

**Forum:** UNODC

**Issue:** Tackling Drug Money: the illicit proceeds of opiates trafficked on the Balkan route

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## Introduction

In recent years the amount of opium, heroin and drugs consumed globally has increased dramatically, the UNODC committee has the objective of lowering the consumption of these drugs as well as stopping the drug trafficking around them, more specifically stopping the Balkan route as it is one of the most important routes in which drugs access the European Union.

The great majority of illicit opiates in the world come from Afghanistan, and even though opium cultivation and output in Afghanistan decreased in 2015, this situation appears likely to persist. A variety of well-known trafficking routes are used to transport Afghan opiates to markets around the world. The so-called "southern route" (southward through the Islamic Republic of Iran or Pakistan) is a network of trafficking routes that facilitate southerly or northerly flows to many destinations, including Asia and Africa. The so-called "northern route" (through Central Asia) transports Afghan opiates to the Russian Federation. The so-called "Balkan route" (via the Islamic Republic of Iran and Turkey to South-Eastern Europe to Western and Central Europe) is the primary method by which Afghan opiates are transported to Europe making it the most important heroin trafficking route of all."

The 32 nations and territories listed below receive illegal Afghan opiates via the Balkan route: Kosovo, Luxembourg, Montenegro, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the former Yugoslav Republic of Macedonia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Greece, Hungary, Iran (Islamic Republic of), Ireland, Italy, Kosovo, Luxembourg, Montenegro, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden They are collectively referred to as "the Balkan route" or "Balkan route countries" for this research report.

According to the UNODC annual report (cited in the bibliography) the total monetary value (value added) of illicit opiates trafficked through the Balkan route is an estimated \$28.0 billion per year. Even though the Balkan route accounts for a small portion of all

opiates trafficked from Afghanistan to markets worldwide, the total is roughly one-third the size of the source country's GDP (\$21.2 billion in 2014). While much attention is focused on illicit opium production in Afghanistan, this demonstrates that, in economic terms, Afghanistan is only one component of a much larger problem, as the negative economic impact of illicit opiates is greater in Balkan route countries than in Afghanistan itself<sup>1</sup>.



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<sup>1</sup> Map extracted from (<https://www.russellwebster.com/how-is-heroin-trafficked-from-asia-to-europe/>)

## Term Definitions

### Opium

Opium is a highly addictive natural narcotic derived from the poppy plant, *Papaver somniferum*. Many narcotics, including morphine, codeine, and heroin, are derived from the opium poppy.

### The Balkans

The Balkan Peninsula is the easternmost of Europe's three great southern peninsulas. Generally, the Balkans are bordered on the northwest by Italy, on the north by Hungary, on the north and northeast by Moldova and Ukraine, and the south by Greece and Turkey or the Aegean Sea.

### GDP

Gross domestic product (GDP) is the standard measure of the value added created through the production of goods and services in a country during a certain period.

## Background Information

Opium has been grown in Afghanistan for hundreds of years, although opium production did not significantly increase until the "Saur Revolution" which led to the subsequent Soviet invasion. The Mujahedeen organisations, an Afghan guerrilla against the Soviet Union, successfully conducted a battle against Soviet forces for the majority of the 1980s. The war levelled cities, cratered highways, mined pastures, wrecked irrigation systems, and bombed schools while different forces detained, murdered, and expelled educated and skilled individuals. As a result, 70% fewer animals were being kept on farms, and 50% of them had been abandoned. Between 1978 and 2000, cereal production per person decreased by 45%. One-fifth of the population was ultimately compelled to leave the country, state institutions were completely destroyed as a result of the conflict, especially in the countryside.

Farmers started relying on opium growing as part of their sustenance plans during the Soviet occupation, especially in rural and mountainous areas. Farmers were able to earn a reasonably big amount of money from the opium crop offering greater profits than any other crop. Added to the fact that the poppy can withstand the elements fairly well. It has a great monetary value and it is very resistant. Opium is an excellent savings deposit for farmers since it can be stored with little risk of spoiling, is simple to transport, and can be traded all year long, in contrast to legitimate crops which cannot be supported without storage, marketing, and transportation infrastructure. Farmers can plant a second crop during the same growing season because the gap between planting and harvesting is only about six months.

