

UNITED STATES DEPARTMENT OF STATE BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

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"Future U.S. Counternarcotics Efforts in Afghanistan"

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Chairman Feinstein, Co-Chairman Grassley, and other distinguished Senators, thank you for the opportunity to appear before you today to discuss counternarcotics efforts in Afghanistan. The State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL), which I have the honor to lead, works alongside our Afghan partners to help them develop and sustain programs to minimize all stages of the drug trade, including cultivation, production, trafficking, and use; to better protect vulnerable populations from the scourge of drugs; and to bring to justice major traffickers. These programs are works in progress. There is no silver bullet to eliminate drug cultivation or production in Afghanistan or address the epidemic of substance use disorders that plagues many poor Afghans. But we are successfully building Afghan capacity to implement and lead counternarcotics efforts.

Afghanistan today produces well over 80 percent of the world's illicit opium, undermining good governance and public health, subverting the legal economy, fueling corruption and insecurity, and putting money in the hands of the Taliban. The narcotics trade has been a windfall for the insurgency. The United Nations (UN) estimates that the Afghan Taliban received at least \$155 million annually from narcotics-related activities including taxation, protection, and extortion.

Equally worrisome is the impact of the narcotics trade on Afghanistan's democratic institutions and human development, which the United States has supported through heavy investment. At every level of the illicit narcotics market – from cultivation to production to trafficking and consumption – the narcotics trade undermines good governance and saps the capacity of the Afghan people. It is noteworthy that Afghanistan now has one of the highest opiate usage rates in the world.

According to the UN World Drug Report, Afghan opium fuels a global trade that generates over \$60 billion in profits for corrupt officials, drug traffickers, organized criminal groups, and insurgents. And while the Drug Enforcement Administration (DEA) estimates that only a small portion of the heroin in the United States currently originates in Afghanistan, there is clear potential for transnational criminal networks to adapt and for this amount to increase in the years ahead.

Afghan poppy cultivation increased significantly in 2013. While cultivation is only one indicator of counternarcotics progress, it was

disappointing news, as was the reported decline in poppy eradication by provincial authorities. With the vast majority of opium poppy cultivated in the least secure areas, poppy farming is inextricably linked to security. Illicit actors, including insurgents, profit from narcotic sales. And in 2014, preparations for the critical spring elections will create competing demands on Afghan security forces who assumed the security lead from international forces only six months ago and continue to build their capacities.

Despite these tough realities, we have seen encouraging progress in the Afghan government's counternarcotics capacity. In particular, there have been positive developments in areas such as interdiction, prosecutions, treatment services for substance use disorders, and alternative livelihoods for Afghan farmers. We have also seen that farmers are less likely to grow poppy in communities where the government has established a strong foothold and where basic development facilities, such as electricity, medical clinics, and schools, are available.

Together with the United Kingdom, we have helped the Afghan government stand up skilled Afghan interdiction units with specialized intelligence capabilities. Over the past several years, we have seen a steady increase in the amount of illicit narcotics seized by the Counter Narcotics Police of Afghanistan (CNPA) and its vetted units, which have been trained through U.S. programs. The growing and self-sustaining capacity of these vetted units is the direct result of the mentoring, training, and assistance of U.S. programs, which INL implements with our partners at the DEA and Department of Defense. INL successfully transitioned the Kunduz Regional Law Enforcement Center to the Afghan Ministry of the Interior (MOI) in September. The MOI now manages this center and it continues to be used by the CNPA vetted units for sensitive interdiction missions.

The Counter Narcotics Justice Center (CNJC), a fully Afghan facility with jurisdiction for the investigation, detention, prosecution, and trial of major narcotics cases is another important development. INL, in partnership with the U.S. Department of Justice and the United Kingdom, provides advisory and facility operations assistance to the CNJC. During the most recent Afghan calendar year (March 2012-March 2013), the CNJC's Primary and Appellate Courts each heard the cases of over 700 accused. The CNJC Investigation and Laboratory Department processed cases involving more than 233 metric tons of illegal drugs – a 26 percent increase over the previous year. The CNJC is often cited as one of the premier

judicial institutions in Afghanistan and is where U.S.-designated drug kingpin Haji Lal Jan was tried last year and ultimately received a 15-year prison sentence. Recently, Afghan prosecutors at the court secured three convictions based on conspiracy statutes rather than seizures, demonstrating their use of additional provisions of Afghan law.

