



Nimroz and Samangan: A comparative case study of shifts in Afghanistan's political economy since the Taliban takeover

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About Alcis

Alcis is responsible for the design and deployment of an online geospatial platform and high-resolution imagery and geospatial analysis. Alcis provides world-class geographic information services (GIS) to enable better understanding, decisions and outcomes for its clients and beneficiaries. Alcis have worked continuously in Afghanistan since 2004, providing in-depth analysis and GIS to a wide range of donors, including the UK, US, Australian, Danish and Afghan governments, the Asian Development Bank, the United Nations, academia, think tanks and non-governmental organisations. Over this period, they have curated the most comprehensive and sophisticated geospatial database for Afghanistan, building a range of unique web-based geographic data visualisation and analysis platforms, for different clients with differing needs, that enable the viewing, querying and annotation of bespoke geospatial data.

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Executive summary

This research uses in-depth interviews, satellite imagery, and geospatial data to quantify and map shifts in economic and political power in the provinces of Nimroz and Samangan following the Taliban takeover of Afghanistan in August 2021.

Key findings include:

- ▶ **Most of those with posts in the new administration in Samangan and Nimroz were those with military backgrounds, with the most important roles going to those from nearby provinces.** In Nimroz, those with key posts came from Farah, Helmand and Herat, while in Samangan the spoils were divided amongst former Taliban fighters largely from the surrounding provinces of Kunduz and Baghlan, where the Taliban had a firm foothold during the insurgency. In both Samangan and Nimroz, local representation in the new administration was largely concentrated in minor posts in the provincial and district administration and in the provincial ulema council, a newly created body that acts as a bridge not just between Mullah Haibatullah and local elites, but also between the population and a provincial administration largely dominated by what could be viewed locally as ‘outsiders’.
- ▶ **There is evidence of a cadre of ‘technocrats’ positioned in key economic roles, all with prior experience of revenue generation from the insurgency.** For example, the head of the economic commission in Nimroz, Mullah Mustafa, oversaw the economic and finance commission for Farah and Nimroz during the insurgency. In 2021, this commission was responsible for the collection of an estimated US\$100 million in duties per year from the Taliban checkpoints at Ghorghory and Pushrod, as well as taxes from the drug trade in what is a key entrepot en route to Iran and Pakistan. Similarly, his equivalent in the new administration in Samangan, worked in the economic and finance commission for both Samangan and Baghlan, the latter of which had an important checkpoint at Chashmashir on the main Highway between Pul e Khumri and Mazar-e-Sharif where as much as US\$66 million per year was collected in duties on goods transiting from the northern port of Hairatan (many of them imported by NATO) to Kabul.
- ▶ **In the absence of external donor funding, the Taliban has had to become much more efficient at generating revenues than its predecessor.** The appointment of experienced officials to revenue earning departments, the strict enforcement of regulations and controls on highways and the borders, the new approach to establishing and negotiating tax rates, and the centralisation of payments, exemplify the Taliban’s efforts to maximise revenues. What remains unclear is how these monies are distributed, given the dominance of the cadre of predominantly Pashtun former Taliban fighters that now occupy positions of power at the centre in Kabul and Kandahar, as well as in provinces like Nimroz and Samangan.
- ▶ **Increased regulation of production and trade has become a feature of Taliban rule in both provinces.** In Nimroz, the Taliban has sought not only to enforce the cross-border trade rules – largely ignored during the Republic – but also to regulate the trade of smuggled goods, such as fuel, drugs and illegal migration. Smuggled goods have become an important source of revenue in the face of dwindling official trade through the border with Iran at Milak. Similarly, in Samangan, the Taliban has moved to limit the weight of trucks on the roads, as well as close the coal yards to the east of the city of Mazar-e-Sharif, redirecting trade east to Hazrat-e-Sultan. In both provinces these new controls serve several functions: raising additional revenues for the authorities,

reducing corruption, and denying income for those within the Taliban ranks looking to establish a potential independent powerbase.

- ▶ **The Taliban have proven adept in exploiting a variety of cross-border value chains to maximise revenue collection.** While taxes on production and trade have been raised following the collapse of the Republic, it is often done at a level that is either commensurate with the reduction in transactions costs or with the rise in the price of the good or service. Examples can be seen with changes to the tax on coal, drugs, and what was once ‘smuggled’ fuel, where a rise in taxes do not appear to have reduced the profits of traders.
- ▶ **Experience in Nimroz and Samangan suggests the Taliban approach to the economy is pragmatic, intervening largely where they can extract the greatest financial benefits.** This stands in contrast to reports of the Taliban taking a more commanding role in trade, determining the market price of commodities like coal. This is an economy dominated by the private sector in which the authorities use regulation and taxation to exercise influence. Bargaining appears to be a critical part of the process, including listening to the complaints and concerns of traders that work cross-border value chains and are most impacted by tax hikes, regulatory changes, and price fluctuations.
- ▶ **The desire to maximise revenue collection is not pursued blindly by the Taliban, and there are several examples where the authorities have adjusted their position on taxation and regulation in response to local demands, to avoid undermining political support.** The trade of ‘smuggled’ fuel is one example, where local elites have managed to persuade the Taliban leadership to compromise and allow cross-border trade to reopen after an initial cross border ban. Similar patterns of political expediency are apparent with the shift in policies towards people smuggling through Nimroz and the failure to enforce the drugs ban uniformly.

- ▶ **There has been a distinct reorientation of trade with Pakistan following the Taliban takeover, as both countries have sought to improve cross-border trade of key goods.** This is not just a matter of the volume and value of goods, it also involves the rerouting of goods sometimes through particularly difficult terrain. With regards to Samangan, it is the redirection of the coal trade eastwards away from Mazar-e-Sharif through the mountains to Hazrat e Sultan and Aybak. In Nimroz, large volumes of goods are transported along desert roads between the city of Ziranj and Dak in Pakistan. The redirection of trade has been accompanied by infrastructural developments by the Taliban, including road improvements, and new storage areas and tax offices.
- ▶ **The Pakistani authorities have reciprocated and acted to facilitate increased volumes of trade with Afghanistan at both formal border crossings and informal border crossings of its choice, reflecting the closer trading ties between the countries following the collapse of the Republic.** While the Pakistani authorities have improved border management and infrastructure at official border crossings such as Torkham, where most of the coal from Samangan transits, they have also moved to support cross-border trade at informal crossings such as Dak, canalizing and managing trade through the construction of fences, berms, and storage.

1. Introduction

There is considerable debate about how the Taliban rule: the processes by which decisions are made; who is involved; and how policies announced in Kabul and Kandahar are subsequently understood and enforced at the subnational level. While the dominant narrative is of increased centralisation and strict compliance to the new order established by the Taliban, there remain many areas where the imposition and execution of rules vary not just between provinces but between districts within the same province;

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a continuation of the practice seen during the Republic, and prior Afghan governments. Another theme of intense discussion is the de facto authorities' revenues, in particular the amount and sources of taxes they draw on, including the contribution illegal goods like drugs, make to the overall budget, and the mechanisms for deciding how these monies are spent.¹

In policy circles, the media, and academia, there is a focus on the interactions between those in the upper echelons of the Taliban leadership, most notably the Taliban's leader Mullah Haibatullah Akhundzada in Kandahar, and other centres of power, particularly Sirajuddin Haqqani, the Minister of Interior from the east, and Mullahs Yacoub and Baradar from the south, the Minister of Defence and Deputy Prime Minister of Economic Affairs.² There is a particularly dominant discourse regarding Mullah Haibatullah's concentration of power, shaped by his religious credentials as 'commander of the faithful' – Amir ul Momineen – and the 'unquestionable authority' he is thought to derive from it, alongside his command over both the Leadership Council, and appointments at the national and subnational levels of government.³ Rumours also circulate about Haibatullah's efforts to gain greater control over the Taliban's finances, including over the agricultural tithe, known as ushr, and allegations

that he has drawn down monies from the Ministry of Finance to fund his own 'personal army'.⁴

This research recognises the challenges of collecting verifiable data on the inner workings of the Taliban leadership where anecdotes, misinformation, and biases often prevail. Instead, it adopts a bottom-up approach and examines the shifts in political and economic power that have taken place at the subnational level – province, district, and local – following the Taliban takeover. After all, it is in the provinces, districts, and villages where the policies and statements of the Taliban authorities in Kabul and Kandahar are interpreted by the former fighters who have gained positions in the new administration, and where historically implementation is challenged by rural and provincial elites, as well as communities.

To develop a better understanding of the shift in political and economic power since the Taliban takeover, the research pursues two separate but related lines of enquiry. The first concerns political power and focuses on those in formal and informal positions of authority at the provincial and district level. Given the challenges of access and the divergence between rhetoric and what happens in practice, the research avoided what might be referred to as the 'master narratives' of those in power, and how they purport to rule. Rather, the intention was to chart the shifts in the histories and origins of those in positions of power following the Taliban takeover, including links to other centres of power in Afghanistan, particularly those in Kabul and Kandahar.

The second line of enquiry focuses on economic power, and documenting and mapping changes in the institutions and amounts of taxes collected following the collapse of the former Afghan Republic. This aspect of the research builds

- 1 Omar Joya, 2023, "Afghanistan Post-2021: The New Political Economy of Growth", Afghanistan Research Network, PeaceRep: The Peace and Conflict Resolution Evidence Platform, June 2023. https://peacerep.org/publication/afghanistan-research-network-post-2021-political-economy/PeaceRep-Afghanistan-Research-Network-Reflection_04.pdf; David Mansfield, 2023 "Why we continue to misunderstand conflict economies", Lawfare, March 2023. [Why We Continue to Misunderstand Conflict Economies | Lawfare \(lawfaremedia.org\)](https://www.lawfaremedia.org/article/why-we-continue-to-misunderstand-conflict-economies)
- 2 Hassan Abbas, 2023, "The internal splits that threaten Taliban rule", Chatham House, July 2023. <https://www.chathamhouse.org/publications/the-world-today/2023-08/internal-splits-threaten-talibans-rule>; Vanda Felbab Brown, 2023 "Afghanistan in 2023: Taliban internal power struggles and militancy", Commentary, Brookings, February 2023. <https://www.brookings.edu/articles/afghanistan-in-2023-taliban-internal-power-struggles-and-militancy/>
- 3 Sana Tariq and Mohammad Ehsan Zia, 2022, "The Taliban's Crisis of Diplomacy", USIP, Afghan Peace Process Issues Paper, December. https://www.usip.org/sites/default/files/Afghanistan-Peace-Process_The-Talibans-Crisis-of-Diplomacy.pdf; Abubakar Siddique, "Taliban Leader's Dominance Results In Increased Oppression, Isolation", Radio Free Europe, January 2023. <https://www.rferl.org/a/afghanistan-taliban-leader-akhundzada-oppression-isolation/32234403.html>
- 4 Kabul Now, 2023, "Knowing the Taliban: Power, Government, and People", August 2023. <https://kabulnow.com/2023/08/knowning-the-taliban-power-government-and-people/>

on earlier work conducted in Nimroz for the Overseas Development Institute (ODI) prior to the Taliban takeover.⁵ In estimating and mapping the taxes that traders and transporters paid to different powerholders on multiple value chains, the ODI research identified the value of different territories and the specific nodal points where those involved in the conflict could accrue the greatest financial advantage. It also showed how the Taliban insurgency's capture of key locations on the main transport routes, and the official border crossings, undermined Kabul's largesse and the financial interests of powerful local actors associated with the government, hastening the collapse of the Republic.⁶

By repeating this exercise in estimating and mapping revenue collection in Nimroz, it is possible to produce empirical evidence of the Taliban's capacity to centralise revenue collection in the province following the collapse of the former Republic. However, by replicating both lines of enquiry – the histories of those in power and revenue mapping – over several provinces, the research supports a comparative analysis of the shift in economic and political power from which wider lessons about Taliban rule can be drawn. To best achieve this with the available resources, two contrasting provinces were selected as case studies on the basis that any common patterns identified would be more likely to be replicated across a larger area.

The provinces of Nimroz and Samangan were selected. These provinces could not be more different. Figure 1 below shows Nimroz as a large desert province in the southwest bordering both Pakistan and Iran, a major entrepot for the cross-border trade in goods (and people). The province has little in the way of natural resources, beleaguered by drought, contains no major mineral reserves, and little productive agricultural land. In contrast, Samangan is a mountainous interior province in the north, hundreds of kilometres from Afghanistan's borders. While the major highway between Mazar-e-Sharif and Kabul dissects Samangan, passing through the

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provincial centre of Aybak, unlike Ziranj in Nimroz, the city did not become a major trading centre. Rather, Samangan's economic advantage lies in the remote area of Dar-e-Suf, where Afghanistan's largest deposit of high-quality coal is found, much of which is exported to Pakistan and constitutes an important source of revenue for the Taliban following the takeover.

Politically, the provinces also diverge. Nimroz's population consists largely of Baloch and Pashtuns, along with Tajik and Brahui minorities. Samangan is dominated by Hazaras, Tajiks and Uzbeks with a small Pashtun population. After 2001, both provinces were dominated by political elites affiliated with the Afghan Republic, although Nimroz had a significant insurgent presence in the northern district of Khashrod and neighbouring Bakwa, which proved an important military and tax base for the Taliban. In Samangan, the Taliban presence was much more limited during the war and largely restricted to a small number of villages in the districts, and most concentrated in Dar-e-Suf Payin.⁷

Despite Nimroz and Samangan's contrasting characteristics, there are commonalities in the Taliban's rule over both provinces, particularly regarding how power is wielded and how the economy is managed. This research provides empirical evidence from both provinces showing that the Taliban takeover has resulted in a concentration of economic and political power and that the new authorities have prioritised revenue generation.

5 Alcis, David Mansfield and Graeme Smith, 2021, "War gains: how the economic benefits of the conflict are distributed in Afghanistan and the implications for peace – A case study on Nimroz province". Overseas Development Institute, 2021. https://www.alcis.org/_files/ugd/a5fe58_49ae80744c6c4f259347debf6be40d79.pdf

6 David Mansfield, 5 August 2021, <https://twitter.com/mansfieldintinc/status/1423322111863660550>

7 Obaid Ali, 2019, "Afghanistan's 2019 Election (22): Glances at Kunduz, Baghlan, Samangan", Afghan Analysts Network, October 2019. <https://www.afghanistan-analysts.org/en/reports/political-landscape/afghanistans-2019-election-22-glances-at-kunduz-baghlan-samangan/>



Figure 1. Overview map of Afghanistan showing Samangan province to the north and Nimroz to the south.

The report is divided into five further sections:

The second section discusses our methodology and focuses on how the results of interviews and high-resolution satellite imagery analysis were combined and mapped. The section does not present an exhaustive account of the methodology, rather it provides insights into the principles that underpin the data collection on the ground, the role of satellite imagery in verification and quantification and an explanation of how this data is subsequently mapped. More detail on how revenues were calculated and mapped for the former Republic are documented in the Annex to an earlier report produced for the Overseas Development Institute.⁸

The third section focuses on Nimroz. It documents the changes in the composition of those in formal positions of power following the Taliban takeover, and the dominance of Noorzai Pashtuns from the district of Khashrod and the neighbouring provinces of Farah, Helmand, and Herat. It shows that in contrast to the former Republic, where those in power could accrue vast amounts of illegal monies by controlling checkpoints that straddled and taxed valuable cross-border value chains, once in power the Taliban regulated and centralised taxes in Nimroz, even on what were once smuggled goods.

The fourth section charts the changes in Samangan. It shows a similar process to Nimroz, in which those who fought in the province during the insurgency acquired posts in the new administration, especially fighters from the surrounding areas of Baghlan and Kunduz where the Taliban were more deeply embedded. It documents that, although a minority, Pashtuns took key posts in both security and revenue collection, including the Governorship for the first time since 2001. This section also takes a close look at the coal trade that became a major source of revenue for the Taliban once they took power.

The fifth section offers a comparative analysis of the two provinces and a conclusion. It documents a nascent administration in both provinces dominated by former fighters, whose appointments are part of the patronage system and the spoils of war. It highlights the formation of two dominant groups within the administration of both provinces. The first being Pashtuns, who now occupy key security and economic posts in the administration; the second being a 'technocratic' cadre found in the departments responsible for revenue collection. This section highlights the lessons that can be drawn from these and other features of Taliban rule prevalent in both Nimroz and Samangan.

2. Methodology

In a 2022 review of the Taliban insurgency, Susanne Schmeidl drew on both literature and expert opinion to conclude that "Most researchers who gained access to the Taliban, especially during the insurgency, do not fully discuss the methodological challenges of separating strategic messaging on the part of the informants from independent research observations".⁹ Experience in Afghanistan has shown that there is a need for caution where research methodology is opaque, content relies largely on a few key informants from within an institution, data collection tools are not used in tandem and values and volumes are presented only in their aggregate form.¹⁰ The literature on Taliban funding in particular has been prone to significant errors and biases, yet it has shaped narratives, policy direction and policy makers and scholars' understanding of the Afghan economy. The vast profits that are often spoken about from industries such as drugs and minerals are not borne out when costs, including the taxes levied by powerholders, are factored in.¹¹

It is not just with key informants within the Taliban where there is a need for caution. After all, it was often those within the former Afghan Republic

8 Alcis, David Mansfield and Graeme Smith, 2021, "Annex: how we have calculated revenues". https://www.alcis.org/_files/ugd/a5fe58_7edd3c3fdf454028884a8e96dd4295f8.pdf

9 Susanne Schmeidl, 2022, "Understanding the Taliban – Movement, Emirate and Insurgency Governance: A Rapid review of the Evidence". Unpublished paper for FCDO's Afghanistan Conflict Sensitivity Mechanism, p. 4.

10 Antonio Giustozzi, 2019, *The Taliban at War: 2001-2018*. London, Hurst, p. 207.

11 David Mansfield, 2021, "A Taxing Narrative: Miscalculating Revenues and Misunderstanding the Conflict in Afghanistan", Issues Paper for the Afghanistan Research and Evaluation Unit, October 2021. <https://areu.org.af/publication/2105/>

who were making bold accusations about the Taliban's dependence on funding from drugs and minerals and downplaying the monies collected on drugs by those within the government and its allies. This kind of positioning and intentional distraction is to be expected and should have been factored into any methodology.

