

Rural Development and Opium Production:  
Lessons Learned in Pakistan and Afghanistan

1. Overview

The basic objectives of USG supported anti-narcotics programs in Western Asia are the elimination of opium poppy cultivation, enforcement of the bans on opium poppy cultivation, prosecution of drug traffickers, destruction of heroin labs, and educational and curative programs leading to reductions in local narcotics consumption. Each objective is interlinked with the others. It is unlikely that complete success in one area can be achieved without equal efforts in the other.

From the USG perspective, this concept of interlinked objectives is part of a worldwide war on narcotics, a transnational issue which affects all nations. In producer nations it is also an effort to protect the social fabric of the nation from the potential catastrophes of unchecked growth of narcotics consumption and the growing power of drug lords derived from the profits of drug production and trafficking.

Opium cultivation in Western Asia has a long history: the crop has been cultivated for traditional reasons, including medicinal purposes, in various areas of the region for centuries. The transformation of poppy into a major cash crop, however, is a phenomenon of the last few decades. Pakistan, Afghanistan and Iran form part of the Golden Crescent area of Southwest Asia, which is estimated by the USG to provide 40% of the heroin used in the US and ranks slightly behind the Golden Triangle of Southeast Asia as a source for the American heroin market. As is the case with the countries of the Golden Triangle, the borders between Iran, Pakistan and Afghanistan are poorly policed and porous. Furthermore, a situation verging on anarchy in Afghanistan (similar to Burma) enables poppy cultivators and drug traders to operate with impunity. Both Pakistan and Iran have taken steps to suppress their drug trade, but they have been only partially successful. This is because components of the various poppy elimination programs are not integrated into central, provincial or local development programs in Iran and Pakistan. Rather, they are uncoordinated efforts focussing either on crop substitution, infrastructure or community development. Many of the projects are therefore not sustainable without continued investment in technology, community organization, training and local participation.

There are no poppy elimination data bases, beyond some satellite-generated maps, from which to evaluate the performance of these activities and interventions. What exists are yearly statistics of crop yields. There are no organized socio-economic baseline data from which to assess the impacts of anti-narcotics efforts and determine future direction and requirements.

USG figures show that the countries of the Golden Crescent region produced 1,025 metric tons of refined opium in 1991 -- though there are numerous experts who insist that this figure is an underestimate. It would be possible to cumulate figures for demand in the Pakistan-Afghanistan area. The same official figures estimate that 50 metric tons of heroin are needed to supply Pakistan's domestic heroin addicts (which means 300-500 metric tons of opium). Forty percent of American heroin imports would translate to \_\_\_\_\_ metric tons of opium. In addition, large quantities of opium are directly consumed in Afghanistan and Pakistan, as well as an undetermined amount needed for Afghanistan's heroin addicts, export to Iran, Europe, etc. The use estimates may be exaggerated, but in any case, the Golden Crescent is certainly a major user as well as a major producer.

Within the Crescent, Afghanistan has in recent years been a major producer of raw opium, which was shipped through Pakistan where much of it was converted into heroin in factories located in the tribal areas on the border. This pattern appears to be changing as the heroin factories move into Afghanistan. Further changes may be expected if, as is indicated in a recent UNDCP report, use of narcotics in areas of the former Soviet Union continues to increase and smuggling across the former Soviet border increases as well.

The opium economy of the Golden Crescent area must be treated as an economic unit comprising all three countries. Regardless of the issues of religious law and belief involved in the region, it is likely -- as in all other major drug producing areas -- that addiction will spread, and national leaders will ultimately realize that production cannot be isolated from trafficking and use. As Pakistan has discovered, it seems that the narcotics trade is typically concentrated in a few hands who compete with each other using arms, and protect their operations with violence. Because of the magnitudes of the profits involved and because of the extralegal nature of their activities, the narcotics-trading enterprises almost necessarily become armed centers of parallel economic and political power.

## 2. USG Interventions

### A. Pakistan

USAID/Pakistan's counter-narcotics interventions began in the early 1980's. These activities are encompassed in the Northwest Frontier Area Development Project (NWFADP) and the Tribal Areas Development Project (TADP). The NWFADP, scheduled to end in August, 1993, is funded at \$55 million (reduced from \$63 million because of the Pressler amendment). The TADP, scheduled to end in September, 1994, is funded at \$27 million (reduced from \$47 million).

