



Institute for Demography, Migration and Regional Development  
(Russian Federation)

Center for Strategic and Foreign Policy Studies  
(Republic of Belarus)

# A New Generation of Alternative Development Programs for Elimination of Drug Production in Afghanistan

Project leader  
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*An Analytical and Project Report*

Moscow 2014



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The authors of this report submit a new ideology for solving the Afghanistan problem: “Security through Development”. The report proposes to organize a comprehensive snowballing development strategy for Afghanistan commencing between 2015 and 2025. The strategy will be implemented within the framework of new generation alternative development programs, including accelerated and boosted industrialization. This approach is deemed the only possible way of achieving one of the international community’s top priority goals: elimination of a planetary drug production center in the heart of Asia.

The report has been prepared by the civil society organizations of Russia and Belarus as a discussion paper for the Second Experts Meeting in the Framework of Russia’s G8 Presidency on “Alternative Development for Drug Producing Regions” to be held in Moscow on March 25, 2014.

The authors of the report call on experts, specialists and any interested parties to submit their remarks and suggestions. The latter will be summarized at the Experts Meeting and will later be considered at the G8 Ministerial Meeting on Countering the World Drug Problem, planned for May 15, 2014.

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## **Introduction**

An extremely important event, though practically unnoticed by the world media, took place on December 18, 2013. At its 68th session, the United Nations General Assembly adopted the resolution A/RES/68/196 called “United Nations Guiding Principles on Alternative Development”.

This document is the result of the international community’s several decades long fight against production of drugs in different countries and a concentrated expression of experience gained during this fight. Alternative development is actually the only method so far which allowed humanity to eliminate or substantially reduce drug production in a number of regions. Though its implementation has also brought dubious or negative results in some cases. That is why the consistent effort for systematization and updating of this method carried out while drafting the UN Guiding Principles, endows the international community with a powerful instrument for fighting the production of drugs at a new stage.

The primary goal of the moment is to provide precise and competent implementation of those Principles for tackling a very specific and urgent issue of drug production in Afghanistan — the phenomenon which has not only gone out of the international community’s control, but has also turned into a major threat to international peace and security.

Achieving this goal will allow the international community to enrich the Post-2015 Development Agenda currently being elaborated in the framework of the Millennium Development Goals process. Besides it will allow the international community to arrive at the United Nations General Assembly special session on world drug problem in 2016 with practical results and field-proven approaches.

It is not too much to say that dealing with the situation in Afghanistan will be crucial for defining the direction and content of global drug control efforts for the next 10–15 years.

## **Ending the No-Goal Mode in Dealing with Planetary Drug Production in Afghanistan**

The production of drugs in Afghanistan is a unique and eminently planetary phenomenon. The territory of the country is home to over 90 % of world opium production and considerable amount of world cannabis cultiva-

tion. From 2001 to 2013, opium cultivation in Afghanistan grew 26 times reaching the record level of 209 000 hectares.

Figure 1. Opium cultivation in Afghanistan, 2001–2013 (Hectares)

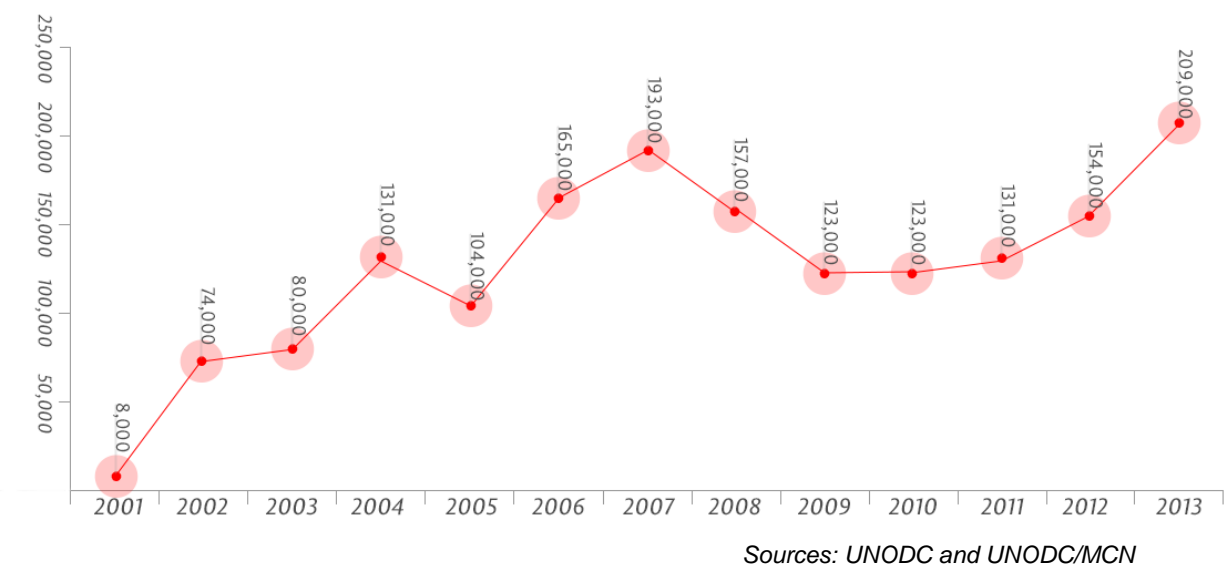
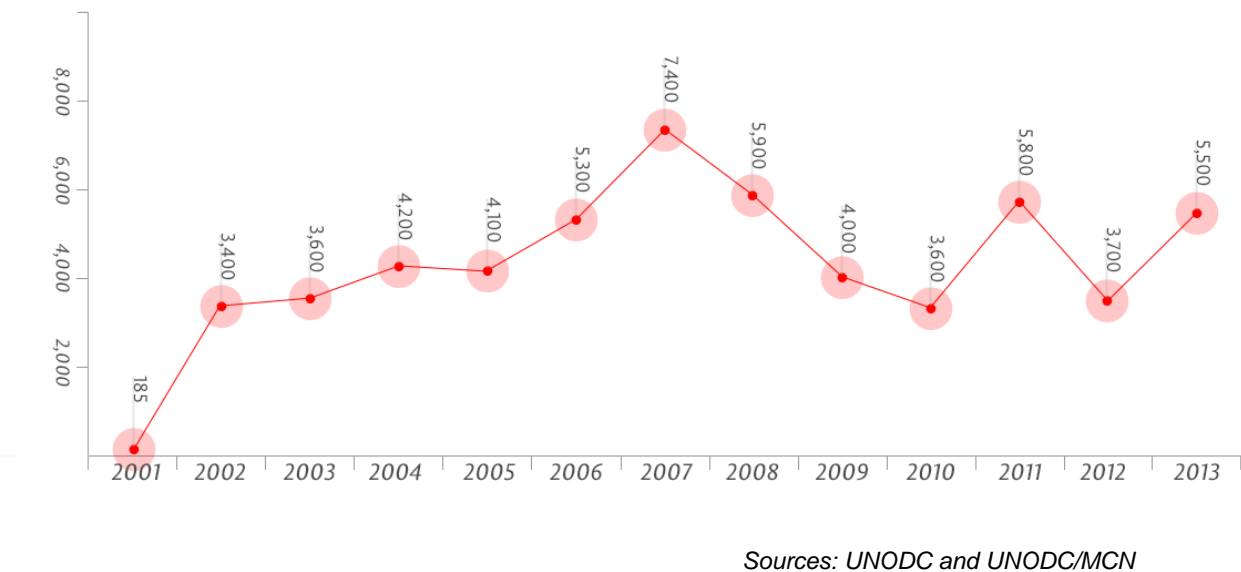