What was perhaps less obvious was the degree to which the Afghan Republic also proved to be an unreliable source of data for other parts of the economy, particularly on the volumes and values of trade. Khalid Payenda, the Minister for Finance during the final months of the Republic, referred to the scale of corruption in customs as “mind-boggling” and provided a rich account of the scale of the graft occurring at several official border crossings to the Afghan Analysts Network in September 2021.¹² Our own research and imagery collection at the borders of Torkham, Islam Qala, Abu Nasre Farahi, Ziranj, and Spin Boldak in late 2020¹³ indicated that underreporting of goods at these borders was endemic, and in many cases the volumes of goods entering and exiting Afghanistan were twice as much as officially reported.¹⁴ This finding and subsequent work also showed how this undeclared economy, which had large volumes of goods moving with falsified documents, served as a significant source of revenue for corrupt officials on the main highway and their patrons in government, as well as for the Taliban, who earned an estimated US\$245 million per annum, taxing vehicles moving underreported goods.¹⁵

Collecting data on revenues

It is in the context of these data challenges and misconceptions about taxes and other economic and political aspects that we approach our work. Our methods continue to evolve, much like the

situation in Afghanistan and most of the value chains being examined, but they are informed by four key principles.

First, the primary focus of our enquiry is the cost of doing business rather than taxes per se. As already noted, there is considerable confusion over terms related to costs and taxes. Our own research highlights the importance of not assuming that when a farmer uses the term *ushr* they are paying precisely 10% of the final crop in tax, as Islamic tenets dictate, or that those citing *zakat* have paid precisely 2.5% of their annual savings, also as dictated by Islamic tenets. As we have found repeatedly, including in this current round of research, these terms do not reflect the actual amounts paid when price and yield are factored in: in most cases, the tax paid is a fixed amount of money on a given weight or amount of goods. *Ushr* and *zakat* are regularly used in Afghanistan to describe generically what are viewed as forced payments to those who have a degree of coercive capacity. We do not differentiate between ‘tax’, ‘bribe’ or ‘gift’ as these are all terms that might be used for a payment to those in power. Instead, our focus is on the amount paid, to whom and on what unit.

Second, in contrast to much of the work on revenues, our methods focus on those actors directly involved in the production, transport and trade of goods and services from the point of production, through each point of sale within Afghanistan, to, or sometimes beyond, Afghanistan's borders. These are the individuals that know how much they pay, to whom, and on what unit or measure the payment is being made. This means talking with a range of different actors involved along the length of a value chain and engaging with detail and complexity. Experience has shown us that traders are not fully aware of the actual payments that transporters make at checkpoints along a journey; and transporters often do not know the prices

- 12 Kate Clark and Roxanna Shapour, 2021, “The Khalid Payenda Interview (1): An insider's view of politicking, graft and the fall of the Republic”, Afghan Analysts Network, 27 September 2021. <https://www.afghanistan-analysts.org/en/reports/economy-development-environment/the-khalid-payenda-interview-1-an-insiders-view-of-politicking-graft-and-the-fall-of-the-republic/>
- 13 Alcis, 2021, “Managing Local Resources and Conflict: The Undeclared Economy – Value chain mapping and visualisation of the talc, fuel and transit trade in Afghanistan”. Unpublished report for USAID Office of Transition Initiatives. https://www.alcis.org/_files/ugd/a5fe58_712ea0690d6c4074a1611bef95f5bfb1.pdf
- 14 Khalid Payenda agreed with these estimates when we presented this work to the Ministry of Finance on 15 June 2021. He also requested methodological support, including the use of GIS, for the Ministry to reduce the scale of underreporting.
- 15 Alcis and David Mansfield, 2022, “Changing the Rules of the Game: How the Taliban Regulated Cross Border Trade and Upended Afghanistan's Political Economy”, XCEPT. <https://xcept-research.org/wp-content/uploads/2022/07/20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf>

of commodities at the point of origin or sale. This division of information makes it essential to speak to both traders and transporters. Moreover, it is only through in-depth interviews with multiple respondents that the costs of and returns from production, transport and trade can be documented in detail, along with the corresponding measurements or units. This detailed breakdown allows us to develop a better understanding of the potential net returns earned by the different actors involved in each stage of the value chain, and thereby allows us to assess the economic feasibility of some of the costs incurred, especially the taxes.

Third, we focus on key nodal points along the length of a value chain. Commodities are often produced, traded, and transported by different groups in different locations. Some goods may be transferred between different modes of transport several times within a province. At each transfer, costs are incurred, weights and measures change, and the basis on which taxes are levied alters. For example, during the Republic, smuggled fuel was transported by tractor from across the Iranian border, with taxes levied by the Afghan Border Police (ABP) on each 20-litre container. Once across the border, the fuel was transferred to pick-up vehicles for transport to Ziranj, each of which would be required to make payments to several Afghan National Police (ANP) checkpoints en route. In Ziranj, the fuel would be mixed and stored with lower-quality official imports before being transported by 45 to 60 metric tonne tankers to Kabul. Payments would be extracted from each tanker at as many as 40 checkpoints along the journey.

Similarly, in Samangan, coal was transported from the mines of Dar-e-Suf to the coal yards in Mazar-e-Sharif in trucks carrying up to 35 metric tons. Once sorted, the coal would be transported from Mazar-e-Sharif to coal yards in Kabul or directly to Pakistan via the official border crossings at Torkham, Dand e Patan, Ghulam Khan or Angor Adda, in trucks carrying 45 metric tons or more. Calculating the different payments made on these commodities along their journey requires interviewing those directly involved only about the part of the journey and the commodity they transport or trade. It is not appropriate to ask respondents to speculate about parts of the production or transport process that are beyond

their direct experience as it results in significant errors.

Fourth, we collect a range of visual evidence to inform and verify the findings from field data. A critical element of our work is high-resolution satellite imagery and geospatial data, which serves several functions. At an early stage, geospatial data helps identify the key locations for fieldwork – in this case, the key nodal points where goods are produced, stored, and traded. Other features can be identified and mapped using this geospatial data, including the infrastructure that supports or hinders production and trade, such as irrigation systems, roads, border infrastructure and checkpoints. High-resolution satellite imagery then allows for a more detailed analysis of key locations, including using historical imagery to display changes to production, trade, and the volume of goods over time. The use of high-resolution satellite imagery also serves as a valuable tool for verifying the results of field data (and possibly informing further data collection elsewhere) and can support the quantification of the volumes of goods produced, stored, and traded at a specific location.

Collecting data on political elites

An important further element of our data collection in this project was a focus on local elites. This part of the research was exploratory and comprised an attempt to identify the ‘art of the possible’. We were particularly conscious that collecting detailed data on the backgrounds of those in the current Taliban administration would not be easy.

The collection was targeted at the individuals in the provinces whose formal position or their leadership of informal groups or networks yielded power and influence over the province and its population. We focused on those that held sway in the province during the last year of the Republic and those in positions of authority under the Taliban de facto authorities in December 2022. We concentrated on information that was largely verifiable: post, name, district of origin, ethnicity, tribe, political party, and years of membership, previous positions, and family connections. Other

data on sources of income, numbers of armed supporters and sources of patronage were also gathered.

We did not take a static view on which posts or positions were most important, particularly given the Taliban takeover. Some of the restructuring of the administration following the collapse of the Republic meant that the institutions that wielded influence and power changed. For example, those within the provincial council in both Nimroz and Samangan wielded considerable influence during the former Republic, but the institution was disbanded when the Taliban took power. Key informants and respondents said it was now those in the provincial ulema that held sway under the de facto authorities. Those in the ulema were appointed by Mullah Haibatullah and had direct access to his office, giving them an almost unique position within the provincial authorities.¹⁶

Data mapping

Mapping the collected data involved building on methods we had used before. We divided the provinces' productive areas – agricultural land, urban areas, and roads – into 10-kilometre square interlocking hexagons. For revenues, the results of interviews were combined with high-resolution satellite imagery and a range of foundation and value chain specific geospatial data layers within a GIS platform to visualise, calculate and then map the amounts paid on each good or service.

With many revenue streams, we could identify and map the exact locations where payments were made and to whom. When combined with an understanding of the unit on which taxes were charged and an estimate of the amount of goods produced or transported, calculated using reports from the ground and/or imagery analysis, we could then estimate the total taxes raised over the period of a year and allocate this amount to the corresponding hexagon on the map. This approach was used for formal and informal taxes collected on fuel and transit goods at the border in Nimroz and along the main highway in both provinces during the former Republic, as well as

for the irregular migration through the Pakistan border to the south and for fuel smuggled across the border from Iran. With the Taliban takeover and the emergence of new checkpoints at Sari Shela and Sabz Gazi, in Nimroz it was also possible to allocate the revenues generated from the cross-border trade of what were once smuggled goods – drugs, tyres, fertiliser, sugar and cars – through these checkpoints and the corresponding 10-kilometre hexagon.

For a small number of goods and services, we were not well positioned and did not have the exact location for where taxes were paid and/or the amounts produced and transported. In these cases, assumptions had to be made, or we had to draw on other data that would offer indicative information on the geographic distribution of different sources of revenue. In some cases, payments were diffuse and were paid through village representatives, and therefore, when it came to mapping, were distributed across the relevant hexagons in that area, for example agricultural land and urban areas. Examples of these diffuse payments include the agricultural tithe collected on wheat, opium poppy and other crops, as well as taxes paid on the production and transportation of opiates. Where a hexagon had multiple revenue streams, these were summed together to get a total revenue value for that area.

Mapping the data collected on political elites required some additional thought and effort. The data collected was for key individuals from across the political, financial, ideological and security landscape who had power and influence over the provinces and their population. The data was narrative, detailed and included information on several key criteria. Mapping this data required categorising and scoring it to produce a value that represented an individual's power. Scores were allocated based on (i) the type of institution in which an individual was posted – administrative, ideological, economic, or security; (ii) the number of armed men they could draw on; and (iii) the type of institution the individual served in and the seniority of their patrons. Greater weighting was given to those appointed to the security apparatus of the state (army, intelligence, and police) and to those who drew on patronage from

16 Andrew Watkins, 2023, "What Next for the Taliban's Leadership Amid Rising Dissent?". United States Institute of Peace, 11 April 2023. <https://www.usip.org/publications/2023/04/whats-next-talibans-leadership-amid-rising-dissent>

senior individuals in the corresponding types of institutions in Kabul, than to those in administrative and technocratic roles.

The final power score was also attributed to the 10-kilometre square hexagons across the area where their power extended. For example, those with provincial-level posts were assumed to have power over the province, those with district posts were limited to the boundaries of the district in which they served, and the areas of influence of others, such as members of the ABP, were more limited still. Where a hexagon had multiple people having power over it, these were summed together to get a total power value for that hexagon as well as an attribute for which ethnic group it belonged to.

The limits of the data

As with any research in Afghanistan, there are several caveats that need to be noted when considering the results of this study. The most significant are those associated with estimates of the scale of drug production in Nimroz and the district of Bakwa in neighbouring Farah. There is a lot known about this business.¹⁷ However, quantifying the volumes of opiates, ephedrine and methamphetamine produced in a specific area and the quantities transported is much more problematic. Here we needed to draw, as best we could, on high-resolution satellite imagery, judgement and the body of research conducted over more than two decades.

Ultimately, this research is pilot in nature. It represents a continuation of efforts to calculate and map the different revenues earned by the groups involved in the conflict in a single province, with a further ambition of charting and mapping those that wield political power. While it draws on granular details of individual payments collected

and innovative use of high-resolution satellite imagery to verify, collect, and map data, it remains a work in progress. The research reflects the challenges with the data sets that have played a key role in forming narratives and understandings of the political economy of Afghanistan during the Republic and following the Taliban takeover and highlights the need for policymakers and analysts to be much more discerning consumers of data.

3. Nimroz: The oasis in the desert

Nimroz has often been viewed as a remote desert backwater by western policy makers and many of those within past governments in Kabul. It is located in the southwest corner of Afghanistan bordering both Iran and Pakistan (see Figure 2). Covering 42,409 square kilometres, the province is divided into five districts, Charburjak, Chakhansur, Kang, Khashrud, and finally Ziranj, where the provincial centre is found. Vast amounts of the land area are comprised of desert, including the infamous Dasht e Margo, 'the desert of death'. Given its geographical features, the population is thinly spread, and largely concentrated in and around the city of Ziranj.¹⁸ The estimated population of 309,096 is mainly made up of Baloch, along with Pashtun, Tajik and Brahui minorities.¹⁹

Historically, the province of Nimroz has been poorly served by the central government in Kabul; a fact that is reflected in many of the socio-economic indicators for the province. During the former Afghan Republic, it typically ranked near or at the bottom of provincial tables in terms of coverage for healthcare and education.^{20,21} There were few nongovernmental organizations operating in the province and private sector provision of services

17 Alcis, David Mansfield and Graeme Smith, 2021, "Annex: how we have calculated revenues". https://www.alcis.org/_files/ugd/a5fe58_7edd3c3fdf454028884a8e96dd4295f8.pdf

18 Lutz Rzehak, 'Remembering the Taliban' in "The Taliban and the Crisis of Afghanistan", Robert Crews and Amin Tarzi (eds), Harvard University Press, Cambridge, 2008, p. 184.

19 This is the population estimate from the World Pop Flowminder project which draws on high resolution domestic compound data from Alcis and satellite imagery to map domestic compounds (Flowminder, "Final Population Mapping for Afghanistan 2017" Unpublished Report, p. 18). The Afghan government's population estimate, which is based solely on a ground-based survey estimates the population at 167,863.

20 National Statistics and Information Authority, Islamic Republic of Afghanistan, 'Afghan Statistical Yearbook 2018-2019', Issue No 40, July 2019, pp. 125, 128-132, 134-136. https://www.nsia.gov.af:8080/wp-content/uploads/2019/11/Afghanistan-Statistical-Yearbook-2018-19_compressed_2.pdf

21 Ibid. pp. 93-97.

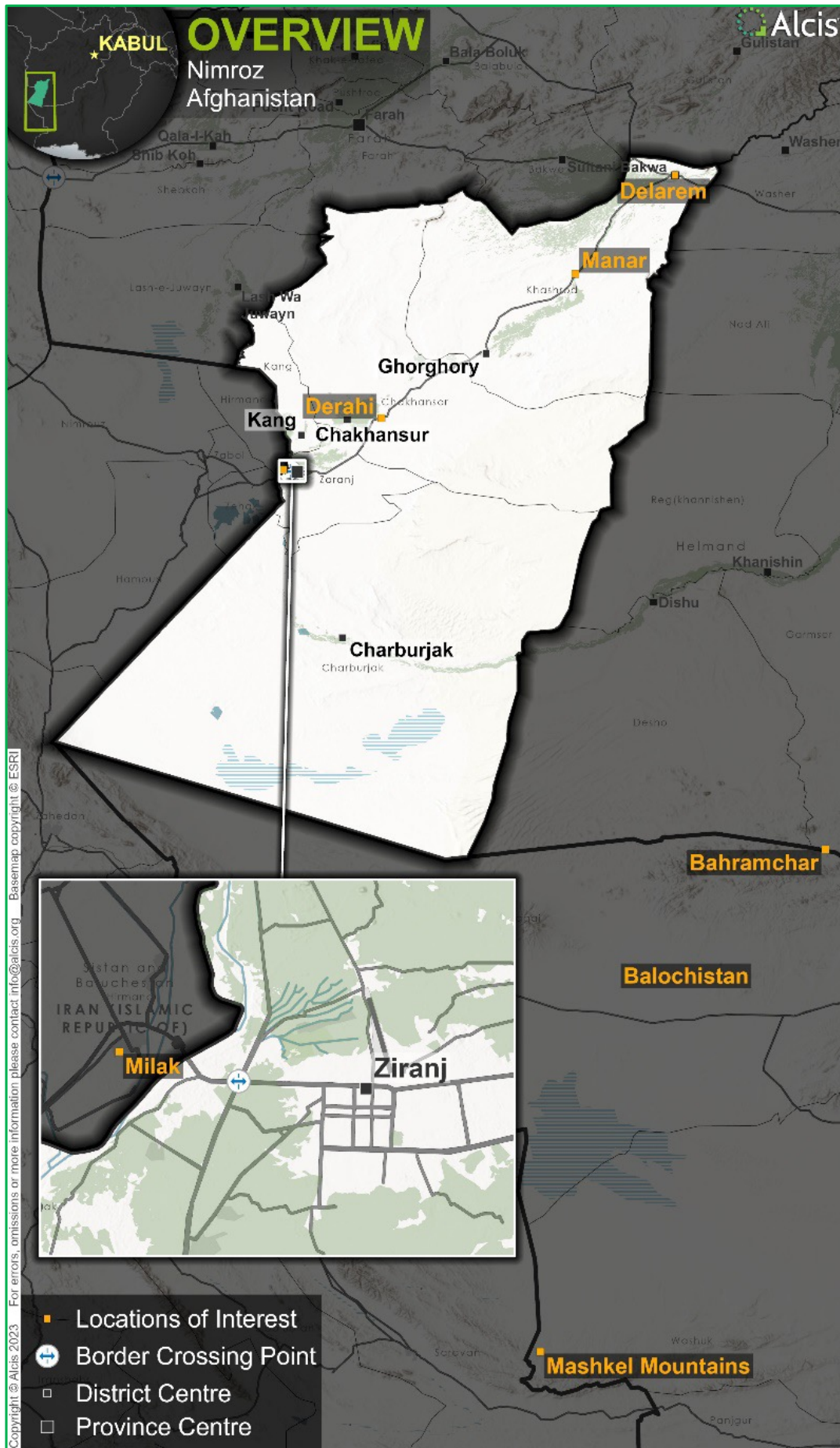


Figure 2. Overview map of Nimroz Province.

“ Cultural, linguistic, and family ties are strong with many on the border, particularly the Baloch, having relatives in both Iran and Afghanistan.”

remained limited.²² During the Afghan Republic, military forces were also minimal, a surprise considering its strategic position on the borders of both Pakistan and Iran, its role as a major conduit for goods to and from Iran, and the high incidence of people smuggling and smuggling of illicit drugs.²³

Iranian influence over Nimroz has been significant. The Iranian Rial, or Toman (ten Rial is equal to one Toman) continues to be the currency most used.²⁴ Iran provides electricity, and cell phone coverage also comes from Iranian providers.²⁵ Cultural, linguistic, and family ties are strong with many on the border, particularly the Baloch, having relatives in both Iran and Afghanistan. Cross-border bonds grew stronger during the Soviet occupation of Afghanistan in the 1980s when many fled across the border to Iran to escape the war, including some of the province's politico-military elite such as Abdul Karim Brahui, leader of the Nimroz Front (Jabha e Nimroz) in 1979, and Governor of the province four times (1992-1995; 2001-2005; 2010-2012; and 2021).

These links with Iran proved invaluable to the provincial political and business elite when the Taliban advanced on Ziranj in early August 2021, and they fled across the border along with government officials and the Afghan Border Guard. It is rumoured that many of the Nimrozi

political elite still reside in Iran, while others travelled on to Turkey.

