

## POST 2014: THE REGIONAL DRUG ECONOMY AND ITS IMPLICATIONS FOR PAKISTAN

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### Context

The history of Afghanistan and what now constitutes Pakistan has been intertwined for centuries. The last three decades bear testimony to this, as three successive wars in Afghanistan<sup>1</sup> have each had distinct impacts on Pakistan, ranging from increased drug abuse and proliferation of illegal arms, to a growing militant movement that draws inspiration from the Afghan Taliban.

Afghanistan is now entering a critical period, with the imminent withdrawal of ISAF combat forces in 2014, and with the Afghan National Security Forces (ANSF) assuming responsibility for maintenance of security, and law and order over large parts of the country. Afghanistan is also due to witness a change of guard politically, with presidential elections scheduled for April 2014, which will see the exit of Hamid Karzai, the two-term president who has headed the government since 2001.<sup>2</sup> It is difficult to make any definitive statements about how events in Afghanistan will proceed post 2014, but possible scenarios include a period of stability following the elections; increased unrest in the south and south-east (albeit with Kabul remaining under the control of a strong central government); or even (in a worse case scenario) a full-fledged civil war like the one seen in the early 1990s.

This paper concerns itself with how the drug trade emanating from Afghanistan, is carried further in Pakistan, and possible impacts of this trade on Pakistan's economy and society. It looks mainly at opium, heroin and cannabis, as Afghanistan is the lead producer for these drugs, and Pakistan is a key transit country, as well as an end-use destination, in their trafficking. It also briefly explores the trade in precursors, which are also thought to transit into Afghanistan through Pakistan. The paper is, of necessity, somewhat speculative in nature, looking as it does at an undocumented trade. Nevertheless, it provides a basis for understanding the channels through which narcotics trafficking comes to impact the licit economy and can be used to influence key stakeholders.

The paper begins with a brief history of the drug trade in the region over the last few years, and analyses key trends. It then assesses how drugs have impacted Pakistan's security landscape, its political development, and its licit economy and delineates possible future scenarios.

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1. The war against the Soviets (1979 to 1989), the civil war (1992 to 1996), and the insurgency against the ISAF presence (beginning 2001, and intensifying 2006 onwards).
2. Afghanistan's 2004 Constitution precludes Mr. Karzai from seeking a third term of office.

## The Regional Drug Trade

According to the World Economic Forum, the value of the global trade in opium and heroin amounted to about \$60 billion in 2011 (WEF 2011, Table 3). A substantial proportion of this trade originates from Afghanistan.

### Production of Opium and Heroin

In 2012, Afghanistan produced 74 percent of the global illicit opium output (UNODC 2013, page 18). Poppy cultivation was carried out over 154,000 hectares of land in the country in 2012 (see Table 1). The extent of Afghanistan's dominance in cultivation of the crop can be assessed from the fact that Myanmar, which was the country with the second highest acreage devoted to poppy cultivation, grew the crop on 51,000 hectares in the same year – a third of Afghanistan's total. More recent reports suggest that poppy cultivation has once again hit record levels in 2013, cultivated over 209,000 hectares that year.<sup>3</sup> This is an indictment not only of the Afghan government, but also ISAF forces, who have all but given up on eradication programs in favour of efforts at interdiction of drug trafficking – a more complex task.

Not all of the poppy cultivated in Afghanistan is converted to opium – some of the crop goes to waste or is damaged. Allowing for the fact that some proportion of the crop is not harvested for opium, the UN estimated total opium production at 3700 tons for Afghanistan, and 9 tons for Pakistan in 2012 (UNODC 2013). Estimates for heroin production have to be deduced in a more roundabout fashion. A proportion (the UNODC estimates this at about one-third) of opium production is consumed raw, is converted into morphine, or goes to waste. About 10 percent is estimated to be kept in stock (UNODC 2011). Of the remaining 70 percent that is probably being converted into heroin, the amount of the drug produced depends on the process used and the purity achieved. A commonly used conversion suggests that seven tons of opium yield, on an average, 1 ton of heroin. Using the above ballpark figures, the total heroin produced in Afghanistan in 2012 is estimated to be of the order of 370 tons, while the production of heroin in Pakistan (from opium produced in Pakistan) is estimated at about 0.9 tons (see Table 1).

3. Reuters report dated January 15 2014, "Afghanistan seeks help in drugs fight after opium crop hits record."

**Table 1. Production in Afghanistan and Pakistan**

Year					Opium Production		Opium that is turned into Heroin		Heroin production	
	Afghanistan	Pakistan	Total Global Cultivation	Share of Afghanistan	Afghanistan	Pakistan	Afghanistan	Pakistan	Afghanistan	Pakistan
	Hectares	Hectares	Hectares	Percent	Tons	Tons	Tons	Tons	Tons	Tons
1998	63674	950	237819	27%	2693	26	1885.1	18.2	269.5693	2.6026
1999	90583	284	216204	42%	4565	9	3195.5	6.3	456.9565	0.9009
2000	82171	260	221952	37%	3276	8	2293.2	5.6	327.9276	0.8008
2001	7606	213	142094	5%	185	5	129.5	3.5	18.5185	0.5005
2002	74100	622	180225	41%	3400	5	2380	3.5	340.34	0.5005
2003	80000	2500	168600	47%	3600	52	2520	36.4	360.36	5.2052
2004	131000	1500	195940	67%	4200	40	2940	28	420.42	4.004
2005	104000	2438	151500	69%	4100	36	2870	25.2	410.41	3.6036
2006	165000	1545	201000	82%	5300	39	3710	27.3	530.53	3.9039
2007	193000	1701	235700	82%	7400	43	5180	30.1	740.74	4.3043
2008	157000	1909	213003	74%	5900	48	4130	33.6	590.59	4.8048
2009	123000	1779	185935	66%	4000	44	2800	30.8	400.4	4.4044
2010	123000	1721	190662	65%	3600	43	2520	30.1	360.36	4.3043
2011	131000	362	207500	63%	5800	9	4060	6.3	580.58	0.9009
2012	154000	382	236320	65%	3700	9	2590	6.3	370.37	0.9009

Source: UNODC 2013.

