017 to 2020.

Regional stakeholders and the international community also reaffirmed their commitment to a political process towards lasting peace and reconciliation.

However, “Afghanistan fatigue,” especially on the part of donors, has not vanished, and continues to influence any policy decisions and recommendations regarding Afghanistan. As such, a realistic approach toward the issue of Afghan narcotrafficking should envisage, at best, the same or slightly lower levels of international aid in years to come and should not anticipate any substantial rise in those levels.

For the most part, this approach holds true for the Trump Administration, as well. As the administration gravitates toward “hard security,” the U.S. Department of State budget might lead to further underfinancing of development efforts, including in Afghanistan. However, this also creates an opportunity for the prospect of a limited, conditional U.S./NATO troop surge in Afghanistan.

After a call for the NATO troop surge was issued by Resolute Support mission commander General John W. Nicholson, Jr. to
“break the stalemate” between GIRoA and the insurgency, the U.S. Department of Defense (DoD) is reportedly considering this move as a realistic option. Although Afghan officials have praised the change in the U.S. administration’s approach toward Afghanistan, the essence of this new approach is not clear yet.

According to an Office of Management and Budget letter, the administration requested 1.1 billion USD of extraordinary costs, primarily for DoD Overseas Contingency Operations in the fiscal year (FY) 2017 in war areas like Syria, Iraq and Afghanistan. Additionally, part of the 54 billion USD increase in the DoD FY 2018 budget will most likely positively affect spending in Afghanistan. Nevertheless, a noteworthy 27 percent reduction in the State Department/United States Agency for International Development (USAID) FY 2018 budget may diminish the level of development assistance to Afghanistan. It also may further change the structure of assistance with more money going to an economic support fund whose spending is even less transparent than that of USAID programs widely criticized for their lack of performance measurements.

**Regional Dynamics**

Perhaps, the most fundamental changes in the strategic environment around Afghanistan have come from regional developments. The period from 2011 to 2016 was marked by two major integration initiatives: the Russia-led Eurasian Economic Union and China’s Belt and Road Initiative. To date, they have made a profound impact on Afghanistan’s surrounding region and will continue to do so in the years to come. More importantly, the relationship between these two initiatives and other actors’ regional interests is of top importance for shaping Russia’s and China’s regional interests and priorities.

China’s Central Asia policy goal is to create the economic, political and legal conditions necessary for successfully executing the China-centered Belt and Road Initiative. This includes the idea of a free-trade zone (FTZ) with Central Asian states; a number of transport corridors and accompanying economic projects (mainly logistics and resource-extracting); and later, the Quadrilateral Cooperation and Coordination Mechanism, a special counterterrorism “security coordination mechanism” that includes China, Tajikistan, Afghanistan and Pakistan. Russia seeks to implement its own vision in Central Asia that focuses on the idea of institutionally framing longstanding Russia-Central Asia cooperation through expansion of the EEU, but it is open to considering other integration mechanisms.

Since the launch of the Belt and Road Initiative in 2013, Russia’s strategy has been challenged by China’s regional vision, which includes building an FTZ with Central Asian states. Russia’s decision to integrate Kyrgyzstan into the EEU, in 2015, established the Russian integration framework as a regional reality that needed to be considered by participants of China’s Belt and Road strategy. This led to an adjustment of Beijing’s policies and the subsequent formulation of an EEU and Belt and Road Initiative “conflux” or “co-engagement,” which was established by a Russia-China joint declaration on May 9, 2015.

Such developments—which included Uzbekistan blocking a China-Central Asia FTZ in the framework of the Shanghai Cooperation Organisation (SCO) have a multidimensional effect on the situation in Afghanistan. First, they clearly raised the stakes of China’s relations with Afghanistan, Tajikistan and Iran within the framework of the Belt and Road Initiative. Consequently, the Belt and Road Initiative also makes China a stakeholder that is increasingly involved in Afghanistan and increasingly interested in stabilizing the country, which cannot be achieved without solving the issue of Afghan narco-trafficking. In 2016, China held at least one round of direct talks with Taliban representatives. In early 2017, Chinese troops were seen in the northeastern border districts of Afghanistan. It is also ob-
vious, however, that China is reluctant to take on full responsibility for the security situation in Afghanistan, as this might yield numerous negative side effects for China’s own security. China also regards India as a competitor in Afghanistan that could limit Beijing’s influence on GIRoA.

Second, together with the ISAF drawdown and the deterioration of security in Afghanistan, recent developments in Central Asia have also decreased regional states’ incentives for implementing open-door policies in relation to Afghanistan. The drawdown not only suppressed economic growth opportunities in Afghanistan, it also destroyed the economic rationale for Central Asian states to cooperate with Afghanistan, as multiple security threats emanate from Afghanistan’s territory. Meanwhile, neither the Belt and Road Initiative nor the EEU provide Central Asian states with enough incentives for more active cooperation with Afghanistan.

Third, the outlined developments demonstrate that Afghan stability dropped in Russia’s list of priorities. Although Russia is certainly interested in avoiding a major breakout of violence in Central Asia, it also has no reason to commit too many resources to the survival and success of what it perceives to be a U.S.-designed political regime in Kabul, which is also a major non-NATO U.S. ally. Russia has built up working relations with the Taliban while also maintaining direct contacts with key figures in Afghanistan’s National Unity Government (NUG). Furthermore, Russian officials remain in close contact with former President Hamid Karzai, who has been particularly active in Afghan politics since the beginning of 2016. Russia also intensified relations with Pakistan, including intelligence-sharing between Pakistan’s Inter-Services Intelligence (ISI) and its Russian counterparts from 2014 to 2016. In light of this, Russia has several avenues for furthering its interests in Afghanistan’s political and security environment while also remaining focused on consolidating its influence in Central Asia.

Another major regional development was the signing of the Joint Comprehensive Plan of Action and the lifting of UN sanctions against Iran. Iran is well known as a major transit country for Afghan opiates and a major contributor to regional and global counternarcotics efforts. Iran is also a host country for several million Afghan refugees and economic migrants whose communities have become breeding grounds for an opiate epidemic striking both Iran and Afghanistan.

In 2014, Iran contributed to the political settlement in Afghanistan and expressed support for the National Unity Government. For a number of years, however, Iran also maintained relations with Quetta Shura and other Taliban groups, relationships that might have improved following the quick deterioration of the security situation in Afghanistan, with the Iranian government trying both to influence the Taliban and to hedge against risks to Iran’s security in the event of further Taliban advancements. A major splinter group of the Taliban that aligned with Mullah Mohammad Rasul is reported to be at least somewhat influenced by Iran.

Iran’s stakes in Afghanistan are increasing as Tehran becomes involved in two major projects. First, Iran will become a beneficiary of a major transport project financed by India and will link the western Afghan city of Herat to the southeastern Iranian port of Chabahar. This project might alter Afghanistan’s economic prospects, but it could also exacerbate the drug issue by creating a convenient new channel for Afghan exports.

Second, following the visit of Chinese President Xi Jinping to Tehran the day after the lifting of official sanctions, China and Iran announced an expansive program of bilateral cooperation. The core outcome of these negotiations was that Iran would become an important component in the Belt and Road Initiative. Again, this initiative’s potential impact on Afghanistan remains uncertain. It could promote the country’s development, but it may also facilitate drug trafficking along the major routes.

As the United States decreases its presence in the region and Russia lacks the resources and incentives for taking the lead in Afghanistan’s stabilization, Iran—as well as China—might become one of the major contributors to regional peace and stability. Consequently, Iran could also become increasingly interested in counternarcotics efforts as a prerequisite for restoring the region’s stability. Tehran, however, has yet to demonstrate its willingness and ability to deal successfully with the drug-dominated environment in Afghanistan.
Afghan Narcotrafficking: The Threat and Its Evolution

Post-2014 Scenarios and Developments in Afghanistan: A Not-So-Stable Stalemate

In February 2015, the EastWest Institute released a consensus report of the Joint U.S.-Russia Working Group entitled “Afghan Narcotrafficking: Post-2014 Scenarios.” This publication built on the working group’s previous report, “A Joint Threat Assessment,” and outlined four major scenarios for the evolution of the security situation in Afghanistan after the 2014 drawdown. The report pointed at two major factors crucial for determining the outcome: political cohesion and international aid. It also stated that “the post-2014 security, political and economic environments will not be good under almost all conceivable circumstances. The problem of Afghan narcotics will likewise continue to threaten Russia, the United States and the rest of the world.”

Developments in 2015 proved these predictions to be largely correct. Despite the 2014 political crisis, the U.S.-backed political deal between Ashraf Ghani and Abdullah Abdullah created a problematic yet durable foundation for the country’s political structure. Meanwhile, the fear of failure in Afghanistan—namely, the possibility of a takeover by extremists, similar to that of ISIS in parts of Iraq and Syria—encouraged further commitment by the international community to support Afghanistan’s military and post-conflict reconstruction. This allowed the U.S.-supported National Unity Government and the international community to substantially slow down the advance of the armed opposition, creating a kind of stable stalemate scenario.

However, as the security situation has deteriorated further, in terms of both political cohesion and international aid, the situation remains close to critical. According to the FY 2016 budget approved in January 2016, external resources were expected at the level of 4.494 billion USD (69 percent of the budget), down from 5.311 billion USD (71 percent of the budget) in FY 2015 and 4.787 billion USD (63 percent) in FY 2014, which reveals external aid to be a considerable share of domestic revenues. The amount of aid did grow about 21.1 percent, but still was below initial targets. Domestic revenues covered less than half (40 percent) of Afghanistan’s operating budget expenditures of 4 billion USD in 2015; donor contributions made up the difference. The ratio in 2016 was similar. Current projections anticipate a financing gap of 20 percent of the gross domestic product (GDP) in 2025, assuming that the government is able to in-
crease domestic revenue to 17 percent (from the current 10 percent). The Afghanistan National Peace and Development Framework (ANPDF) presented and approved at the Brussels Conference on Afghanistan set the goal for domestic revenue increases at up to 12 percent annually and domestic revenues as a share of GDP at 14 percent by 2020. Afghanistan’s government revenue grew rapidly for the second year in a row in 2016, by more than 18 percent, following the impressive 22 percent increase in 2015. As a share of Afghanistan’s GDP, government revenue grew from a low of 8.7 percent in 2014 to 10.3 percent in 2015 and to well over 11 percent in 2016. Despite this, Afghanistan’s dependence on international aid will persist for years to come.

No less challenging is the political situation in Afghanistan. After the 2014 presidential elections, which involved numerous cases of fraud and led to a dangerous confrontation between the Ashraf Ghani and Abdullah Abdullah coalitions, a U.S.-brokered deal helped forge the structure of the Afghan NUG. With Ghani as president and Abdullah as chief executive officer (CEO), a newly-created position, the parties assumed responsibility for enacting political reform. However, by the end of 2016, most obligations were unfulfilled. Several ministerial and provincial positions still remain vacant as acting officials manage the respective agencies. Although some positions were filled in 2016, the overall political situation hardly improved. In November 2016, a conflict between the Parliament and the president led to the dismissal of seven ministers. However, the dismissals were not recognized by the president and CEO, and these ministers continued their work while their case was to be decided by the Supreme Court.

The most important political reforms—including reform of electoral mechanisms, the convening of provincial council elections and the convening of Loya Jirga—have not been fulfilled, fueling conflict between the president, the CEO and their respective supporters. Thus, the parties failed to meet the deadline for holding elections and, consequently, were unable to implement an agreement on the structure of the National Unity Government in 2014.

Although U.S. involvement appeared necessary to resolving the initial political crisis, it also empowered critics of the NUG. A number of former high-level Afghan officials condemned then Secretary of State John Kerry’s intervention as a move that allegedly “violates Afghanistan’s sovereignty.” This also coincided with a reinvigoration of activities of former President Hamid Karzai, who seems to be looking for an opportunity to return officially to national politics. U.S. involvement in decision-making on further political developments also gave momentum to anti-U.S. propaganda by the Taliban and former Afghan officials. These developments unfolded against the backdrop of the start of the new fighting season in early April 2016.

