

Testimony of

The Honorable Gordon H. Smith

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I appreciate the opportunity to appear today to discuss a subject which I followed closely both when I was Ambassador to Tajikistan and subsequently. I understand that others will cover Afghanistan, so I will focus on former Soviet Central Asia, particularly Tajikistan and the Islamic Movement of Uzbekistan.

The connection between terrorism and narcotrafficking has several aspects. As we have seen in Colombia and Afghanistan, terrorist groups may profit directly or indirectly from the growing, processing and trafficking of narcotics. They may engage themselves in those activities, or provide protection for or tax the activities, without themselves engaging in the production or transport. In addition, terrorist groups can use existing narcotrafficking systems for their own benefit. For example, established drug smuggling routes can be adapted to move arms, explosives or even people, and narcotraffickers' money laundering channels can move terrorists' funds just as easily.

Former Soviet Central Asia has seen both aspects of the interaction between the two groups. Narcotics trafficking through the area began in earnest after the breakup of the Soviet Union and expanded dramatically with the steep rise in production in Afghanistan at the end of the 1990's. Whereas at the beginning of the decade, most of the opium production in Afghanistan exited to the south or west, by the end of the period an estimated half or more of what was not consumed in Afghanistan moved north, primarily through Turkmenistan and Tajikistan. As late as the mid-1990's, most of what transited Tajikistan was in the form of opium, representing the limited production of the Badakhshan province of Afghanistan, which has traditionally been only a few percent of the total production of Afghanistan. That opium moved through the eastern part of the country to the city of Osh, in Kyrgyzstan, and thence on to Russia, where there was a market for opium. In 1997 Tajikistan authorities seized their first heroin transiting the country. By 2000, the total for opiates transiting Tajikistan had risen to 300-500 tons of opium equivalent per year (30-50 tons of heroin), according to UN estimates quoted in the Department of State's International Narcotics Control Strategy Report. Of that 80 per cent went through the western portion of the country, largely in the form of heroin and largely originating in Taliban-controlled areas of Afghanistan.

During this same period, the Islamic Movement of Uzbekistan, or IMU, began to move out from its bases in Tajikistan to conduct operations in Kyrgyzstan and Uzbekistan. Its military leader, Juma Namangani, had fled the Ferghana Valley portion of Uzbekistan during the Tajikistan civil war. An experienced fighter from his days with the Soviet Army in Afghanistan, Namangani fell in with the United Tajik Opposition (UTO). He rose to the level of deputy to the UTO chief of staff, Mirzo Ziyoev, operating out of Tavildara in eastern Tajikistan with a force of Uzbeks. He reportedly opposed the 1997 peace agreements that ended the fighting between the Government of Tajikistan and the UTO. With his men, he settled in the town of Hoit in the Karategin Valley

of eastern Tajikistan, not far from the Ferghana Valley by way of mountain paths. The Government of Uzbekistan charged Muslim extremists with responsibility for attacks on security personnel in Ferghana in late 1997 and, later, for the assassination attempt against President Karimov in early 1999. With Uzbekistan pressing Tajikistan to act against Namangani, he led his men over the mountains into the Kyrgyzstan portion of the Ferghana Valley in August 1999 for what ended up as a series of kidnappings for ransom. They withdrew to Tajikistan in the fall. Finally, at the urging of their erstwhile allies of the UTO, who were then in the Government of Tajikistan, they moved on to Afghanistan, where they were warmly received by the Taliban. In 2000 they mounted more widespread attacks within Uzbekistan and Kyrgyzstan, some using the route of the previous year and some by other routes. The United States declared the IMU a terrorist organization in September 2000. By then, estimates put the strength of the IMU at up to 2-3000 fighters, most of whom were based at Mazar-i-Sharif in Afghanistan, but with contingents also supporting the Taliban in Qunduz and Taloqan. These contingents fought with the Taliban in 2001, with Namangani himself reportedly killed.

A portion of the income which enabled the IMU to operate into Kyrgyzstan and Uzbekistan came from moving heroin from Afghanistan across Tajikistan into those countries for onward shipment to Russia. The trafficking reportedly began before their hostage-taking forays but used the same route from their bases in Tajikistan into the Ferghana Valley portion of those two countries. While difficult and impassable by vehicles or by anyone in the winter, it had the advantage of avoiding the heavily monitored roads into Kyrgyzstan. The IMU experience in fighting with the UTO in eastern Tajikistan during the civil war there provided it with the bases, knowledge of the border crossings into Tajikistan from Afghanistan and contacts with the local field commanders necessary for such an operation.

How important were these narcotrafficking profits for the IMU? One observer, quoted in Ahmed Rashid's new book, *Jihad*, estimated that the IMU controlled 70 percent of the narcotics trafficking Tajikistan. This would appear unlikely, since there were established routes, controlled by major warlords in Tajikistan, both to the east and west of the IMU area. However, even a small share of the Tajikistan transit market would have produced significant returns for the IMU. Assuming a profit of \$500 for carrying one kilo of opium or opium-equivalent across Tajikistan, which was the figure when I was there, even a share of two per cent of the Tajikistan transit trade would produce a profit of \$3-5 million a year. When added to the IMU's reported income from other sources - gifts from Osama bin Laden and ransoms from hostage taking - it gave the organization the capability to outfit its fighters well and to pay for the food and other items it got from local populations.

While the IMU leadership may be destroyed and its fighters mostly killed or taken prisoner in Afghanistan, some remnants have probably found their way to the IMU bases in Tajikistan, where they joined cadre that remained there during the fighting in Afghanistan. They presumably still wish to achieve the IMU objectives and will have the ability to pursue those objectives through money obtained from narcotrafficking.

Preventing the resurgence of such an organization requires a multi-pronged approach not unlike that which the international community has pursued in trying to end the growing of opium and coca. A strong enforcement effort, targeting both the narcotraffickers and the terrorist

organizations, needs to be a major component. This will require a degree of cooperation among the Central Asian states that they have avoided to date. However, there also needs to be a "carrot." The lack of other sources of income in the post-Soviet era has driven individual Tajiks to smuggle opium or heroin across the country and was a key factor aiding IMU recruitment in the Ferghana Valley. In rural areas, the old agricultural economy no longer works - particularly the cotton-growing collective farms - leading to large-scale unemployment and underemployment. While some reform has occurred in Tajikistan, it has not revived the rural economy. In Uzbekistan, reform has not begun. Such reform will require commitment from both governments plus substantial international support. Only with such an effort, combined with a persistent, tough and well-financed program to eliminate poppy growing and terrorist groups in Afghanistan, can the international community hope to eliminate these twin scourges.

Thank you.