## Production of Cannabis

Cannabis grows wild all over the world, and is widely consumed as a mildly intoxicating herb. Afghanistan became the world's largest producer of cannabis herb in 2010 as per UNODC records (see UNODC 2010), and production has since stabilized. Cannabis resin (or hashish as it is called locally), which is the more potent form of the drug, is produced mainly in Afghanistan and Morocco. Cannabis (the herb) was produced over 12,000 hectares in Afghanistan in 2011 (UNODC 2013), and the country produced about 1300 tons of cannabis resin the same year. There is no record of cannabis resin production in Pakistan.

The UNODC's periodic surveys on cannabis cultivation show that the area under cultivation has remained relatively stable over the last few years. This may be because the crop is generally cultivated every other year, or, by some farmers, at even longer intervals.

## The Heroin Market

Of the total heroin produced in Afghanistan and Pakistan, only 5 to 7 percent is consumed in these two countries (see UNODC 2011, Table 1). A little over 40 percent of the production originating from Afghanistan is believed to travel south, through Pakistan, to South-east Asia (and then on to Australia), to Iran (and then on to Europe), and Africa. Close to a third travels north through Central Asia to the Russian Federation and the Scandinavian countries, while the remaining goes through Iran to Europe and beyond. In addition to Western Europe, Russia and China are emerging as significant markets for heroin, although the most lucrative markets are further afield, in the US (which has a comparatively small market for Afghan origin heroin) and Australia.

The street price of the drug can range from less than \$20 per gram in Pakistan, to \$40 - \$100 per gram in Western Europe, to almost \$400 per gram in Australia, the most lucrative market for heroin traffickers (see UNODC 2011).

Assuming that 40 percent of heroin produced in Afghanistan is trafficked through Pakistan,<sup>4</sup> this would mean that close to 150 tons of heroin found its way into the country in 2012.<sup>5</sup> According to official data, law enforcement agencies seized 10,970 kg, or 10 tons of heroin in Pakistan in 2012 (ANF 2013). The country has an estimated 600,000 to 1.1 million heroin users (UNODC 2013a), and heroin consumption within the country is estimated at an average of 20 tons per year (UNODC 2011). Thus, allowing for seizures, and domestic consumption, a conservative estimate still suggests that Pakistan acts as a transit country for about 120 tons of heroin.

The market value of the 120 tons of heroin that are trafficked through Pakistan and sold internationally is astronomical. Even at a conservative \$60 per gram for China, Europe and Africa; and allowing for the fact that a small amount will end up in Australia at a much higher price, the end-user value of the heroin trafficked through Pakistan is just over \$8 billion (for calculations, see table II). This, of course, is not the amount received by the network of carriers, managers, and higher order operatives based

4. This is an approximation based on numerous UNODC reports, which typically cite the proportion of Afghan opiates being trafficked through Pakistan at 40 to 45 percent. This is thus a conservative estimate.
5. This includes 40 percent of the estimated 370 tons produced in Afghanistan, plus the small amount (less than one ton) estimated to be produced in Pakistan.

in Pakistan, who typically make deals with regional suppliers, or hand over consignments at the border or on a port. But even a conservative estimate, using local prices in Pakistan, would indicate that the heroin trade yields revenues of over \$1.5 billion a year, or equivalent to a month's worth of Pakistan's legitimate exports as of end 2013.

<b>Table II: Calculation of Earnings from the Heroin Trade Transiting Through Pakistan</b>				
	<b>Tons</b>	<b>Price per gram</b>	<b>Price per ton</b>	<b>Amount earned</b>
Total heroin	371.2709			
Going through Pakistan	149.0489			
Seized in Pakistan	10			
Consumed in Pakistan	20	10	10,000,000	200,000,000
For export from Pakistan	119.0489			
Going to Australia	2.506292632	350	350,000,000	877,202,421
Going to China	51.37899895	60	60,000,000	3,082,739,937
Going to Europe	43.86012105	70	70,000,000	3,070,208,474
Going to Africa	21.30348737	60	60,000,000	1,278,209,242
<b>Total</b>				<b>8,308,360,074</b>

Source: Calculated from data available from UNODC 2013 and UNODC 2011.

### The Cannabis Market

Unlike heroin, cannabis is mainly traded within a smaller region. The bulk of the supply to Western Europe, for instance, is believed to originate from Morocco. Pakistan is both a source and a transit country for cannabis resin trafficking from Afghanistan. With an estimated 3 to 4 million cannabis users (UNODC 2013a), the country has a substantial domestic market. In addition, the drug is also trafficked overseas. There are no reliable estimates of the amount of cannabis trafficked into Pakistan, but the 40 percent benchmark is commonly used to assess flows. Thus if Afghanistan produced 1300 tons of cannabis resin in 2011, it is safe to assume that at least 500 tons found its way into Pakistan. Again, there are no reliable estimates for domestic consumption, which in turn makes it difficult to assess amounts trafficked out of the country.

Although the data on cannabis use and trafficking is sketchy, the revenues generated can be estimated using some simplifying assumptions. Thus, even with the conservative hypothesis that all cannabis that comes in from Afghanistan is consumed locally, the total revenue generated is of the order of \$1 billion (assuming a local price of \$2 per gram, as supported by anecdotal evidence).

### The Trade in Precursors

The drug trade, as delineated above, is a significant revenue source, but it is supplemented by the trade in precursors, or chemicals typically used to process plant extracts into consumable drugs. Amongst the more lucrative trades on this account is the trade in acetic anhydride, a chemical which is a key ingredient in the process of converting morphine base into heroin. While other chemicals are also used in the process, the trade in acetic anhydride is significant because use of the chemical is restricted under regulations of the International Narcotics Control Board.

In order to produce the 370 MT of heroin that was likely produced in Afghanistan in 2012, up to 1000 tons (or about 1 million liters) of acetic anhydride are estimated to have been required.<sup>6</sup> Afghanistan does not legally import the chemical (which is used primarily in the pharmaceuticals industry, as well as in the manufacture of plastics and paint, synthetic fibres and perfume). Given that the bulk of heroin production is believed to take place inside Afghanistan, acetic anhydride is obviously smuggled into the country in large quantities.

A liter of legally imported acetic anhydride would normally cost about \$1, but when it is smuggled into Afghanistan, its price can increase manifold to something of the order of \$350 per liter (UNODC 2011). The profit from the diversion of licitly imported acetic anhydride to illicit uses is thus considerable. The total sale value of the acetic anhydride being used in Afghanistan is of the order of \$200 million to \$350 million.