Ghani-Abdullah contradictions continued to affect Afghanistan’s political system for most of 2016, greatly diminishing the overall effectiveness of the government. A serious attempt to mend ties came only in early September 2016, in the wake of the Brussels Conference on Afghanistan.

Despite many concerns, the end of 2016 also saw some positive developments. Afghanistan’s National Unity Government managed to overcome numerous differences and launch a long anticipated electoral reform. In September 2016, the government finally passed a new electoral law and in November 2016, the president appointed and inaugurated a new Independent Election Commission and Independent Electoral Complaints Commission. The government, however, failed to make a decision on a core issue—the electoral system and the way in which constituencies are formed. Major differences persist with regard to this issue, bearing the potential for conflict. These conditions render Afghanistan’s political outlook in 2017 rather bleak and create preconditions for continued low effectiveness on counternarcotics efforts.

The year 2016 was also marked by rising regional tensions, especially in northwestern Afghanistan, where political parties and other support groups for Atta Mohammad Noor, the acting governor of northern Balkh province, and Vice President Abdul Rashid Dostum clashed with one another. Other conflicts included Hazara minority riots over the
route of the energy line from Turkmenistan to Kabul, Tajik-Uzbek clashes (which also involved Dostum’s supporters) in Kabul over the burial of the remains of King Habibullah Kalakani, disputes on the historical role of President Mohammad Najibullah, and more. Experts also underline deteriorating security and political stability in the previously stable and vibrant Herat province.

The end of 2016 and beginning of 2017 witnessed further infighting between key political figures in Afghanistan. Vice President Dostum was accused of ordering the kidnap and rape of a political rival, former provincial governor Ahmad Eshchi. An order to arrest nine of Dostum’s bodyguards was issued, which was viewed as a pivotal opportunity for the Afghan government to hold its political elites accountable. Another key figure in Ghani’s administration—the president’s special representative on reforms and good governance, Ahmad Zia Massoud—was later terminated from his position. These developments garnered concern over possible fallout resulting from ethnic imbalance in the government; however, they greatly favor acting Balkh governor Atta Mohammad Noor, who already announced his intention to take part in the approaching presidential elections and, reportedly, may support incumbent President Ashraf Ghani as his vice presidential candidate. Thus, President Ghani may be on his way to consolidating the political field in Afghanistan.

Implementation of the peace agreement signed by the Afghan government and the Hezb-e Islami political party in September 2016 is another crucial political development. After the United Nations lifted sanctions against Gulbuddin Hekmatyar, all branches of Hezb-e Islami became legitimate participants in the political process, which will certainly affect Afghanistan’s politics, including the upcoming Parliamentary elections. This development has the potential to either strengthen the position of the NUG or incite further infighting.

**Afghan Narcotrafficking: The Scope of the Threat**

The production and trafficking of drugs in Afghanistan poses a growing threat to the peace, security and stability of Afghanistan, Central and South Asia and the world. Drug trafficking feeds corruption, extremism and organized crime along the transit routes, specifically in Iran, Pakistan, Central Asia, the Caucasus, Iraq, the Balkans and eastern and western Africa, as well as in consumer states and regions like the EU, Russia, Iran and China. In fact, the trade in Afghan-originated opiates has become a truly global affair touching virtually every region of the world.

According to UNODC estimates, the global number of opiate users in 2014 was as high as 17.4 million people, the vast majority of whom consumed Afghan opiates. Afghanistan produced 85 percent of the global opium output in 2014. The total global opiate market was last estimated to be worth 68 billion USD, with approximately 60 billion USD coming from Afghan opiates.

The scale and intensity of the threat has been growing over the past several years, with a decrease in 2015 and an increase in 2016. The area under poppy cultivation in Afghanistan reached a historic high of 224,000 hectares in 2014, a seven percent increase over the 2013 level, but decreased by 19 percent in 2015 down to 183,000 hectares, before rising again to 201,000 hectares in 2016 (a 10 percent increase). The decrease in 2015 came as the result of poor rainfall, blight and, as experts describe, the exhaustion of production potential of arable lands in the traditional poppy cultivation regions (i.e., southern, western and eastern provinces). Although some changes introduced to the UNODC measurement methodology impacted results, they do not invalidate the overall estimate. Cultivation levels increased in 2016 as weather conditions improved.

According to the UNODC, the total opium harvest in Afghanistan in 2016 was 4,800 tons, down from the second highest historical level of 6,400 tons in 2014 and up from 3,300 tons in 2015. The impressive 36 percent
decline in production in 2015 is attributed to a decrease in cultivation levels, as well as in opium poppy yields (e.g., the yields were down by 45 percent in the southern region while the area under poppy cultivation there decreased by only 20 percent). 94

The regional breakdown of cultivation in 2015 and 2016 remained roughly the same, with the eastern, southern and western provinces hosting more than 90 percent of cultivation. 95 Levels of cultivation in the northern and central regions increased dramatically: by 154 percent in 2015 and by 324 percent in 2016 in the northern regions and by 38 percent in 2015 and 24 percent in 2016 in central regions. 96 As a result of these shifts, the number of poppy-free provinces decreased to 14 in 2015 (with Balkh province losing this status) and to 13 in 2016 (with Jowzjan province losing this status). 97

Recently, Afghanistan has also become home to a prosperous methamphetamine business. In the first 10 months of 2015, some 17 kilograms of methamphetamine were seized in 14 of Afghanistan’s 34 provinces. This business allegedly was previously concentrated in Iran but has taken root in Afghanistan, adding to the gravity of the country’s drug problems. 98

Opium, Non-Opium Economy and Failures of Development Policies

The production, trafficking and consumption of narcotics in Afghanistan are becoming an increasingly significant part of Afghan economy, given the diminishing volume of international aid, especially for development. The farm-gate value of all poppy grown in Afghanistan was 570 million USD in 2015 (down from 850 million USD in 2014), equal to three percent of the GDP. 99 In 2016, due to higher yields and higher prices, the farm-gate value was estimated at 898 million USD. 100 The potential net value of opiates produced in 2015 was 1.49 billion USD (down by 45 percent from the 2014 level of 2.68 billion USD), equal to 7.1 percent of the GDP. 101 The majority of this was destined for exports, while the amount of opiates consumed in the domestic market was estimated at 80 million USD. 102 In 2016, assessments of potential net value and the domestic market were not available, but the potential net value likely increased proportionate to that of an increase in farm-gate value (40 to 50 percent), which would bring it to levels slightly higher than in 2014 (over 10 percent of the GDP).

Economically, 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 country’s scarcest resources: irrigated land. It also yields a high-value, low-weight product, ideal for the limited road network and for which there is proven demand within the country, region and world. The market network is such that traders will often purchase at the farm-gate, mitigating the challenges to farmers of transporting goods across, what can sometimes be, violent and contested territory and reducing costs for transactions and transportation that are incurred when taking 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—tenant farmer, leasing others’ land. 103

Poppy remains, economically, the most attractive cash crop, providing five times more net income than wheat. 104 Other key factors pushing the rural population to grow poppy include the ease of obtaining credit to procure agricultural necessities, equipment and fertilizers; an opportunity to rely on a higher level of security provided by insurgents or criminal groups in return for growing opium; and intimidation to grow poppy by the insurgency and criminal groups.

For those with access to the right patronage networks, there are further opportunities for employment and income generation in the opium economy, including in 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.

Consequently, as many as 400,000 people were employed in the industry in 2014, although assessments differ and this figure was definitely lower in 2015 but likely the same in
The influence of narco-economics on the country’s economic and political life is expanding, as income from this illegal business has become a major driver of growth in the legal economy. This influence is reinforced by the continuing decrease of international aid for development.

The 2015 decrease in opium production was in line with the country’s overall economic performance. The year 2015 saw a further unfolding of the negative economic trends triggered by the drawdown and respective cuts in military spending and international aid. According to some estimates, the withdrawal of U.S. troops and cuts in military spending cost Afghanistan about 500,000 jobs in 2015. The quick contraction of investment activities registered in 2014 also persisted in 2015, undermining prospects for Afghanistan’s economic growth. In 2014, new registrations were down 26 percent across all economic sectors, following a 36 percent drop in 2013, and remained at that level in 2015. Consequently, GDP growth was down to under two percent, and the economy entered deflation (-1.5 percent inflation).

The economic downturn had a specifically profound impact on rural areas that host both the insurgency and poppy cultivation. Although agriculture constitutes around one quarter of Afghanistan’s GDP, it provides income for about 50 percent of the country’s population. The level of agricultural productivity continues to be one of the major determinants of the national economy’s dynamics. In 2015, Afghanistan’s agriculture entered a two percent recession. This was due to poor yields, lower product prices and the contraction of cultivated land. The same factors led to considerable cuts in opium poppy cultivation and yields.

Polls clearly show that rural areas that have long been the natural domain of armed opposition groups continue to be more sympathetic to insurgents than urban areas. Although opium poppy failed to make up for diminishing agriculture earnings in 2015, the pro-insurgency inclinations of rural areas were likely further augmented. As the population lost a portion of their poppy-related revenues, they were highly likely to become radicalized and join the ranks of the Taliban or other extremist or criminal groups. In fact, poor yields both in poppy and licit crops further undermined the government’s legitimacy and created additional opportunities for the insurgency in 2016. The vibrant poppy economy growth in 2016 was in stark contrast to the anemic estimated two percent overall economic growth. This further increased the capacities of drug-related criminal and extremist groups.

The Nexus Between Drugs and Political Violence

After 2014, drugs and the insurgency were the primary threats to the security, stability and very existence of the Afghan state. The interaction between these two major threats continues, including but not limited to the direct involvement of the Taliban and other armed groups in running and taxing drug production and trade.

The major insurgent groups in Afghanistan (referred to as the “Taliban”) have earned only about 100 to 300 million USD from drug trafficking, implying that they have not been the main beneficiaries of an approximately 1.5 billion USD business (based on 2015 figures). But, reports in recent years have proven otherwise. For example, in early 2016, a media report described the role that Mullah Abdul Rashid Baluch, a Taliban shadow governor in Nimruz province, played in the province’s thriving drug production and trade. This high-ranking Taliban commander was the region’s foremost drug trafficker, personally escorting major shipments of opium. During one such mission, he was captured by Afghan National Police (ANP) forces on July 12, 2014.

Another close connection between the Taliban and drug traffickers was revealed after a major opium trafficker Agha Mohammad was arrested in eastern Nangarhar province in early 2016. His father, Haji Lal Jan, was known as a major financial donor to the insurgency; he was imprisoned in 2012 but mysteriously freed in May 2014, in the wake of Afghanistan’s new presidency. Haji Lal Jan is known to live in Quetta, Pakistan, where he allegedly stays in close contact with high-ranking Taliban commanders. From 2013 to 2016, he visited volatile areas in southern Afghanistan where he and his son have most likely been running the drug trafficking network.

Such instances of Taliban involvement in drug trafficking have prompted commentators to state that insurgent groups themselves are becoming drug cartels and trying
to exert their control or influence up the value chain. These statements have support from the United Nations ISIL (Da’esh) & Al-Qaida Sanctions Committee Analytical Support and Sanctions Monitoring Team, which suggested that in 2014, opiate financing was about to become the leading source of income for the Afghan Taliban, thus, creating a major threat to Afghanistan’s national security and to broader regional stability. According to a number of former DEA directors of financial operations, intelligence indicates that terrorist financing in Afghanistan from drug trafficking proceeds has risen significantly from 2012 to 2015; there is major concern and a strong possibility that the relationship between drug criminal organizations and terrorist groups has grown closer and in some instances might have merged.