During the Afghan Republic, the Iranian government also funded major infrastructural works to strengthen the border and boost official trade with Afghanistan via Nimroz, including building the Pol e Abrisham bridge across the Helmand River at Milak in Iran, on the outskirts of Ziranj. This was followed by investments in border facilities on the Iranian side to encourage trade, and the construction of a 70 mile length of five meter high wall, reinforcing the ditches and berms that had been built in the late 1990s. Between 2005 and 2009, India provided US\$100 million for the improvement of the 135 mile road between Ziranj and Delarem, connecting the border crossing at Milak to Highway One for onward to travel to Herat, Kandahar and Kabul.²⁶ India also invested in Chabahar Port in Iran, and its surrounding infrastructure, in an attempt to strengthen its economic ties with Iran and Afghanistan and support Afghanistan in its efforts to reduce its dependency on Pakistan for international trade.²⁷ These investments helped transform Nimroz into one of Afghanistan's major ports.

These investments also contributed to a growing non-agricultural economy in the province, critical given the increasing temperatures, and persistent drought that plagues the area. Wetlands, such as the Hamoun Puzak in the district of Kang, and the Hamoun i Sabari on the border with Iran are important sources of livelihood for the population on both sides of the border but are shrinking at a rapid rate, leading to livestock losses, migration, dust storms, and increasing tensions between Iran and Afghanistan.²⁸

22 Ibid. pp. 73, 100, 113, 126, 250, 251.

23 Nimroz is covered by the ANA 205th Corps but they have limited presence there.

24 Fabrizio Foschini, 2011, 'Economy and Development: Bad Lieutenants in Nimroz', 23 August 2011, <https://www.afghanistan-analysts.org/bad-lieutenants-in-nimroz/>

25 The Diplomat, 'Afghanistan's Forgotten Province', 1 December 2010, <https://thediplomat.com/2010/12/afghanistans-forgotten-province/>; Baba Tim, 'The counterinsurgency fight in Zaranj, Afghanistan, 2010-2012' 24 May 2019, <https://thefreqmedia.com/2019/05/24/analysis/patbristol70/the-counterinsurgency-fight-in-zaranj-afghanistan-2010-2012/>; <https://www.afghanistan-analysts.org/bad-lieutenants-in-nimroz/>

26 Afghanistan Institute for Strategic Studies, 'Strategic Analysis of the Chabahar Port: Afghanistan-Iran-India Relations', AISS-P-013-2018, Kabul 2018. <https://www.slideshare.net/RobSentseBc/afghanistan-iran-india-relations-march-2018>

27 Thomas Barfield, "Afghanistan: A Cultural and Political History", Princeton University Press, New Jersey, 2010, pp. 344-345.

28 ICRA, 'Water and Conflict: The Growing Challenge', Discussion Paper, 2018, pp. 20-26, https://icra.uk.net/wp-content/uploads/2018/03/water-paper_2018.pdf; Fatemah Aman, 'Water Dispute Escalating between Iran and Afghanistan', Atlantic Council, Issue Brief, August 2016, https://www.atlanticcouncil.org/wp-content/uploads/2016/09/Water_Dispute_Escalating_between_Iran_and_Afghanistan_web_0830.pdf; Fatemah Aman, 'Water Dispute Escalating between Iran and Afghanistan', Atlantic Council, Issue Brief, August 2016, pp. 3-4, https://www.atlanticcouncil.org/wp-content/uploads/2016/09/Water_Dispute_Escalating_between_Iran_and_Afghanistan_web_0830.pdf

Aside from these environmental challenges, agricultural cropping systems in Nimroz are basic and limited in area, consisting largely of wheat²⁹ and opium poppy in the winter cropping season, melon, and watermelon in the spring, and maize and mung bean during the summer months. Freezing temperatures between November and March make the growing season too short for tropical and subtropical vegetation³⁰ Livestock has been severely depleted by drought and annual and perennial horticultural production is limited.³¹ In the absence of viable agricultural production, the population of Nimroz has increasingly drawn on its cross-border connections with Iran and Pakistan as a way of earning a living, including the smuggling of people, drugs, fuel, and other items.

The concentration of political power: The rise of the Noorzai Pashtuns

Ziranj was the first provincial capital to fall to the Taliban. With the Taliban advancing on the city from the north, most of Nimroz's political, administrative, and business leaders fled en masse across the border to Iran on 5 August 2021. Once the Taliban captured Ziranj they appointed fighters from their own ranks to positions of power. In doing so they completely transformed the political and ethnic makeup of the provincial and district administration, creating a dominant Noorzai Pashtun power base in the province.

Under the former Afghan Republic, political office and influence had been relatively evenly spread between the local Pashtun elite and Tajiks appointed by Kabul (see Figure 3). Political influence largely lay with elites from the southern districts of Kang, Ziranj, Charburjak, and Chakhansur. Family links prevailed, creating valuable opportunities for patronage and graft. A commonly cited example is the head of the provincial council, Baz Mohammed Nasir, from the district of Kang. One of his brothers was the head

of the ABP (and owned the cement factory to the north of the city) while another brother, Najibullah Nasiri, was a member of parliament. The Brahui family from Charburjak was another example, with the father Abdul Karim presiding as governor of the province on at least four separate occasions, while the son Mohammed Nabi served as district governor of his home district, deputy governor, and then acting governor in the final months before the Republic fell.

These and other local elites were seen to dominate power structures within the province, including influencing those appointed to formal positions of power within the provincial and district authorities and, if not their appointment, then the behaviour of those posted. While officials were appointed to the province, getting anything done required the agreement of these local elites, and many key offices in customs and checkpoints along the main road were staffed by these elites' appointees. Furthermore, situated on key trading routes, these elites and their networks had independent sources of revenue that were protected by the power they wielded. Moreover, those from Nimroz who had positions of power in Kabul were more technocratic, with links to Hamid Karzai and Ashraf Ghani, and largely held administrative posts. Typically, those with power in Nimroz stayed in Nimroz attending to their interests there.

In contrast to the dominance of Nimrozi local elites under the former Afghan Republic, the Taliban appointed an overwhelming number of Noorzai Pashtuns upon seizing power in the province (see Figure 4). In fact, of the 43 individuals for which data could be collected, 28 were Noorzai Pashtuns, including the provincial governor, the security commander, the head of the ABP and each of the district governors. The vast majority were appointed by Mullah Abdul Khaliq Abid, a Noorzai from Bakwa, who became Provincial Governor when the province fell to the Taliban. Even following Abid's transfer to Kabul, his successor, Najibullah Rafi, was also Noorzai, from Shindand in Herat province. The only exceptions

29 National Statistics and Information Authority, Islamic Republic of Afghanistan, 'Afghan Statistical Yearbook 2018-2019', Issue No 40, July 2019, p. 159. https://www.nsia.gov.af:8080/wp-content/uploads/2019/11/Afghanistan-Statistical-Yearbook-2018-19_compressed_2.pdf

30 David Mansfield, 2020, "Catapults, Pick-Ups and Tankers: Cross Border Production and Trade and How it Shapes the Political Economy of the Borderland of Nimroz", Paper for the Afghanistan Research and Evaluation Unit, September 2020. <https://areu.org.af/publication/2013/>

31 National Statistics and Information Authority, Islamic Republic of Afghanistan, 'Afghan Statistical Yearbook 2018-2019', Issue No 40, July 2019, p. 165. https://www.nsia.gov.af:8080/wp-content/uploads/2019/11/Afghanistan-Statistical-Yearbook-2018-19_compressed_2.pdf

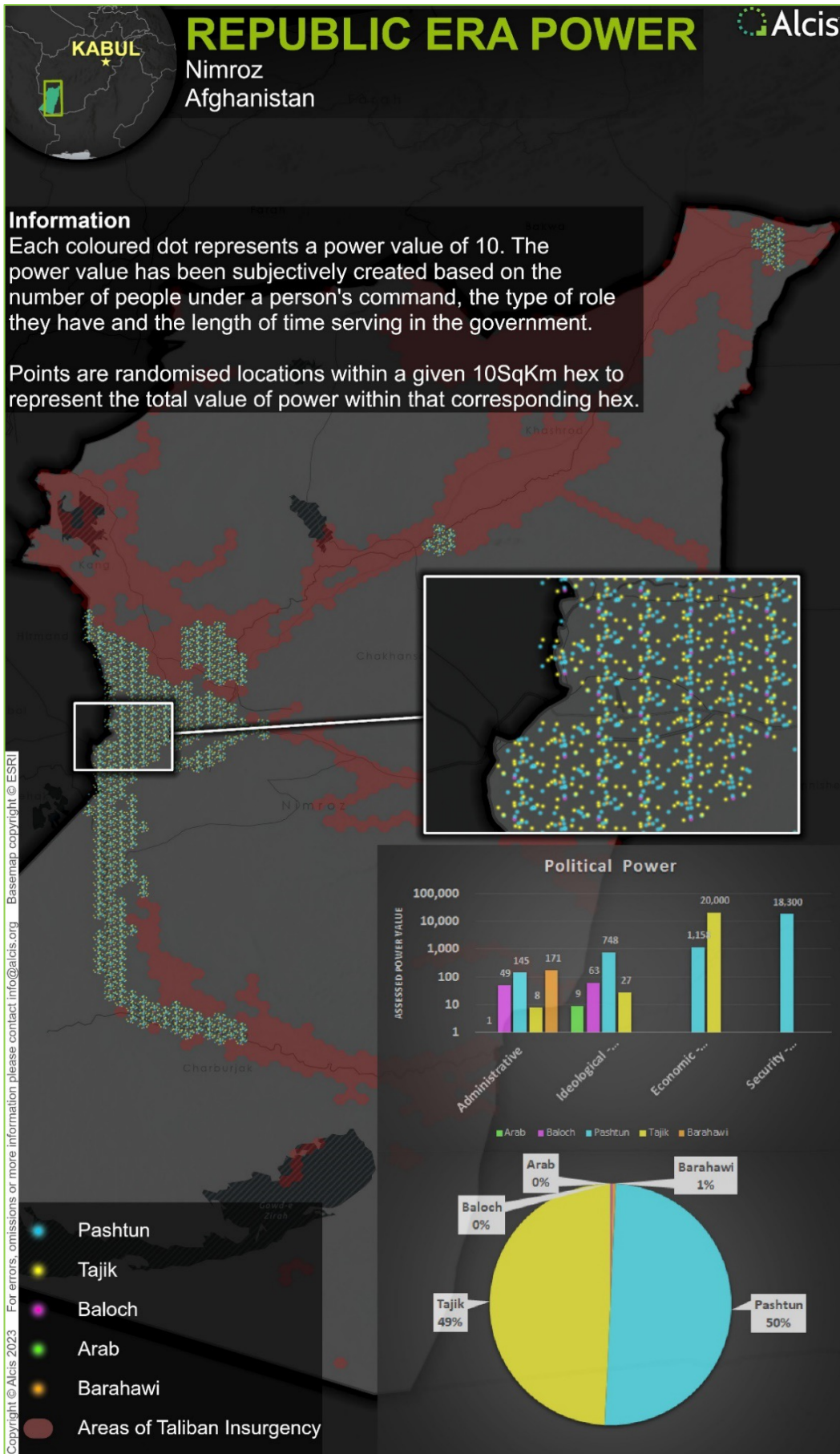


Figure 3. Geographic and ethnic distribution of power in Nimroz during the Republic.

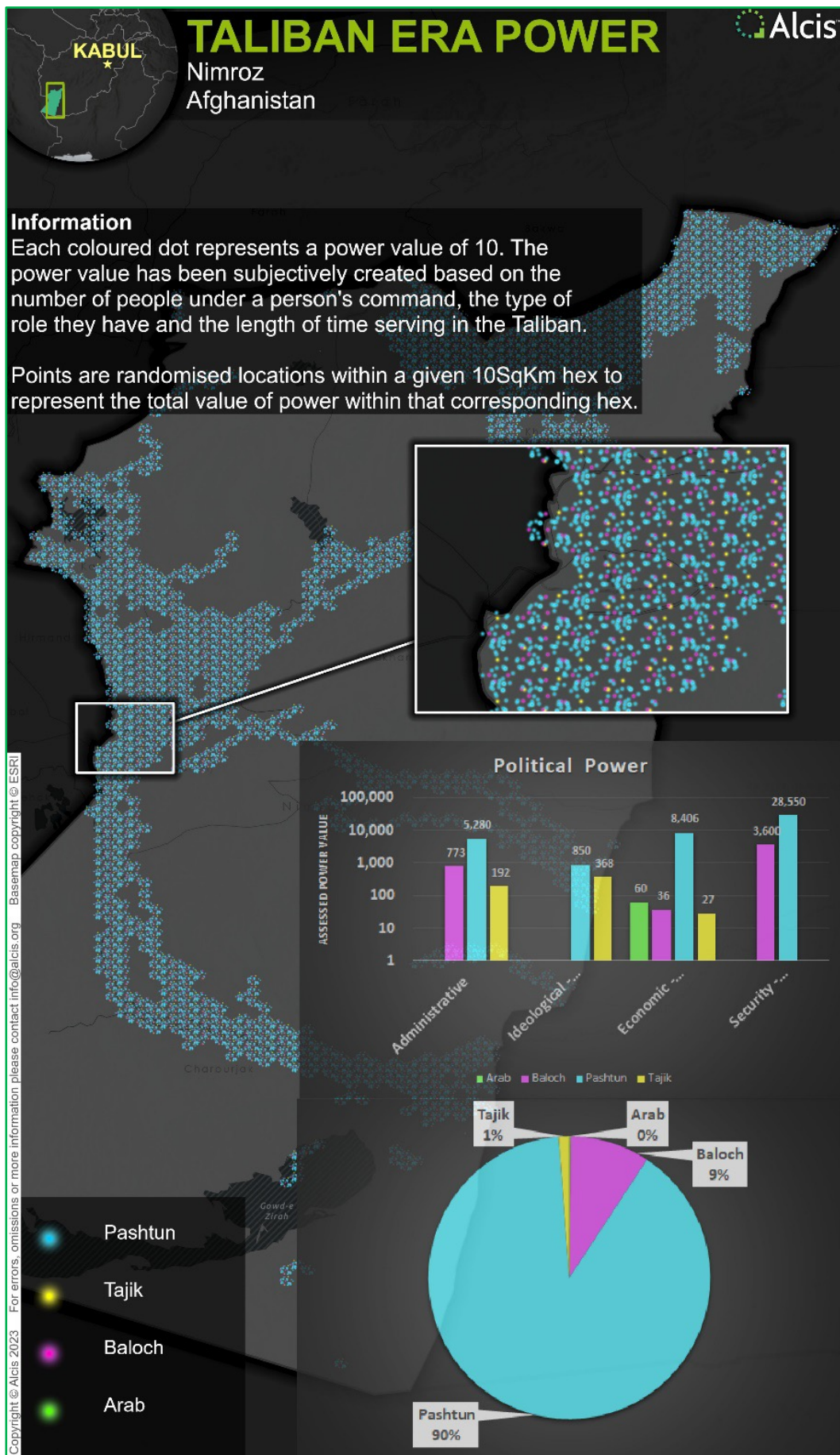


Figure 4. Geographic and ethnic distribution of power in Nimroz following the Taliban takeover.

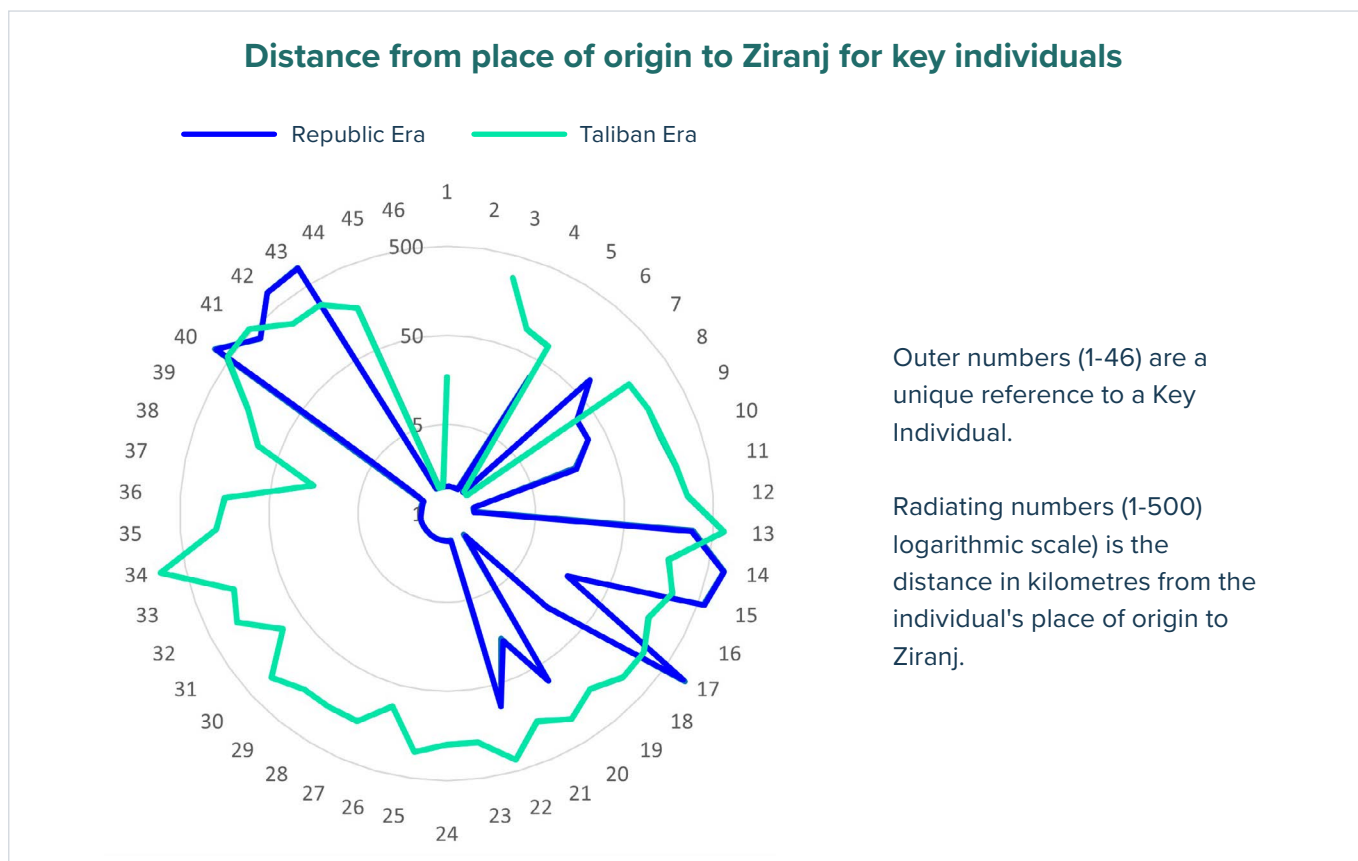


Figure 5. Chart showing the distance from Ziranj that key individuals came from under the different regimes. Note that a logarithmic scale has been used to show the variation.

were a small number of Baloch who were given prominent positions, most notably the former Taliban shadow governor, Mullah Abdul Rashid Baloch, who was transferred to Kabul, and Hajji Mullah Shah Wali Zarar, whom Rashid helped appoint as deputy chief of the provincial Police. The result was a dramatic shift in the ethnic composition of the political elite in the province, compared to the former Republic.