Figure 2. Opium production in Afghanistan, 2001–2013 (Tons)



Despite the colossal scale of the problem it is surprising that the goal of elimination drug production in Afghanistan has actually never been set by the international community.

Only the Afghanistan Compact adopted at the London Conference in 2006 mentions “a sustained and significant reduction in the production and trafficking of narcotics with a view to complete elimination” as an aim for the international community and the Government of Afghanistan (though making it mainly the responsibility of the latter). Regretfully this provision was not included in the ISAF mandate, mentioned in further United Nations Security



Council Resolutions on Afghanistan or in any other documents and decisions with regard to this country.

The concluding documents of all specialized forums on the situation in Afghanistan (London 2010, Bonn 2011, Tokyo 2012, Istanbul 2012 conferences, NATO 2010 Lisbon Summit, NATO 2012 Chicago Summit) either ignore drug control issue or acknowledge “determination to counter” the menace of illicit drugs, including drug precursors with no concrete goals, tasks or obligations being stipulated. Neither do the declarations of the Paris Pact concentrate on fighting drug production, promoting instead the fight on trafficking in opiates.

Moreover, a number of high level experts and executives promote in their statements and decisions the idea of contraposition of fighting drugs and providing security in their statements and decisions. Say, in November 2004 the US Cato Institute Expert Tedd Galen Carpenter stated that “the Drug War in Afghanistan Undermines America’s War on Terror”<sup>1</sup> reiterating this in 2009 by saying that the “war on opium in Afghanistan would harm the fight against radical Islamic terrorists”<sup>2</sup>.

This idea forged a new US-NATO approach to the problem of drugs in Afghanistan which took shape in 2009–2010 and included rejection of eradication, compromising drug control efforts for anti-terror efforts and other moves. This was followed by rapid growth of opium cultivation in Afghanistan in 2011–2013.

However today experts and politicians admit that elimination of planetary drug production in Afghanistan is the key to stability and prosperity of the country and security of the region. It is also crucial for compliance with the international community’s obligations under the Political Declaration and Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development adopted by the General Assembly at its twentieth special session, the Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem, adopted by the General Assembly at its sixty-fourth session.

The international community has come to consider the production of drugs in Afghanistan as a global challenge. The first step to successfully tackling it is setting the right goal — the goal to eliminate drug production in

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<sup>1</sup> Ted Galen Carpenter. 2004. “How the Drug War in Afghanistan Undermines America’s War on Terror.” Cato Institute Foreign Policy Briefing No.84. <http://www.cato.org/publications/foreign-policy-briefing/how-drug-war-afghanistan-undermines-americas-war-terror>

<sup>2</sup> Ted Carpenter, David Rittgers. 2009. “Fight drugs or terrorists – but not both.” *theguardian.com*, Friday 6 March 2009. <http://www.theguardian.com/commentisfree/cifamerica/2009/mar/03/usforeignpolicy-afghanistan>

Afghanistan. The fact that this has not been done before could not be an excuse for not doing this today, when in addition to everything else we are facing the “post-2014” problem.

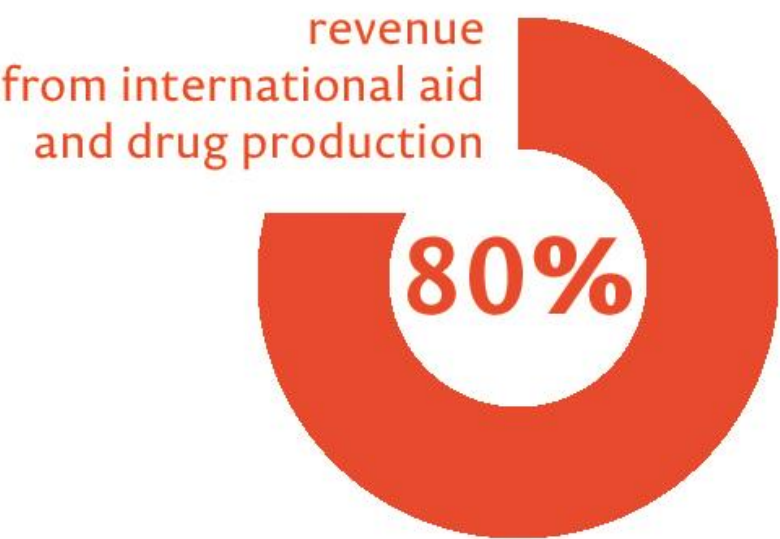
## The Core Problem: Providing Employment

The core problem that contributes hugely to undermining security as well as expanding cultivation and production of drugs in Afghanistan is severe shortage of legal jobs and consequently lack of means of subsistence for the majority of population.

Annual per capita income in Afghanistan is about 622 US dollars (just over 1000 US dollars in purchasing power parity). More than one third of the population (over 11 million people) officially lives below the poverty line.