The contested nature of power in rural Afghanistan and the fragmented nature of the insurgency makes the creation of centralized, hierarchical organizations highly unlikely. Drug trafficking, as well as other criminal activities in Afghanistan, operates through the horizontal interactions between actors and networks. It is also worth noting that corrupt officials (both in the police force and provincial governments) are often identified as being involved in organizing, covering and taxing drug production, which makes the picture even more complicated.

Despite the ambiguity, what is known is that the relationship between drug trafficking and the insurgency includes the following elements:

- The direct involvement of insurgents in organizing and running narcotrafficking operations, especially in Afghanistan’s southern provinces, such as Helmand;
- Intimidation and coercion of the local population by insurgents into growing opium poppy;
- Taxation of the poppy crop by insurgents, in addition to taxes on other legal crops and businesses;
- Charging of fees by insurgents for the protection of drug production and trade;
- The corruption of officials related to drug production and trafficking, which undermines their capabilities and functionality and ensures their neutrality and loyalty toward the insurgency;
- The use of drug trafficking channels to smuggle arms and other materials necessary for insurgency operations;
- The limiting of government control over certain territories, which favors drug production and trafficking.

The years 2015 and 2016 saw a major deterioration of the security situation in Afghanistan. For the first time in many years, Afghan National Security Forces (ANSF) came under well-planned, coordinated and resource-backed insurgency offensives, which at specific moments included up to 10 simultaneous major attacks in different parts of the country. According to ANSF members, they are fighting “a more sophisticated and well-armed insurgency than they have seen in years.” Insecurity has become the matter of top concern for the local population, far exceeding economic concerns, although 2015 was a fairly bad year for the Afghan economy.

In the past few years, the Taliban also expanded the territory under its control or, at least, managed to reduce the territory under government control. In early 2016, the armed opposition controlled eight out of 407 district centers and had influence in 18 more districts. An additional 94 districts were estimated as being “at risk.” This means that the majority—approximately 70 percent—of the inhabited parts of Afghanistan were under either government influence or control.

The situation deteriorated somewhat in 2016, with the Taliban seizing control of a number of districts throughout the country. As of September 2016, the NATO-led Resolute Support mission assessed that the Taliban had control or influence over approximately 10 percent of the population and was challenging the Afghan government for control of at least another 20 percent. However, insurgents did not manage to seize permanent control of any provincial capitals. Moreover, in late February 2017, U.S. forces managed to eliminate Mullah Abdul Salam Akhund, the Taliban shadow governor of Kunduz province. As U.S. Defense Secretary Jim Mattis stated, “The Afghan Security Forces paid a very heavy price to keep the Taliban on their back foot, but they paid it, they’ve held, and the Taliban is in a worse position today, even though I do not equate that to success on our side.”
Despite the relative successes in the provincial capitals and Kunduz province, the period from 2014 to 2016 was marked by an overall trend of diminishing state control over rural regions to the insurgency’s advantage. Although the insurgency itself is characterized by recurring fragmentation and hostility among the various groups, this does not benefit the Afghan government. The growing chaos and lack of stable power delegitimizes the state, undermines the territorial integrity of Afghanistan and contributes to a further reduction of territory that the state controls and can reliably access.

The lack of stability, combined with the grave economic situation, fundamentally undermines the state’s counternarcotics efforts. Although 2015 was marked by a substantial growth in government-led eradication (GLE) from 2,692 to 3,760 hectares, these activities failed to substantially influence poppy cultivation in general, in part, because they are often not accompanied by respective development measures. Consequently, GLE fell tenfold to only 355 hectares in 2016. The decreasing amount of opium seizures and counternarcotics operations illustrate the limits of the government’s reach.

The most worrisome feature is the Afghan government’s involvement in corrupt practices traditionally attributed to insurgents, including taxing poppy growers, imprisoning those traveling by road and demanding ransom for release, and paying bribes in exchange for passage through checkpoints. As the working group’s Joint Threat Assessment states:

The term “corruption” in its modern sense...does not capture the complex mix of corruption-style practices entrenched in Afghanistan, including nepotism and multiple overlapping or conflicting patronage systems run by various strongmen at both the local and national levels. While large-scale corruption involves very narrow social strata—bureaucrats and other elites—some kind of patronage system and “bakshish”-type practices affect every part of the population, from university professors to taxi drivers, from police officers to farmers.

Corruption in Afghanistan is rampant, as illustrated by its ranking of 169 out of 176 on Transparency International’s 2016 list of most corrupt states. Much of this corruption is drug-related.

Narcotics-related corruption in Afghanistan is deeply embedded, numerous and diverse. The U.S. Department of State released the following statement concerning the nature of narcotics-related corruption in Afghanistan:

Reports indicated corruption was endemic throughout society, and flows of money from the military, international donors, and the drug trade continued to exacerbate the problem. Reports indicated many citizens believed the government had not been effective in combating corruption. Credible foreign reporting indicated the equivalent of tens of millions of dollars was smuggled out of the country each year. Corruption and uneven governance continued to play a significant role in allowing the Taliban to exert influence and control some areas in the southern, eastern, and some northern provinces, particularly in remote areas.

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Corruption also involves large-scale illicit operations connected to abuses in budgetary affairs and government spending. As Transparency International reported in 2015:

Afghanistan’s GI [Government Defence Anti-Corruption Index] ranking in Band E [second to highest category of risk for corruption] places it in one of the highest risk categories for corruption in the defense and security sector. The highest risk area is Finance, which fell in Band F (critical risk of corruption). Ineffective audit and prosecutorial authorities, a lack of civilian oversight over the defense and security sectors and a challenging environment for civil society enable organised crime and the abuse of power by military and security personnel. At the same time, the current government has significantly stepped up oversight over procurement contracts and the development of anti-corruption training for select personnel. But serious risks remain.
Much of Afghanistan’s corruption is driven by drug production, trade and respective financial flows. Transgressing various dividing lines, these illicit financial flows bring together in a single network state officials and insurgents, poor farmers and rich landlords, the fighters of competing insurgent groups and representatives of competing regional and non-regional states.\textsuperscript{134}

Afghanistan’s brokerage system is an illustrative example of corruption practices closely linked to drugs. Officials buying various posts must pay regular duties to their patrons and use their authority to establish a network of their own duty-paying protégés. This directly favors the drug trade, as poppy growing and processing often is the only revenue source for corrupt officials who, therefore, become involved in taxing it.

Brokerage also leads to greater incompetence. Military estimates reveal a direct relationship between poor leadership and attrition levels in the Afghan National Army (ANA).\textsuperscript{135} Together with underfinancing, corruption also plays a crucial role in undermining the capacities of the Afghan local police, which has become part of the problem rather than part of the solution.

Corruption also remains the core reason for the Afghan state’s waning legitimacy, and the Afghan people have expressed increasing weariness of endemic corruption. According to a 2015 survey, about two-thirds (66 percent) of respondents who had contact with the municipality admitted to having paid bribes some, most or all of the time—up from 55.1 percent in 2014 and above the previous high of 58.2 percent in 2011.\textsuperscript{136} Over half (53.3 percent) of Afghans reported that they paid bribes to the police, up from 45.1 percent in 2014, almost equal to the previous high of 53.7 percent in 2011.\textsuperscript{137} The overall trend since 2007 has been a steady increase in reported corruption.\textsuperscript{138}

All of this undermines the state’s legitimacy and constitutes a major impediment to successful state-building in Afghanistan and uprooting drug production and trafficking.

**Domestic Market**

An important aspect of Afghanistan’s drug problem is the level of domestic opiate and cannabis consumption, which is the highest in the world. A 2015 study indicates that there are 1.9 to 2.4 million adult drug users and 2.9 to 3.6 million people testing positive for drugs in the country.\textsuperscript{139} Although differences in methodologies, sample sizes, target population and geography do not allow for direct or accurate comparisons, it is estimated that Afghanistan has seen a dramatic increase in drug use from 940,000 adult drug users in 2009 to the current level of between 1.9 and 2.6 million.\textsuperscript{140}

A recent study undertaken by the U.S. Department of State and SGI Global found high levels of drug use among children (nine percent).\textsuperscript{139} The study showed that 11 percent of all urban households and 38 percent of all rural households tested positive for at least one drug. Nationally, the figure is 30 percent, which means that one-third of Afghan households consume at least one drug.\textsuperscript{141}

The influence of economic migration aggravates the problem of drug abuse in Afghanistan. Afghan migrants working in Iran and returning to their homeland often are cited as the major source of the opiate epidemic.

**Threat Update: Relevance of Afghan Narcotrafficking to the United States and Russia**

Russia remains one of the single largest markets for Afghan heroin. Consequently, Russia faces some of the gravest health, socio-economic and law enforcement challenges posed by Afghan narcotrafficking.\textsuperscript{142} As estimated by the UNODC, the prevalence of opioid use in Russia stands at 2.29 percent.\textsuperscript{143} Reports of drug-related deaths in Russia, mainly re-
sulting from opioid overdose, are high, at 80 deaths per million of the population.144 This is accompanied by high HIV rates (24.6 percent) among people who inject opioids.145 According to FSKN estimates, the negative social and economic implications of opiate or other drug use cause economic losses of up to three percent of Russia’s GDP.146

The United States is minimally affected by Afghan opiates. Although it has seen increased opioid use (and an increased death toll), only a miniscule share of these substances originate from Afghanistan, with the majority of them supplied by South America (mainly Mexico and Colombia). The problem of Afghan opiates is much more acute for the United States’ immediate neighbor, Canada, where the majority of opiates are reported to have come from Afghanistan. Afghan opiates pose a minimal direct threat to U.S. public health or national security. Nevertheless, as an actor interested in Afghanistan’s stabilization and resilience, the United States is compelled to look more closely at Afghan narcotrafficking as an important element of the overall security situation in the country.147

Thus, the nominal asymmetry of the threat and the shifting priorities in Washington, D.C. and Moscow do not in any way diminish the threat that Afghan narcotrafficking poses to international security and stability. The working group’s Joint Threat Assessment points at three major concerns that create common ground between the United States and Russia on the Afghan narcotrafficking issue:

1. Afghan narcotrafficking has a global impact; it remains the largest transnational crime threat and accounts for a large share of global narcotics trafficking and markets. Both the United States and Russia “have strong interest not only in promoting international drug control and counternarcotics cooperation in general, but also in the more specific international initiatives aimed at reducing opiate trafficking and global opiate markets in a coordinated manner.”149

2. Afghan narcotrafficking is linked to other transnational threats such as money laundering and trafficking in precursors, humans and arms.

3. Narcotrafficking, corruption, dysfunctional governance and organized armed violence—including terrorism—are all linked, which is an important factor in several countries whose territories are part of Afghan narcotrafficking transit routes.

These implications matter to both the United States and Russia. Although their regional interests increasingly differ, both countries face transnational crime networks, extremism and terrorism, as well as the threat of state failure—all relating to Afghan narcotrafficking. The United States grapples with these issues within Afghanistan, which is a major non-NATO U.S. ally and, for political reasons, a battleground that cannot be lost. Russia sees the repercussions of Afghanistan’s instability and narcotrafficking as a core threat to its Central Asian allies and its own security interests in the region. In and of itself, Afghan narcotrafficking does not represent a direct national security threat to the United States or Russia, but it is the interplay of different threats and factors that poses the greatest challenge to the stability and security of Central and South Asia.

As a final point, the issue of Afghan narcotrafficking provides an opportunity to consolidate U.S. and Russian positions even when there is no consensus or convergence of interests. This issue can provide an avenue for negotiating regional matters within a topical framework that motivates negotiators to cooperate, regardless of their respective intentions. It can also provide considerable space for politically neutral technical steps and multilateral cooperation that could improve the overall situation in the region to the benefit of all stakeholders, including the United States and Russia.
As discussed earlier in the report, Afghan narcotrafficking poses a multidimensional threat to Afghanistan’s security and stability, as well as a challenge to regional and global security and stability. The complex nature of this threat, in addition to its integration in all key aspects of life in Afghanistan and the surrounding region, makes it particularly difficult to address. In each of the sectors reviewed—governance, development and security—drug production and trafficking are both the reason and result for the state’s low effectiveness.