Drug treatment is another area where the Afghan government and civil society are making significant progress. The U.S. and other donors have provided substantial support to enable the Afghans to establish a network of over 100 facilities across the country offering evidence-based treatment services. We are now in the process of transitioning responsibility for all drug treatment services to the Government of Afghanistan. As a first step, the Ministry of Public Health has committed to hiring the clinical staff at all drug treatment centers as government employees, which is critical to ensuring that these programs will be sustained under Afghan ownership in the years ahead.

Supporting economic alternatives to poppy cultivation is also critical. While alternative development programs are best addressed by my colleagues at the U.S. Agency for International Development, last month we joined the Afghan government in launching a new Food Zone in Kandahar. Building on the successes and lessons learned from the Helmand Food Zone, which I know that this Caucus is very familiar with, the Kandahar Food Zone (KFZ) will provide comprehensive counternarcotics support: alternative livelihoods, law enforcement, public information, and demand reduction – in key districts in Kandahar province. I must thank the Caucus for its support of the expansion of this program, which has been a positive tool for the Afghan government.

Our work with the Afghan Ministry of Counter Narcotics (MCN) cuts across all of these efforts. In recent years, the leadership and staff of the MCN have demonstrated increased effectiveness in designing counternarcotics policies across the relevant Afghan ministries and in implementing counternarcotics programs nationwide.

Each of these positive developments has matured in spite of a difficult security environment, entrenched corruption, and criminal groups that have worked to undermine progress. But while the challenges are many, let us also keep them in perspective. The estimated value of opium to the Afghan economy has remained relatively stable over the last decade. Yet

Afghanistan's legal economy has grown steadily. As a result, the potential net export value of opiates now make up a much smaller fraction of Afghanistan's economy – from 60 percent of the GDP in 2003 to 14 percent in 2013. Today, poppy is grown on less than three percent of Afghanistan's farmable land – roughly the same amount of land devoted to rice and one tenth as much as is devoted to wheat production. In short, Afghanistan's drug challenge may be formidable, but it is not insurmountable.

As our government's policy makers define the scope and shape of our engagement in Afghanistan post-2014, we will be ready to tailor our security assistance programs to meet them. We are reviewing our INL counternarcotics programs to assess how to enhance their impact and to ensure we can maintain robust oversight even with anticipated reductions in staff mobility. Several principles will guide our efforts:

It will be essential that we help our Afghan partners preserve the capacities they have developed with our support. The Afghan government that emerges from next year's elections will need to possess the capabilities – and the political will – to make further progress in the post-2014 period.

Counternarcotics efforts within Afghanistan are fundamentally the responsibility of the Afghan government and people. This is why, across the board, we will focus even more intensively on building the Afghan government's capacity to successfully and sustainably take responsibility for future efforts. The Afghan opiate trade extends, however, far beyond Afghanistan. For this reason, we also stress and encourage bilateral and multilateral assistance from the international community, as agreed to in the Tokyo Mutual Accountability Framework, to support counternarcotics efforts in Afghanistan.

A number of our partners, including the United Kingdom, Canada, and Japan, already provide significant assistance to build the Afghan government's capacity. We are re-doubling our efforts to bring additional countries to the table, particularly those which are most affected by Afghan opiates. For example, last month in Bangkok, we joined key regional countries – including Afghanistan, Pakistan, India, and China – to address precursor chemicals by identifying best practices, tools for tracking chemicals, and next steps to combat illicit trafficking of precursors.

Our counternarcotics efforts do not take place in a vacuum – they are an integral part of the broader U.S. strategy for Afghanistan. We will continue to ensure our CN programs are well integrated with broader U.S. efforts, including assistance programs aimed at supporting a vibrant legal economy. Regardless of the shape or scope of our future counternarcotics efforts in Afghanistan, rigorous monitoring, evaluation, and oversight are necessary to ensure that our assistance has an impact and that our programs are safeguarded from waste and abuse. As the U.S. footprint shrinks, we are regularly reviewing our multilayered oversight approach that includes U.S. direct hires having eyes-on wherever possible, supplemented by locally employed staff, independent third party audits, and reporting from implementing program partners and intergovernmental organizations.

As we look to the end of 2014, Afghan capacity to weaken narcotics production and trafficking will only become more important. To be successful, Afghan political will is critical, but we must also sustain assistance with programmatic support and advice. Our experience elsewhere in the world demonstrates that counternarcotics is a long-term effort, hand in glove with the equally long-term challenges of good governance and sustainable economic growth. Success generally requires sustained, long term efforts, so that our partners can develop the necessary capabilities to deliver real results. A diverse, well-coordinated set of programs to support Afghan counter-narcotics capacity, with support from across the interagency and our partners here on the Hill, will be necessary.

Thank you Chairman Feinstein, Co-Chairman Grassley, and members of the Caucus, for your time. I will do my best to address your questions.