The major factor contributing to low income is unemployment which soars to 40–80 per cent according to different evaluations. As experts point out, foreign troops’ withdrawal and respective cut-off in foreign contracts employment will rip a whole layer of Afghanistan population of legal source of income.

**Figure 3. At least 80 % of revenue for Afghanistan economy come from international aid, international expenditure on country’s territory, production of drugs and related activities**

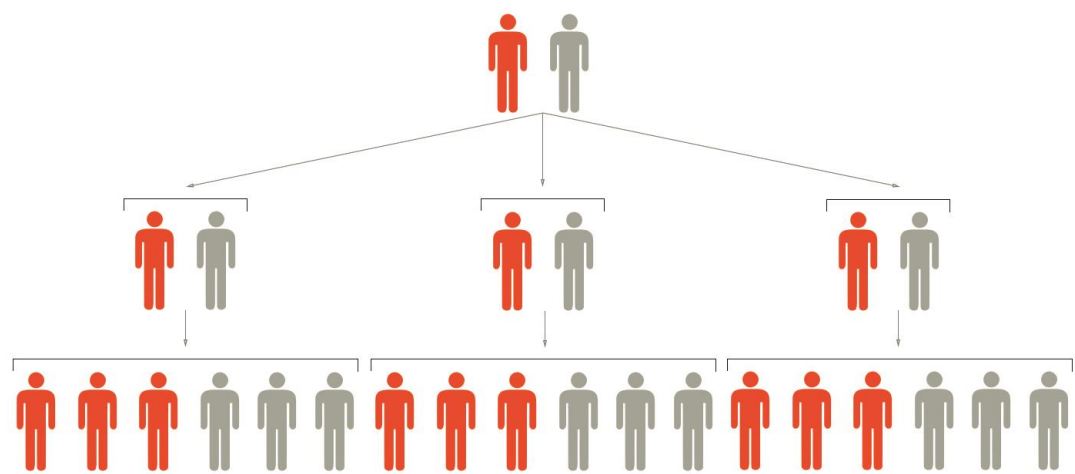


Thus, today’s economy of Afghanistan does not provide enough jobs even for the existing work force. But the country’s population is one of the most rapidly growing in the world. Every Afghan woman gives birth to an average of 6 children. The share of the population aged 0 to 14 years old is 43 %

(more than 13 million people). Every year, several hundred thousand new potential employees join national labor market. Apparently, none of them has the perspective of legal employment under existing economic conditions. The majority of them will probably be involved in production of drugs, organized crime or insurgency. This economic-demographic-insecurity spiral alone is enough to fuel drug production and conflict in Afghanistan for ages.

**Figure 4. The fundamental problem: high fertility rate and slow economy growth rapidly increase the number of unemployed**

*(red – unemployed)*



After more than a decade of flourishing opium cultivation in Afghanistan this industry has created its own sustainable social basis. It is made up of the poorest farmers of Afghan provinces, mostly without land, who are pulled into poppy cultivation by having no alternative livelihoods. They get land, equipment, fertilizers, credits, some sort of security and guaranteed demand for their production from their customers — drug traffickers. And when those positive incentives do not work farmers are merely forced into opium cultivation.

The dynamics of opium cultivation reveals how this social basis of drug production is not only reproduced, but constantly expanding. The growth of cultivation by 36 % in 2013 alone supposes respective increase in number of farmers and their families involved in producing drugs.

This makes up a new quality of the phenomenon of drug production in Afghanistan. Out of being a consequence of international and internal conflicts and poverty it turns into a sui generis source of armed conflicts, extreme poverty, terrorism, extremism and organized crime which poses a separate threat to international peace and security and to stability of Afghanistan itself. Out of a challenge for law enforcement the production of drugs has become a threat to international security in the region.

But the only effective response to this international security threat is the one that encompasses a strategy for rapid economic development of Afghanistan creating a dynamic legal economy of the country, the respective social basis and overcoming social and economic depression in the region. Such a strategy forged in the framework of the universally accepted ideology of alternative development is the only response adequate to the unique nature of the actual threat. Enforcement measures for disrupting the social basis of drug production in this context should have rather limited scope.

Unless legal economy in Afghanistan creates its own wide social basis, unless the issues of jobs and legitimate livelihoods for the majority of population are settled, the problem of drug production in Afghanistan can never be solved.

## **Alternative Development**

In the 20th century, none of the methods of fighting drug production demonstrated such promising results as alternative development. That is why today it is an essential part of an integrated and balanced approach exercised by international community for tackling the world problem of drugs. Moreover it is actually the only instrument enabling the international community to affect economic and social factors that contribute to flourishing opium cultivation and production in Afghanistan.

The first experience in organizing agricultural development which allowed to substitute illicit crops with legal ones came long before the very notion of “alternative development” emerged. The major contribution to this experience was forged by cooperation of the Federative Republic of Germany and the Kingdom of Thailand which took start with the founding of a Thai-German technical school in Northern Bangkok back in 1959.

Crucial for international recognition and evolution of the “alternative development” concept was the Thai-German Highland Development Program, implemented from 1981 to 1998. Its brilliant outcomes made significant contribution to discussing alternative development at the United Nations General Assembly 20th special session in 1998.

At this event, a historical document — the Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development — was adopted. It defined alternative development as a process to prevent and eliminate the illicit cultivation of plants containing narcotic drugs and psychotropic substances through specifically designed rural development measures in the context of sustained national economic growth and sustainable development efforts in countries taking action against drugs, rec-

ognizing the particular sociocultural characteristics of the target communities and groups, within the framework of a comprehensive and permanent solution to the problem of illicit drugs.