Drug-related assets are a cause of disagreement for numerous ethnic, tribal, religious, political, economic, criminal and other groups whose interaction and competition constitute daily life in Afghanistan. Ultimately, the scope and dynamics of the threat that Afghan narcotrafficking poses, as well as other major threats to security in the country, reflect the ongoing and, thus, unfinished and highly problematic condition of state-building in Afghanistan.

As the working group seeks to contribute to countering Afghan narcotrafficking via U.S.-Russia cooperation, the recommendations in the present report focus on realistic steps that can be undertaken and that may yield positive results in the current institutional, economic and security environment and under current or slightly diminishing levels of international aid. The working group has aimed to put forth recommendations that might help to break the “vicious circle” between Afghan narcotrafficking and dysfunctionalities in state-building, governance, development and security. The group also sought to be realistic and not overly optimistic in its expectations about the performance of Afghanistan’s national institutions as well as foreign states’ abilities to leave their differences behind for the sake of tackling drug production and trafficking in Afghanistan. Recommendations that require a preliminary improvement of the status of U.S.-Russia relations are also included and marked, respectively.

Throughout the project, the working group has focused on such spheres of sectoral cooperation as border management, alternative development and countering drug-related illicit financial flows. This approach stemmed from the consensus view that U.S.-Russia cooperation in these spheres was crucial to managing the Afghan narcotrafficking issue. Another area of sectoral cooperation, drug demand reduction, was also discussed repeatedly in the course of the project. However, the group did not write a consensus report on demand reduction, given the contentiousness of the topic, and this report therefore does not contain any recommendations on the issue. Recommendations on other relevant issues that were discussed at the group’s meetings but fall outside the scope of the group’s thematic reports have also been included in the present report.

In the context of U.S.-Russia relations, the majority of the outlined recommendations may be deemed feasible and relevant in the event that bilateral relations become more normalized. Some of the recommendations, however, may be feasible and relevant at present (or even worse) conditions. Overall, the set of recommendations should be viewed as a “toolkit,” marking areas of potential cooperation and possible steps that should be taken to tackle Afghan narcotrafficking when the state of U.S.-Russia relations allows.
I. Prioritizing Counternarcotics for All Stakeholders

Background

Over 15 years of the international community’s involvement in Afghanistan has illustrated that narcotrafficking is an issue with no technical solutions but instead, requires wide consensus and commitment from all stakeholders. Failure to prioritize counternarcotics led to disastrous results during the U.S.-NATO surge in Afghanistan when there was an abundance of funds and other resources. The lack of prioritization continues to have sub-optimal consequences as those funds and other resources become scarcer. Lack of prioritization and commitment to counternarcotics by international donors, security providers and the GIRoA itself have been two of the core factors undermining the effectiveness of their efforts.

Another factor has been the deficiencies of state-building in Afghanistan. With the country overwhelmed by divisions and infightings exacerbated by corruption and economic issues, the government largely failed to legitimate itself as the single representative of Afghans’ interests. Foreign military involvement in Afghanistan, in and of itself, has been one of the major factors delegitimizing the Kabul government; this foreign military involvement also has been used by armed opposition to further undermine GIRoA’s legitimacy.

The government’s legitimacy further deteriorated after the drawdown, with the National Unity Government unable to work out differences between supporters of the president and CEO while the country faced deteriorating security and economic conditions. Such developments prompted foreign actors, including various governments, to “hedge” their risks and seek direct contact with insurgents in Afghanistan, which may hamper both Afghanistan’s state-building and counternarcotics efforts.

Recommendations

Prioritizing Counternarcotics

1. The Government of the Islamic Republic of Afghanistan should prioritize counternarcotics politically, legally and institutionally and integrate it into all of its policies. The United States and other donors should find a way to encourage prioritization, including making portions of international aid to the GIRoA conditional, based on performance in counternarcotics. Russia, as an important regional stakeholder, should also do its best to encourage the GIRoA to step up its counternarcotics efforts and provide relevant support for those efforts.

Supporting Institution and Capacity-Building in Counternarcotics

2. The United States and Russia, as well as other donors, should push Afghanistan’s National Unity Government to actualize its plans to create a High Commission headed by the CEO or one of the vice presidents to address the country’s drug problem. The president and CEO should consider co-heading the commission to underline the government’s prioritization of the drug issue.

3. The United States and other donors, together with the GIRoA, should review international aid and budgeting guidelines to...
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prevent suspension and/or lack of financing of counternarcotics efforts, including those by the Ministry of Counter Narcotics and the Ministry of Interior Affairs Counter Narcotics Police.

4. The United States, Russia and other donors should continue to invest in training Afghan counternarcotics and security staff (such as those programs run by the DEA, the OSCE Border Management Staff College, etc.).

5. The United States, other donors and the GIRoA should encourage new stakeholders to contribute to increasing Afghanistan’s counternarcotics capacities. Specifically, consider encouraging Russia, China and Iran to contribute to training Afghanistan’s counternarcotics and security staff and providing relevant aid to the GIRoA.

Supporting the GIRoA’s Central Role

6. The United States, Russia and other foreign stakeholders that might have their own direct contacts with different actors inside Afghanistan should avoid making decisions and statements that undermine or question the legitimacy of the GIRoA.

7. The United States, Russia and other foreign stakeholders should also not make any decisions, statements and agreements with actors in Afghanistan that compromise counternarcotics for other considerations.

II. Revising Development Policies

Background

Attempts to tackle drug production in Afghanistan through development interventions have gone through a number of transformations. From its very inception, the first approach—alternative development—was dominated by the concept of conditionality, also known as the “carrot and stick” approach.

Functionally, the idea of conditionality was intended to replace efforts to root out the causes of poppy cultivation with a deal between the implementing agencies and national or local power-holders that provides aid in return for eradication efforts or a ban on growing poppy. This has been the flagship approach of UN-led counternarcotics efforts in Afghanistan prior to 2001.

The pre-2001 UN efforts were insufficiently funded, dispersed both geographically and among numerous implementing organizations and subcontractors and burdened with unrealistic goals and timeframes. The reliance on working with power-holders led to an ineffective distribution of aid, the bulk of aid channeled to power-holders’ clients rather than equally distributed among a wider population.

The failures of the alternative development approach and drastic changes in the institutional environment after the fall of the Taliban led to a substantial evolution of development-oriented counternarcotics efforts. Counternarcotics measures were now built on two realities: the presence of an internationally recognized and presumably legitimate central government in Kabul and the perceived abundance of development funds from donors. It was recognized that “no single project or program...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.” Henceforth, the emerging “mainstream” approach underlying the alternative livelihood concept aimed “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” (including the Asian Development Bank, the European Commission, the World Bank and others).

However, despite those moves, counternarcotics efforts lacked support and ownership from either international donors (who, among other reasons, were disinclined to assume any sort of responsibility for the drug issue) or from an Afghan government that was reluctant to cooperate on the matter. In this context, USAID’s role was unhelpful; it emphasized bilateral interaction with Afghanistan rather than multilateral coordination. Furthermore, the international community treated counternarcotics as a secondary issue behind state-building, security and economic development. Those spheres ended up competing for resources and attention from senior political leaders rather than interacting and becoming mutually reinforcing.
Another constraint on the alternative livelihoods approach was the failure to consider specific conditions in drug affected areas. Donors, implementing agencies and NGOs designed Kabul-centric programs that failed to address the needs of rural Afghanistan.

Under those conditions, “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.” This became the basic assumption of the development community and led to a number of efforts that ended up favoring poppy cultivation rather than constraining it (like the Helmand Food Zone project’s attempt to substitute wheat for poppy).

Despite historical failures, counternarcotics mainstreaming still remains the only viable way forward in Afghanistan, “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.” Development, as an area of sectoral cooperation, lacks the complex international political repercussions characteristic of security-related issues. Thus, it remains an attractive venue for building cooperation between the United States and Russia, as well as other stakeholders, despite political differences.

**Recommendations**

**Mainstreaming Counternarcotics on the National and International Level**

1. The United States and Russia should jointly and individually press the GIRQA to factor the drug issue into national development planning. To achieve this, Russia and the U.S. should request that the Ministry of Finance of the GIRQA 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.

2. Through their delegations, the United States and Russia 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.

3. In particular, the United States and Russia 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 served to support the GIRQA and other agencies to factor drugs into national development policy and planning.

4. 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 the Commercial Horticulture and Agricultural Marketing Program (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 design and adequately address the multifunctional role of opium poppy in the livelihoods of the different population groups in their target geographic areas.

5. 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.”

**Reviewing Performance Measurement and Evaluation Instruments**

6. 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.

7. Monitoring and evaluation (M&E) systems need to be more effective, capturing 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 is invaluable to assessing the results of both rural development investments and efforts to reduce farmer dependency on opium production. USAID already has a monitoring support program but needs to greater prioritize the use of crop mapping. Both Russia and the United States—through their Vienna missions—should press UNODC to improve its analytical and GIS capacity to support the GIRoA in the development of M&E systems. These systems should both measure the changing amount of poppy and assess the type of replacement crops, thereby helping the UNODC deduce if reductions in cultivation are sustainable.

Mobilizing Donor Support for Afghanistan’s Development

8. The United States should encourage Russia, China and India to become major stakeholders in Afghanistan’s counternarcotics-related development efforts. Although Russian leadership is not in a position to devote extensive economic resources, any opportunity to contribute could help Russia meet its explicit desire to become an increasingly important stakeholder in Afghanistan.

9. The United States urgently needs to promote increased coordination among development donors working in Afghanistan. This increased coordination could come from USAID’s openness to cooperating with international donors and non-government organizations (NGOs), with a proper focus on drug production and trafficking in development programs as the basis for cooperation. Donors and development stakeholders should seek cumulative effects from their respective efforts.

10. A move for better coordination should not lead to the exclusion of any partners for political reasons. Both U.S. and other agencies should not seek to prevent relevant Afghan bodies from cooperating with Iranian, Russian or any other partners, as has often been the case before.

III. Illicit Financial Flows

Background

Afghanistan is listed as one of the most corrupt states in the world; its efforts to counter money laundering and combat the financing of terrorism frequently are cited as insufficient.

In 2004, Afghanistan passed the Anti-Money Laundering and Proceeds of Crime Law, which established the country’s Financial Intelligence Unit (FIU), the Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA). Afghanistan made a high-level political commitment in June 2012 to work with the Financial Action Task Force (FATF) and the Asia/Pacific Group on Money Laundering (APG) to address its strategic anti-money laundering and combating the financing of terrorism (AML/CFT) deficiencies. Accordingly, in 2014, Afghanistan passed new AML/CFT laws, which made notable progress in criminalizing money laundering and establishing adequate provisions regarding the seizure and confiscation of crime proceeds.

In 2015, a newly enacted banking law is expected “to strengthen bank reporting and governance while also incorporating a framework for the declaration of cross-border cash transactions and bearer instruments.” Since February 2016, Afghanistan has taken additional steps to improve its AML/CFT regime, including implementing the freezing of terrorist asset requirements. However, none of these measures have been implemented to the necessary level for substantially undercutting the flow of drug-related illicit finances from, to and within Afghanistan.

In January 2014, FATF identified Afghanistan as a jurisdiction “not making sufficient progress.” In 2016, FATF determined that specific, strategic deficiencies remain in im-
implementing Afghanistan’s legal framework of identifying, tracing and freezing terrorist assets. The U.S. Department of State’s Bureau of International Narcotics and Law Enforcement Affairs (INL) also continues to list Afghanistan as a “major money laundering” country and a “jurisdiction of primary concern.”

Despite continuous multi-stakeholder efforts to establish and develop the country’s formal banking system, an estimated 90 percent of all financial transactions are conducted via money or value transfer services (MVTS), with less than 10 percent of Afghanistan’s population using the formal banking system. Additionally, money transfer services within Afghanistan are conducted almost exclusively via the hawala system.