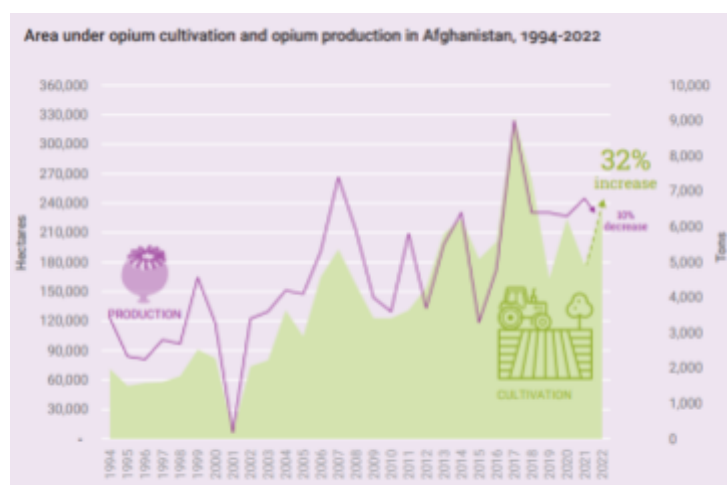
The price of opium increased concurrently with attempts by Pakistan, Iran, and Turkey to decrease illicit production, which led traffickers to look for other sources of raw material. The growing season for poppies in 1991–1992 was especially favourable in terms of the weather, which helped opium farming expand. 300 metric tonnes of opium were created in 197, 750 metric tonnes of opium were produced on 23,000 hectares of land ten years later, according to data.

The dynamic that drove farmers to cultivate opium during the Soviet occupation persisted under the Taliban. Afghanistan produced 2200-2400 metric tonnes per year between 1992 and 1995. The drug money was used to purchase weapons, ammunition, soldier's salaries, fuel, food, and other necessities. The Taliban declared opium cultivation illegal in 2001. While cultivation was prohibited, the regime made no attempt to prohibit the processing or trafficking of existing stocks, which was a more important source of revenue for the regime and the traders who supported them.

With the Taliban's defeat and the start of Afghanistan's transition, opium cultivation increased significantly. The increase in cultivation was motivated by diverse circumstances, firstly opium cultivation was deeply embedded in the livelihood strategies of farmers. Furthermore, the ban increased opium prices, encouraging further cultivation. As the opium price increased so did the income of those who cultivated it.

Finally, cultivation was accelerated because the Taliban regime's demise coincided with the planting season. Farmers could plant their fields freely and traffickers could operate openly in the absence of any Government authority from October 2001 until the establishment of the Transitional Authority in 2002. In the first year after the Taliban's demise, large-scale opium cultivation resumed in the south (Helmand), east (Nangarhar), and north (Badakhshan).

Since the takeover of Afghanistan by the Taliban in August 2021, opium cultivation increased by 32%, or 56,000 hectares, compared to the previous year. This represents the third largest area under cultivation since the beginning of systematic monitoring.



Extracted from the UNODC report of Afghan poppy cultivation (cited in the bibliography in number 18)

## Countries Involved

Although a small summary of illicit Afghan opiates reaches the Islamic Republic of Iran through Pakistan, the vast majority of them reach the Islam Republic of Iran directly from Afghanistan. In 2012 an average of 15413 tons of illicit opiates In pure hero crossed the border from Afghanistan to the Islamic Republic of Iran. As mentioned opiates enter the Islamic Republic of Iran in the form of both raw opium and refined heroin, but thereafter the illicit opiate trade on the Balkan route almost exclusively concerns refined products. The quantity of illicit opiates consumed in the Islamic Republic of Iran is estimated at around 33 per cent of the total quantity of opiates entering the country, which also seizes another 30 per cent of all opiates trafficked on the Balkan route, while traffickers move the rest, further along, the route.