Most of the chemical being used in Afghanistan is thought to originate in China and India, which are the key regional manufacturers. It is then smuggled into Afghanistan through Pakistan and Iran, typically in the form of mis-labeled consignments. Some quantities entering Pakistan legitimately for use in Pakistani manufacturing industry is also thought to be diverted to Afghanistan. However, this latter amount is probably quite low, as Pakistan's legitimate import of acetic anhydride has been falling over the years, from about 200,000 kg in 2005 to barely 5000 kg in 2011.<sup>7</sup> Pakistan is, however, thought to be the main transit country for smuggling of Chinese manufactured acetic anhydride into Afghanistan.

## Trafficking Routes

The bulk of opium produced in Afghanistan is cultivated in the southern provinces of Kandahar and Helmand, and enters Pakistan through the Federally Administrated Tribal Areas (FATA) and Balochistan. Trafficking through the restive FATA region is believed to have intensified over the last decade, given the retreat of the political administration and the general lassitude of law enforcement agencies (LEAs) who have lost ground in the wake of repeated military operations in the area. The proliferation of unofficial border crossings in FATA, and the strong familial and economic linkages amongst the tribespeople, who are known to move across the border with impunity, only makes the transport of contraband easier.<sup>8</sup>

Trafficking from Afghanistan to Pakistani Balochistan is believed to take place through the Afghan provinces of Helmand and Nimroz to the Pakistani districts of Chaghi and Nushki. Here, the trafficking is facilitated not so much by cross-border familial links (although these exist), as by the remoteness and inaccessibility of these scantily populated regions. Once again, while there is only one official border crossing in Balochistan, in the town of Chaman near the provincial capital of Quetta, the border region is indifferently policed and easily traversed. Once in Pakistan, opium and heroin are normally stocked in border villages for a period of time before being sent to markets in major cities or on to international

6. See UNODC's 2010 edition of the World Drug Report, which, on page 44, mentions this figure for heroin production of 380 MT.
7. Data obtained from UN Comtrade database at: <http://comtrade.un.org>
8. Tribesmen living within 10 km of the Pak-Afghan border were always legally allowed to cross the border without travel documents, upon showing proof of residence. In January 2013, the Government of Pakistan stipulated that this concession be withdrawn and that everyone crossing into Afghanistan through the official border crossings must carry travel documents. Although this condition is officially still in place, anecdotal evidence suggests that it is rarely enforced.

markets. Stocks are normally maintained in houses, where household members are often compensated for providing the service.

Data on seizures is made available by Pakistan's Anti-Narcotics Force (ANF) and is reported by agency/institution or provincial police force responsible for having effected the seizure. The data provides an interesting insight into the relative effectiveness of LEAs. Thus in 2012, the Frontier Corps (FC) in Balochistan was responsible for 71 percent of heroin, 86 of opium and 10 percent of hashish seizures in the country (ANF 2013). The Punjab Police was a distant second, with 14 percent of heroin, and 2 percent of opium seizures. The Police in KP seized about a quarter of the total hashish intercepted in the country in 2012, but seizures of heroin and opium in the province did not amount to much. The ongoing militancy in KP and FATA may account for this disparity, with the data highlighting the increasing marginalization of civilian law enforcement in the region. But Balochistan too has been restive, with a growing separatist movement in the central and southern regions of the province, where trafficking is known to occur. However, unlike in FATA where the military has taken the lead in anti-militancy operations, in Balochistan the FC remains the most powerful force. As such, it remains active on many fronts.

A small proportion of the drugs smuggled into Pakistan are trafficked onward through Balochistan into Iran, from where it moves further west, while some is consumed domestically as indicated earlier. The bulk of the consignments, however, head for Pakistan's air and seaports, destined for China, South East Asia, Africa and Europe. While a proportion of the consignment for China is believed to be trafficked through land, via Pakistan's Gilgit-Baltistan region, seizures at China's seaports two years ago indicated that the maritime route is key for trafficking into the urban centers of China in addition to other destinations (UNODC 2011).

### The Supply Chain

The bulk of opium production and its further processing into morphine and/or heroin is believed to take place inside Afghanistan, in makeshift factories clustered along border areas. The processing of cannabis on the other hand occurs in both Afghanistan and the FATA region of Pakistan, with the plant first being processed into a powdery substance known as *garda*, and then being processed into a more compressed form known locally as *charas*.

In Pakistan, the first-stage beneficiaries of the drug trade are the "mules" or carriers of drugs from Afghanistan to Pakistan, and the manufacturers of *garda* and *charas* in Pakistan. The carriers are typically paid a negligible amount, and very often, are not aware of the contents of their consignment. Carriers entering Balochistan from Afghanistan typically operate on foot, or using donkeys, horses or livestock which can traverse the rocky terrain. Passage of drugs through mechanized transport is relatively rare here since the border area is largely a no-man's land with few discernible tracks. Carriers entering FATA, go mainly through the Mohmand, Bajaur and Khyber Agencies, with the last

one being particularly notorious for the presence of several high-profile dealers. Here, as in Balochistan, drugs are transported through mountain passes on livestock or by foot, but the official border crossing of Torkham is also believed to be heavily utilized for transportation of larger consignments, with parcels being concealed in crates of fruit, sacks of agricultural produce and even in specially carved out cavities in vehicles.

Once the drugs enter Pakistan, they are typically stored in small amounts in private homes, often in remote villages. It is at this stage that the involvement of the organized traffickers begins, as the households who are involved in storage often include a few members who are more closely involved in the drug trade, often as transporters or low-level henchmen working with bigger players. The more prominent actors rarely keep drug consignments on their premises, but prefer to pay a small fee to the households who assent to lend their homes for storage purposes.

Stored stocks are transported to markets or for further trafficking overseas in small consignments. Heroin is believed to be transported, concealed, in smaller vehicles, while opium or more often hashish are transported in more bulky consignments, often utilizing larger vehicles such as trucks or oil tankers, which have been altered to conceal the contraband. Transportation overland in Balochistan is typically more brazen, given the remoteness and low population density in the Baloch hinterland. In general, at this stage, the operation becomes more complex, and also more lucrative for those involved; covering transportation, bribing of LEA officials at every level (from the guards who man inter-provincial checkpoints to mid-level or senior officials who are expected to turn a blind eye); recruitment of skilled packers; and recruitment of agents who can get consignments onto airborne or maritime vessels. A significant amount of trafficking also takes place through small towns on the Makran coast, where small boats evade Coast Guards to carry consignments into the high seas, for loading onto larger vessels.