Moreover, many were not Noorzai from Nimroz but rather were from the surrounding provinces. For example, while there were some Noorzai from the northern district of Khashrud, most of those appointed to positions in the administration were from neighbouring Bakwa and Gulistan in Farah, Shindand in Herat, as well as from different parts of Helmand. The prominence of Bakwa and Shindand is of interest as both served as important financial and administrative centres for the Taliban during the insurgency. When presented as a graph denoting the districts of origin of those in positions of power in Nimroz during the former Republic and under the Taliban, the penetration by those from neighbouring areas

following the Taliban takeover can be easily seen (see Figure 5).

A closer examination of the backgrounds of those now in power in Nimroz also highlights the military history of the appointees. The majority spent more than a decade in the Taliban, largely serving in or near their districts of origin, except for those responsible for economic affairs in Nimroz, including revenue collection, many of whom have previous experience working for the Taliban commissions that had revenue raising powers during the insurgency.

For example, the head of provincial customs at the time of the research worked for more than ten years in the Taliban Economic and Finance Commission during the war, including in the important border district of Spin Boldak. Similarly, the head of the Department of Agriculture spent five years as the head of the Agricultural, Irrigation and Livestock Commission for the southwest region, where he was responsible for collecting ushr, a role that is now entrusted to the MAIL following the Taliban takeover. While it

would be an overstatement to say these types of appointments suggest there is a growing cadre of technocrats within the Taliban, it does show the priority given to revenue generation within the de facto authority.

A further contrast between the provincial administration during the former Republic and the Taliban is the close ties that emerged between those in Nimroz and those in the centres of political power, both in Kabul and Kandahar. These ties are in part tribal, a function of the prominence of Noorzai Pashtuns in the new administrations in Nimroz and in Kandahar – there are close links with Mullah Haibatullah – and of the dominance of southwestern Pashtuns in senior posts in Kabul.

However, there is also the bond of a shared experience during the insurgency, as comrades in arms, known locally as *andiwal*. These *andiwal* relationships are enduring and continue now the Taliban has taken power. The current Nimroz governor, Mullah Najibullah Rafi, is closely associated with Mullah Mohammed Yacoub, the Acting Minister for Defence. Both the Head of Customs, Qari Matiullah Said, and the Head of the Mustofiat, Mullah Ziauddin Zia, served with Mullah Hedayatullah Badri, the former Acting Minister of Finance (now governor of Da Afghanistan Bank, Afghanistan's Central Bank), during the insurgency.

More importantly, the former governor, Mullah Abdul Khaliq Abid, became Deputy Minister for Ethnic and Tribal Affairs in the Taliban cabinet, and the shadow governor during the insurgency, Mullah Abdul Rashid Baloch, became the Mayor of Kabul. Both these former governors were powerful Taliban commanders during the insurgency and were responsible for appointing those currently in formal posts in Nimroz, thereby further strengthening the ties between Kabul and Nimroz and drawing Nimroz closer to the centres of power in the new administration.

Centralising revenues and regulating smuggled goods

A further dramatic shift following the Taliban takeover in Nimroz has been in the management and collection of revenues. With the collapse of the Republic, the more dissipated pattern of revenue collection changed dramatically as a function of the Taliban's sweep to power, the exodus of the province's previous politico-military elite and the new authorities' subsequent efforts to eliminate the endemic corruption that preyed on the cross-border trade with Iran and at key nodal points along Nimroz's primary transport routes. Rather, what we see following the Taliban's takeover is a much greater concentration of revenue collection, not just within the Taliban as the de facto authority, but in Ziranj and its environs.

Competition for both territory and revenues under the Republic

Under the former Afghan Republic, Nimroz was plagued by corruption and a multitude of different actors collecting illegal monies from the cross-border value chains that thrived in this formerly remote desert province. Far from a desert wasteland, Nimroz was a major conduit for trade with both Iran and Pakistan and continues to be so. In fact, we estimated that there was US\$2.1 billion in goods passing through Nimroz in 2020, the year before the Taliban takeover. This consisted of US\$1.2 billion in legal goods from Iran crossing the official border at Milak, alongside a smuggling economy with a value of approximately US\$900 million, consisting of opiates (US\$219 million), methamphetamine (US\$399 million), people (US\$270 million) and fuel (US\$19 million).³²

With such a high volume and value of goods transiting the province, Nimroz was valuable real estate to the former Afghan Republic, its allies in the province, and to the Taliban insurgency. In

32 For the original estimates and how they were calculated see: Alcis, David Mansfield and Graeme Smith, 2021, "War gains: how the economic benefits of the conflict are distributed in Afghanistan and the implications for peace – A case study on Nimroz province". Overseas Development Institute, 2021. https://www.alcis.org/_files/ugd/a5fe58_49ae80744c6c4f259347debf6be40d79.pdf

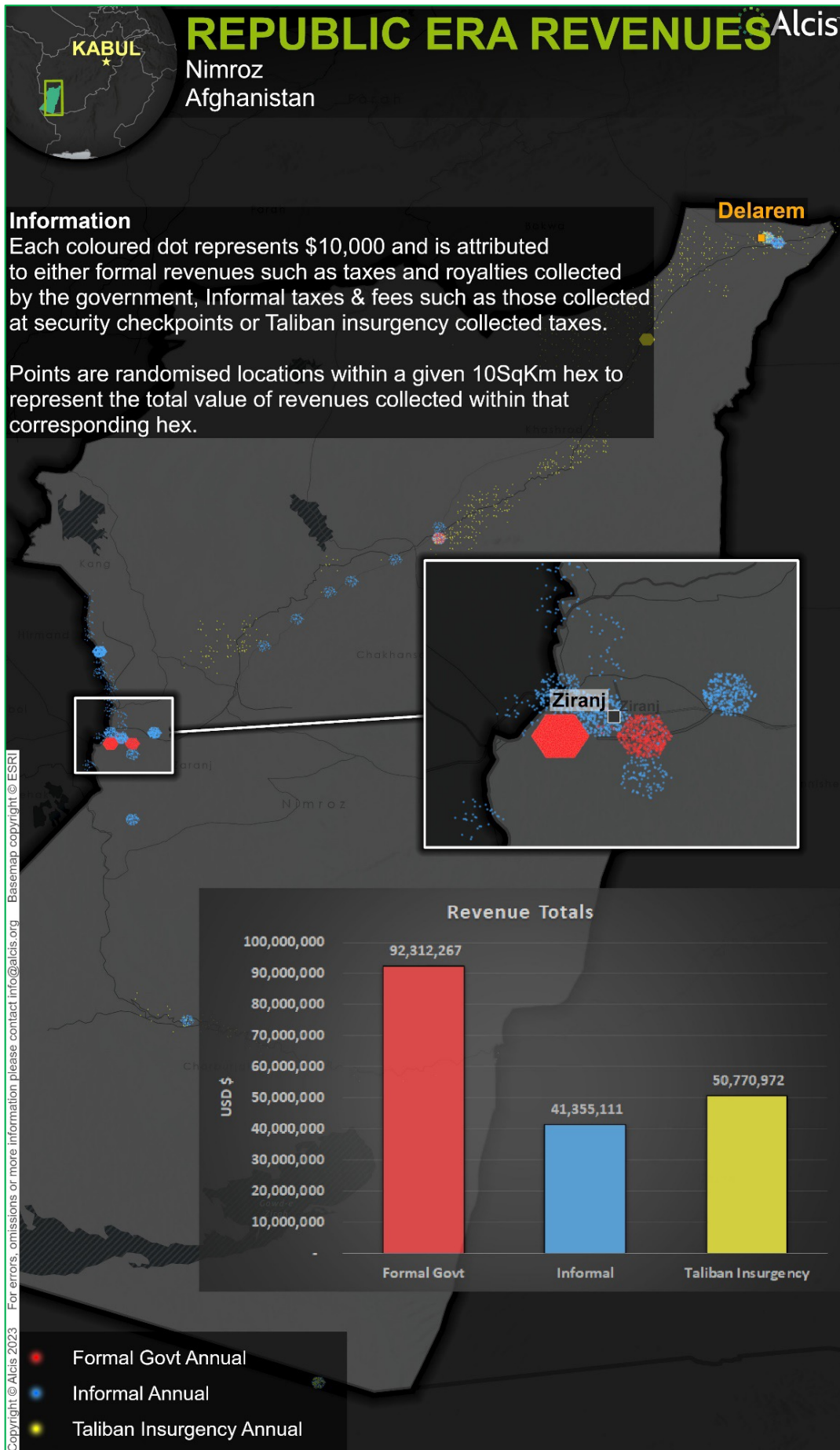


Figure 6. Locations and amounts of revenue raised in Nimroz under the Republic.

2020 and early 2021, each had forces positioned in areas where they could best extract revenue (see Figure 6).

Most of these areas were located on the main highway between Ziranj and Delarem, as this was the primary artery through which legal goods were transported, and therefore where monies could be earned. Other points of revenue extraction were in more remote desert and border areas, locations where smuggled goods and people would have to travel through or places where they would be unloaded and then loaded onto other vehicles. It is notable that opposing groups were often in close proximity to each other and avoided actions that would entirely disrupt trade out of fear that it would undermine their own income flows.

Our revenue mapping showed the value of different nodal points along the different cross border value chains and how monies were distributed during the former Afghan Republic. Officially, the government reported collecting duties of US\$43.2 million at the border in 2020 and a further US\$50 million in direct taxes, most of it collected on cross-border trade. Our own estimates showed much larger volumes of trade, with up to 350 trucks entering Afghanistan from Iran each day, generating a potential US\$176 million in taxes per year, suggesting a shortfall of US\$82.8 million in the official figures.

The reason for the shortfall or discrepancy lay with the corruption that was endemic at the time. Large numbers of trucks – especially those with links to local powerbrokers – would be waved through border checkpoints without paying, while other vehicles would be subject to duties and taxes but would still pay considerably less than what was due, courtesy of officials that would undervalue carried goods in return for a bribe. On the road, overladen and with falsified paperwork, these vehicles would then be subject to repeated requests for money from as many as 18 checkpoints – mainly ANP – on the 200 kilometres of highway between Ziranj and Delarem. Given the number of checkpoints along this highway, the bribes became a significant

source of revenue for government-affiliated actors.

As an insurgency, the Taliban also generated considerable revenues from trade of legal goods through their own checkpoint near Ghorghory. In fact, with such large volumes of trade en route between Ziranj and Delarem, we estimated that the Taliban's permanent position on the highway netted them an estimated US\$40.9 million per year: 80% of the revenues they earned in Nimroz and significantly more than the estimated US\$5.1 million they earned from taxing the drugs industry in Bakwa and Khashrod, and the US\$4.3 million they earned by collecting ushr.³³

What was particularly revealing in our revenue mapping exercise was just how much the Republic's allies in the province earned from the smuggling economy. Not only did they earn more from the drug trade than the Taliban did, but they also had almost exclusive rights of predation over the smuggling of fuel and people, due to their control over the southern districts, particularly along the Iranian border in Kang and Ziranj, but also in Charburjak, which neighbours Pakistan. The border areas of Kang and Ziranj were particularly valuable, giving those officials posted there access not only to an estimated US\$7.6 million annually in bribes on the drug trade but to a further US\$950,000 on smuggled fuel.

People smuggling was of even greater value. Here government-affiliated actors had little competition, with the market hub in the city of Ziranj and using a route that travelled south through territory where government forces dominated. The route was littered with officials demanding payments within the city of Ziranj, as well as along the route to the district centre of Charburjak. We calculated a potential US\$8.2 million in taxes levied each year on people smuggling by government-affiliated actors, compared to US\$750,000 levied by the Taliban.

33 For details of these and other calculations, see: Alcis, David Mansfield and Graeme Smith, 2021, "War gains: how the economic benefits of the conflict are distributed in Afghanistan and the implications for peace – A case study on Nimroz province". Overseas Development Institute, 2021. https://www.alcis.org/_files/ugd/a5fe58_49ae80744c6c4f259347debf6be40d79.pdf. Also see the accompanying "Annex: how we have calculated revenues": https://www.alcis.org/_files/ugd/a5fe58_7edd3c3fdf454028884a8e96dd4295f8.pdf

Concentrating revenue collection under the Taliban

The competition over territory and revenues that was prevalent in Nimroz during the former Republic was largely eliminated following the Taliban takeover in August 2021. The Taliban authorities quickly moved against the corruption that had prevailed at the official border crossing at Milak, re-establishing the Automated System for Customs Data (ASYCUDA) to prevent large volumes of goods entering the country without the appropriate paperwork and clearances.³⁴ A similar effort was pursued against the corruption on the main arterial highway between Ziranj and Delarem, and whilst many checkpoints were retained, monies were not demanded by the soldiers staffing them.

Part of the Taliban's success in centralising revenue collection and reducing the monies retained by those within its own ranks can be attributed to their efforts to regulate the cross-border trade of smuggled goods. Smuggled goods included goods prohibited by the Republic, such as opiates, or goods permitted at official crossings that were transported illegally across borders to avoid regulation and taxes, such as fuel, motor vehicles, and people. As shown above, during the Republic, the cross-border trade of smuggled goods and people provided a rich source of revenue for corrupt officials.

“The volume of trade at Dak has increased exponentially since the Taliban takeover, and we estimate that the Taliban generates as much as \$26 million per year in taxes along this route.”

In contrast, the Taliban authorities initially regulated and taxed these formerly smuggled goods, including opium, morphine base, heroin base and heroin hydrochloride. The Taliban also regulated the cross-border trade of smuggled fuel from Sistan Balochistan in Iran into Kang and Ziranj, and formalised a new route through Dak, in Pakistan, for what is an informal trade in fertiliser and sugar from Pakistan, and for tyres and unregistered motor vehicles from Afghanistan into Pakistan.

Tax rates on these items were agreed by the Economic Commission who established collection points in Sabz Gazi, 22 kilometres to the south of Ziranj, in Dak on the Afghanistan-Pakistan border, and in Sari Shela, eight kilometres north of the city, bordering the districts of Kang and Ziranj (see Figure 7).

These three locations became important nodal points for revenue collection, so much so that we estimate that the monies collected by the Taliban on these formerly smuggled goods are equal to those earned on legal goods passing through Milak. The volume of trade passing along these ‘informal’ routes is significant and valued at an estimated US\$2 billion per year, and at the time of research was worth an estimated US\$35.6 million in taxes per year to the de facto authorities.

The development of the trade route to Pakistan greatly increased the strategic and financial significance of the border town of Dak. While Dak has served as a major entrepôt for migrants en route from Afghanistan to Iran since 2012, the origins of this new trade route for fertiliser, motor vehicles and other items, lies in a shift in trade policies between Iran and Afghanistan following the Taliban takeover; ongoing – sometimes violent – disputes between Pakistani and Taliban authorities at the border at Spin Boldak in Kandahar; and the Government of Pakistan (GoP) border infrastructure efforts that closed off historical routes, such as those through Sasobai in Nangarhar and, later, through Kasai in Spin Boldak, Kandahar.³⁵ Imagery shows that the volume of trade at Dak has increased

34 Alcis and David Mansfield, 2022, “Changing the Rules of the Game: How the Taliban Regulated Cross Border Trade and Upended Afghanistan’s Political Economy”, XCEPT, 2022. <https://xcept-research.org/wp-content/uploads/2022/07/20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf>

35 The Sasobai route was a major smuggling passage during the former Republic, with up to 3,000 pack animals crossing the border from Goroko in the district of Durbaba, to Tirah in Pakistan, through Sasobai. The freight carried by these animals amounted to an estimated 450 metric tonnes of goods per day and included between 10 and 15 cars that would be disassembled at the mountain edge and carried on camels over the pass and then reassembled in Tirah. This route was closed by the Government of Pakistan in 2020 under COVID-19 restrictions and never reopened. The cars were then largely smuggled through Kasai in Spin Boldak and driven across mountain passes to Quetta, until this route was also closed.