Banks in Afghanistan often use hawala for their own transactions; however, no hawaladar has submitted a suspicious transaction report to FinTRACA. At the same time, dealers of precious metals and stones, lawyers, accountants and real estate agents also remain unsupervised. As a consequence of geography, resource constraints and vague customs rules concerning suspicious transactions, Afghanistan’s international borders remain porous; cash and other flows of goods are unmonitored and unchecked. Even Kabul’s international airport does not have proper controls in place for all passengers.

Consequently, both the FATF and the World Bank estimate that a huge percentage (a mean of 70 percent, according to the different estimates) of Afghanistan-originated drug money is moved through hawala to Pakistan, Iran, the United Arab Emirates (UAE)—specifically Dubai—and Saudi Arabia. Reports also indicate that between 80 to 90 percent of the hawaladars (hawala brokers) in the provinces of Kandahar and Helmand are involved in narcotics-related financial flows. Reports state that the daily turnover for regional hawaladars averaged 500,000 USD in 2015, a huge sum in a poverty-stricken country. The Afghan government in 2014 imposed a reporting obligation applicable to all hawala centers and other cash-collecting entities, but this was never effectively implemented.

Pakistan and the UAE are the main transaction centers for “financial flows linked to production and trafficking of Afghan opiates” and the Afghan MVTS markets. In 2014, the UAE was deemed a “jurisdiction of primary concern” by the U.S. Department of State; thus far, it has failed to make FATF’s high-risk jurisdiction list.

Recently, several countries have noted an increase in illicit activities by import-export companies registered in China. Concerns have risen over the fact that these trading companies can transfer funds into Afghanistan. Further, many hawaladars in Afghanistan reportedly control or have an interest in these companies, which transfer money to recipients in China.

Recommendations

Conducting Further Research

1. All involved countries should undertake an updated, systematic and comprehensive study of financial flows in and around Afghanistan, as well as worldwide (covering all continents and financial centers), detailing how financial flows from the Afghan drug trade are generated, what channels are used for transmission (including import/export transactions) and determining the final destination and investment. This would place the Afghan challenge in the proper context, showing how it interfaces with the global financial and commercial environment. Afghan authorities should describe the typical financial patterns and financial behaviors of different actors involved in Afghan narco-trafficking, which would assist in raising red flags and producing risk profiles (e.g., for ISIS and Taliban fighters, hawaladars, gatekeepers, intermediaries, etc.). The international community—especially the United States, Russia and other Commonwealth of Independent States countries, Iran, Pakistan and China, as well as international organizations such as UNODC—should provide support for such research and risk management activities that could, in turn, benefit policy development.

Targeting Illicit Finances at the National Level

2. All affected countries (e.g. the United States, Russia, Afghanistan, China, India and others) should start a focused and systematic inquiry into Afghan-related drug trafficking financials—including Western banking systems, informal value transfer systems (IVTS) and informal fund transfer systems—to as-
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sess vulnerabilities, volumes, routes, involved actors and beneficiaries and employed modi operandi. Each country’s investigators legally should be able to build investigations leading to successful prosecutions within their own country, including the ability to seize illicit funds and assets, to combat narcotrafficking and terrorist groups and to provide resources for the additional funding of counternarcotics financial investigations.

3. Afghan authorities should prioritize drug trafficking and related legal and illegal financial flows and flows of goods (opium, etc.) as an important part of the national assessment of AML/CFT risks. The private sector (national and international, including the local branches of international companies in Afghanistan) as well as all government bodies should take an active part in an Afghan AML/CFT national risk assessment.

Managing Seized Assets

4. A special development fund should be established—if possible, under the United Nations Security Council, the UN Development Programme (UNDP) or another UN agency—where all narcotrafficking-related assets seized and confiscated in Afghanistan will be managed by an international, supervisory and transparent UN-affiliated body (including strong U.S. and Russian bilateral control). All such funds should be dedicated to financing alternative farming, education, rehabilitation programs for local drug addicts and healthcare in Afghanistan or in other countries identified as recipients, under a regulatory framework, such as the Italian regulation framework on organized crime asset seizures and re-utilization. This could be created pursuant to a UN Security Council Resolution, making it mandatory for all State parties.

5. Leading countries (the United States, Russia, etc.) should jointly develop a consensus-based international approach to the management and use of confiscated assets, via a special UN convention on the distribution and disposal of seized assets (related to narcotrafficking). This convention should be mandatory for all UN members.

Strengthening Control of Finances and Goods Flows

6. All international financial centers that currently serve as major transit points and hubs for cash and other assets flowing out of Afghanistan, including Dubai, should implement policies to enable their own, other countries’ and/or international regulating bodies’ counternarcotics financial investigators to audit cash and assets and the individuals conducting these transactions in a manner consistent with international AML/CFT standards (e.g. FATF recommendations and best practices guidance).

7. All countries with active hawala networks should implement policies to identify and study such financial intermediaries to assess the possibility of enhancing their transparency and traceability and seek to develop more collaborative relations between authorities and financial operators. FATF, in concert with research institutions and the international development community, could expand and support its best practices aimed at making positive contributions to the financial inclusion and support of livelihoods, small businesses and other legitimate customers, while being instrumental in countering illegal financial flows within hawala networks. Afghan authorities should promote and encourage best practices to identify intermediate and ultimate beneficiaries of money transfer service operators (owners), as well as general compliance with know-your-customer (KYC) policies and due diligence requirements, especially for cross-border operations.

8. Customs, transit and port authorities in Pakistan, Iran and the UAE should develop stronger cooperation with each other, as well as other involved actors, to gather documentation on goods to and from Afghanistan and to assemble high-quality trade data on volumes, types of goods and services, values, end use and destination, etc. This would help furnish good information about Afghanistan’s trade partners and would facilitate the identification of payment routes and types.

Increasing Regional and International Cooperation

9. The United States and Russia should support tri-partite cooperation and information sharing between Afghan, Pakistani and Iranian drug law enforcement, in order to gather data
and identify routes, actors and means directly connected with drug trafficking. Given the three countries’ common interests and consensus against the drug-related problems, chances of tri-partite cooperation are high.

10. U.S., Russian and Chinese counternarcotics investigators should increase international cooperative efforts with each other as well as with Afghanistan’s neighboring countries, regardless of other diplomatic challenges, to prevent Afghan-origin heroin and opium from reaching national, regional and international markets worldwide and to stem the flows of illicit assets to criminal and terrorist groups.

11. The international community should enhance coordination, transparency and supervision of international development aid projects and programs carried out in Afghanistan so that they cease to be a source of corruption. The international community should establish quality controls and context-reflective, results-oriented best practices with local buy-in, as well as a wide range of educational and technical assistance for all Afghan AML/CFT system participants (governmental and non-governmental), especially in the financial sector (formal and informal, including hawaladars), to promote a spirit of community policing and effective compliance with AML/CFT rules.

IV. Demand Reduction

Background

Afghanistan’s domestic drug use is one of the country’s gravest problems. According to an INL survey, 31 percent of all households in Afghanistan and 11 percent of the population as a whole is involved in drug use and abuse, which enables the sustainability and expansion of drug production and trafficking. In the last seven years, 97 treatment programs for drug users were established in Afghanistan with the support of the United States, bringing the total number of facilities in the country to 113 and their yearly maximum capacity to 30,000 people. These programs offer a full range of services for adult men and women, adolescent males and females and children. International donors train staff and monitor their performance.

Internationally supported programs have a system of evaluation that is based on tracking clients for one year following treatment and assessing their behavior (including drug use, criminal justice history and so on). A three-year evaluation shows that internationally supported treatment centers generate a 31 percent decrease in opium use overall; a 45 percent decrease in opium use among women; a 40 percent reduction in serious crime; a 48 percent reduction in non-serious crime; a 73 percent decrease in self-reported arrests; and a 64 percent reduction in suicide attempts by women.

These efforts, and corresponding levels of effectiveness, are not enough. In an environment where drugs are easily accessible and sometimes even disseminated for free—in order to create more users—more attention should be paid, not only to treatment, but also to prevention.

13. Governments must account for current global trends. Outside Afghanistan, activities to counter ISIS have caused it to lose territory previously under its control; however, ISIS will continue to pose a threat within Afghanistan as it becomes a more important actor. Because ISIS enjoys support from individuals in different parts of the world, it will also continue to receive various forms of financial support—legal and illegal, including via hawala. Governments all over the world should engage all money transfer actors in the global AML/CFT regime to prevent ISIS financing, as well as the financing of other rebels and insurgents in Afghanistan and worldwide.
V. Borders and the Neighborhood

Background

Afghanistan is proving, at best, unable and, at worst, unwilling to police its borders; this shifts the onus to measures that can be taken to stem the flow of Russia-bound narcotics in and along the borders of Central Asia.

Afghanistan shares 5,453 kilometers of its border with Pakistan, Iran, Tajikistan, Turkmenistan, Uzbekistan and China. Each of Afghanistan’s neighbors is affected by Afghan narcotrafficking, and each of them plays a role in aggravating or alleviating the country’s drug problem as well as security, development and other issues.

Afghan administration of these borders has long been dominated by warlords and authorities who establish their own methods of border control, collecting customs duties and policing stretches of frontiers as they see fit.181 This arrangement along the Afghan border often facilitates rather than impedes drug trafficking.

Although ISAF forces had been in place since 2001, a major effort to create an effective border control service in Afghanistan was conducted as late as 2009 when the United States took a lead role in training Afghan Border Police (ABP) and funding state-of-the-art, well-equipped border infrastructure along the border with Pakistan and the Central Asian states.182 As a result of those efforts, ABP comprised 23,900 service members by 2014, with 4,000 stationed at headquarters and approximately 15,500 posted to positions along the so-called “green” border, where the crossing of goods and people is generally not permitted.183

During the period 2013 to 2014, ABP was understaffed, faced funding and procurement shortfalls, lacked key competencies (such as formal intelligence training, fighting skills, etc.) and was overstretched (especially on the Afghan-Pakistan border). Corruption among the ABP and Afghan Customs Police has also been a huge problem, with numerous posts bought and sold and many officials involved in drug trafficking. Consequently, ABP was responsible for only four percent of the country’s drug seizures.184

Afghanistan’s border control is highly heterogeneous with some provinces demonstrating consistent activity (such as Herat and Kunar) and others showing virtually none (such as Farah, Badghis and Faryab).

Pakistan

The 2,430-kilometer-long border shared by Afghanistan and Pakistan presents particular challenges for counternarcotics efforts.185 The cross-border movement between the two countries is intensive, estimated at over 100,000 daily crossings, which reflect the ethnic and social character of the region that is home to numerous Pashtun tribes.186

The situation is complicated further by intensive insurgency activity along the border. Different branches of the Taliban, other militant and terrorist groups, as well as drug traffickers and other criminals, use the region to their benefit, taking advantage of limited and competing jurisdictions and distrust between Afghanistan’s and Pakistan’s law enforcement agencies. It was on the border with Pakistan that the Islamic State in Khorasan province was declared in 2015, as reported by several Orakzai tribe members who previously resided in Pakistan.187

The security situation is exacerbated by persisting distrust and hostility between Kabul and Islamabad.188 In fact, the U.S.-funded Torkham and Wesh-Chaman border crossings are the only locations along the border where the two sides interact regularly. Even at these locations, Pakistani officials devote little attention to counternarcotics measures, focusing instead on counterinsurgency.