### **Institutional Framework**

Law and order is a provincial subject in Pakistan according to the Constitution of 1973, but border security and immigration issues are dealt with by the central government. The federal government also employs close to 200,000 paramilitary personnel in a range of agencies which operate under the aegis of the Ministry of Interior (rather than the Ministry of Defence) and as such are not counted when the country's military capability is discussed. Although the functions of these forces are primarily to be carried out in support of military operations, they have been used, in recent years, for a range of law enforcement duties, including maintaining the peace in the country's largest city, Karachi. The key agencies, in addition to the police, who have the mandate for action against drug smuggling are listed as follows.

The following are agencies controlled by the federal government:

*Anti-Narcotics Force (ANF):* The ANF is the lead drug trafficking control agency in Pakistan. It was established in 1995, and has the

primary responsibility of interdicting the production, trafficking and abuse of narcotics. The ANF maintains systems for collecting intelligence on drug traffickers (including maintaining a fund for informers), and its personnel are trained to conduct raids and effect drug seizures internally as well as on ports. The Force has powers to investigate and prosecute offenders, and has the authority to confiscate assets of drug traffickers.

*Pakistan Customs:* Pakistan Customs, like similar agencies all over the world, is mandated to stop the movement of contraband goods across borders. In Pakistan, Customs has specialized drug units located at international seaports and airports, and officers manning these units are trained to detect concealed drugs.

*Pakistan Coast Guard (PCG):* The Coast Guard, established in 1971, is responsible for littoral patrolling of Pakistan's coastline, and for the security of the coastal region. The Guard, which works under the Ministry of Interior, operates along the coastline, and within a limit of 12 nautical miles. Once again, senior posts are held by officers of the Pakistan Army. The Coast Guard is supposed to prevent illegal migration out of or into the country, as well as interdict smugglers and drug traffickers. It has powers to carry out seizures, arrests and investigation when required.

*Maritime Security Agency (MSA):* The MSA was formed in 1987, and is a paramilitary force operating under the aegis of the Ministry of Defence. Unlike the Coast Guard, the MSA's senior ranks are peopled by serving officers of the Pakistan Navy. It is the only LEA operating in the deep seas, as it has the mandate to patrol Pakistan's Exclusive Economic Zone (EEZ), which extends up to 200 nautical miles off the coast. Amongst other functions, the MSA is supposed to counter drug trafficking, and can intercept vessels believed to be carrying drugs within the limits of the EEZ.

*Frontier Corps (FC):* The FC was created in 1907, and consists of two sub-divisions, one each for the provinces of KP and Balochistan. The Corps is a paramilitary reserve force which is supposed to assist LEAs in regulating Pakistan's international borders. With a force of about 100,000 the Corps is a key player in the two provinces where it is active. The rank and file of the Corps is recruited primarily from the tribal area, but senior posts are held by serving officers of the Pakistan Army who are seconded to serve in the Corps for a tenure of two or three years. The FC is authorized to combat the smuggling and trafficking of drugs and other contraband, as well as arms and ammunition, explosives etc.

*Pakistan Rangers:* The Rangers, established in 1942 in Sindh, are a paramilitary force which is controlled by the Ministry of Interior. The force also has two sub-divisions, one each in the provinces of Punjab and Sindh. Unlike the Frontier Corps, the Rangers are not concerned with border security as much as internal security – they are deployed primarily to maintain law and order and provide security in areas of conflict. In 2004, the Rangers added an Anti-Terrorist Force to their ranks. Once again, key senior positions in the Force are manned by serving officers of the Pakistan Army who are seconded to the force for a fixed tenure.

*Federal Investigation Agency (FIA):* The FIA is the prime investigative



agency in Pakistan, and is responsible for investigating not only national but also transnational crimes in which Pakistanis are involved, or which affect the country. The agency operates all over the country, and overseas (through Immigration Wings in embassies). It does not have the authority to operate in the FATA region, however. Senior positions in the Agency are held by officers of the police service.

The following are provincial LEAs who have a role in control of drug trafficking:

**Police Service of Pakistan:** As mentioned earlier, the police is a provincial service in Pakistan, although senior police officers are members of the federal civil service. The police forces have the conventional role of all such forces across the world, but they do not function in the FATA region.

**Frontier Constabulary:** Not to be confused with the Frontier Corps, the Constabulary was established in 1913 to patrol the border between FATA and the then North West Frontier Province (now KP). Although under the administrative control of the federal Ministry of Interior, operational direction to the Constabulary comes from provincial Home Departments. The senior hierarchy of the force is staffed by members of the police service. The Constabulary was originally established to prevent incursions from the tribal area into so-called “settled” districts.<sup>9</sup> Its functions are similar today, but it also has a role in checking the smuggling of narcotics from the tribal area.

**Levies and Khassadars:** The Levies are a special police force found in FATA and parts of Balochistan, who are responsible for policing in tribal areas and carrying out law and order functions under political agents (civil servants responsible for administration in FATA), and district coordination officers (civil servants responsible for district administration in parts of Balochistan). Created by the British more than a century ago (in fact, soon after the uprising of 1857), the Levies function as a “home-grown” police force, consisting of local recruits who are supposed to be aware of the sensitivities of their area.

The *khassadars* are a similar force, introduced in 1921, and consisting of local recruits working FATA who have the responsibility to patrol roads and maintain law and order. Unlike the Levies, the *khassadars* are appointed in consultation with tribal elders, and are recruited in a system where each tribe of the area has a fixed quota in the total *khassadar* force of the region. The *khassadar's* entry into the force is approved by local tribal leaders, although they are paid a non-pensionable nominal salary by the government. *Khassadars* carry their own weapons as opposed to government issued arms, and can pass on the job to their heirs, if approved by a tribal chief.

## Legislative and Policy Framework

The key legislation that covers drug related offences includes the following:

**Frontier Crimes Regulation (FCR) 1901:** Under Article 247 of the 1973 Constitution, the FATA region, as the names implies, is administered by the federal government. Further, no act of Parliament

9. The term refers to the practice of carrying out land settlements and determining the sizes of land parcels, as well as ownership in the regions of British India. Such an exercise was not carried out in tribal areas.

applies to the region, unless expressly allowed by the President. In effect, FATA is governed by the FCR, the regulation enacted in 1901 by the British to control the tribes. The FCR is a draconian law, which gives unprecedented powers to Political Agents, civil servants who administer tribal agencies. Residents of FATA do not have the right of appeal against decisions taken by the Agent, nor do they have a right to legal representation or the right to present reasoned evidence. It also allows the federal government to seize private property without assigning a reason, restrict movement of individuals into and out of the agencies, and carry out collective punishment wherein an entire tribe can be punished (often through demolition of houses) for the actions of a select few.<sup>10</sup> As such, if the authorities so desired, they are authorized to take drastic action against drug smugglers at least in the FATA region.