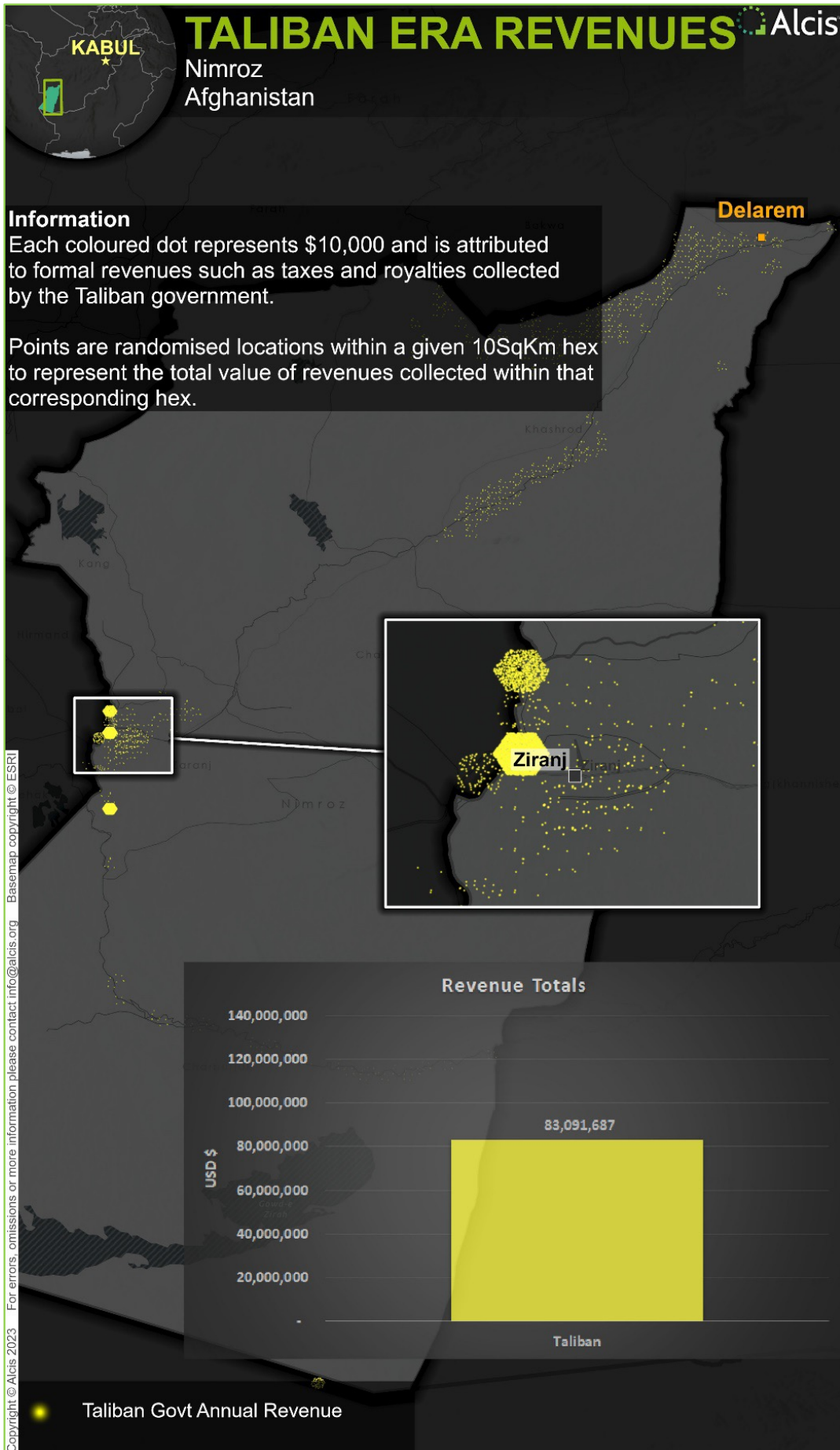
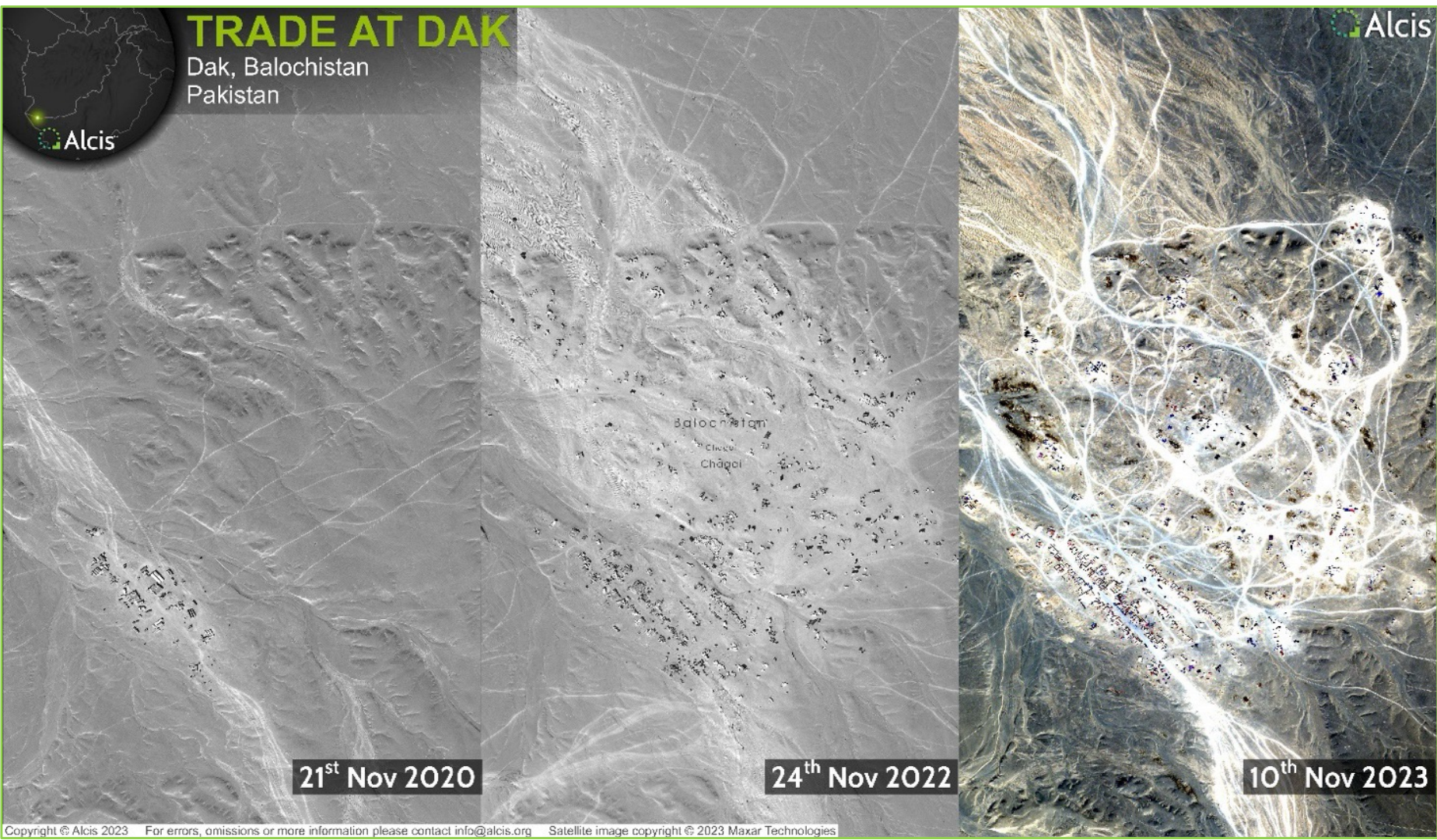


Figure 7. Locations and amounts of revenues raised under the Taliban.

Figure 8. Satellite imagery showing the development and expansion of Dak over time.



“ The US\$35.6 million earned in smuggled goods, along with the additional US\$10.4 million generated by the Taliban’s MAIL ... went a long way to maintaining the de facto authority’s revenue flows.

exponentially since the Taliban takeover (see Figure 8), and we estimate that the Taliban generates as much as \$26 million per year in taxes along this route.

Sari Shela, to the north of the city of Ziranj, also became a major source of revenue for the Taliban authorities following their takeover in August 2021. During the Republic, significant monies were collected here by corrupt officials from those smuggling drugs and fuel through Kang; we estimated the amount collected to be around US\$1.4 million in 2021. However, at the time of the research the cross-border trade in drugs and fuel had been regulated by the Taliban in Nimroz and was subject to taxation and we estimated collections were as high as US\$8.7 million per year at Sari Shela, 90% of which were earned from taxing the cross-border drugs trade.

Throughout the short period of their rule, Taliban policy on smuggled fuel and drugs along this route has been subject to change. For example, initially, the informal cross-border trade in fuel from Iran through Kang was banned. However, a direct request from the provincial Ulema to Mullah Haibatullah prompted a change in policy and the route was reopened in February 2022, restricting cross-border movements to only three days a week and imposing a single tax of US\$0.66 per 20 litres bushka (later reduced to US\$0.33).

In contrast to smuggled fuel, the cross-border drugs trade continued following the Taliban takeover and taxes were significantly increased from US\$1.00 per kilogram on opium in March 2021 (up from US\$0.20 in October 2019) to US\$6.66; half of which was levied in Bakwa (a domestic tax) and the other half in Sari Shela, or Bahramchar (an export tax). By November 2022, these two payments were combined into

one single export tax paid at the border. This change increased Sari Shela’s importance as a point of revenue collection, and we estimate as much as US\$4.3 million in taxes would have been collected each year on opiates in Kang, and a further US\$3.5 million on the cross-border trade in methamphetamine. That was until the 6 February 2023, when the collection of taxes on opium was forbidden by the Taliban Supreme Court in a ruling over the provincial arbitration courts and Governors. By March 2023, the taxes had entirely stopped and by July 2023 there was considerable pressure being exerted on the cross-border trade.

This inclusion of what were once smuggled goods in the revenue stream of the de facto authorities and the de facto sanctioning of informal routes to Pakistan and Iran had a profound impact in Nimroz and on its contribution to Taliban revenues. Notably, regulating and taxing smuggled goods has gone some way to compensate for the shortfall in trade at the official crossing with Iran at Milak, following the collapse of the Republic. Indeed, despite media reports of continued, and increased, cross-border trade with Afghanistan’s neighbours after the fall of the Republic, trade through Milak is down by up to 80%, with 50-60 trucks crossing the border a day, compared to 360 during the Republic (see Figure 9).

While efforts to curb corruption at the border undoubtedly resulted in greater efficiencies in tax collection at Milak since the Taliban takeover, we estimate that tax revenues fell by almost 60%, from US\$92 million earned under the former Republic, to US\$35.7 million in the first year of the Taliban. As such, the US\$35.6 million earned in smuggled goods, along with the additional US\$10.4 million generated by the Taliban’s MAIL – through formalising the agricultural tithe as a government tax – went a long way to maintaining the de facto authority’s revenue flows (see Figure 10).

Additionally, the incorporation of smuggled goods into taxation has resulted in a significant role for the Economic Commission, given its responsibility for taxation along these unofficial routes. At a national level, the Economic Commission is led by the Deputy Prime Minister, Mullah Abdul Ghani Baradar Akhund, and seems to be housed in the Ministry of Economy. In Nimroz, the commission



Figure 9. Time series images showing significant reduction in truck traffic at the customs point.

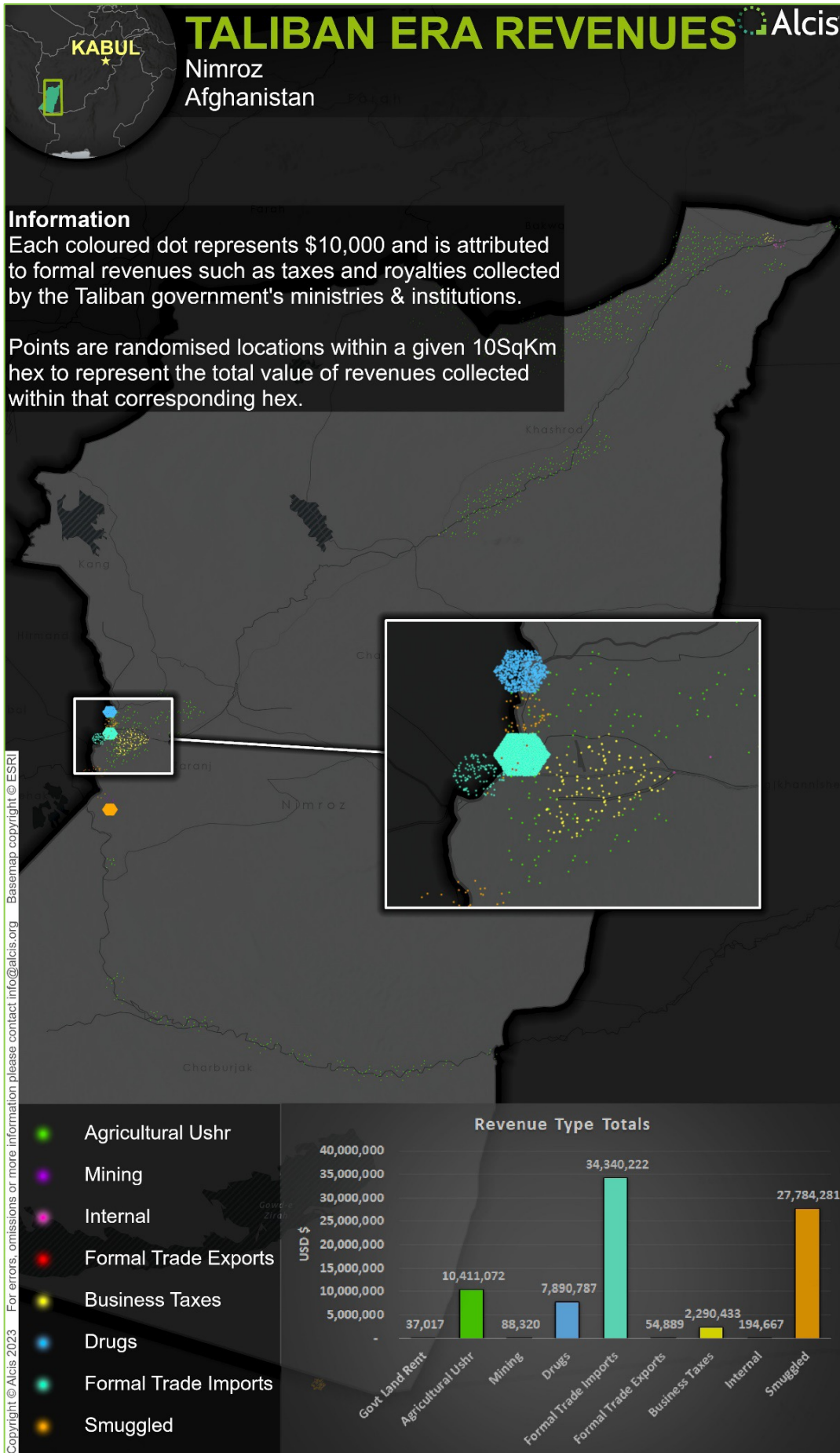


Figure 10. Taliban era revenue by commodity type.

was headed by an individual who played a similar role in the insurgency where he oversaw the Taliban's Economic and Financial Commission for the provinces of Farah and Nimroz. They were reported to have significant influence; the Commission not only sets tax rates on formerly smuggled goods but is responsible for tax collection at Sabz Gazi, Sari Shela and Dak.

Ultimately, what we see in Nimroz is clear evidence that the Taliban has prioritised revenue generation and has proven adept at its collection, even widening its potential tax base to include goods previously considered to be illegal and/or smuggled, and further exploiting informal trade routes with Iran and Pakistan to maximise revenues. What we also see is a significant shift towards trade with Pakistan. For the former Republic, the priority was trade with Iran and canalising the movement of goods across the official border at Milak and along the main highway, to access to the port at Chabahar. This stands in stark contrast with the large volumes of goods now transiting the desert road between Dak and Ziranj.

4. Samangan: Mountain riches

Unlike the province of Nimroz, Samangan is in northern Afghanistan and does not border any of the country's neighbours. Rather, it is surrounded by the provinces of Balkh to the north, Sar e Pol to the west, Baghlan to the east, and Bamian to the south (see Figure 11).³⁶ The province covers an

area of 11,218 square kilometres, 80% of which is mountainous or semi mountainous terrain.

The province comprises seven districts: Aybak, Hazrat-e-Sultan, Khuram Wa Sarbagh, Feroz Nakhcheer, Doi Royab, Dar-e-Suf Payin, and Dar-e-Suf Bala. The provincial centre, Aybak, straddles the main highway that passes through the province and connects the economic hub of Mazar-e-Sharif in the north with Pul e Khumri to the immediate south and the capital Kabul in the centre of the country. The estimated population of Samangan is 470,775; the majority of which are Tajiks (65%), followed by Uzbeks (30%), with a small number of Hazaras, Arabs, Tartars and Pashtuns.³⁷ Almost one third of the population is concentrated in the provincial centre.³⁸ The difficult terrain means healthcare and education services are limited, resulting in particularly low literacy rates and poor health conditions across much of the province.³⁹

Agriculture remains the primary source of income for the population across much of the province.⁴⁰ However, around 85% of the province's agricultural land is rainfed, much of it dedicated to a relatively low-yielding wheat crop.⁴¹ Other major crops include barley, potato, and flax. Better irrigated lands are concentrated in the east of the province in the Aybak River valley in the districts of Aybak and Hazrate-Sultan, allowing farmers to grow greater amounts of fruit and vegetables. Cash crops are limited, but the province of Samangan is a major producer of pistachio, ranking second after Badghis⁴² and in recent years farmers in the district of Aybak have cultivated ferula asafoetida, known locally as hing, a lucrative spice in high demand in India.⁴³

36 The district of Khulm was historically part of the province of Samangan, but was transferred to Balkh under the Rabbani government. In August 2022 the Taliban decided Khulm would once again fall under the Samangan provincial authorities. For the purpose of this study we did not include Khulm district in Samangan. See Ariana News, 2022, 'Khulm district officially moved from Balkh to Samangan', 9 August 2022. <https://www.ariananews.af/khulm-district-officially-moved-from-balkh-to-samangan/>

37 This is the population estimate from the World Pop Flowminder project which draws on high resolution domestic compound data from Alcis and satellite imagery to map domestic compounds (Flowminder, "Final Population Mapping for Afghanistan 2017" Unpublished Report, page 18). The Afghan government's population estimate, which is based solely on a ground-based survey estimates the population at p.394, p.487.

38 CSO, Islamic Republic of Afghanistan, 2015, 'Socio Demographic and Economic Survey- Samangan', CSO, Kabul, 2015, p. 15 https://afghanistan.unfpa.org/sites/default/files/pub-pdf/samangan_report_english_v1_13dec_2015_webquality.pdf

39 CSO, Islamic Republic of Afghanistan, 2015, 'Socio Demographic and Economic Survey- Samangan', CSO, Kabul, 2015, p. 25. https://afghanistan.unfpa.org/sites/default/files/pub-pdf/samangan_report_english_v1_13dec_2015_webquality.pdf

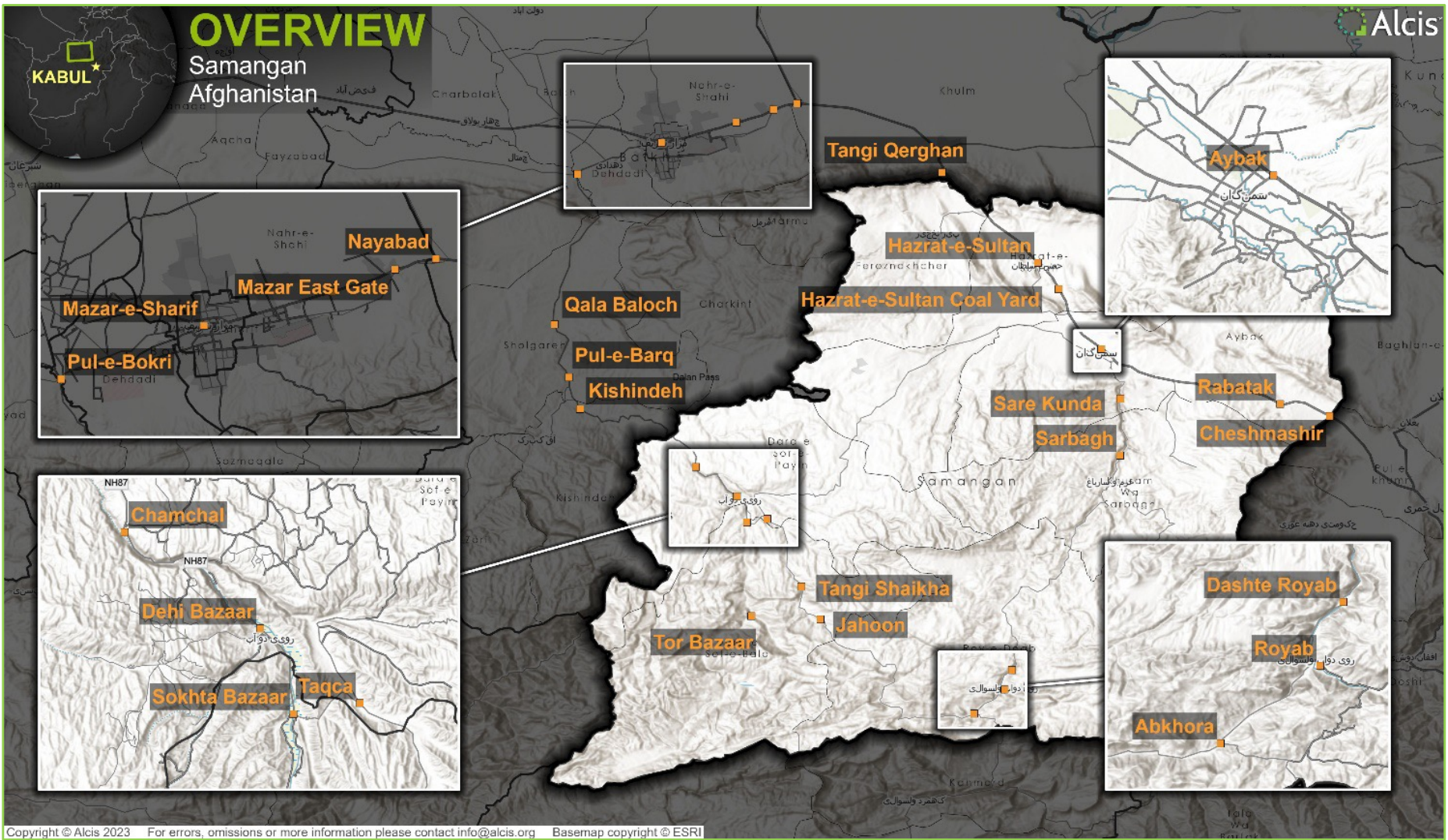
40 CSO, Islamic Republic of Afghanistan, 2015, 'Socio Demographic and Economic Survey- Samangan', CSO, Kabul, 2015, p. 45. https://afghanistan.unfpa.org/sites/default/files/pub-pdf/samangan_report_english_v1_13dec_2015_webquality.pdf

41 National Statistics and Information Authority, Islamic Republic of Afghanistan, 2021, 'Afghan Statistical Yearbook 2020', Issue No 42, April 2021, p. 163.