The NWADP consists of three components. The Gadoon-Amazai Area Development Project; the Kala Dhaka Area Development Project, a project whose area lies adjacent to Gadoon-Amazai; and the Drug Abuse Prevention Resource Center. The Gadoon-Amazai component was designed to change the area economy of the major opium-producing area of the NWFP from one based on poppy cultivation to a diversified agricultural and non-agricultural system with strong ties to the national economy. The Kala Dhaka project is a similar effort in an area adjacent to Gadoon-Amazai where a major relocation of poppy production was expected, away from the Gadoon-Amazai. The Drug Abuse Prevention Resource Center focuses on the demand reduction side of the narcotics problem, working through NGOs and a resource consultant network.

Unfortunately, the Pressler amendment dictates that USAID/Pakistan's anti-narcotics program come to a close in the near future. This will undoubtedly jeopardize the considerable successes which the project has achieved. The following project goals are geared toward ensuring sustainability to the maximum extent possible, following close-out of USAID operations:

- (1) Promotion of private enterprise and regional economic growth for the reduction and elimination of poppy cultivation;
- (2) reorientation of area development projects through indigenous NGO's in which interventions emphasize the elimination of subsidies, increased local contribution and participation, data base planning and monitoring, and private sector enterprise;
- (3) institutionalize the USAID area development projects within the Government of the NWFP through the development of leadership, organization, and management skills; and
- (4) promote a regional development framework through the institutionalization of a planning methodology, research and evaluation, and training.

#### B. Afghanistan

The Narcotics Awareness and Control Project (NACP) was authorized in December 1989 as a 42 month project, funded at \$12.5 million. It became operational in mid-1990. The project was subsequently redesigned to eliminate crop substitution and development aspects under pressure from AID/Washington, because of Congressional concerns, and eventually discontinued because of differing interpretations of relevant legal provisions of the Foreign Assistance Act (FAA) under which AID does business inside Afghanistan. The contract was terminated in January 1992.

The NACP had three project components: Narcotics Awareness, where the objective was to disseminate the message of social disintegration caused by the use of narcotics; Poppy Elimination, under which the Office of the AID Representative for Afghanistan Affairs would negotiate seven to eight poppy elimination plans with commanders or local shuras and development resources would be provided in exchange for a poppy ban; and Research and Information, which would collect information on success of poppy elimination plans, conduct research on high-value alternative crops, study determinants of poppy cultivation and make preparations for future anti-narcotics operations in Afghanistan under a bilateral program.

A number of objections to the NACP were raised by Congress, primarily by House Foreign Affairs Committee members Stephen Solarz and Larry Smith:

- A.I.D.'s lack of legal authority to conduct the project as A.I.D. is authorized only to provide humanitarian aid to Afghanistan and a crop substitution program is not humanitarian aid;
- objections were raised about the use of a contractor to implement the project, about the high technical assistance costs of the contract, and about A.I.D.'s execution of a TA contract before development of an implementation plan;
- because A.I.D. has no access inside Afghanistan, it could not effectively control or monitor how the aid was being utilized;
- project goals were unclear, including what statistical measures would be employed to gauge the project's success;
- it was not clear how enforcement would be handled;
- A.I.D.'s ability to insure compliance with Section 487 (dealing with drug traffickers) was questioned;
- the NACP was perceived as having a "crop substitution" component, an intervention categorically condemned as ineffective.

It appears that Congressional attention to the NACP was triggered by an article in the Washington Post about A.I.D.'s dealings (and alleged offer of aid) to Afghan rebel leader Naseem Akunzada, who was reputed to have controlled opium production in the upper Helmand Valley in Afghanistan. Serious objections to these alleged contacts (on the basis of Section 487 of the FAA) were apparently at the heart of Congressional antagonism to the NACP.

The Mission was instructed not to proceed with the crop/income substitution activities until an implementation plan was developed in consultation with AID/W, for approval by the Committee on Foreign Affairs. The project proceeded for a time with only the awareness and research and information components, but in the face of continued AID/W and Congressional obstacles, was ultimately terminated in January of 1992.

Project Alpha was a small pilot narcotics control program initiated in the fall of 1988, conducted under the Commodity Export Program (CEP). The project was developed as a result of a request for assistance from a Mujahideen commander in Nangarhar Province. It involved the supply of food and agricultural inputs to support this commander's efforts to curtail poppy cultivation within his area of control.

A.I.D.-financed assistance included the provision of a small number of farm implements, 600 metric tons of wheat, 47,000 Kg. of sugar, and 104,000 Kg. of ghee. The total value of the assistance inputs was \$159,264. Inputs were provided from November, 1988, through March, 1989. The wheat was intended for use as seed, but because of delays in project start-up, the wheat arrived after the main planting season. As a result, virtually all of the wheat was consumed as food.