The existing invaluable experience in the field of alternative development was brought together and systematized in experts and diplomatic reports, events and practices such as the 2002 Feldafing Conference; the Commission on Narcotic Drugs report “Alternative Development: a global thematic evaluation” (2005); the International Narcotics Control Board report for 2005 (the Chapter “Alternative development and legitimate livelihoods”, made public in 2006); the World Bank and Department for International Development of the Foreign Affairs Office report “Afghanistan Economic Incentives and Development Initiatives to Reduce Opium Production” (2008); the United Nations Office on Drugs and Crime report “An Assessment of the Impact of the Global Financial Crisis on Sustainable Alternative Development” (2010); reports and extensive field-work of the German state company “Gesellschaft für Internationale Zusammenarbeit” (“GIZ”); the Berlin Conference “Outreach to new Stakeholders in the Field of Alternative Development” (2013) and others. They show the several decades long evolution of the concept: from discrete monoculture — based measures to replace illicit crops through agricultural and sociocultural development projects in separate locations to sustainable and comprehensive programs of regional development integrated into national and international strategies of poverty reduction and social and economic development.

In each region, successful cases included a unique constellation of different components such as alternative development, law-enforcement measure, eradication and others. And every time this constellation was forged anew proceeding from the specific on-ground conditions, the analysis of the mistakes made and understanding of the drawbacks of accepted approaches. But this persistent work with each situation in its uniqueness has also made possible the elaboration of universal recommendations that pave the way to implementing effective alternative development programs. Those recommendations were brought together in the United Nations Guiding Principles on Alternative Development adopted by the United Nations General Assembly on December 18, 2013 (Resolution A/RES/68/196).

## **Alternative Development Is Development**

It is crucial for delivering the effectiveness of alternative development programs to assure long-term government commitment to supporting them and integrating them deep into the regional, national and international programs and strategies for social and economic development. This is true at micro- as well as macro level. If an alternative livelihood is created and sus-

tained only through massive government support, is not integrated into national and international markets and institutional framework, then contraction or seizure of state support could easily lead to collapse of such legitimate livelihood and resumption of drug production. It is all the more so in the time of global crisis which, according to the experts' evaluations, already had a strong negative impact on alternative development.

At macro level, such a livelihood would apparently have little chance of getting such wide-scale government support for long as well. The states facing the problem of mass scale drug production are mostly weak or "failing" states with scarce finance and huge corruption. They can implement such unsustainable alternative development projects only in case they are part of efforts funded by international aid.

Therefore it is important to underline that in the concept of "alternative development" the core notion is "development". "Alternative development" is all about organizing accelerated development that can effectively and in sustainable manner substitute drug industry and disrupt its social basis. It is only when this effect is provided that alternative development also brings long-term and significant reduction in cultivation and production of drugs. This fundamental idea was stipulated in the United Nations Guiding Principles on Alternative Development:

*"Alternative development policies are an important component of enhancing development in States affected by, or in some cases at risk of, the illicit cultivation of crops used for illicit drug production and manufacture, and play an important role in national, regional and international development policies and in comprehensive policies of poverty reduction and cooperation."*

Thus, alternative development is defined as development carried out under specific conditions — in states affected by, or in some cases at risk of, the illicit cultivation of crops used for illicit drug production and manufacture. This approach takes full account of the official approach of the European Union set out in the document of the Horizontal Working Party on Drugs (9597/06 dated May 18, 2006). The paper affirms that the concepts of "alternative development" and "general rural development" are not different to each other "except that there is a twin link with illicit drug crop cultivation in the first case". "Alternative development" means rural development in areas in which illicit cultivation exists, or in which illicit cultivation has existed and could come back, or in which illicit cultivation could exist if no action is taken, or from which people could migrate towards drug cultivation activities and areas. Therefore "in these efforts, a stronger emphasis than in "regular" rural development co-operation initiatives is placed on the notion of "alternative", i.e., alternative to drug cultivation".

For international law "alternative development" is essentially a policy directed at implementation, in an unfavorable environment shaped by production of drugs in a country or region, of the fundamental human right for

development. This right stipulated in the Declaration on Social Progress and Development (1969) and Declaration on the Right to Development (1986) belongs to inalienable human rights. In this context the principles of interconnectedness and indivisibility of human rights give a good idea of how alternative development is connected to a wider development framework including economy, governance, security and other fields.

Another important aspect of alternative development is seeing international aid for it as a part of mutual development policy. The concept of mutual development (co-development) was elaborated by the Russian Institute for Demography, Migration and Regional Development. It proposes that international cooperation will be most effective in a situation when its parties acting to solve economic or political issues are aimed at creating big volumes of new assets and value rather than at using and redistributing the existing assets. In the case of eliminating drug production in Afghanistan it is worth understanding that successful efforts for alternative development of Afghanistan would bring mutually beneficial results for all stakeholders. Such approach turns the fight against production of drugs in Afghanistan into a win-win game for all key players from the international community to farmers in Helmand, Nanganhar, Kunduz or Badakhshan.

## **Accelerated Industrialization as a New Method of Alternative Development (the Russian Plan)**

The production of drugs in Afghanistan is a unique planetary phenomenon characterized by extreme levels of all factors that are traditionally viewed as fuelling drug production in the context of alternative development. These are poverty, mass unemployment, rapid growth of population, weak social services, lack of water and energy for legal economy, low efficiency of state institutions, low level of security and others. The specific situation in Afghanistan requires not only precise, consistent and locally adjusted implementation of the UN Guiding Principles on Alternative Development, but also a significant advancement in understanding the alternative development itself.

The problem is that the core requirement for effectiveness of alternative development programs — their full-fledged integration into wider national and regional programs and strategies of economic development — cannot be met in Afghanistan. And the prime reason for that is the absence of a vibrant and dynamic legal economy capable of creating framework conditions for sustainability of alternative development programs. Afghanistan simply lacks development that could encompass the programs of alternative development carried out on its territory. This is the primary challenge for international community.

A response to this challenge should include a new vision of alternative development in Afghanistan.

Today Russian civil society organizations come up with such new vision based on the idea of accelerated industrialization of Afghanistan and development of the basic economic infrastructure in the framework of a Comprehensive International Plan for Alternative Development of Afghanistan. In fact accelerated industrialization should be considered as a new method of alternative development involving urban as well as rural areas. Though urban areas have never been at the centre of alternative development agenda, it is obvious that their economic upsurge as well as a new comprehensive urban planning policy is crucial for the success of alternative development in Afghanistan. It is even more so in the context of new-industries-driven urbanization which needs to be balanced and economically consistent.