42 Xinhua, 2022, "Pistachio yield increases in Afghanistan's Samangan province", 21 August 2022. <https://english.news.cn/asiapacific/20220821/52968f849f4243bdbfaa1a271b56d7ea/c.html>

43 David Mansfield, 2023. Twitter, 5 April 2023. <https://twitter.com/mansfieldintinc/status/1650841819679191040?s=20>

Figure 11. Overview map of Samangan Province.



The only exception to this reliance on agricultural income in Samangan is the district of Dar-e-Suf Bala where more than one third of the population earn an income from the coal mines that dominate the area.⁴⁴ In fact, Dar-e-Suf Bala district contains the largest coal reserves in Afghanistan,⁴⁵ much of it is high-quality metallurgical coal used to generate electricity and to produce textiles and cement. In late 2021, following the fall of the Afghan Republic, the Afghan coal industry burgeoned, due to growing demand from Pakistan. Pakistan experienced increasing difficulty purchasing coal from South Africa and Indonesia – where it imported 85% of its coal from in 2021 – following disruptions in shipping and a dramatic rise in prices due to COVID-19.⁴⁶ Further increases in the price of coal followed the Russian invasion of Ukraine in March 2022.

In the face of increasing global prices and the growing challenges of securing supply by sea, coal from Afghanistan gained a significant competitive advantage over Pakistan's regular suppliers in South Africa and Indonesia. So much so, that by January 2022, the price of coal in Indonesia was US\$160 per Metric Ton (MT),⁴⁷ compared to only \$88 in Mazar-e-Sharif, in neighbouring Afghanistan,⁴⁸ and by March 2022, Afghan coal was less than half the price of shipments from South Africa.⁴⁹ The result was that Afghanistan became the primary source of coal for Pakistan's cement industry in 2022. Between July and October 2023, Pakistan imported US\$408 million of coal, compared to US\$247 million during the same period in 2022.⁵⁰ The rise in coal exports was such that Afghanistan saw a 264% growth in reported coal exports in 12 months, from US\$154 million in 2021 to US\$406 million in 2022.⁵¹

Consequently, with the fall of the Republic, and with what was initially perceived as a more supportive Taliban government in Kabul, Pakistan succeeded in securing a strategic land bridge for coal supplies it needed for some of its major industries. At the same time, the newly installed Taliban de facto authorities began to harness the coal trade and the revenues it could generate – much of it emanating from Samangan – in the wake of their takeover and the freezing of the Central Bank's assets and curtailment of development assistance by donors.

Breaking with local traditions: The rise of a Pashtun minority

During the Afghan Republic, the province of Samangan was the domain of the predominantly non-Pashtun political parties of Jamiat e Islami, Hezbe e Junbish and Hezbe Wahdat. As patrons of powerful figures at the centre of the former Republic, Governors of Samangan were typically Hazara, Uzbek, or Turkmen. Prominent political figures from the province in the final years of the Republic included Dilbar Nazar, Minister of Women's Affairs (2015-2021), an Uzbek from the district of Khulm and former Member of the Wolesi Jirga for Samangan, Masooma Khawari, the Minister of Technology and Communications, a Hazara from Dar-e-Suf and member of Hezbe Wahdat; and Hekmatullah Toryaki, a Tajik from Aybak, a former jihadi commander who was subsequently appointed as an adviser to President Ghani.

44 CSO, Islamic Republic of Afghanistan, 2015, 'Socio Demographic and Economic Survey- Samangan', CSO, Kabul, 2015, p. 45. https://afghanistan.unfpa.org/sites/default/files/pub-pdf/samangan_report_english_v1_13dec_2015_webquality.pdf

45 V. M. Chmyrov and V. N. Muzyka, "Uglenosnost' Afganistana" (Coalfields of Afghanistan) in S. Abdulla et al., eds., *Geologiya i poleznye iskopaemye Afganistana* (Geology and mineral resources of Afghanistan) II, Moscow, 1980, pp. 106-17.

46 Alcis, 2022, 'Canalizing Trade: The Pakistani Border fence and its impact on the political economy of cross border trade with Afghanistan', Unpublished Report for British High Commission Pakistan, June 2022; UNCTAD, 2021, "High freight rates cast a shadow over economic recovery", 18 November 2021. <https://unctad.org/news/high-freight-rates-cast-shadow-over-economic-recovery>

47 IDN Financials, 2022, "Coal reference price in January 2022 drops to USD 158.50 per ton", 6 January 2022. <https://www.idnfinancials.com/archive/41748/coal-reference-price-january-drops-ton>

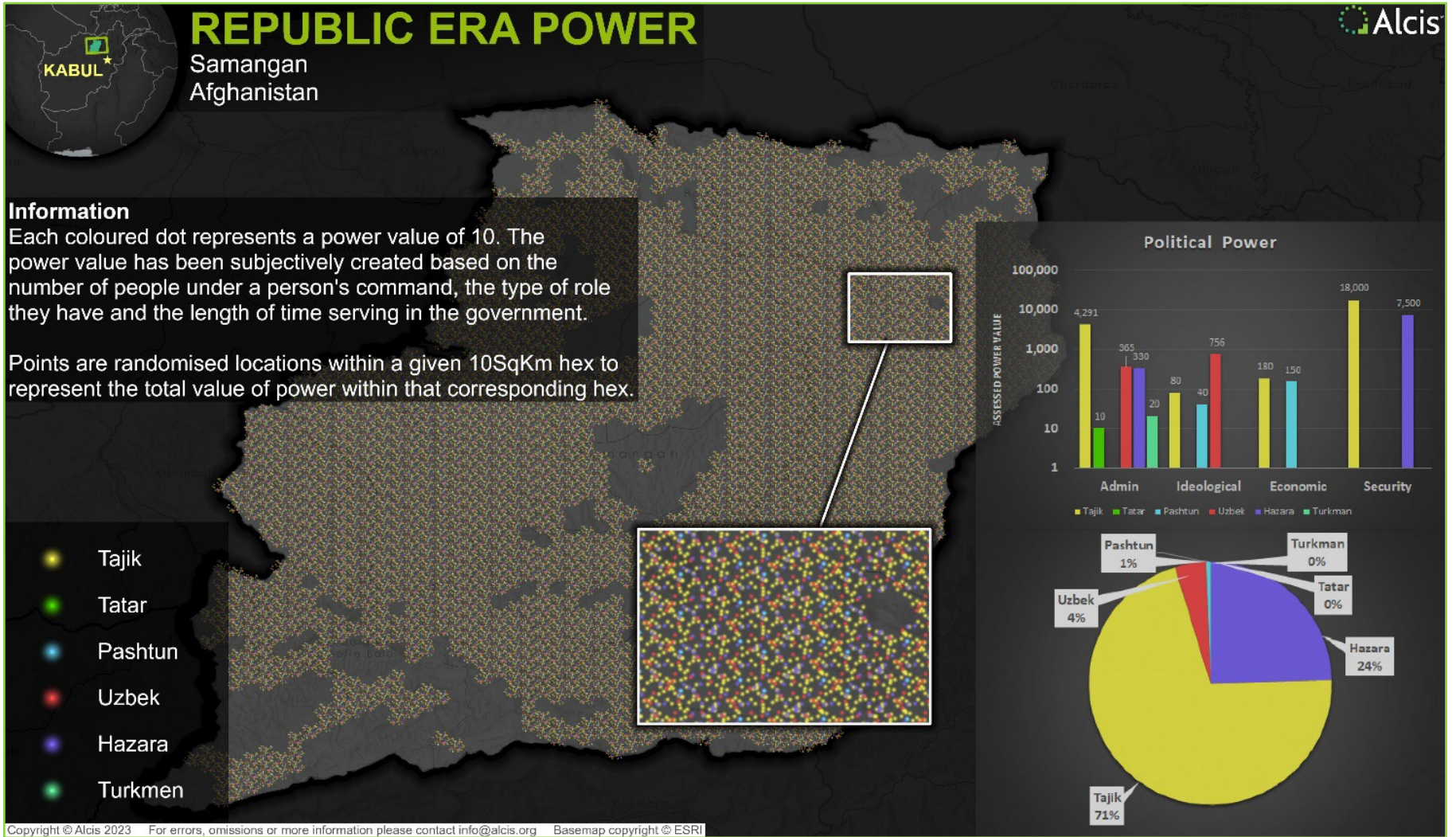
48 Alcis, 2022, 'Canalizing Trade: The Pakistani Border fence and its impact on the political economy of cross border trade with Afghanistan', Unpublished Report for British High Commission Pakistan, June 2022.

49 Business Recorder, 2022 "Tight energy market pushes Pakistan towards Afghan coal: report", 29 March 2022. <https://www.brecorder.com/news/40163728>

50 ProPakistani, 2022, "Coal Imports from Afghanistan up 511% in First 4 Months of FY23", 4 November 2022. <https://propakistani.pk/2022/11/04/coal-imports-from-afghanistan-up-511-in-first-4-months-of-fy23/>

51 Daniel Workman, 2022 "Coal Exports by Country", World's Top Exports, 2022. https://www.worldstopexports.com/coal-exports-country/?expand_article=1

Figure 12. Geographic and ethnic distribution of power in Samangan during the Republic.



“ Following the Taliban takeover, positions in revenue generation departments in Samangan also went largely to Pashtuns, despite the relatively small number of Pashtuns within the province

During the Republic, most positions within the provincial administration were also occupied by Tajiks, Hazaras and Uzbeks. In fact, our data collection shows that Pashtuns had limited representation in the provincial administration, occupying only one or two technical posts, and had little influence over Samangan politics (see Figure 12).

The office of the Governor in Samangan was particularly vulnerable to the negotiations and interplay between powerful national, regional, and local actors, as well as shifting party alliances, so much so that several of the governors of Samangan were rotated around the northern provinces at relatively short notice; many faced protests in Aybak, sometimes agitated by local and regional opponents (particularly Abdul Rashid Dostum, the powerful Uzbek warlord in the north), and then removed following accusations of corruption and malpractice. As late as 2018, Abdul Karim Khadam refused to step down from his post as Governor of Samangan, despite the order coming from the palace and President Ashraf Ghani, arguing that he could not be removed without the agreement of the leaders of Jamiaat Islami.⁵²

Prominent local powerbrokers included Ziauddin Zia, an Uzbek from Aybak, who had served as former Deputy Governor and head of the provincial Shura, and subsequently became a Member of Parliament in 2018. Ziauddin Zia was

alleged to have ties to Abdul Rashid Dostum, maintained his own bodyguard and was often at the centre of the disputes with several governors in Samangan. Several local political actors were also known to switch their allegiances between parties, particularly between Junbish and Jamiat, most notably Ahmad Khan Samangani, a former mujaheddin commander and member of parliament, killed in 2012 in a suicide attack in Aybak that was attributed to the Taliban.⁵³

Prior to 2021, the Taliban insurgency in Samangan was relatively insignificant, largely restricted to high profile attacks in the provincial centre and a more limited presence in some of the remote rural areas of the districts of Dar-e-Suf Payin. More substantive was the Taliban's role in Cheshmashir, just across the border in the neighbouring province of Baghlan. Here they mounted a checkpoint that collected tens of millions of dollars in taxes from vehicles travelling the main highway between the northern provinces and Kabul.⁵⁴

However, once the Taliban captured Aybak on 9 August 2021, and the political leadership of the Republic fled – mainly for Turkey – Mullah Abdul Rahman Kunduzi was appointed Governor, the first Pashtun to hold the position since 2001 and the collapse of the previous Taliban government.⁵⁵ Kunduzi, from the district of Khanabad, in Kunduz province was a prominent Taliban commander in the north during the insurgency and led the capture of Samangan. Other prominent Pashtuns appointed to senior security positions in Samangan included Qari Ahmadullah Badr, also from Kunduz, as Chief of the Provincial Police (later transferred to the same post in restive Panjsher),⁵⁶ and Mullah Sami ul Haq Haqnawaz, from neighbouring Baghlan, as head of the General Directorate of Intelligence.

52 The Guardian, 2018, “Afghan provincial governor defies president's order to step down”, 18 February 2018. <https://www.theguardian.com/world/2018/feb/18/afghan-provincial-governor-defies-ghanis-order-to-step-down>

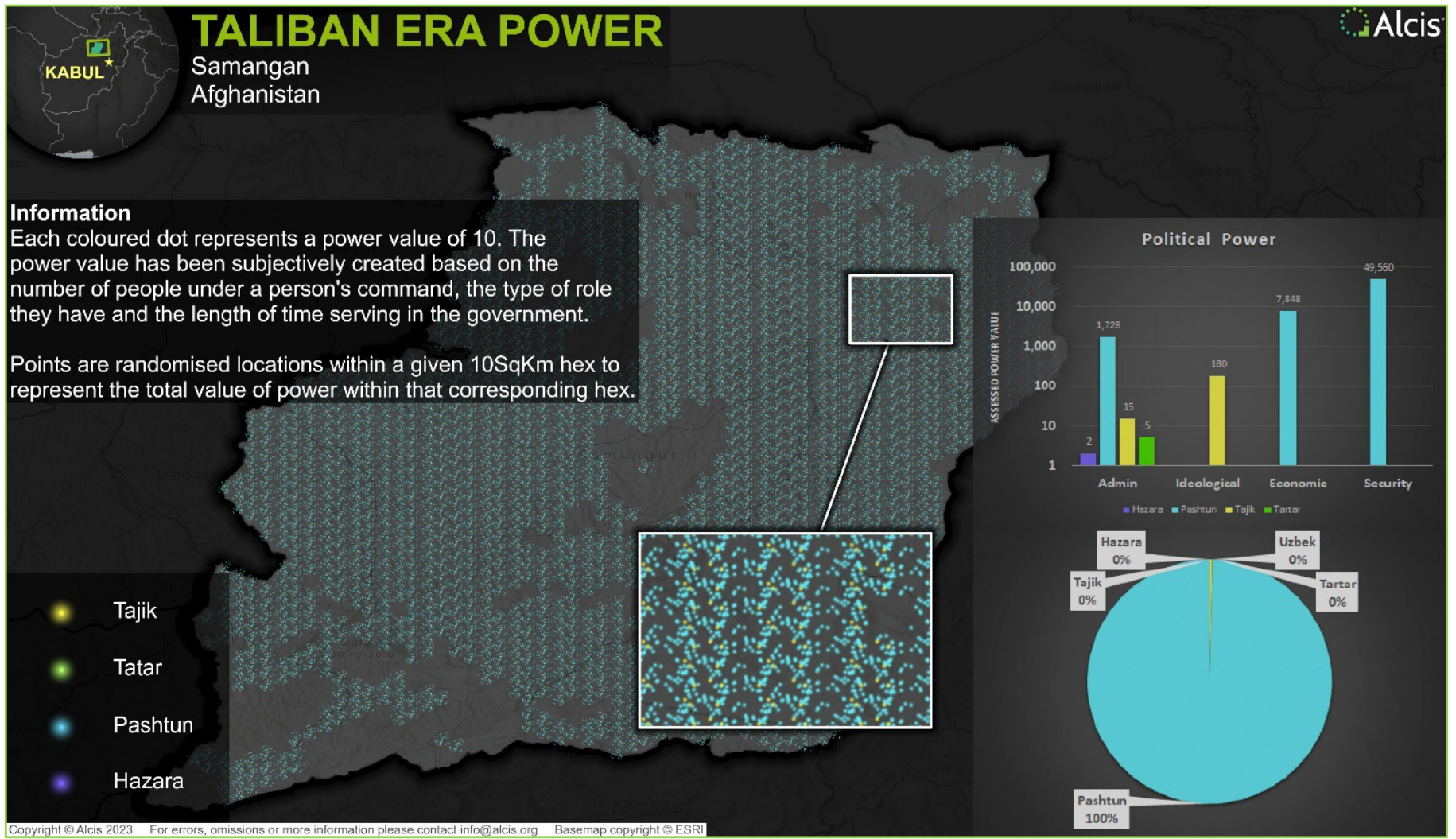
53 Emma Graham Harrison, 2012, “Afghan suicide bomber kills military and government officials at wedding”, The Guardian, 14 July 2012. <https://www.theguardian.com/world/2012/jul/14/afghan-mp-suicide-bomber-wedding>

54 Alcis and David Mansfield, 2022, “Changing the Rules of the Game: How the Taliban Regulated Cross Border Trade and Upended Afghanistan's Political Economy”, XCEPT, 2022. <https://xcept-research.org/wp-content/uploads/2022/07/20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf>; https://afghanistan.asia-news.com/en_GB/articles/cnmi_st/features/2021/01/19/feature-03

55 The previous Taliban governor of Samangan was Mullah Abdul Manan, from Paktiya. Manan was killed in Peshawar in November 2005. See Syed Mohsin Naqvi, 2005, “Police: Ex-Taliban governors shot” CNN, 10 November 2005. <https://edition.cnn.com/2005/WORLD/asiapcf/11/10/pakistan.killings/index.html>

56 Afghanistan International, 2023, “Taliban Appoints New Police Chief for Panjshir Province”, 25 July 2023. <https://www.afintl.com/en/202307257249>

Figure 13. Geographic and ethnic distribution of power in Samangan following the Taliban takeover.