In late spring of 1989, the commander informed AID/Rep officials that there had been no poppy production in areas under his control. No Americans or other independent monitors were deployed to verify this statement prior to harvest season. A contractor (VITA) team, sent in to the area in September of 1989, concluded that while there had been no poppy production in areas directly under the commander's control, there remained some growing and harvesting of opium in adjoining areas less subject to his influence.

It was intended that follow-on activities be continued under the auspices of the NACP, which was then under design. When obstacles to implementation of the NACP arose, Project Alpha fell by the wayside.

### 3. Lessons Learned

#### A. Pakistan

The Pakistan experience with poppy substitution projects has taught some important lessons:

- Elimination of the poppy is not possible without strong enforcement of the law; and law is not enforceable in areas where there is no commitment from the government to improve socioeconomic conditions.

- Access is the primary requirement for both enforcement and development.

- Development activities, especially when the activities evolve from a participatory mechanism which requires local involvement in the planning, financing and implementation of these activities, can help reduce local opposition to poppy substitution and enforcement efforts.

- Villagers seem to prefer subprojects that provide income generation/employment opportunities over social or community improvement subprojects. Employment generation can be addressed within the context of community-led development initiatives.

- A development strategy can be implemented to catalyze economic activities which replace poppy cultivation.

- If government commitment is forthcoming within a rational program framework, the organizational structure and know-how exist at the national, provincial and local levels of government to achieve project objectives.

- Anti-narcotics development and enforcement systems are fragile and require attention and fine tuning in order to make them work effectively. It will take most of the next ten years to achieve a sustainable anti-drug program. If the program is to carry on for the next seven to ten years, additional money and more donor support is required. In the cases where donors are not interested in providing money for anti-drug or enforcement programs, they could be responsive to a well organized development program which has as one of its goals drug reduction.

In order for the GOP to acquire additional donor support, there is a need for a more systematic and integrated approach to the anti-drug program. Such an approach would ensure 1) that enforcement, poppy substitution, and demand reduction are planned, carried out, and evaluated in a coordinated way; 2) that the entire intervention effort is linked to a longer-term development initiative for the drug producing areas; and 3) that this initiative is backed up by adequate planning, financial support and implementation authority through administrative and decision-making linkages from the District level of government to the Provincial and Federal levels.

## B. Afghanistan

Neither Project Alpha nor the Narcotics Awareness and Control Project provide sufficient concrete findings and results on what works and doesn't work in donor-assisted anti-narcotics activities in Afghanistan.

In order for AID to mount a significant anti-narcotics program inside Afghanistan, current legislative restrictions on the Agency to provide assistance (and the kinds of assistance) to Afghanistan have to be substantially revised. Failure to do so will once again invite Congressional objections and operational involvement.

The AID Rep's cross-border program of humanitarian assistance has successfully used "poppy clauses" in the contracts and cooperative grant agreements through which it implements its activities inside Afghanistan.

"<sup>A</sup>Poppy ~~leas~~: Project activities will not be located in areas in which it is known that poppies are grown, unless the local community government (shuras and/or commanders actively seek assistance in reducing poppy production."

This has served reasonably well in keeping educational, health, agriculture and rural reconstruction activities out of poppy-producing areas. What is less clear is that the local authorities in poppy producing areas see the linkage between the lack of AID-funded humanitarian assistance activities in their areas and poppy cultivation.

## C. General

While development principles can be applied to some projects, unless there is a sense of "ownership" or responsibility at the local level, results are likely to be disappointing. The lack of local ownership can establish a subsidy mentality, and the possibility that poppy cultivation will return when subsidies are phased out. Subproject or activities selection and implementation processes must be directed to reflect local development priorities and participation, since it is the local perception of development which will persuade villages not to grow poppy. Local participation and priority-setting are, moreover, expected to respond to growing demand for employment and income-generating activities.