Moreover the snowballing development effect of the accelerated industrialization should not only become an effective instrument of substantial long-term drugs supply reduction, but also contribute to demand reduction which corresponds to the recommendations of the INCB Report for 2005. Without a drastic cut of Afghanistan's 1.5-million "army" of drug abusers the victory over drugs in the country can never be secured.

Russia has a unique and generally positive experience in organizing industrialization and economic upsurge in Afghanistan. It was gained during the USSR-Afghanistan cooperation in 1970–1980-s. Huge Soviet investments helped create 142 major infrastructure and industrial assets which made up the basis of the country's economy. This was carried out despite the need to conduct combat operations against internationally backed insurgency.

Today when the international community is united in its strife for providing security, stability and economic prosperity in Afghanistan, the efforts of that kind could be many-fold more effective. Actually they represent the only viable strategy for fighting drugs in this country — the strategy of ensuring security through development.

Afghanistan needs A Comprehensive International Plan for Alternative Development with the program of accelerated industrialization in its core.

Such a Plan would allow to implement the policy of transformation toward self-reliance which was adopted by the convening parties at the Tokyo Conference under the leading role of diplomacy of Japan, one of three major donors of international aid for Afghanistan. In this context the Plan could become a key instrument for making international efforts more concentrated, results-driven and transparent, allowing to see a substantial improvement of the situation in Afghanistan within a feasible time-frame.



# The Comprehensive International Plan for Alternative Development of Afghanistan

The Comprehensive International Plan for Alternative Development of Afghanistan based on the program of accelerated industrialization, will include four areas of focus:

1. Building basic infrastructure necessary both for the housing sector and for economic programs that will create new jobs.
2. Building new and expanding existing industries providing mass employment and raising the income level for substantial share of population.
3. Providing enhanced access to socio-cultural infrastructure, including in the first place medicine and education. Building up qualified workforce for the new Afghanistan economy through concentrated efforts in professional education including both training Afghan youth abroad and creating new education establishments in the country.
4. Providing security through national reconciliation policy and an uncompromised fight against drug production and trafficking, corruption and insurgency.

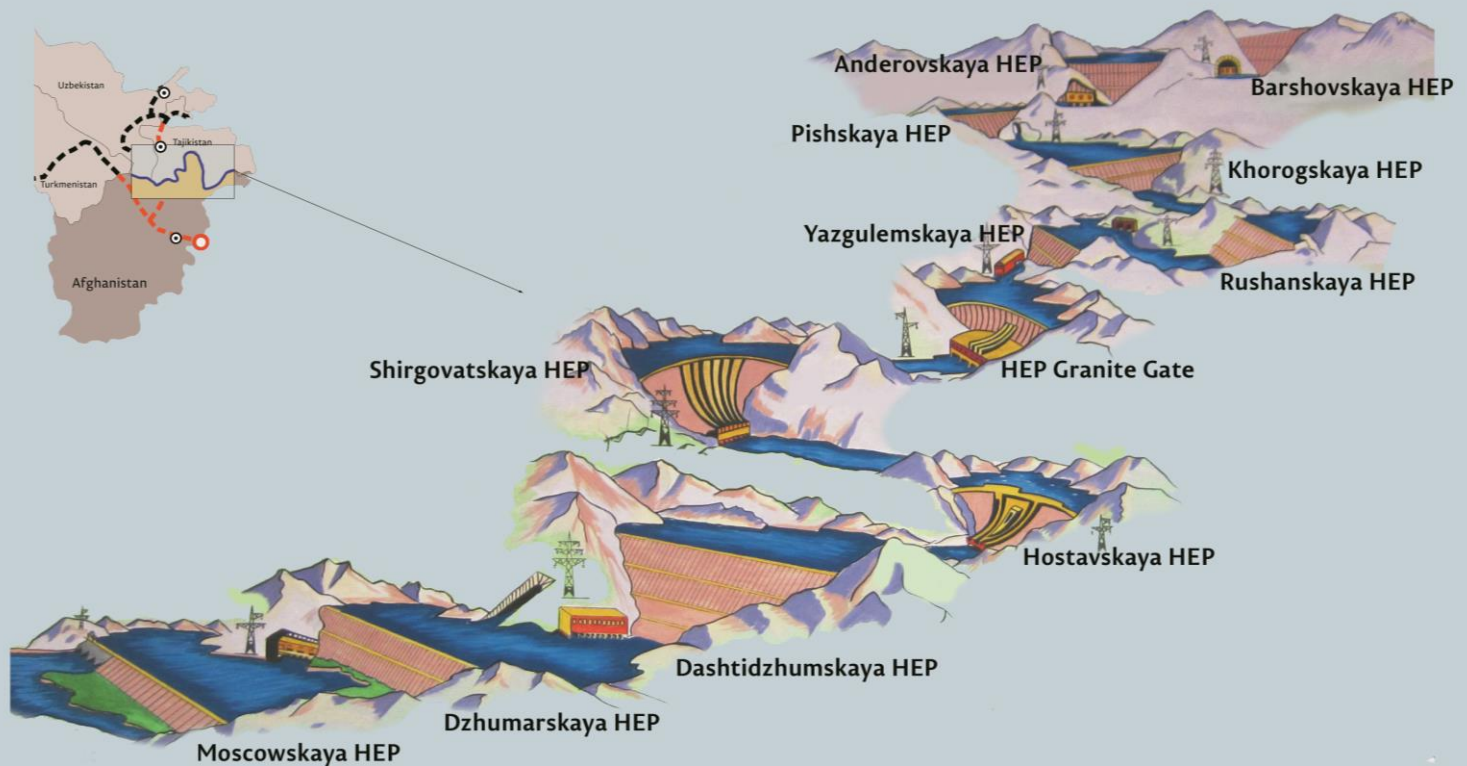
Implementation of the Plan and related economic projects in countries around Afghanistan will help create a common market with over 300 million consumers in Afghanistan, Pakistan, Iran, Tajikistan, Kyrgyzstan, Uzbekistan and Turkmenistan.

The following investment proposals make up the part of the Plan that could be implemented with organizational oversight of the Russian Federation (based on the experience of the USSR–Afghanistan cooperation in the 20th century). The full version of the Plan should be developed through intersectoral international cooperation during 2014 and 2015 (see chapter “The Road Map for Elaboration and Implementation of the Plan”).