There have been numerous calls for the abolition of the FCR in Pakistan's history, not least from domestic and international human rights groups; and successive political governments have announced their intention to carry out such an exercise. However, the law remains very much in place. The extension of the Political Parties Order to Tribal Areas in August 2011 was a promising development, given that political parties were previously not allowed to campaign in the region. However, sending representatives to parliament, when parliament cannot legislate on FATA, is a meaningless exercise.

*Control of Narcotics Substances (CNS) Act, 1997:* The Act prohibits the cultivation, production, manufacturing, extraction, preparation, transportation, possession, trade, financing and trafficking of narcotics and psychotropic or controlled substances except for scientific, industrial or medical purposes. It is the key legislation used against drug trafficking, and is a comprehensive legislation.

*Anti- Money Laundering (AML) Act 2010:* The AML Act created the institutional structure and provided the legislative basis for monitoring financial systems to detect money laundering, and then prosecute offenders. The Act resulted in the establishment of a Financial Monitoring Unit (FMU) at the State Bank which aims to counter money laundering and financing of terrorism in Pakistan. The Act also required the FMU to specify procedures for financial transactions, and to report suspicious transactions to the authorities, a requirement that was met with the issuance of such procedures soon after the formation of the FMU. The Unit does not have the authority to take action against suspected offenders. It is required to forward information to relevant investigation agencies (in case of transactions involving drugs, this would be the FIA), who can then investigate and prosecute.

In spite of the fact that an institutional structure has been in place for over three years, little progress has been made in Pakistan when it comes to actually investigating or prosecuting money laundering. The country regularly appears on the list of countries, issued by the inter-governmental Financial Action Task Force (FATF), who are required to do more to fulfill international requirements of the regulation of money laundering.

Other more general legislation which covers smuggling includes the Customs Act of 1969 which lays out processes and procedures

10. For a more detailed discussion on the key features of the FCR, and some of the recent amendments to it, see Rumi 2012.

for investigation of and punishments for those violating Customs requirements; and the Afghan Transit Trade Agreement of 2010 which lays out procedures for Afghanistan's use of Pakistan's ports for trade purposes.

*Anti-Narcotics Policy 2010:* The Anti-Narcotics Policy of 2010 was formulated to improve coordination amongst the various agencies responsible for drug control. It was under this policy that an Inter-Agency Task Force (IATF) for Narcotics Control was established, under the overall supervision of the ANF. In general, the policy aims to strengthen and build the capacities of existing national law enforcement institutions, develop an effective coordination and control mechanism, increase inter-agency and international cooperation and mobilize the people of Pakistan to refuse the use of drugs. The policy talks about both supply and demand side drug control measures, and recognizes that international cooperation is fundamental if Pakistan's drug control efforts are to be successful.

That substantial funds are being generated through the drug trade is unquestionable. But it is important to try and understand the possible uses of these funds, and the channels through which the money can be brought into play. The next few sections of this paper examine this question.

## Ramifications of the Drug Trade

Commodity trade of the magnitude associated with drugs is bound to have far-reaching effects. The proceeds of the operation benefit a range of stakeholders from international traffickers, to families of carriers living in remote border regions. At the same time, the proceeds of the drug trade may show up in real estate transactions (in Pakistan, or by Pakistani nationals in other parts of the world), in the stock market, in the market for consumer durables such as cars, or in the form of undercover payments to policymakers, public functionaries or even members of the judiciary. Each of these avenues has a distinct set of impacts on the larger economy.

### Beneficiaries

A recent study suggests that poppy growing farmers in Afghanistan earned \$1.4 billion in 2012, a fraction of the proceeds of the global opium and heroin trade (EWI 2013). However, profits from the drug trade increase exponentially as deals take place further and further away from the place of origin. For those at the lower end of the supply chain in Pakistan, i.e. the carriers (or mules) and the households who store processed or partially processed supplies, remuneration is probably lower than Rs. 10000 (\$90) or so per month.<sup>11</sup> Given that the average monthly household income for the lowest quintile in KP was estimated at about Rs. 13000 in 2011, while in Balochistan this was close to Rs. 11000 (HIES 2011), the sum mentioned would be substantial compensation. But compensation grows along the supply chain, with major drug lords, who arrange for the transportation of consignments from the border areas to ports and beyond, estimated to be earning millions of dollars. Most of that wealth is maintained in offshore accounts, but some of it filters back into the Pakistani economy through channels discussed below.

11. UNODC 2011 reports that truck drivers transporting concealed heroin pay assistants Rs. 3000 per month or less.

At the lowest level, storage and transportation of drugs provides substantial, regular income in the western border regions where only subsistence agriculture is prevalent, employment opportunities are few, and the possibility of establishing lucrative, legitimate businesses is minimal, given the low spending capacity of the local population. At a higher level, the marketing and smuggling of drugs is far more lucrative than legitimate businesses. The attraction of the trade is enhanced by the fact that Pakistan has a poor record on prosecution and conviction of drug dealers. Crime statistics published by the Ministry of Interior's Bureau of Police Research do not even include drug trafficking (see PSY 2012 and other issues of the same publication), while convictions of big drug lords are few and far between, and often determined by political differences rather than criminal activity. Data on prisons shows that about 8 percent of the prison population in 2010 was held for drug trafficking (see NAPA 2010), but anecdotal evidence suggests that most of these are drug users who fall afoul of the law, rather than major league traffickers. As such, in a society with limited economic opportunities and weak deterrence, the drug trade finds many takers.

Evidence from Afghanistan suggests that the drug dealers there initially operated through loosely structured outfits that on occasion cooperated with each other. More recent studies concluded, however, that these groups were moving toward vertical integration, with organized crime networks increasingly involved in the business (see Shaw, 2006). There is no definitive assessment of how the trade is organized in Pakistan, but it is likely that the trade remains in the hands of loosely structured small groups, and has not as yet consolidated into a mafia-type structure. If the trade grows, however, consolidation of groups is likely to result.