The vulnerabilities of the border control regime between Afghanistan and Pakistan make this location a virtually safe corridor for drug trafficking. According to UNODC estimates, approximately 40 percent of Afghan opiates are destined for or transit through Pakistan.189 As such, it is the world’s highest volume transit corridor for opiates and, along with India, is the main source of acetic anhydride, a precursor chemical agent used to process opium into heroin.190

Iran

Afghanistan and Iran share a border of 936 kilometers—a critical juncture in the battle against drug trafficking and related transna-
tional crime. An estimated 31 percent of Afghanistan’s exported heroin crosses the border into Iran,\textsuperscript{191} which as of 2014 accounted for 75 percent of the world’s opium seizures and 26 percent of the world’s heroin and morphine seizures.\textsuperscript{192}

Iran’s border with Afghanistan is well-equipped and well-fortified. Iran expends close to one billion USD each year on counter-narcotics efforts and also deploys army conscripts to assist border guards in countering trafficking along its borders with Afghanistan and Pakistan.\textsuperscript{193}

Iran is also an active participant in UN-led institutions and initiatives aimed at countering drug trafficking, including the Trilateral Initiative with Pakistan and Afghanistan.

However, in recent years (especially under Hamid Karzai), Afghanistan’s government has not taken major steps to utilize the huge potential for cooperation with Iranian agencies in dealing with drug trafficking. This, as well as sanctions against Iran and the resulting exclusion of Iran from any U.S.-led counternarcotics efforts in the region, has been the major obstacle preventing Tehran from having a greater role in the fight against Afghan narcotrafficking.

Central Asia

Afghanistan borders three post-Soviet Central Asian states, which constitute an area of high sensitivity in terms of Russia’s national interest. The borders with each of those three states, however, are quite different.

Tajikistan and Afghanistan share a 1,207-kilometer-long porous border that constitutes the primary conduit of opiates along the northern route, accounting for some 25 percent of Afghanistan’s exported heroin.\textsuperscript{194} The Afghan-Tajik border is a high-traffic crossing area, as a result of trans-border trade (also involving the smuggling of drugs in small-batch quantities), and—according to some observers—is the site of official collusion in drug trafficking by government elites and police services.\textsuperscript{195}

Tajikistan has been the major recipient of border aid in Central Asia, with donors including Russia, the United States, the EU, UNDP, OSCE, the International Organization for Migration (IOM) and others. These contributions enabled the construction of considerable numbers of border control infrastructure facilities and equipment, training and additional funding for Tajik law enforcement agencies.\textsuperscript{196} However, in recent years the economic crisis and domestic political trends, including the prosecution of local moderate Islamist opposition in Tajikistan, created preconditions for the radicalization of its youth and some of its regional elites. In this context, the combination of the country’s own vulnerabilities and Afghan-related security challenges (including narcotrafficking) could pose a major security threat not only to Tajikistan but to the region as a whole.

Afghanistan’s 744-kilometer-long border with Turkmenistan is no less problematic. Turkmenistan had long relied on engagement and negotiations with Afghan political players, rather than border management, for maintaining its security against Afghan-originated challenges. Tactics included paying regular fees to power-brokers and important actors to ensure their neutrality and disinclination to attack Turkmenistan. This approach also included a “loyal” attitude among Turkmen authorities to drug trafficking, which was a major factor sustaining the western transit route.

This relationship ended when the security situation in northern Afghanistan deteriorated. After a rapid rise in violence on the Afghan-Turkmen border in early 2015, Ashgabat had to enact a draft to reinforce its military to counter the incoming military groups. According to media reports, the situation repeated in early 2016 when the Turkmen military engaged in a fight with insurgents from Afghanistan. Earlier media reports specifically stated that Taliban fighters overthrown by the Afghan army—led by Abdul Rashid Dostum—had retreated to the border territory of Turkmenistan, a haven for insurgents.

The state of affairs on the 137-kilometer Afghanistan-Uzbekistan border is quite different from the other two Central Asian borders. It is well fortified and virtually impenetrable by drug traffickers, who instead use the less well-guarded Afghanistan-Tajikistan and Tajikistan-Uzbekistan borders to enter the country. Since railroads are commonly used to traffic drugs from Tajikistan via Uzbekistan and Kazakhstan to Russia, there have been reports of Uzbek authorities’ collusion in trafficking at various levels. Nevertheless, Uzbekistan remains reluctant
to participate in multilateral international counternarcotics initiatives, particularly when they require training and institutional reforms that Uzbek authorities consider to be their own exclusive national security purview.\textsuperscript{197}

**Recommendations\textsuperscript{198}**

**Pakistan\textsuperscript{199}**

1. The United States, Russia and China should use their influence to encourage Pakistan—the major transit country for Afghan-produced opiates—to build up its counternarcotics efforts. It is clear that the years of policies that compromised counternarcotics for counterterrorism did not lead to greater security in Pakistan nor Afghanistan. Regional and global stakeholders should candidly discuss ways to strengthen and support counternarcotics efforts in and by Pakistan. The United States and Russia should both push for such a discussion on the matter, as well as make available broader technical support for Pakistan’s counternarcotics efforts.

2. Both the United States and Russia should suggest that counternarcotics become an integral part of China’s security-related policies in the China-Pakistan economic corridor project, which assumes deployment of the People’s Liberation Army troops to protect future infrastructure assets in Pakistan.

**In the Event U.S.-Russia Relations Improve\textsuperscript{200}**

3. The United States and Russia should encourage Pakistan to step up its counterterrorism efforts on the ground and in policymaking. The lack of policy consensus among Pakistan’s security agencies continues to undermine counterterrorism and counterinsurgency efforts in the region, which entail high costs for Afghanistan. The United States and Russia should discuss steps to promote Islamabad’s more resolute stance in denying terrorists havens and any form of state or state-related support.\textsuperscript{201}

4. The United States and Russia should jointly push Afghanistan and Pakistan to finalize the status of their frontier. The Durand Line remains formally unrecognized and is a source of dispute and escalation between Kabul and Islamabad. This is not conducive to cross-border cooperation and makes joint counternarcotics operations at the border difficult. A settled boundary is a long-term and difficult process, but Moscow and Washington should not lose any opportunity to call for Afghanistan and Pakistan to mutually recognize and affix their frontier. Previous attempts at political resolution failed, in part, because they did not involve enough international stakeholders or material incentives. Together, the United States and Russia may have sufficient heft to open a dialogue towards resolution. A pledge to expand border security assistance can further nudge Afghanistan and Pakistan into dialogue. Russia should also use its greatly improved relations with Pakistan to cajole the country to do more on the counternarcotics front, particularly along the border.

**Iran\textsuperscript{202}**

5. The United States and Russia should encourage Afghanistan to cooperate more actively with Iran to improve interdiction along the Afghan-Iranian border. Although Iran has mounted an impressive fight against narcotics, it is not enough to stem the massive opium and heroin tide that moves across Iran towards Europe and across the Caspian to the Commonwealth of Independent States (CIS). The United States does not have a relationship with the Iranian government or law enforcement counterparts as the Russian Federation does. Nonetheless, U.S. officials can encourage Afghan officials to deepen their cooperation with their Iranian counterparts and play a great role in interdiction along the common border. For many years, the United States discouraged Afghan-Iranian cooperation, particularly where U.S. funds and initiatives were in play, a position that made it easier for Afghan officials to neglect truly deep counternarcotics cooperation with Iran. Joint U.S.-Russian calls for enhanced Afghan-Iranian cooperation can go a long way in encouraging Afghanistan to pick up the slack.

6. The United States could consider encouraging Iran to play a more active role in counternarcotics on the Afghanistan-Iran border, both in Afghanistan and within the Afghan community in Iran, by providing technical aid and building direct cooperation between U.S. agencies—DEA and the State Department’s INL—and their Iranian counterparts.\textsuperscript{203}

7. The United States and Russia could also encourage Iran to play a more active role in Afghan-related counternarcotics efforts
through increased Iranian participation in multilateral fora and bodies.204

8. The United States and Russia should also encourage wider Afghanistan-Iran discussion and cooperation on tackling local production and trafficking in amphetamine-type stimulants that seem to be a new and worrying regional issue.205

Central Asia

9. The United States and Russia should speak with a common voice in matters of counternarcotics and border security in Central and South Asia and demand that Central Asian officials live up to the obligations of the counternarcotics and border management assistance that they have received. Washington and Moscow should convey their messages to Central Asian leaders in a coordinated fashion. In the case of Tajikistan, they should relentlessly pressure Tajik officials to take a more concerted stance in fighting trafficking.206 There should be zero tolerance for decision-making by countries neighboring Afghanistan that compromises their interest in the drug business.207

10. The United States and Russia should jointly expand bilateral and multilateral training of Central Asian and Afghan border police, customs authorities and counternarcotics officers. Before the crisis in their relations, Russia and the United States set a quiet precedent of working together, albeit in a limited fashion, to train Central Asian border officials. Joint U.S.-Russian training initiatives have reached limited numbers of border authorities and could be expanded extensively, either bilaterally or multilaterally under the auspices of international organizations. While capacity and training gaps will not resolve political impediments, such training programs will send an important signal that the international community is not abandoning Afghanistan and its Central Asian neighbors to their own devices in matters of border control and counternarcotics.208

11. The United States and Russia should use their influence on the Turkmen government to ensure greater transparency and commitment to counternarcotics. Turkmenistan should be encouraged to share information with the UN office in Ashgabat and to discuss the steps necessary to improve the management of the Afghanistan-Turkmenistan border in terms of counternarcotics.209

In the Event U.S.-Russia Relations Improve210

12. The United States and Russia should work together to improve stretches of borders that do not function well. Washington and Moscow can call on Tajikistan to allow Russia to make a greater contribution to help Tajik officials strengthen their side of the border with Uzbekistan, whether by providing mentors for border guard contingents, ramping up training or simply providing more technical and operational equipment. This may reduce drug trafficking along that border and build on the cooperative spirit of the Borders International Group in Dushanbe. It would also benefit security along the Tajik side of the Uzbek border and allow the United States to ask Uzbekistan to reconsider its policy of closure and militarization.

13. U.S. and Russian officials should come up with common standards by which to measure improvements in border management and interdiction rates along key stretches of Afghanistan’s border, for instance, the Afghanistan-Tajikistan border. The United States and Russia should be open to making at least part of their economic and security assistance conditional on their Central Asian partners’ performance in counternarcotics.211

14. The United States and Russia should consider establishing joint positions on counternarcotics and counter control at international bodies where these issues are discussed.

Other Bilateral and Multilateral Cooperation212

15. The United States, Russia and China should establish trilateral dialogue on counternarcotics and counterterrorism efforts at both the official and unofficial levels. The parties should do their best to prevent the escalation of tensions in Central Asia. They should create a trust-building venue that would enable them to candidly discuss sensitivities and available measures for countering drug trafficking and political violence in the region in a manner consistent with each country’s national interests. All three countries should negotiate an approach that does not compromise their shared security and counternarcotics efforts in exchange for other regional goals. The counternarcotics dimension should be expanded both within the scope of China-led integration initiatives (like the SCO
and the quadrilateral regional counterterrorism alliance, as well as in Afghanistan-China bilateral relations.

16. The United States, Russia and China should work together with key international organizations operating in Afghanistan and bordering regions to enhance coordination on stemming the tide of precursors flowing into Afghanistan from Pakistan, India, China as well as Central Asia and elsewhere.

VI. Multilateral Cooperation

Background

Throughout the project, the working group emphasized that cooperation in multilateral venues might be particularly fruitful in promoting mutually beneficial decisions or mutually desirable developments, particularly when U.S.-Russia relations are at a standstill. It is also worth noting that U.S.-Russia cooperation in the UN, UNODC and other multilateral mechanisms has a good track record.

For example, the UNODC remains a major international institutional contributor to counternarcotics efforts in Afghanistan. It runs the Regional Programme for Afghanistan and Neighbouring Countries that encompasses four sub-programs on law enforcement; legal cooperation; drug prevention; and treatment, analysis and evaluation. The program is supported by both the United States and Russia—as well as other participating countries including all Central Asian states, Iran and Pakistan—and complements the UNODC-led regional program for Central Asia. This institutional framework is designed to encourage cooperation among those countries by creating networks of law enforcement, justice and alternative development players, among others, in the region. It also includes smaller projects and initiatives, like the Afghanistan, Kyrgyzstan and Tajikistan (AKT) initiative on border cooperation and support for liaison offices and cooperation among these offices.