## Development Infrastructure

A top priority for Afghanistan economy is the development of electric power industry that can boost the industrial development and drastically alter the quality of life of Afghan people. The major strategic investment project in this field capable of providing enough energy for carrying out primary industrialization of the country is **constructing a chain of hydroelectric power plants on the River Pyandzh (Panj)**, a transborder waterway between Afghanistan and Tajikistan.

**Figure 5. A chain of HEPs on the River Pyandzh — a way towards sustainable energy sector in Afghanistan**



This project supposes building 12 dams and providing summarily up to 17.5 gigawatt of installed generating capacity. The first stage of the project includes construction of Dashtidzhum and Rushan HEPs that will provide up to 7 gigawatt of installed generating capacity.

If this energy is divided equally between Afghanistan and Tajikistan, even the first stage capacities will cover all the energy needs claimed by the Ministry of energy and water of Afghanistan until 2020. This opens up the opportunity for starting primary industrialization.

At the same time, the creation of water reservoirs as a by-product of HEPs will give the water resources necessary for reconstruction and expansion of the irrigation infrastructure in Northern Afghanistan.

The required investment for the first stage of the project are evaluated at 7 billion US dollars.

One of the major consumers of electric power generated by the chain of HEPs could be **an electrified railway section connecting the republics of former Soviet Middle Asia to Pakistan through the territory of Afghanistan.**

This section of the India-Siberia railway would go through the Afghanistan territories rich in mineral resources, particularly rare earth metals. The

potential value of their stockpiles in the region is evaluated at about 2 trillion US dollars. The construction of the railroad will boost their value by 50 per cent at least.

**Figure 6. Transport infrastructure for Afghanistan development. Russia’s proposals**



**New Industries**

Accelerated industrialization of Afghanistan as a new method of alternative development includes two major directions. The first one is creating new large-scale industries such as mining, engineering, chemical industry, machine-building and others. The second direction is creating, expanding and supporting so called network industries based on local population’s traditional

crafts with a view to shaping competitive models of their operation on national and international markets.

In the framework of the Russian vision the principle strategic investment projects of the first direction are the following.

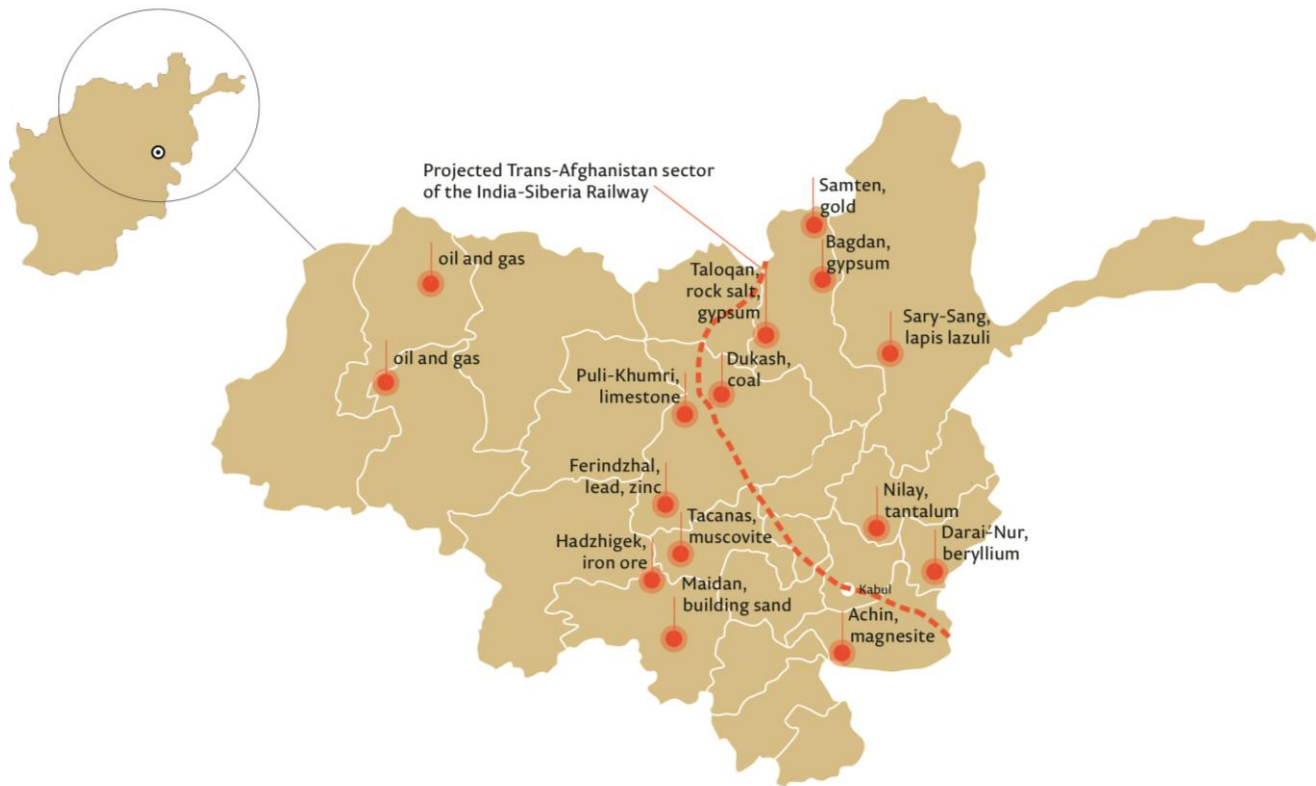
**Creating an energy-intensive chemical manufacturing facility for electrolysis of hydrogen and its further processing.** The main products of the complex will be pure hydrogen, nitrogen, nitrogen fertilizers. Part of them will be consumed in Afghanistan and another part will be exported to South East Asia and other regions.

Other initiatives for energy-intensive production facilities capable of converting energy into competitive and high-demand products providing high returns for investment in hydropower industry should also be considered.

The required amount of investment is evaluated at 1.5 billion US dollars.

**Implementation of mining projects and building of mining and concentrating plants** will be made possible due to construction of railways in the region. Such investment fields as exploration and production of crude oil and natural gas, modernization of gold-mining facilities, developing the production of construction supplies are particularly attractive.