### Public Health Impacts

According to UNODC's latest survey, almost 6.5 million in Pakistan between the ages of 15 and 64 had used illicit drugs over a 12 month period from 2011 to 2012 (UNODC 2013a). Of these, just over 4 million had admitted to the use of cannabis, while about 813,000 had used heroin, and 345,000 had used opium in a relatively unprocessed form.<sup>12</sup> There are significant regional disparities in the use of drugs – in KP, 11 percent of the population were estimated to have used illicit substances over the year in question, while the proportion was 5.1 percent for Balochistan, 6.5 percent for Sindh, and 4.8 percent for Punjab.

In terms of international prevalence rates, Pakistan is still on the lower end of drug use for "soft" drugs. Cannabis, for example, is estimated to be used by about 2 percent of the population as compared to over 8 percent of the population in North America, parts of Europe (mainly France, Spain and Italy), and Brazil (see Annex I Maps in UNODC 2013). But in terms of heroin use, the country has amongst the highest prevalence rates in the world with over 1 percent of the population aged 15 to 64 estimated to have used the drug. Similar high rates exist in only a few other countries, notably Russia, the US and Australia.

The use of opium in raw form, and cannabis in the form of *charas*, has a long history in the sub-continent. But the use of heroin dates largely from the 1980s, during Afghanistan's war against the Soviets, when the

12. See Table 1 of UNODC 2013a.

drug came to be trafficked through Pakistan as part of an effort to fund the Mujahideen. As such, the rise of heroin use in Pakistan has been swift and excessive.

The dangers of drug use prevalence in Pakistan are compounded by the prevalence of high risk behaviour amongst addicts. Heroin, for example, is most likely to be consumed through injecting, and the UNODC reports that 73 percent of those who inject the drug report sharing syringes (UNODC 2013a). Only 11 percent of those who inject drugs had ever accessed a treatment center, and less than 2 percent reported having been tested for HIV/AIDS.

High risk sexual behaviour is also closely linked with drug use, as addicts are likely to resort to selling sexual favours in exchange for a supply of drugs. Although Pakistan has low rates of HIV prevalence for the adult population as a whole (less than 0.1 percent according to the National AIDS Control Program), prevalence amongst injecting drug users is estimated at more than 5 percent as per official records.<sup>13</sup> UNAIDS, however, estimates prevalence amongst injecting drug users at a much more alarming 27 percent (see UNODC 2013a). Prevalence rates for hepatitis B and C are already extremely high in Pakistan – according to one report, 10 percent of the population is infected.<sup>14</sup> Once again, injecting drug users are at considerable risk of contracting these viruses.

Pakistan is ill-equipped to handle the public health issues associated with drug use. There are only 96 structured drug treatment clinics in the country, of which only 25 are run by the government and are available free or at minimal cost (UNODC 2013a). All available centers taken together have the capacity to treat at the most, about 30,000 patients annually. Many of the existing centers are poorly equipped and do not have specialized staff. As such, drug usage has dire consequences for most addicts and their families.

### Impacts on the Real Estate Market

Although the bulk of the earnings of Pakistanis involved in the drug trade are believed to be in offshore accounts, not all the players are based out of the country. Flows from the drug trade are surmised to flow back into the licit economy fairly easily, not least due to the lack of regulation of key sectors of investment.

An obvious example is the real estate market. The purchase and sale of property in Pakistan is governed by the Transfer of Property Act 1882, with other laws such as the Stamp Act 1899 and the Registration Act 1908 also being relevant for transactions. The system of buying property is fairly complex when it comes to ensuring that all government duties and taxes have been paid, and more important, that the sale deed is registered with the relevant authorities. However, buyers do not need to produce any personal documentation other than national identity cards. In particular, they do not need to have a national tax number or any proof of being a taxpayer. In small towns, rural areas and even in certain housing societies in large cities, payments can be made in cash rather than by bank draft – dealers excuse this practice on the grounds that access to financial services is limited in Pakistan, and the requirement of

13. See data at: <http://www.nacp.gov.pk>

14. Statement by Head of Community Medicine at CMH Lahore Medical College on World Hepatitis Day 2013. As reported in The News, July 27, 2013: <http://www.thenews.com.pk/Todays-News-6-192589-18m-hepatitis-patients-in-Pakistan>

payment through the formal banking system has to be circumvented if the real estate market is to flourish. Whatever the reason for the lack of documentation, the sector lends itself to money laundering.

It is difficult to estimate the flow of undocumented funds into real estate market, but some characteristics of the market in Pakistan do point to such an eventuality. First, real estate prices in Pakistan, particularly in big cities, do not respond to economic fundamentals – typically, property prices in certain cities (notably Islamabad, Karachi and Lahore) and high end localities in particular, continue to increase year by year at rates well beyond the rate of growth of GDP. In countries where financial markets are developed, and mortgages are the preferred method of housing finance, such bubbles are created by financial policy. But in Pakistan, where property purchases are generally financed by savings or family loans, there is no credible reason for such bubbles to occur.

Second, there is no comparison between median incomes and median property prices in the country. Price to income ratios for housing in Pakistan are routinely estimated at 15 to 18 percent in cities, whereas in New York City, the ratio is closer to 10 percent.<sup>15</sup> Financing property purchases in Pakistan, at least in major cities, through legitimate, taxed income seems to be almost impossible for the average citizen.

Third, the over-valuation of property is also apparent in the rent-value ratio. In general, the rent of a property is set at or close to 0.5 percent of the market value. In Pakistan, average rents are closer to 0.3 percent, showing that rents do not keep up with the increase in property prices.

While not all of the over-valuation in the real estate market can be attributed to drug related inflows, the unregulated nature of the market, specifically its ability to bypass formal banking systems, does point to it being a safe haven for drug trafficking proceeds.

The urban sprawl evident in Pakistan, as prospective property buyers are forced further and further out of city centers in a quest for affordable property is certainly indicative of the extent of black money in the economy. Such real estate markets not only encourage speculation, but also serve to channel legitimate investable funds into non-productive uses. Further, given the Pakistani government's inability to effectively tax transactions, the increased investment in real estate robs the government of revenue that may have been forthcoming had funds found their way into more productive and better documented sectors.