The UNODC also supports the Afghanistan, Iran and Pakistan Triangular Initiative designed to foster cooperation and coordinate the three countries’ interdiction efforts. The initiative has a Joint Planning Cell (JPC) in Tehran responsible for planning and leading joint counternarcotics operations. The JPC maintains cooperation with another UN-DC-backed regional mechanism: the Central Asian Regional Information and Coordination Centre (CARICC), which combats the illicit trafficking of narcotic drugs, psychotropic substances and their precursors.

It is crucial for U.S. and Russian officials to maximize cooperation in these multilateral venues. In a sense, preventing the current state of U.S.-Russia relations from disrupting cooperation in those multilateral venues has also become an important political task. Moreover, a number of new issues are arising from the changing institutional environment that now includes the Eurasian Economic Union.

Recommendations

UN

1. The United States and Russia should work together to ensure that the international community sees Afghan narcotrafficking as a top-priority issue. Prioritizing counternarcotics efforts in and around Afghanistan remains an important component in addressing Afghan narcotrafficking and, more generally, the overall security situation in Afghanistan. Therefore, the United States and Russia should speak with a common voice at the United Nations, including in the United Nations Security Council. Although there are not many consensus-based opportunities to discuss Russia’s long-standing proposal to categorize drug production in Afghanistan as a threat to international peace and security under Chapter VII of the UN Charter, Washington and Moscow should do their best to ensure that the situation in Afghanistan and its drug-related issues remain a focus of the Security Council, the Secretary General and the United Nations as a whole.

2. The United States and Russia should continue to speak with a common voice on the inadmissibility of legalizing drugs and disrupting international control regimes under the respective UN conventions.

UNODC

3. The United States and Russia should fully embrace the capabilities of and opportunities presented by the UNODC and its cooperation frameworks in addressing Afghan narcotrafficking. They should increase their support of the UNODC’s role in regional counternarcot-
ics efforts and all UNODC-led or UNODC-facilitated formats and initiatives in the region. The two countries’ explicit support for the UNODC’s leading role in regional counter-narcotics efforts should also incentivize regional governments to improve compliance and transparency in counter-narcotics operations, as well as cooperate more actively with the UNODC.

OSCE

4. The United States and Russia should fully support OSCE activities in the region. With its Border Management Staff College in Tajikistan, the OSCE is one of the major contributors to capacity-building of Central Asian states’ and Afghanistan’s border control services. The United States and Russia should view OSCE activities as a potential area for promoting counter-narcotics cooperation, irrespective of political divides.

EEU

5. The Russian Federation and its partners should strive to enhance drug control within the EEU and CIS free trade zones.

The emergence and further expansion of the EEU created a free trade zone and united customs territory comprising the territories of Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan. Tajikistan (since late 2015) and Uzbekistan (since late 2013) are also parties to the CIS Free Trade Zone agreement. Although these economic integration frameworks create new beneficial opportunities for Central Asian states, they can also facilitate drug trafficking. This reality is exacerbated further by poor border management and lingering contradictions between the three Fer-gana Valley states and by the absence of border control between Russia on the one hand and Kazakhstan and Belarus on the other.

It is therefore important to limit the side-effects that such regional economic integration has on drug trafficking. Although this issue is very sensitive, the United States can still contribute to these efforts by supporting UNODC-led cooperation on the matter with involved states, all of which have good working relations with the UNODC and the United Nations as a whole. Given extensive Collective Security Treaty Organization (CSTO) involvement in counter-narcotics efforts, trilateral UNODC-EEU-CSTO cooperation involving the various member states could also be fruitful for and appealing to Russia.

6. Russia, its EEU partners together with the UNODC, the United States and other stakeholders should undertake an expert study on customs unions, free trade zones and other preferential trade regimes in the region and their impact on narcotrafficking. This study should analyze international experiences and explore alternative security solutions for both national borders within customs unions and free trade zones, as well as the external borders of these entities and the role of security agents, interior police forces, private companies, etc.

EU

7. The United States and the GIRoA should seek to expand the involvement of the European Union in counter-narcotics efforts in Afghanistan. As a major consumer of Afghan-originated opiates, the EU is interested in more effective policies to tackle Afghan narcotrafficking and has capabilities and resources to offer in this sphere.

CSTO, NATO and SCO

8. The United States, Russia and China should strive to ensure that counter-narcotics efforts remain a focus of regional security cooperation frameworks. Central and South Asia are home to a number of major regional security initiatives and frameworks, including CSTO, SCO, a NATO presence in Afghanistan and the China-led quadrilateral counterterrorism coalition. These numerous cooperation frameworks reflect the greatly varying national interests of several countries, which do not allow for easy coordination of counter-narcotics activities. The United States and Russia, however, can and should do their best to ensure that counter-narcotics efforts remain a focus of those security cooperation frameworks. The United States is able to influence the NATO agenda to fully embrace the importance of drugs, at least in light of the security issues in Afghanistan. Russia has extensive opportunities to shape the agendas of CSTO and SCO.

Viability of CSTO-NATO Cooperation

9. Before 2014, Russia sought to ensure “recognition” of CSTO as an international collective security mechanism and establish CSTO
cooperation with NATO on several issues, including counternarcotics. These attempts, however, were effectively ignored by NATO. Although the director of the Russian Ministry of Foreign Affairs Second Asia Department, Zamir Kabulov, declared cooperation between CSTO and NATO as “a closed topic,” the possibility still has some potential from three points of view:

1. A mere declaration of common assessments on the issue of Afghan narcotrafficking between the CSTO and NATO could be an important signal for the whole region.

2. Practical cooperation between NATO (in the event it embraces the drug issue as security-related) and CSTO could be a viable alternative to the now essentially non-existent U.S.-Russia cooperation on the issue of Afghan narcotrafficking. As U.S. counternarcotics agencies lost their primary Russian institutional partner with the liquidation of FSKN, it could be practical to press for counternarcotics cooperation in the multilateral dimension. Such a proposal initiated by either the United States or Russia could be an important move towards prioritizing counternarcotics over political divisions.

3. In the event of future U.S.-Russia rapprochement, NATO-CSTO cooperation in counternarcotics could be a safe first step that allows the two sides to move quickly from verbal declarations to practical, constructive and fruitful cooperative efforts.

VII. Bilateral U.S.-Russia Cooperation

Background

U.S.-Russia tensions have dramatically influenced the level of cooperation between the two countries, greatly limiting the scope of what Washington and Moscow are able to do together. Moreover, Afghanistan is not a politics- and security-neutral issue for Russia because of the impact of the situation in Afghanistan on Central Asia, which is seen by Russia as part of its sphere of interests. The differences between the United States and Russia stem not only from the overall state of U.S.-Russia relations, but also from the two countries’ different and often conflicting national interests in the region. This is best illustrated by Russia’s initiative to hold talks on Afghanistan in Moscow that excluded the United States (as well as Afghanistan itself at the first stage).

A clash of interests, however, does not necessarily preclude bilateral cooperation, but instead raises its importance. Both countries are interested in tackling Afghan narcotrafficking, although Russia’s interest is much more limited, focused mainly on drug trafficking along the northern route. Finally, both Washington and Moscow have additional—although differing—incentives for cooperation on Afghan narcotrafficking. To strengthen its bargaining position, Russia is interested in cooperation as a way to highlight the futility of Western nations’ attempts to isolate it and to have an additional instrument of influence in a region where the U.S. government displays vulnerability. The United States seeks Russia’s cooperation—or, at the very least, friendly neutrality—in its attempt to stabilize Afghanistan and fight international terrorism, including ISIS and Al-Qaeda.

The Trump administration’s decisive, hard approach to security and stability, as illustrated by budget proposals that prioritized the Department of Defense over the Department of State and USAID, might create the illusion that the U.S. can solve the problems in Afghanistan through military involvement, irrespective of Russia’s position. However, a unilateral U.S.-NATO strategy (especially one involving a troop surge) might provoke growing hostility from Russia, as well as China, Iran and Pakistan, which would entail further costs for the United States and its allies and undermine stabilization efforts in Afghanistan. Although the administration may be successful in achieving its short-term goal of breaking the current GIROA-Taliban stalemate, the lack of regional cooperation would undermine attempts to solve the country’s growing narcotrafficking issue. Thus, it would be both pragmatic and politically wise for Washington to involve Russia in a cooperative effort aimed at stemming Afghan narcotrafficking.
In the present situation, there are several actions that the two countries should consider enacting immediately, or in the near future, to advance their goals without undermining each other’s regional interests.

**Recommendations**

**Cooperation and Information-Sharing Between Relevant U.S. and Russian Agencies**

1. U.S. and Russian officials should agree not to let the overall deterioration in bilateral relations affect cooperation between their agencies across Central and South Asia, even if such cooperation would be quite limited. This is particularly relevant in countering drug-related illicit financial flows in the region and beyond.

**In the Event U.S.-Russia Relations Improve**

2. The United States and Russia should establish formal and informal cooperation between the DEA and its counterparts in Russia (likely starting with the Ministry of the Interior, but also including the Federal Security Service’s border service). To mount more effective counternarcotics efforts along Afghanistan’s borders, the two countries’ border agencies must interact more with one another formally and informally and inform each other of their respective activities.

3. U.S. and Russian officials should consider establishing formal intelligence-sharing channels to inform each other of the critical aspects of the evolving security situation, including information related to Afghan narcotrafficking.

4. The United States and Russia should discuss trust-building measures necessary for alleviating Russia’s preoccupation with the U.S./NATO military presence (and a likely conditional surge of that presence in 2017) in Afghanistan. It is important that the United States demonstrate openness to dialogue on this sensitive matter.

5. The United States and Russia should discuss and agree that, although Moscow might have different priorities regarding its relations with the government in Kabul and different Afghan political actors—including the armed opposition—the Russian government should avoid steps that might undermine counternarcotics efforts in Afghanistan and the region or might facilitate drug trafficking by any means. The United States itself should maintain the same posture.

6. The United States and Russia should coordinate their positions on various aspects of the drug issue in institutional frameworks like the United Nations and Commission for Narcotic Drugs. Despite many differences, the two countries could speak with a common voice at least on international drug control issues (emphasizing opium and heroin) and the disruption of drug-related international financial flows.

7. The United States and Russia should jointly work to reduce the flow of dirty money. Both the United States and Russia have their own reasons for emphasizing the financial flows issue. Russia is interested in the unconditional lifting of sanctions while the United States may be preoccupied increasingly with struggling against the flow of dirty money that emerged as a result of newly introduced sanctions. This could be a topic for candid, albeit complicated, dialogue.

**Fostering Track 2 Cooperation**

8. The United States and Russia should support cooperation between experts, analysts and researchers from the two countries on issues of mutual importance in Central Asia. The parties should do their best to ensure that their respective positions and intentions are well understood by the other side.

9. The United States and Russia should also consider establishing a permanent Track 2 mechanism to discuss sensitive issues in Central Asia in a setting that fosters respect and trust, such as the working group that produced this report.
Recent years have seen a dramatic transformation of the international environment, national agendas, regional matters and conditions on the ground relevant to the issue of Afghan narcotrafficking. None of those, however, contributed to decreasing the severity of the problem itself.

Afghan narcotrafficking remains a serious challenge to international security and regional and global stability. It has also become one of the major factors sustaining Afghanistan’s insecurity, state dysfunctionality and economic decline. Its role as a funding source for the insurgency is perhaps less devastating for Afghanistan’s statehood than its propensity to bring together officials, insurgents and other criminals and common Afghans seeking lucrative assets and livelihoods, thus undermining the government’s legitimacy. Transgressing the lines between legality and illegality, what favors Afghanistan’s statehood and what undermines it, what helps the Afghan people survive and what hurts them, Afghan narcotrafficking precludes successful state-building and sustainable development in the country. Meanwhile, the insurgency, despite its declared Islamic dogmatism, has effectively integrated drug production and trafficking into its warfighting, imposing an alternative normative order that challenges the official government.