**Figure 7. The Trans-Afghanistan railway will allow to drastically expand the mining industry in Afghanistan**



Transport infrastructure, energy and raw materials supply will create conditions for creating **processing facilities and assembly plants** working for the internal as well as international markets (producing automobiles, agricultural vehicles, diesel-generator sets, mini-HEP equipment and other goods).

Besides that particular attention should be paid to such industries as agriculture and food processing, cultivation and production of vegetables, dehydrated fruit, cotton and other legal crops, consumer goods. This work would extend the positive experience of internationally supported development of horticulture and production of saffron which has been practiced as a sustainable alternative to growing illicit crops.

## **Access to Social and Cultural Infrastructure**

The alternative development of Afghanistan requires implementation of programs in such spheres as health care and education facilitating people's access to this basic socio-cultural infrastructure.

At present, the literacy rate in the country is just about 35 % which is a major impediment both for economic growth and state building. Removing this impediment requires in the first place the expansion of primary and secondary education establishments' network and thus raising enrollment rate.

Simultaneously, the efforts for rapid development of professional education are to be made. This is indispensable for solving a number of tasks:

1. Providing qualified workforce for the primary industrialization of Afghanistan, including large enterprises (that require engineers and qualified regular labor force) and network industries (that need lawyers, managers, entrepreneurs). Launching the creation of Afghanistan university and academic science oriented to the tasks of national economy development.

2. Assuring sustainability of educated Afghans as a driving social group and its ability to reproduce itself (that is, organizing teacher training for the national school).

3. Providing temporary employment for numerous young Afghans, reducing the pressure on the labor market.

In 1970–1980s the USSR educated about 200 thousand Afghan specialists to higher or other post-secondary education. Despite the years of chaos those people still constitute an important part of administrative personnel in Afghanistan. This experience should be reproduced basing on resources and capacities of international community.

Another important effort is expanding the network of medical facilities with the view to provide 100 % coverage with health care services. In the first place the Centers for mother and child should be created allowing to lower infant mortality.

Further development of the network of rehabilitation centers, providing treatment and social reintegration of drug users is crucial for alternative development efforts in Afghanistan where the prevalence of opiates is staggering.

## Security Issues

Despite the efforts of the international community, 2013 has become one of the bloodiest years since the onset of the military operation in Afghanistan. The tough security situation is undoubtedly one of the major challenges to alternative development efforts in Afghanistan, including the program of accelerated industrialization.

But it should be well understood that a whole range of different factors contribute to undermining security and stability in Afghanistan. Two of them are of top significance. The first one is natural and massive resistance of the local population to what is perceived as foreign occupation of their country. The second factor is intensive activity of professional insurgents and crime groups connected not only to transnational networks, but also to the Afghanistan drug production and corrupted officials within the country.

A principal measure to tackle the first factor would be starting the policy of national reconciliation and trust-building between different groups of Afghanistan society.

The threats to security and stability of Afghanistan, as well as to international peace and security, posed by the production of drugs, organized crime and professional insurgency covered by certain representatives of national and regional Government should be faced with force measures of adequate scope. Those measures should be aimed at disruption of organizational structure of drug production, crime and insurgency which will hamper the sales of illicit crops and make this economic activity less attractive.

To this end, further international efforts for the build-up of Afghanistan National Security Forces are required. The aim of such efforts should be providing technological supremacy of ANSF over insurgents which supposes arming the former with heavy weapons, creating National Air Force, improving communication and surveillance systems and so on.

It should be noted that the ultimate victory over violence, insurgency and crime in Afghanistan could be possible only with creation of legal economy and its social basis capable of driving out the drug economy. Therefore, security in Afghanistan can be delivered only through development.

An important step towards ensuring security in Afghanistan would be elimination of support of drug traffickers and insurgents from certain representatives of state administration. To provide this the alternative development efforts in the country should be carried out in an accountable and transparent institutional framework leaving no place for corruption.

## **Mechanisms for Alternative Development of Afghanistan**

Equal and open cooperation between the Government of Afghanistan and the international community is crucial for elaboration and implementation of the Comprehensive International Plan for Alternative Development of Afghanistan. But the victory over the drug production which generates financial flows surpassing the country's GDP can be ensured only through concentration of efforts and resources of the international community and investing them into measures that promise desired results.

To ensure this, a single coordination center is required that will bear responsibility for implementation of the Plan, for intended expenditure of resources and for securing results. The idea of such coordination center was put forth in a European Parliament Resolution of December 16, 2010 on a New Strategy for Afghanistan (2009/2217). This document called for "a five-year national plan for the elimination of illicit opium crops, with specific deadlines and benchmarks, to be implemented through a dedicated office with its own budget and staff".

The second mechanism is a regional agreement of Afghanistan and its neighboring states that would stipulate their commitment to peace and accord in this country and assign parties with respective obligations for contributing to development of Afghanistan. Peace in Afghanistan can be achieved much sooner, if its neighbors combine their efforts to ensure security and stability in the country.



**Figure 8. Afghanistan's neighbours should make joint efforts to provide peace, stability and security in the country**



The third mechanism is shaping a global consensus on the problem. A clear goal of eliminating drug production in Afghanistan should be set in the framework of the United Nations Organization. Taking into consideration the scope of this phenomenon and the threats it poses, a relevant venue for such qualification is the UN Security Council that has every reason to act under Chapter VII and declare the production of drugs in Afghanistan a threat to international peace and security.

The goal of eliminating the drug production in Afghanistan should then be put on the agenda of all reputed international forums such as the G8, the United Nations General Assembly, the United Nations Economic and Social Council, the International Narcotics Control Board, the Commission on Narcotic Drugs, the UN Office for Drugs and Crime, leading international development institutions such as the World Bank and the Organization for Economic Cooperation and Development and others. Besides that alternative development should be made an integral part of the Post-2015 Development Agenda now under elaboration in the framework of the Millennium Development Goals process. In particular, the alternative development indicators should be integrated into MDG indicators for the least developed countries.

Last but not least, a key mechanism of implementation of the Plan is the investment pool that would provide funding for respective projects and programs.