Although one cannot expect the cost of local projects to be fully borne by the local residents, at least in the initial stages, care should be taken to avoid overt subsidization of

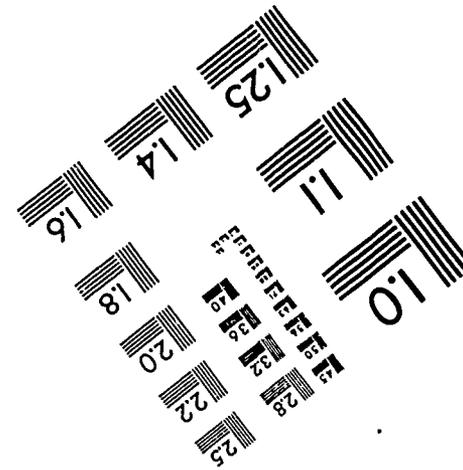
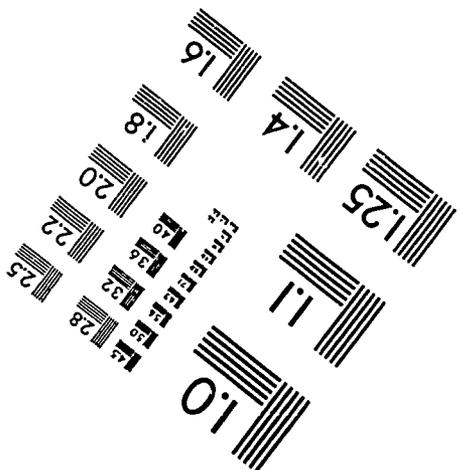
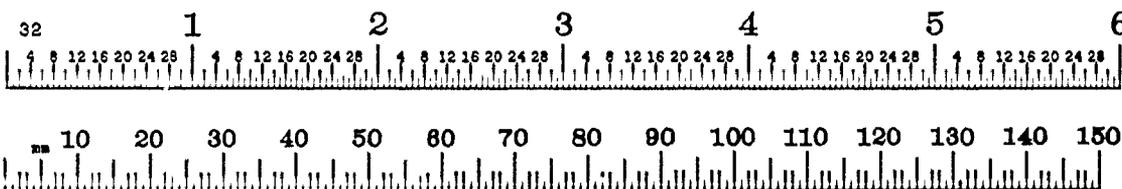
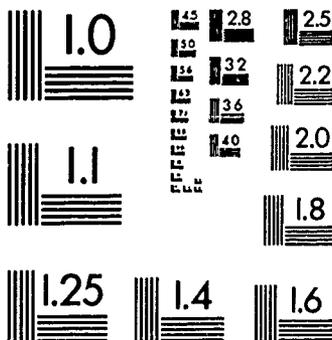
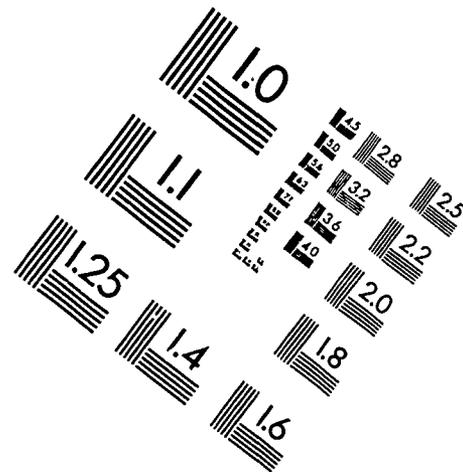
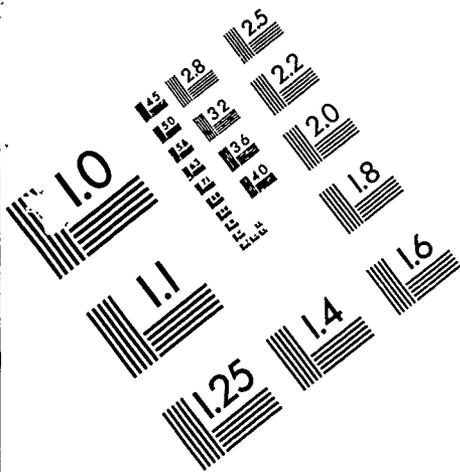
consumables (food). The history of using such enticements may make it difficult politically for the government to resist pressures to repeat this practice.

Governments and donors alike have inadequately focussed on financial and sustainability issues, or on the need for longer-term poppy elimination activities. In most anti-narcotics programs of this nature there is no overall host country strategy, timetable, or management system to guide and coordinate projects, assess needs or organize sustained support for them. Some of this requires technical assistance and training on the part of donors. Often government commitment from the top down is deficient in focussing on and coordinating the longer-term planning, financing and implementation of the overall program. This commitment can be strengthened if donors agree on problem identification and apply pressures on the host governments to take stronger actions.

In the case of Pakistan and Afghanistan, there will be a need to increase coordination among both governments and donors on anti-narcotic programs, since much of the poppy growth and increasing amounts of heroin production now come from Afghanistan. The initiation of a bilateral anti-narcotics program through the Office of the AID Representative for Afghanistan Affairs may facilitate such coordination. Resolution of the current political and military chaos in and around Kabul would also facilitate such efforts.

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