This complicated multi-dimensional challenge has implications for both the United States and Russia. Both nations remain deeply interested in solving the Afghan drug issue, and the United States may have become even more so recently. Given the present strategic environment, however, there is little chance of this issue becoming a game-changer for deteriorating bilateral relations.

On one hand, the United States is interested in stabilizing Afghanistan under its current U.S.-friendly government and, thus, must seek a fundamental solution to the drug issue in the country. On the other hand, Russia is interested in minimizing the devastating effects of Afghan narcotrafficking on its healthcare, demography, law and order and economy, as well as its strategic posture in Central Asia. Both countries are interested in cutting the ties between drugs and terrorism. However, Russia has little incentive and lacks the resources to be directly involved in the complicated process of state-building in Afghanistan. It risks being dragged into the Afghan controversy against its own will in the event of a major failure of the current Kabul regime and the subsequent, eventual destabilization in the region.

The real dynamics of U.S.-Russia cooperation on Afghan narcotrafficking will largely be
defined by realities on the ground and U.S. foreign and security policy priorities. In case Washington sets aside its plans for an unconditional drawdown and commits itself to ensuring the survival of Afghanistan’s statehood in its present form, Afghan narcotrafficking—as well as other security issues in the country—could become a point of bilateral cooperation. Such cooperation would be instrumental in promoting specific national interests and visions of involved parties (as it is in Syria), but eventually, it could help lessen the severity of the Afghan narcotrafficking issue. This is the basic scenario for implementing the recommendations outlined in the present report.

Even this scenario, however, could be problematic. If Washington reiterates its high-profile commitment to stabilizing Afghanistan, this might push Afghan elites to exploit this commitment for their own benefit rather than contribute to its accomplishment by meeting the conditions imposed. Given the high probability of such developments, Washington may need additional instruments—with support from Russia, as well as Iran and China—to ensure the compliance of its Afghan partners.

Thus, unless the White House decides to disengage completely from Afghanistan, the United States and Russia seem poised to cooperate in the region in spite of the persisting differences in their interests. This, more than anything else, requires a detailed analysis of various strategies, methods and activities that could be implemented to address the Afghan narcotrafficking issue. As U.S.-Russia tensions persist, it is crucial to prevent the two states’ interaction on Afghan narcotrafficking from turning into competition. Both countries need to be conscious of their own and each other’s intentions and goals and act smartly to effectively solve the Afghan narcotrafficking issue, while managing the intended and unintended consequences of their steps.

Such a challenging task requires considerable research and analysis as well as strategic communications and trust-building efforts to allow both parties to proceed substantively, avoid confrontation and find their way out of deadlock. Undertaking those efforts has been the chief mission of the Joint U.S.-Russia Working Group on Afghan Narcotrafficking.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABP</td>
<td>Afghan Border Police</td>
</tr>
<tr>
<td>AKT</td>
<td>Afghanistan, Kyrgyzstan and Tajikistan</td>
</tr>
<tr>
<td>AML/CFT</td>
<td>Anti-money laundering and combating the financing of terrorism</td>
</tr>
<tr>
<td>ANA</td>
<td>Afghan National Army</td>
</tr>
<tr>
<td>ANP</td>
<td>Afghan National Police</td>
</tr>
<tr>
<td>ANPDF</td>
<td>Afghanistan National Peace and Development Framework</td>
</tr>
<tr>
<td>ANSF</td>
<td>Afghan National Security Forces</td>
</tr>
<tr>
<td>APG</td>
<td>Asia/Pacific Group on Money Laundering</td>
</tr>
<tr>
<td>CARICC</td>
<td>Central Asian Regional Information and Coordination Centre</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CHAMP</td>
<td>Commercial Horticulture and Agricultural Marketing Program</td>
</tr>
<tr>
<td>CIA</td>
<td>United States Central Intelligence Agency</td>
</tr>
<tr>
<td>CIS</td>
<td>Commonwealth of Independent States</td>
</tr>
<tr>
<td>CSTO</td>
<td>Collective Security Treaty Organization</td>
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<tr>
<td>DEA</td>
<td>United States Drug Enforcement Administration</td>
</tr>
<tr>
<td>DoD</td>
<td>United States Department of Defense</td>
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<tr>
<td>EEU</td>
<td>Eurasian Economic Union</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
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<tr>
<td>FinTRACA</td>
<td>Financial Transactions and Reports Analysis Center of Afghanistan</td>
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<tr>
<td>FIU</td>
<td>Financial Intelligence Unit</td>
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<tr>
<td>FSB</td>
<td>Federal Security Service of the Russian Federation</td>
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<tr>
<td>FSKN</td>
<td>Federal Drug Control Service of the Russian Federation</td>
</tr>
<tr>
<td>FTZ</td>
<td>Free trade zone</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal year</td>
</tr>
<tr>
<td>GADC</td>
<td>General Administration for Drug Control, Ministry of the Interior of the Russian Federation</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>GI</td>
<td>Government Defence Anti-Corruption Index</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic information systems</td>
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<tr>
<td>GLE</td>
<td>Government-led eradication</td>
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<tr>
<td>GIRoA</td>
<td>Government of the Islamic Republic of Afghanistan</td>
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<tr>
<td>G8</td>
<td>Group of Eight</td>
</tr>
<tr>
<td>INL</td>
<td>United States Department of State Bureau of International Narcotics and Law Enforcement Affairs</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
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<tr>
<td>IOM</td>
<td>International Organization for Migration</td>
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<td>ISAF</td>
<td>International Security Assistance Force</td>
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<tr>
<td>ISI</td>
<td>Inter-Services Intelligence of Pakistan</td>
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<tr>
<td>ISIL</td>
<td>Islamic State of Iraq and the Levant</td>
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<td>ISIS</td>
<td>Islamic State of Iraq and Syria</td>
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<td>IVTS</td>
<td>Informal value transfer systems</td>
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<td>JPC</td>
<td>Joint Planning Cell</td>
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<tr>
<td>KFZ</td>
<td>Kandahar Food Zone</td>
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<tr>
<td>KYC</td>
<td>Know-your-customer</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and evaluation</td>
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<tr>
<td>MVD</td>
<td>Ministry of the Interior of the Russian Federation</td>
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<tr>
<td>MVTS</td>
<td>Money or value transfer service</td>
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<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organization</td>
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<tr>
<td>NUG</td>
<td>National Unity Government of Afghanistan</td>
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<tr>
<td>OSCE</td>
<td>Organization for Security and Co-operation in Europe</td>
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<tr>
<td>RADP</td>
<td>Regional Agricultural Development Program</td>
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<tr>
<td>TAAC</td>
<td>Train, Advise and Assist Command</td>
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<tr>
<td>SCO</td>
<td>Shanghai Cooperation Organisation</td>
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<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNGASS</td>
<td>United Nations General Assembly Special Session</td>
</tr>
<tr>
<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USD</td>
<td>United States dollar</td>
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</tbody>
</table>
ENDNOTES

A JOINT POLICY ASSESSMENT


17. For the Trump administration, one feasible option for cooperation could be to send a surge of troops and resources to increase the capacities of the Ghani-Abdullah administration in Kabul.


23. For more on this, please see the section “Overcoming ‘Afghanistan Fatigue.’”


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A JOINT POLICY ASSESSMENT

51. There have been a number of Russian diplomats’ statements on Moscow’s relations with the Taliban. See “Заявление Кабулова вызвало жесткую реакцию Кабула, Радно Оизди,” November 17, 2016, http://rus.ozodi.org/a/28123719.html.
53. Information provided by a participant at a meeting of the EastWest Institute’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking.
61. Solar year corresponding roughly to calendar year 2016.
62. Solar year corresponding roughly to calendar year 2015.
63. Solar year corresponding roughly to calendar year 2014.
76. The Independent Electoral Commission (IEC) of Afghanistan announced that the parliamentary elections will
be held with current identification cards (instead of the computerized national identification cards that should have been distributed to voters), which constitutes a major violation of a 2014 political agreement. This would also create grounds for voter fraud and undermine upcoming elections. See Bismellah Alizada, “Sacked Afghan Minister Symbolizes the Government’s Precarious Position,” The Diplomat, April 22, 2017, http://thediplomat.com/2017/04/sacked-afghan-minister-symbolizes-the-governments-precarious-position/.


92. “Opium poppy cultivation thus may have reached a ‘natural exploitation’ peak in the main poppy cultivating provinces in 2014 or may have even exceeded it, providing a possible explanation for the poppy cultivation decrease in the Southern and Western regions. With this assumption, there is a risk of an inner Afghan shift of cultivation;” See UNODC and the Islamic Republic of Afghanistan Ministry of Counter Narcotics, Afghanistan Opium Survey 2015: Cultivation and Production (UNODC, 2015), https://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghanistan_opium_survey_2015_web.pdf: 7.


96. For 2016 data, see ibid: 5. For 2015 data, see UNODC and the Islamic Republic of Afghanistan Ministry of Counter Narcotics, Afghanistan Opium Survey 2015: Cultivation and Production: 13.


101. UNODC and the Islamic Republic of Afghanistan Ministry of Counter Narcotics, Afghanistan Opium Survey 2015:
Socio-economic analysis: 9.
102. Ibid.
105. In 2016, more than 600,000 Afghan refugees returned to the country from Pakistan. The majority of them were forcefully pushed out of Pakistan as a reaction to developing Afghanistan-Indian relations. This development surely adds to the grievances of the local population and to the economic challenges facing the country.
118. Field research indicates that the Taliban would often refuse to accept raw opium in place of cash as payment for taxes owed to farmers living in territories under their control.
120. According to a RAND report, “Night letters, or shabnameh, are a tool that the Taliban has used in the past, although not recently, to coerce poppy cultivation.” Victoria Greenfield et al., *Reducing the Cultivation of Opium Poppies in Southern Afghanistan*, RAND Corporation (Santa Monica, CA: RAND Corporation, 2015), http://www.rand.org/pubs/research_reports/RR1075.html.
125. Ibid.
137. Ibid.
138. Ibid.
140. Ibid.
142. Ibid.
143. Stepanova, Afghan Narcotrafficking: A Joint Threat Assessment: 44.
144. UNODC, World Drug Report 2015: 47.
145. Ibid.
146. Ibid.
149. Ibid: 17.
150. See Mansfield, Afghan Narcotrafficking: Finding an Alternative to Alternative Development.
152. Ibid.
155. All policy recommendations in this section can be found in Mansfield, Afghan Narcotrafficking: Finding an Alternative to Alternative Development: 29-31.
156. All policy recommendations in this section can be found in Mansfield, Afghan Narcotrafficking: Finding an Alternative to Alternative Development: 29-31.
165. Ibid.
168. Ibid.
170. Ibid.
171. Ibid.
176. All policy recommendations in this section can be found in Passas and Giannakopoulos, Afghan Narcotrafficking: Illicit Financial Flows: 32-4.
179. Ibid: 24, 94.
180. Information provided by members of the EastWest Institute’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking.
182. Ibid.
183. Ibid: 11.
184. Ibid: 12.
186. Ibid: 19.
190. Ibid.
197. Ibid: 23.
199. Additional recommendation produced by EWI’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking for this report.
201. Additional recommendation produced by EWI’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking for this report.
204. Additional recommendation produced by EWI’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking for this report.
205. Additional recommendation produced by EWI’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking for this report.
207. Additional recommendation produced by EWI’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking for this report.
211. This recommendation has been expanded by EWI’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking for this report.
212. Additional recommendations produced by EWI’s Joint U.S.-Russia Working Group on Afghan Narcotrafficking for this report.
214. The United States should take into consideration the fact that the CSTO is a consensus-based organization where members are able to block decisions that they oppose, in spite of the organization’s label as a means of Russian power projection.
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