# Investment for Alternative Development of Afghanistan

Part of the funding for implementation of the Plan will come to Afghanistan as international technical and financial aid. But the majority of resources necessary for running alternative development programs should come as investment made under favorable financial conditions but still requiring return in profits from respective economic activities. This is important for ensuring realistic approach to the Plan which can hardly be funded on a non-commercial basis in times of world financial crisis. This is also important with regard to providing sustainability of alternative development projects and programs: they should be shaped as investment projects creating competitive profitable enterprises, providing sustainable and high-income jobs for the Afghanistan population.

Investment package including the projects mentioned above would require at the first stage about 17.5 billion US dollars distributed in the following way:

**Table 1. Investments necessary for implementation of projects proposed by Russia**

Chain of Hydroelectric Power Stations on the River Pyandzh	7 billion dollars
Energy-intensive chemical facilities (hydrogen-energy cluster)	1.5 billion dollars
Trans-Afghanistan railroad	8 billion dollars
Land port at the Afghanistan-Pakistan border	0.5 billion dollars
Machine-building cluster	0.5 billion dollars

Implementation of these projects and further development of created assets will require construction of a number of railroads in Kyrgyzstan and Tajikistan which will cost some 10.5 billion dollars more.

**Figure 9. Russia’s proposals for the Comprehensive International Plan for Alternative Development of Afghanistan**



The payback period for those projects in case of their simultaneous and interconnected implementation providing respective synergies will be about 10 years.

When those projects are under way the agricultural programs of substituting illegal crops for legal cultivation in rural areas of Afghanistan would cost some 0.7 billion dollars in five years (140 million dollars annually).

The amount of funding required for socio-cultural infrastructure development and security measures needs to be determined proceeding from the already existing plans in those spheres.

A fundamental requirement for the mobilization and spending of those investments is their centralized distribution through a dedicated office, the operator of the Plan, whose activity would be subject to public oversight. Moreover it would be useful to consider the possibility of redirecting some of existing financial aid flows through the accounts of this office. This measure is intended to put an end to practice “spending “on” Afghanistan does not equal spending “in” Afghanistan” which either prevents aid from coming into country or makes up to 80 % of it flow directly out through contracting international providers of goods and services, imports, and the expatriation of profits

The investment pool for implementation of the Comprehensive International Plan for Alternative Development of Afghanistan could be created and managed as a World Bank special trust fund — Fund for Alternative Development of Afghanistan.

## **Russia as a Major Donor of Afghanistan Development**

Being the successor and continuing state of the Union of the Soviet Socialist Republics, the Russian Federation finds itself among the major donors of Afghanistan's economic upsurge.

In 1970-1980s the Soviet Union funded the construction of 142 industrial and infrastructure assets that formed the basis of the national economy. Over 3 billion US dollars were invested by the USSR in the geological exploration of Afghanistan's northern provinces. In 15 years, from 1973 to 1989, Soviet educational establishments enrolled and educated about 200 thousand high level specialists with professional higher or other post-secondary education.

Moreover, just a few of years ago, in July 2010 Russia wrote off the debt of the Government of Afghanistan equaling 11.5 billion US dollars.

Thus, Russia is already a major financial stakeholder in economic development of Afghanistan. But being one of major markets for Afghan-produced opiates and severely suffering from economic, political and security aspects of opiates' trafficking Russia is eager to participate in supporting alternative development efforts in Afghanistan.

To our mind, Russia today is ready to play a leading role in elaboration and further management of the Comprehensive International Plan for Alternative Development of Afghanistan based on accelerated industrialization (the Russian Plan).

## **The Road Map for Elaboration and Implementation of the Plan**

The Road Map for elaboration and implementation of the Comprehensive International Plan for Alternative Development of Afghanistan includes four stages.

Elaboration of the plan and the roadmap of its implementation should be carried out in 2014–2015 and end with adoption of respective documents at the G8 summit in June 2015.

This event will open the doors for the second stage that includes creation of the dedicated office — operator of the Plan (probably in the framework of one of the international development institutions) and mobilization of investments for its implementation. Organizational issues of this stage should be over in 2015 and first investments should come in 2015–2016.

The next stage includes implementation of strategic investment projects in four focus areas and will last from 2016 to 2025.

The period from 2023 to 2030, will be the time for obtaining systemic effects from implementation of the Plan and managing them. After this, alternative development of Afghanistan should be replaced with comprehensive social-economic development in general institutional framework.

## Conclusion

The present analytical and project report titled “A New Generation of Alternative Development Programs for Elimination of Drug Production in Afghanistan” presents the view of independent think tanks of Russia and Belarus on the problem of planetary drug production in Afghanistan and ways of tackling it. We consider the publication of the present report and proposing it for discussion among the high level experts who will participate in the Second Experts Meeting in the Framework of Russia’s G8 Presidency on “Alternative Development for Drug Producing Regions” to be held on March 25, 2014 in Moscow as a first step towards implementation of provisions set forth in it.

We hope that the next step will comprise discussion of the fundamental provisions of the report at the Experts Meeting and submission of the proposed approach to be considered at the G8 Ministerial Meeting on Countering the World Drug Problem planned for May 15, 2014 and the G8 summit to be held in Sochi on June 4–5, 2014.

This report incorporates the results of discussions with experts from Afghanistan, Russia, the USA, UK, Germany, Thailand and other countries representing different views on the situation in Afghanistan; the research results of Afghanistan, Russian and other foreign think tanks, international organizations and publications of the Russian and foreign non-governmental organizations and mass media

You are welcome to send your remarks and proposals on the report to the following email: [idmrr@idmrr.ru](mailto:idmrr@idmrr.ru).



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# **A New Generation of Alternative Development Programs for Elimination of Drug Production in Afghanistan**

An Analytical and Project Report

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# A New Generation of Alternative Development Programs for Elimination of Drug Production in Afghanistan

## An Analytical and Project Report

The authors of this report submit a new ideology for solving the Afghanistan problem: “Security through Development”. The report proposes to organize a comprehensive snowballing development strategy for Afghanistan commencing between 2015 and 2025. The strategy will be implemented within the framework of new generation alternative development programs, including accelerated and boosted industrialization. This approach is deemed the only possible way of achieving one of the international community’s top priority goals: elimination of a planetary drug production center in the heart of Asia.