Following the Taliban takeover, positions in revenue generation departments in Samangan also went largely to Pashtuns, despite the relatively small number of Pashtuns within the province and the overall provincial administration. For example, at the time of the research the head of the Mustofiat and the economic commission was from the district of Baghlani Jadid, in Baghlan province and, like the head of the commission in Nimroz, had prior experience in revenue collection from the insurgency, when they worked for the commission in Samangan and Baghlan, including the major Taliban checkpoint at Cheshmashir, in neighbouring Baghlan. At the time of the research, the Head of the Economy Department in Samangan was from Hazrat-e-Sultan in Samangan, and the Director of Mines was from Tangi in Wardak; and both were Pashtuns.

By occupying important posts in both security and finance, as well as the Governorship, Pashtuns dominate the provincial administration of Samangan following the Taliban takeover in August 2021, a major shift in provincial politics compared to the Republic (see Figure 13). Many of these individuals have their roots outside the

province, particularly in Baghlan and Kunduz (see Figure 14), where the Taliban was embedded during the insurgency. In the provincial and district administration, local representation comprises primarily Pashtuns, Uzbeks, Tajiks, Hazara, and Tatar where they occupy less important positions than those from Kunduz and Baghlan.

Links to power and patronage at the centre of the Taliban are also more limited in Samangan compared to Nimroz, possibly a function of the dominant role of southwestern Pashtuns in the regime. Individuals from Samangan with a national profile in the regime include Enamullah Samangani, Deputy Spokesman for the Islamic Emirate, and Mullah Zakarya Haqani, head of the provincial ulema and member of the national ulema. Both are Tajiks and neither have military credentials. In fact, it is unclear if either were even members of the Taliban during the insurgency.

Perhaps the most prominent Taliban military commander from the area is Mullah Yunus Mukhlis, shadow governor of Balkh during the insurgency who led many commanders across the

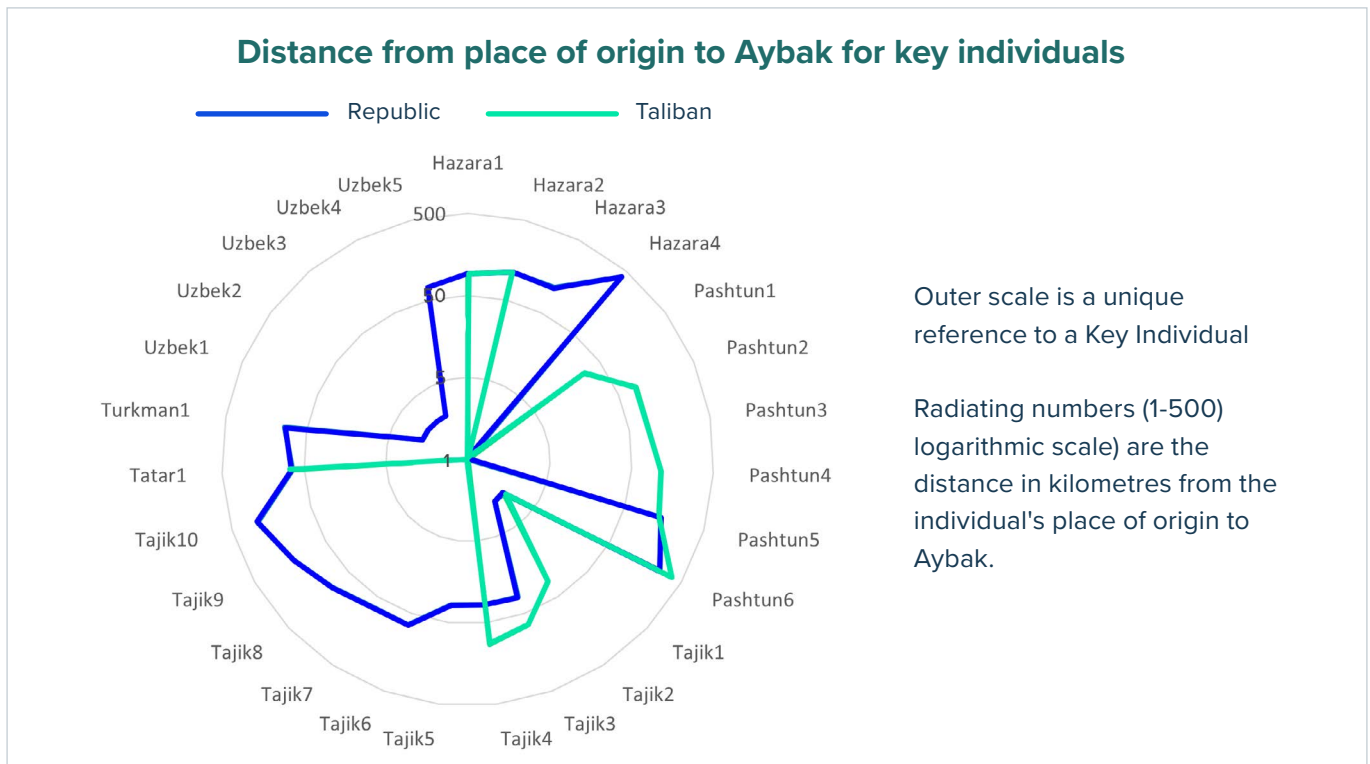


Figure 14. Chart showing the distance from Aybak that key individuals came from under the different regimes. Note that a logarithmic scale has been used to show the variation.

northern region including Samangan, although he is from neighbouring Baghlan province.

Mullah Yunus was appointed the Deputy Governor of Kabul province in February 2022, and many of the local Taliban in the provincial administration had served under him during the insurgency.⁵⁷ Those individuals with power in Samangan under the de facto authorities who have roots in Kunduz, such as the Governor, Mullah Abdul Rahman Kunduzi, and the Head of Provincial Police, Mullah Badri, along with the Director of Mines at the time of the research, were said to be more aligned with the Haqqanis. Therefore, Khost and Kabul would appear to be more important centres of power for Taliban officials in Samangan, rather than Kandahar and the southwest.

Centralising revenues and redirecting trade: The importance of the coal trade

The economy of Samangan is much less diverse than that of Nimroz and generated significantly less revenue during the former Afghan Republic (see Figure 15). At the time, Samangan had two main sources of revenue on which armed actors could levy taxes. The first was the coal trade emanating from the districts of Dar-e-Suf Bala, Dar-e-Suf Payin, and Roy Doab. Both the government and its allies collected monies at the mines: the government taking royalties for each metric ton of coal extracted, while corrupt officials collected bribes for the coal that went undeclared along the primary highways and at the border. During the Republic, royalties were typically low, at the equivalent of US\$5.55 per metric ton and we estimate a potential revenue of US\$14.8 million per year if all the estimated 2.6 million metric tons of coal extracted from Samangan were taxed.

The second source of revenue was from the goods that transited Samangan's roads, most notably the main highway between northern Afghanistan and Kabul. It was not just coal that

“ The primary route for the coal trade from Dar-e-Suf would see as many as 250 overladen trucks per day transporting coal to the yards to the east of the city of Mazar-e-Sharif.

was transported along these routes. The road from Balkh to Kabul was in fact a major conduit for goods imported through the Central Asian Republics at Hairatan and Aqina, bordering Uzbekistan and Turkmenistan, respectively. During the Republic both ports saw significant traffic, with Aqina serving as the primary port for goods imported by the Afghan Ministry of Defence, and Hairatan the entrepot for fuel and other goods required by NATO forces.⁵⁸ Combined, the imports from these two official border crossings resulted in up to 400 trucks per day transiting Samangan for Kabul in the winter, rising to more than 600 in the summer.

As in Nimroz, roadside checkpoints became important real estate for those posted there during the Republic, as well as for those who got them appointed and were entitled to tribute. In fact, the route between Hairatan and Kabul had as many as 41 checkpoints, largely staffed by the ANP. Of those, four were in Samangan, each raising as much as US\$1.5 million per annum for those that controlled them.

A less lucrative source of revenue for corrupt government officials was the road running north between Dar-e-Suf Bala and Mazar-e-Sharif. This route was the primary route for the coal trade from Dar-e-Suf and would see as many as 250 overladen trucks per day transporting coal to the yards to the east of the city of Mazar-e-Sharif. With as many as 14 checkpoints on the route from the mines in Jahoon and Tor in Dar-e-Suf Bala, and most demanding a bribe, we estimate that corrupt officials earned as much as US\$2.5 million per year along this route within the province of Samangan alone, with further monies earned from taxing the coal trade at checkpoints along

57 Tolo News, 2022, “New Civil, Military Appointments Announced”, 25 February 2022. <https://tolonews.com/index.php/afghanistan-176862>

58 Alcis and David Mansfield, 2022, “Changing the Rules of the Game: How the Taliban Regulated Cross Border Trade and Upended Afghanistan’s Political Economy”, XCEPT. <https://xcept-research.org/wp-content/uploads/2022/07/20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf>

Figure 15. Sources of revenue in the last year of the Republic.

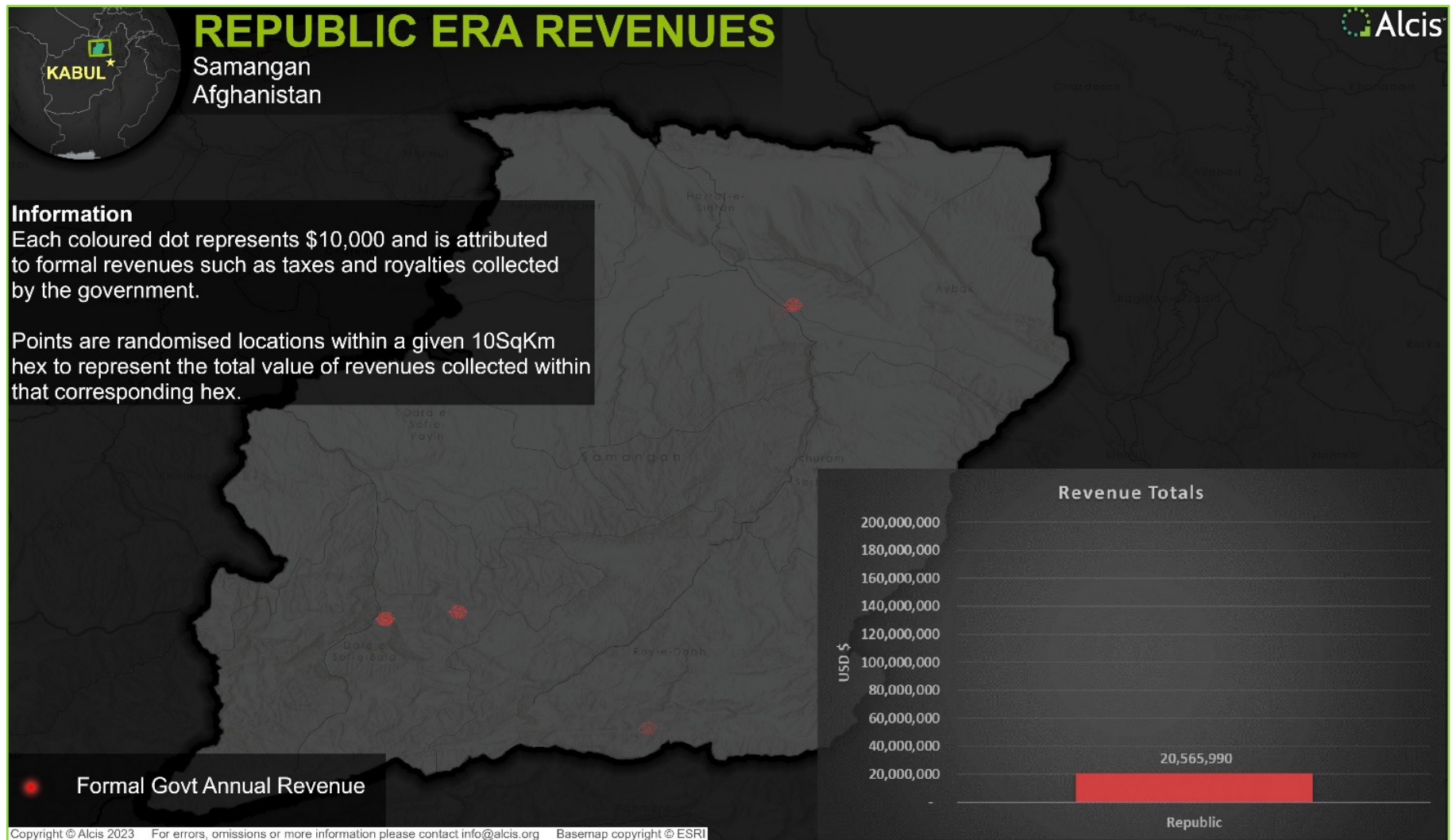
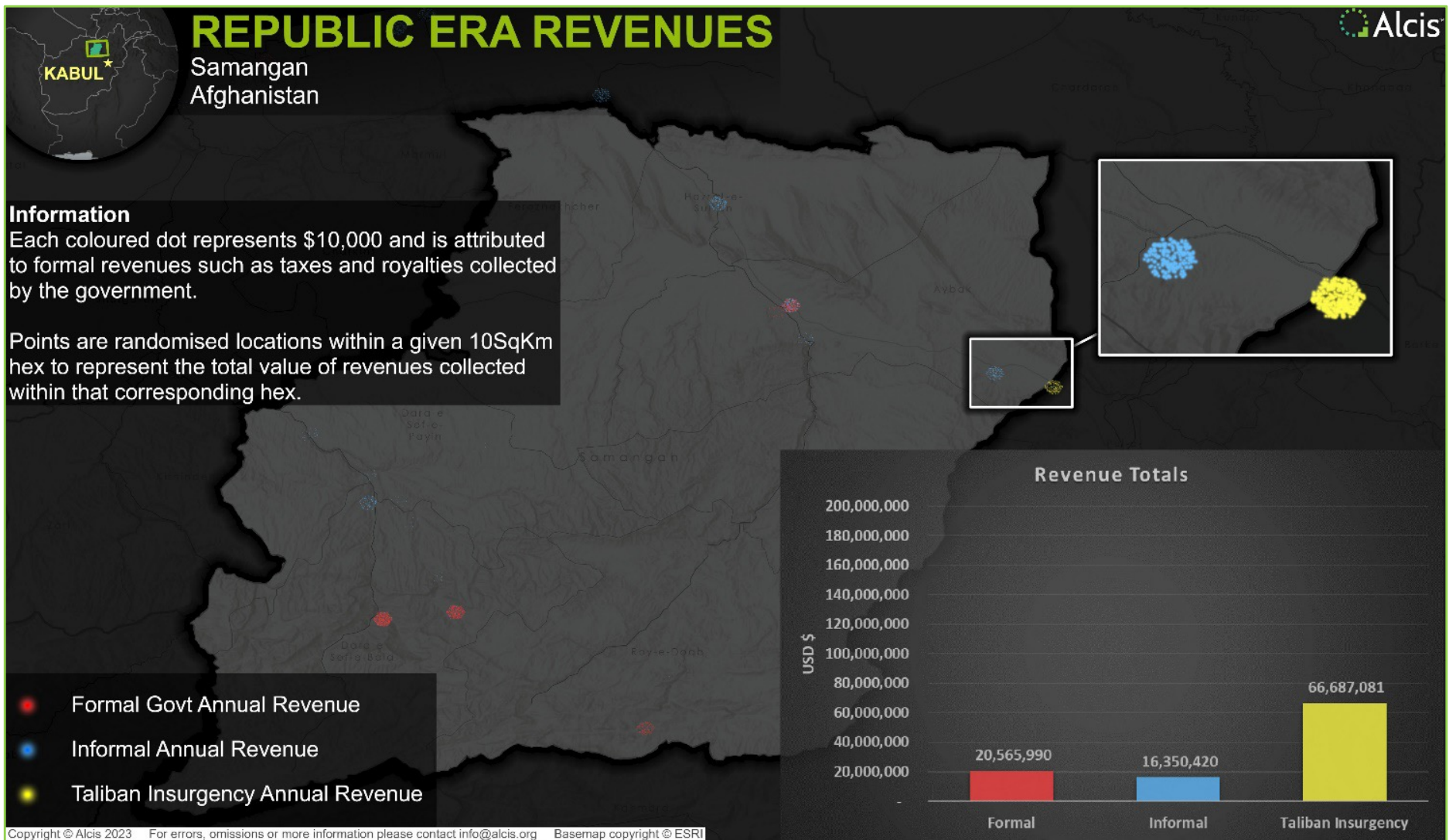


Figure 16. Sources of revenue during the last year of the Republic.



two further routes in Samangan: between Sokhta bazaar heading west to Aybak, and further south from the mines in Doi Royab to Aybak (see Figure 16). In total we estimate US\$16.3 million was earned per year in Samangan by corrupt officials aligned with the former Republic.

“Coal is clearly at the centre of the Taliban authorities’ current strategy for revenue collection in Samangan.”

As mentioned in the previous sections, the Taliban also exploited traffic through Samangan during the Republic, including from the coal trade, although not within the province itself. As an insurgency, they mounted a roadside checkpoint at Cheshmashir in Baghlan, earning an estimated US\$66.7 million a year, including extracting payments from drivers transporting goods that had been imported tax free through Hairatan and Aqina for NATO and the Afghan Ministry of Defence.

As in Nimroz, following the Taliban takeover, the de facto authorities have increased the revenue collected from production and trade, while reducing the potential for illegal monies to flow to those in its ranks. The roadside checkpoints have been maintained on the route between Mazar-e-Sahrif and Kabul, and along other routes, but the Taliban do not collect taxes from drivers. In contrast to the Republic, the authorities also ensure trucks do not transport excess freight on these routes, including between the mines and Mazar-e-Sharif and Aybak which was so commonplace during the Republic.

The introduction of further regulations prompted the Taliban to redirect the coal trade away from Mazar-e-Sharif and the north, and instead look to direct it eastwards within Samangan from Dar-e-Suf Bala and Roy Doab to Hazrat-e-Sultan where a new coal yard has been established for storage and processing (see Figure 17). This coal yard is just to the north of Aybak, on around 30

hectares of land largely owned by the Ministry of Haj. It is said that coal yards in Mazar-e-Sharif will be closed; located in a residential area to the east of the city it is said to be a hazard to health. However, having been established by Atta Mohammed Noor, a former governor of Balkh and powerbroker in the north under the Republic, it is possibly also a continued source of rent and patronage for some of those affiliated with the former Republic.