The main markets for illicit opiates transiting the Netherlands are consumer countries such as the United Kingdom (13 tons), France (10 tons), Germany (0.7 tons), Austria (0.5 tons), Ireland (0.5 tons), Portugal (0.4 tons) and Spain (0.3 tons) Germany and Austria highlight the complexity of the European opiate trafficking network.

The four largest European markets together account for nearly half of the annual gross profit generated by the trafficking of opiates on the entire Balkan route. This figure is roughly \$5.1 billion in France, \$3.4 billion in the United Kingdom, \$2.6 in Germany and \$1.5 in Italy. High levels of opiate consumption and high purity-adjusted prices at retail explain the magnitude of the illicit gross profit in those countries.

The monetary value of opiate trafficking is considerably high in several countries in South-Eastern Europe. Albania (2.60 percent of GDP) and Bulgaria (1.22 percent of GDP), in particular, are the two countries with the highest ratio between gross profit and GDP on the Balkan route, which is caused by the strategic location of those countries in the trafficking of opiates on the route.



(UNODC research study on Drug Money: the illicit proceeds of opiates trafficked on the Balkan route)

Both countries act as transit countries for illicit opiates trafficked from the Balkan Peninsula en route to the Netherlands and in less quantity to Germany and Austria.



## Timeline of Events

- 2001** Illegalization of opium cultivation in and the end of the Taliban regime which created an enormous decrease in poppy cultivation.
- 2003** Creation of the Paris Pact Initiative (PPI), a broad international coalition of 58 partner countries and 22 organisations, including UNODC.
- 2003** Formation of the "333 Force," also known as the Afghan Special Narcotics Force (ASNF). To "inject" danger into the illegal drug trade, the ASNF, a paramilitary organisation, was charged with conducting raids against high-value targets and drug infrastructure, such as bazaars and laboratories. The force damaged the opium economy and the expansion of opium cultivation was greater than the damage made by the ASNF.
- 7 Oct 2003** The National Drug Control Strategy (NDCS), created by the Counter Narcotics Directorate, is built upon the five pillars of alternative livelihoods, law enforcement, institution-building, demand reduction, and judicial reform which resulted in the creation of the Afghan National army and the Afghan ministry of defence.
- 2005** CN Criminal Justice Task Force (CJTF) became operational and began fast-tracking CN cases within the criminal justice system.
- 2015** A decrease of nearly 45% in opium as a result of the banning of cultivation and trade of opium by the new government led by Ghani, finally elected at the end of 2014.
- 2018** Due to the lack of government and the protests caused by the new parliamentary elections there was a spike of nearly 50% in opium cultivation.

## **Relevant UN Treaties/Resolutions**

### **ECOSOC RES/2007/11**

Support to the counter-narcotic measures and programmes of Afghanistan, the resolution calls upon Afghanistan to step up its anti-narcotics efforts and hold those responsible for or complicit in opium poppy cultivation and production as well as urging the international organisations to support the member states heavily affected by drug trafficking

### **E/RES/2007/12**

Strategy for the period 2008-2011 for the United Nations Office on Drugs and Crime, this resolution details the strategy the member states should take in order to tackle international drug trafficking.

### **E/RES/2006/32**

Support for the National Drug Control Strategy of the Government of Afghanistan, in this resolution total support to the Afghan Government and its drug strategy is asked of all members. The cooperation between all member states to reduce the consumption of opiates, and money laundering with the intention of achieving a sustained and significant reduction in narcotics production and trafficking with the goal of completely eliminating them.

### **E/RES/2004/37**

Providing support to the Government of Afghanistan in its efforts to eliminate illicit opium and foster stability and security in the region. This resolution encourages all member states to give support to Afghanistan by implementing a combined strategy emphasising the necessity of stepping up efforts to cut down on illicit drug demand globally in order to sustain attempts to eradicate illicit opium in Afghanistan.