### **Impacts on Corruption and Rent Seeking**

Pakistan consistently ranks amongst the 50 most corrupt countries in the world, as per Transparency International's Corruption Perceptions Index. A National Corruption Perception Survey carried out by the same organization in 2011 indicated that the Land Revenue Department and Police were viewed as the two most corrupt public departments in the country (TI-P 2011). The police in fact has consistently appeared in the top three most corrupt departments since the survey was initiated in 2002. Although Pakistan has enacted anti-corruption legislation on a number of occasions, dating from the late 1940s, and has established

15. See property investment sites such as [www.numbeo.com](http://www.numbeo.com)

a succession of anti-corruption organizations (the current one being the National Accountability Bureau), anti-corruption efforts are generally perceived to be politically motivated, and do not carry credibility.

There is little doubt that key figures in the drug business have used resources and influence to back certain political parties, or if not the party as a whole, certain electoral candidates. Or they have been members of the national and/or provincial legislatures themselves. The most commonly cited examples come from Balochistan and FATA. A Pakistani national popularly known as Imam Bheel, who was named by President Obama in 2009 as a Significant Foreign Narcotics Trafficker under the Kingpin Act is believed to be a key financier of a leading political party in Balochistan (see Green, 2012).<sup>16</sup> In fact, the party, which has a leadership cadre composed of educated, middle class professionals, in stark contrast to most political parties in the country, is now in power in the province. Another well known personality from the Khyber Agency in FATA, who had served a jail sentence on drug charges in the US, and whose property was seized by the ANF under a Supreme Court order in 2006, had remained a member of parliament from FATA under two political governments in the 1990s.<sup>17</sup>

While it is difficult to point out exactly how drug funds may have been used to influence public policy, a nexus between drug lords and public representatives is an undesirable one. This is particularly true in an environment where some of the earnings from drug trafficking have undoubtedly been used to diversify into legitimate businesses. Pakistan is known to have powerful economic lobbies who influence governments to enact amendments in the annual Finance Bill. The Bill, which prescribes how taxation measures are to be carried out, is often undermined through the issuance of statutory orders, known as SROs, that specify exemptions to the taxation policy in different sectors. International financial institutions have expressed their reservations about the issuance of such orders, and the IMF has in fact stipulated a cessation of SROs as one of the conditionalities for its ongoing Extended Fund Facility. However, such efforts to counter lobbying groups can be nullified if more money is poured into the system and used to influence public policymaking. Proceeds from crime can also be used to undermine the work of LEAs by inducing personnel into inaction or even complicity.

In short, the flow of funds from such groups to public officials nullifies any attempt at good governance, and should be checked.

### Impacts on the Authority of the State

Pakistan has been described as a failing state, often making an appearance if not in the first ten, then definitely in the first fifteen countries of the Failed States Index issued annually by the Fund For Peace.<sup>18</sup> Though the ranking can be disputed, Pakistan's status as a country battling political instability, security troubles and a poor economic outlook makes it vulnerable to the growth of organized crime and related corruption. The writ of the state has weakened considerably in regions such as FATA, southern KP and southern Balochistan, and the country's largest city and key port, Karachi, has long been the scene of

16. The Foreign Narcotics Kingpin Designation Act (or the Kingpin Act) was enacted by the US Government in 1999, seeks to identify key players in drug trafficking and deny them access to the US financial system as well as preclude them from forming any legitimate trade links with US entities.

17. For a summary of the career of Haji Ayub Afridi, see WGD 1999.

18. See <http://ffp.statesindex.org>

ethnic and sectarian strife, gang warfare and criminal activity on the part of sophisticated protagonists, capable of a range of transgressions.

In this environment, the infusion of large sums of money into business, real estate, the stock market or as funds for rent seeking can further undermine the authority of state institutions. In more extreme cases, the growth of organized crime has a direct impact on political stability, as well as on the economy, as the key stakeholders learn to bypass taxation and regulation systems. The government thus loses resources and efficacy necessary to provide security, maintain law and order and provide essential services to citizens.

### **Impacts on Foreign Relations**

Pakistan's role as a transit country for international heroin trafficking is coming under increasing scrutiny in the international community. One indicator of this is the quantum of US bilateral assistance for counter narcotics operations – estimated at over \$750 million for the period from 2002 to 2011 (Kronstadt, 2011).<sup>19</sup>

Control of trafficking is amongst the topics that feature prominently in Pakistan and India's bilateral talks as part of confidence building measures between the two countries. A recent analysis of documents prepared by Chinese LEAs indicates that the country is increasingly concerned about drug inflows from the Golden Crescent (Iran, Afghanistan, Pakistan), replacing earlier concerns about the Golden Triangle (Tanner, 2011). Further, in a development that is disturbing for Pakistan, the analysis reveals that the Chinese government emphasizes the role of suppliers in exacerbating its drug problems, as opposed to acknowledging deficiencies in its own law enforcement mechanisms. Recent research from Russia points to a similar trend – the Russian government is increasingly concerned about the fact that the country has seen an alarming increase in drug use over the past decade, almost all of which can be attributed to the increase in supply of heroin from Afghanistan (Stepanova 2013). Although the bulk of this supply is going to Russia through Northern Afghanistan and Central Asia, Russia views regional drug trafficking as a serious issue, and a potential destabilizing influence.

So far the international community is emphasizing regional cooperation of LEAs and multilateral drug control agencies to control trafficking in the region. However, an exacerbation of the trade will only increase the scrutiny of the operations of Pakistani LEAs. This may lead to positive outcomes in the longer term, but in the short term, Pakistani authorities will be under pressure to show results.

### **Links with Terrorism**

The proceeds of crime are very likely being used to fund the activities of militant groups. The increase in incidents of kidnapping for ransom over the last decade, for example, is directly linked to the rise in militancy, and many high-profile victims, are found to be in the custody of different militant groups. The Taliban in Afghanistan are known to benefit from

19. Total of aid under Counter Narcotics programs and programs under the International Narcotics Control and Law Enforcement agency.



taxes on the drug trade (for details see UNODC 2013). While no such direct linkages have been established in Pakistan as yet, it is inconceivable that militant groups would not use the vast network established for the drug trade in Pakistan to generate revenue, either through a system of taxation (particularly in FATA) or by providing protection to key figures in exchange for compensation. Proceeds from the drug trade are thus very likely to be fueling militancy in Pakistan.

Until recently there was little focus on this in Pakistan. Counter terrorism (CT) efforts in the country were focused on intelligence gathering followed by policing, and, in many cases, undercover operations by military intelligence agencies that are not strictly legal. In the new draft Counter Terrorism strategy, unveiled in June 2013, however, there is an emphasis on the need to trace and neutralize financing mechanisms, and prevent terrorist organizations from raising funds domestically or internationally.