## **Previous Attempts to Solve Issue**

### **PROJECT: "Strengthening of Capacities for the Collection and Analysis of Criminal Intelligence in South-Eastern Europe."**

The \$2.2 million project, funded by the British Government and Liechtenstein and launched in October 2001, as a way of combating the increase in heroin and opium consumption and trafficking in their territories, seeks to assist interior ministries in the region in using modern intelligence-based policing methods to efficiently target key criminal organisations in order to disrupt their operations. The meeting was attended by criminal police department chiefs and criminal intelligence experts from Bosnia and Herzegovina, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Romania, Serbia and Montenegro, and Slovenia.

The project resulted in better training to combat and detect drug hot spots but it was not enough to see a decrease in criminal activity as the improvement in techniques was minimal.

## **THE PARIS PACT INITIATIVE**

Since its inception in 2003, the broad international coalition known as the Paris Pact Initiative (PPI), made up today of 58 partner countries and 22 organisations, including UNODC, has evolved into one of the most important frameworks for combating illicit traffic in opiates originating in Afghanistan.

This coalition aims to discover how countries situated along the northern and Balkan routes are affected by the menace of opiates. In response to shifts in opiate trafficking, more recent focus is also placed on certain trajectories of the southern route.

## **Possible Solutions**

### **Increase Control**

Opiate trafficking illegally through the Balkan route is motivated by the lack of risk in the route. Among all the potential linkages that could transport opiates from Afghanistan to the final destination markets, trafficking is concentrated along a few particular routes. These routes are undoubtedly seen by traffickers as the easiest and least dangerous means of transporting illegal opiates to their target markets. This deliberate choice may be influenced by a number of variables, including the potential for corrupting customs officials, relationships with neighbourhood gangs, general levels of enforcement, the cost of illegal opiates in the nation, etc. Member states must cooperate to localise the security flaws in these routes in order to correct them and therefore making drug trafficking through these routes much more difficult. These corrections may include increasing the amount of security, targeting corrupt customs officials, modernising equipment, etc.

### **Increase interception**

Instead of randomly controlling borders, law enforcement agencies might concentrate on these particular routes to increase the interception of opiate traffickers.

Member states must create heat maps of the cross-border routes that are most at risk and detect trends in the modes of transportation that are most frequently used to carry opiates that match the trafficking hotspots along the Balkan route to produce risk assessment models. These kinds of models would help law enforcement agencies use their resources more effectively and be more successful in stopping international opiate trafficking. All nations along the Balkan route would have to cooperate within this framework in order to share information and improve their ability to identify illicit trafficking. This would enable effective and efficient use of resources instead of possibly investing in more control in random cross-borders which may not actually be heavily used by drug smugglers.

## **Increase banking transparency**

In order to reduce opiate trafficking, the banking system's opaqueness must be reduced because doing so makes it easier for illegal profits to be reinvested in the legal economy.

By enhancing the openness of financial institutions by the member states, new rules may be primarily focused on raising the costs and risks incurred by criminal organisations while laundering their gains which would difficult this activity enormously as the lack of existence of a treaty between most EU member states and Afghanistan regarding financial affairs results in a increase in money laundering.

Accordingly, each State would have to: adhere to the 25 money laundering prevention guidelines made by the Financial Action Task Force. Applying measures such as: compelling the beneficial ownership of all banking and security accounts to be verified, demanding information on all businesses and legal entities ultimate human beneficial owner, giving financial intelligence teams the tools and instruction they need to detect suspicious transactions, encouraging collaboration with global law enforcement organisations, creating and constructing integrated database systems to enable quick worldwide information interchange.

## **Worldwide cooperation**

Member states must collaborate in order to tackle the situation. Activities associated with opiate trafficking and money laundering are inherently global. Therefore, it is impossible to limit their study to national boundaries. Opiate trafficking on the Balkan route operates as a system that takes advantage of the weaknesses of the nations that make up the network.

Governments and law enforcement agencies would need to cooperate in order to eradicate the illegal possibilities that support trafficking because the route is a system.

The fight against drug trafficking is aided greatly by international cooperation in data collecting and law enforcement countermeasures.

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