Pakistan's attempts to trace fund flows to terrorists are complicated by the fact that informal value transfer systems (IVTSs), popularly known as *hawala* and *hundi*, are commonly used by Pakistanis living abroad to transfer funds to families back home. In a country where barely 14 percent of adults have access to formal financial institutions (see WB 2009), while a further 40 percent do not access any form of financial services at all, IVTSs provide an important service, in that they reach households in remote parts of the country, and enable the user to circumvent the relatively high service fee, and required paperwork of the banking system. While Pakistan has been under pressure from the international community, particularly the United States, to crack down on IVTSs, the government is reluctant to do so, arguing that the bulk of such transfers are not related to illegal activity, but simply provide a convenient form of funds transfer. It is as yet too early to comment on how this debate will progress, but the likelihood is that Pakistan will find itself increasingly under pressure to regulate informal money transfers, thus indirectly affecting at least the stakeholders at the lower end of the drug trafficking value chain.

## Possible Post 2014 Impacts

The future of the drug trade, as it impacts Pakistan, is closely tied to developments in Afghanistan. As of early 2014, international combat forces are due to withdraw from the country by the end of the year, with possibly a token presence of non-combat forces in place to continue to train security forces.<sup>20</sup> Analysts have put forward a number of possible scenarios of how the situation will unfold. These range from possible cessation of all hostilities and co-option of insurgent forces into a broad-based government; to all-out civil war.

Barring unforeseen developments, what does seem clear is that there will be little or no curtailment of the poppy crop in Afghanistan in the medium term. A broad-based government that co-opts the Taliban and local leadership from the south is unlikely to crack down on a key revenue resource. In the event of a civil war, the possibility of control of poppy cultivation recedes even more, as different warring factions will use the crop to generate funds for the conflict.

20. The exact nature of the post withdrawal arrangements will be clear only when the Bilateral Security Agreement between the governments of Afghanistan and the United States is finalized. This is expected to happen after the Afghan presidential elections of April 2014.

Pakistan's position as a destination and transit country for the Afghan drug trade will place it in an even more vulnerable position in the event of a further expansion in the trade. The spinoffs of the trade in Pakistan include the growth of a criminal network that not only oversees the transit process, as well as domestic sales, but is also very likely to be establishing linkages with militant groups and anti-state elements. A destabilized Pakistan suits all such groups. Thus the proliferation of stakeholders in the drug trade, and an expansion in the influence and power of drug lords has implications not only for the maintenance of law and order, but also for state security.

For all of the reasons mentioned above, it is very much in Pakistan's interest to work with the international community to arrest poppy cultivation in Afghanistan, or at least upgrade its anti narcotics forces to combat passage through its territory. Realistically speaking, though, this is fast becoming impossible given the poor state of governance in the country, the slowdown of the economy in the last five years, and the inability of LEAs to take forceful action against criminal elements. In fact, even a business as usual scenario in Afghanistan, with poppy cultivation leveling off at current levels, may not translate into a business as usual scenario for Pakistan, given the ever diminishing capacity of the LEAs in the latter country. We may be looking at a grim scenario in the medium to longer term, where Afghanistan's narco economy begins to wreak unprecedented havoc in Pakistan.

## Afterword

The paper “The Regional Drug Economy and Its Implications for Pakistan”, written in 2014, cites 2012-2013 data, and points out that poppy cultivation in Afghanistan may have hit record levels post 2012. This was subsequently confirmed by the UNODC’s World Drug Report 2015, which reports that area covered by poppy cultivation in 2014 had risen to 224,000 hectares, compared to 154,000 in 2012 (per the paper). Oven-dry opium produced in Afghanistan in 2014 is estimated at 5400 tons, compared to 3700 tons in 2012. Going by the assumptions made in the paper with regard to the amount of heroin being consumed in or transiting through Pakistan, this would amount to about 150 tons of heroin transiting through the country, which, at even conservative estimates, should yield revenues of well over \$1.2 billion, and very likely much more. Thus the production of opiates has only expanded in the last two years, and shows little signs of abating. Whether or not this translates into increased heroin in markets is uncertain, given that the drug can be stored for long periods.

If, as the data seems to indicate, the trade in opiates is expanding, the longer term effects on Pakistan, which is fighting a well organized and well funded militant movement, could be dire. While the Tehrik e Taliban remains the most active militant group, recent investigations have pointed to the penetration of the Islamic State, or groups sympathetic to the IS, in key urban centers. While the military has mounted a sustained campaign against such groups, its efforts could be hampered by the proliferation of criminal gangs with access to drug-related resources and links to terrorist outfits. Cracking down on the funding of militant groups is one of the elements of Pakistan’s National Action Plan against terrorism. This requires specialized expertise in tracking money flows as well as prosecuting offenders. But if the country is to win this war, it must develop and deploy such expertise.

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<b>AML</b>	Anti Money Laundering
<b>ANF</b>	Anti Narcotics Force
<b>ANSF</b>	Afghan National Security Forces
<b>ATT</b>	Afghan Transit Trade
<b>BLA</b>	Baloch Liberation Army
<b>CNS</b>	Control of Narcotics Substances
<b>COAS</b>	Chief of Army Staff
<b>EEZ</b>	Exclusive Economic Zone
<b>FATA</b>	Federally Administrated Tribal Area
<b>FATF</b>	Financial Action Task Force
<b>FC</b>	Frontier Corps
<b>FCR</b>	Frontier Crimes Regulation
<b>FIA</b>	Federal Investigation Agency
<b>FMU</b>	Financial Monitoring Unit
<b>FTO</b>	Federal Tax Ombudsman
<b>GHQ</b>	General Headquarters
<b>ISAF</b>	International Security Assistance Force
<b>IVTS</b>	Informal Value Transfer System
<b>KP</b>	Khyber Pakhtunkhwa
<b>LEA</b>	Law Enforcement Agency
<b>MDTF</b>	Multi Donor Trust Fund
<b>MSA</b>	Maritime Security Agency
<b>MPA</b>	Member of the Provincial Assembly
<b>NLC</b>	National Logistics Cell
<b>NWFP</b>	North West Frontier Province
<b>PCG</b>	Pakistan Coast Guard
<b>PCNA</b>	Post Crisis Needs Assessment
<b>PPP</b>	Pakistan People's Party
<b>SAFRON</b>	States and Frontier Regions
<b>TTP</b>	Tehrik e Taliban Pakistan
<b>UNODC</b>	UN Office of Drugs and Crime