Coal is clearly at the centre of the Taliban authorities’ current strategy for revenue collection in Samangan. We estimate that revenues to the Ministry of Mines and Petroleum (MoMP) in the province increased dramatically under the Taliban in 2022 to US\$159 million compared to only US\$14.8 million under the Republic in 2021. While in part this is a function of the significant increase in the volume of coal extracted in Samangan following the Taliban takeover, almost doubling to an estimated 4.6 million metric tons (see Figure 18), the increase in royalties at the mines plays a dominant role in the revenue increase. For example, at the time of the research, royalty rates charged on coal were the equivalent of US\$34 per metric ton, more than six times the level in the final years of the Republic (see Figure 19).

The local result of the dramatic increase in demand for coking coal from Pakistan following disruption to its supplies from South Africa and Indonesia has been the proliferation of mines in Dar-e-Suf and an inflow of people (see Figure 20). There are local reports of a shift in the composition of those working in the mines, with more people coming from other provinces to the area to obtain concessions, including former members of the ANP and Afghan National Army (ANA).⁵⁹ There were also reports of a growing number of Pashtuns from the southwest provinces of Helmand, Uruzgan and Zabul, as well as from Kunar and Nangarhar in the eastern region obtaining contracts to work the mines in Dar-e-Suf. It was claimed that the influx of Pashtuns in the provincial authorities, including in the Department of Mines and Petroleum, increased contracting and employment opportunities for other ethnic groups in an industry that had been

⁵⁹ The mines in Dar-e-Suf and Roy Doab are largely on what was government land that has been grabbed by those from the local area and now privately owned. Those wishing to work the mines will pay a share – typically one sixth - of production for the right to extract the coal. All the costs of the mine, including the road to the mine, are carried by the contractor.

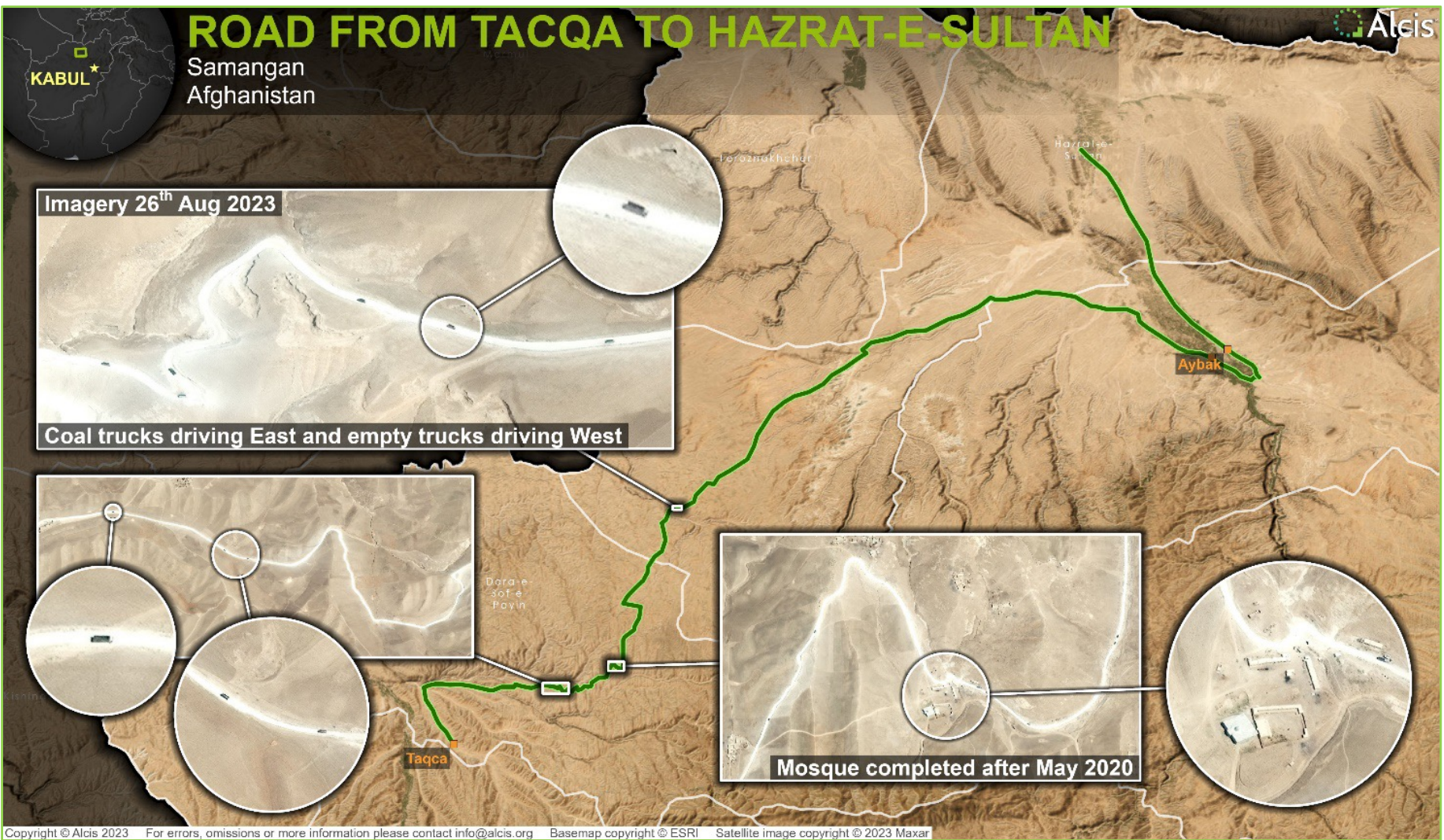


Figure 17. New route for coal between Dar-e-Suf and Hazrate-Sultan, which avoids Mazar-e-Sharif.

Figure 18. Numbers of trucks using key routes during Republic and Taliban regime.

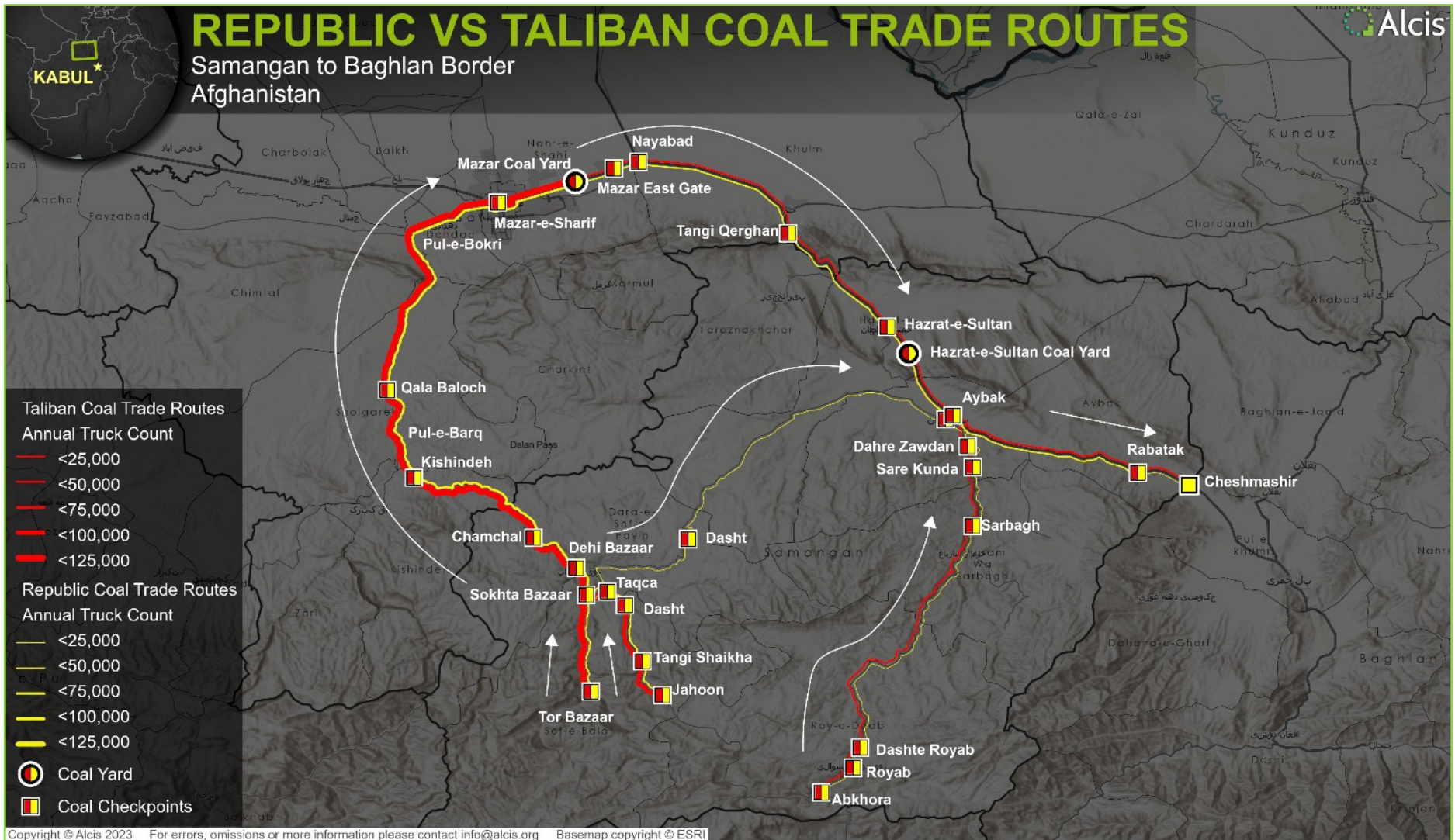
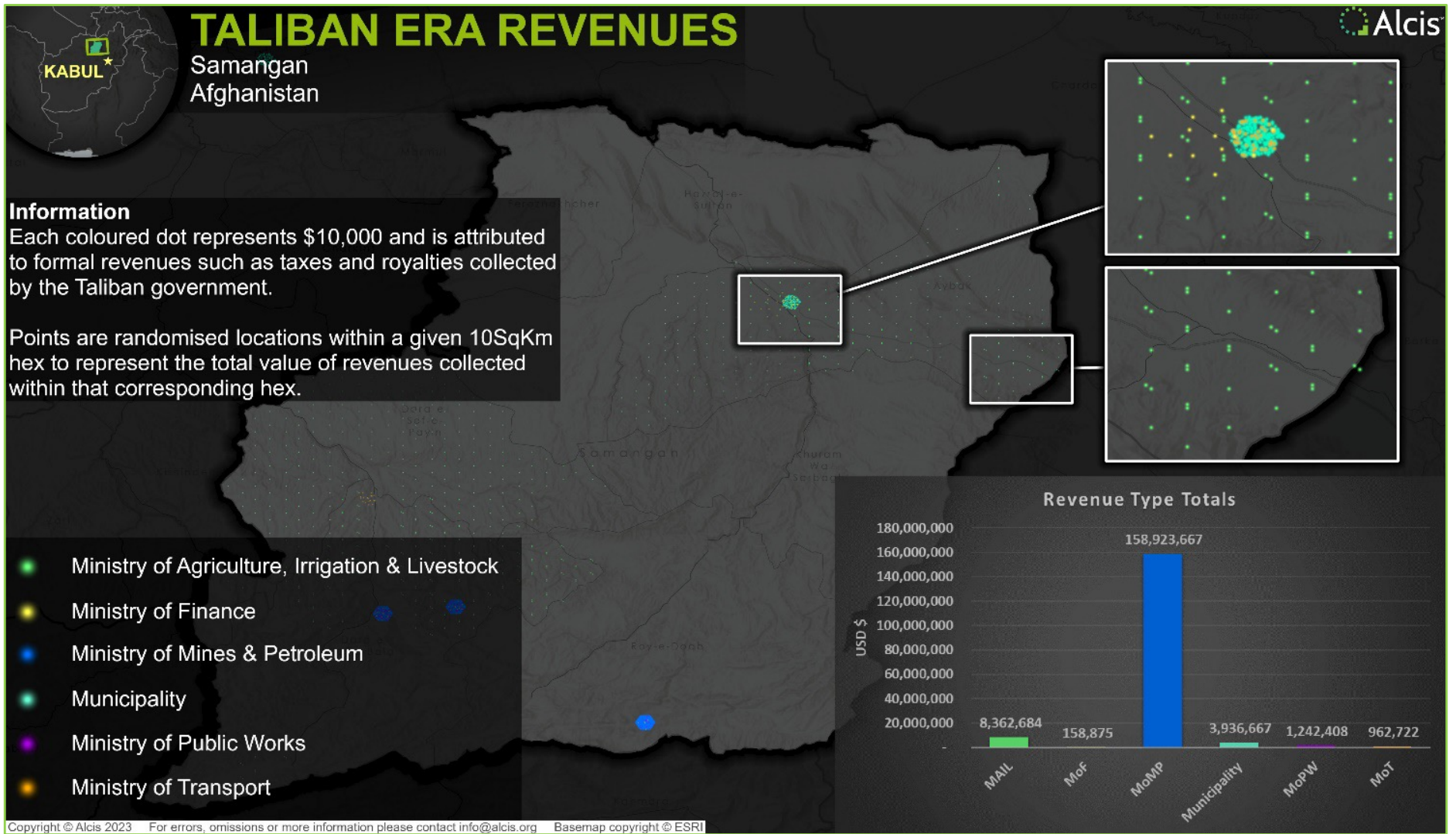


Figure 19. Sources of revenue under the Taliban.



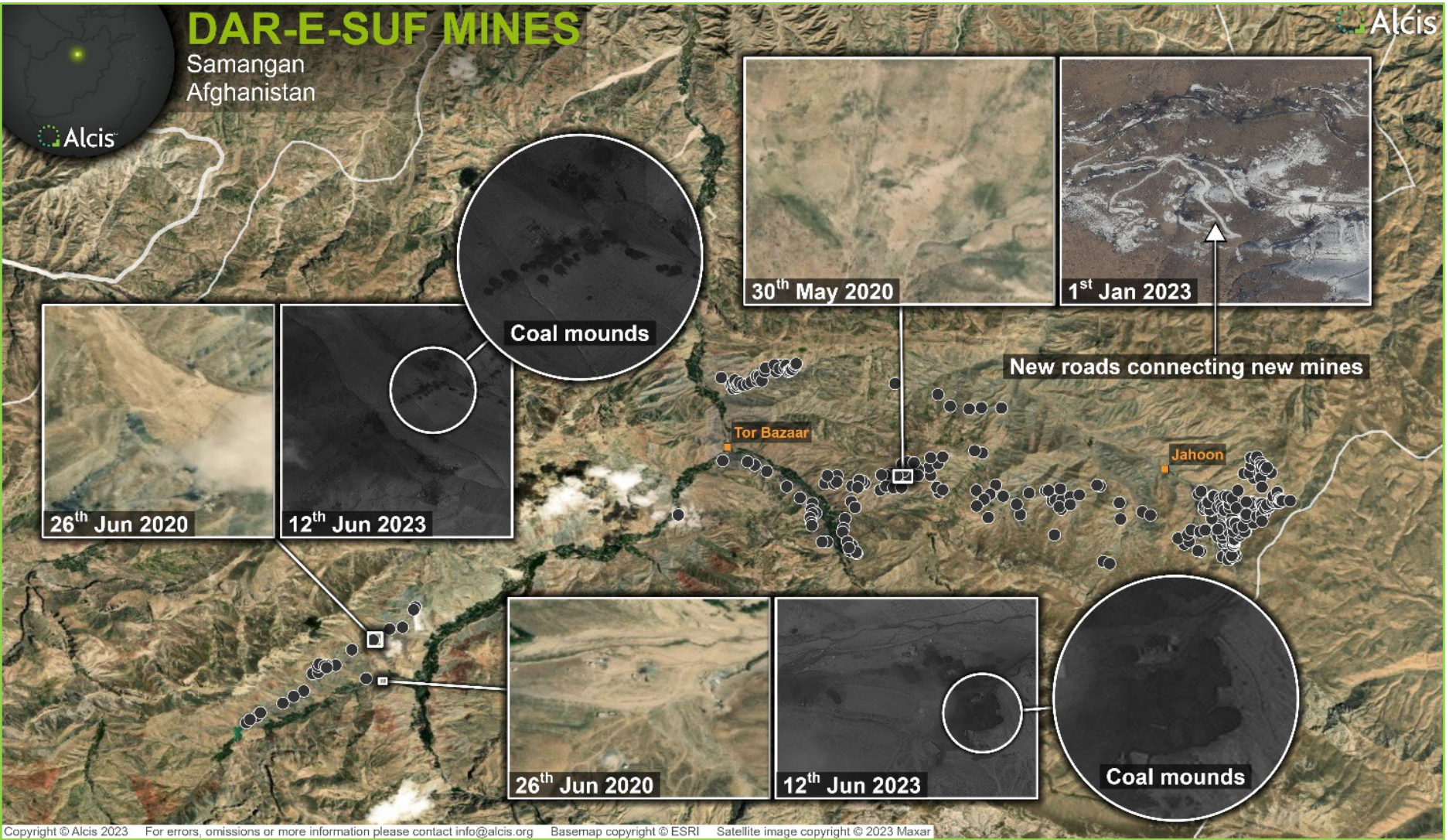


Figure 20. Proliferation of mines in Dar-e-Suf.

largely dominated by local Hazaras during the former Afghan Republic.

Notably, it was not just the coal industry that was subject to dramatic change and increased revenue collection following the collapse of the Afghan Republic. We also see significant changes in the agricultural sector with the formalisation of the agricultural tithe as a government tax under the Taliban. While the Taliban collected ushr as insurgents under the auspices of the Agriculture, Livestock, Ushr and Zakat Commission in the areas where they held sway, the Afghan Republic did not. This changed on 1 March 2022, when Acting Minister of MAIL Mullah Abdul Rahman sent a directive instructing provincial departments to begin collecting the tax. This directive instructed that only one-twentieth of the final yield of the land in cash equivalent was to be collected by MAIL, not one-tenth as is traditional in Islam. This was in recognition of both the difficult economic circumstances many farmers found themselves in and the tradition of local charity within rural communities in Afghanistan.

In contrast to Nimroz, where the directive was followed, in Samangan tradition was maintained and one tenth of the crop was collected. Of particular importance to agricultural revenues in Samangan was the production of ferula asafoetida, or hing. Once a wild crop, hing is now cultivated extensively in the district of Aybak, occupying up to 5% of agricultural land. With yields of up to 800 kilograms per hectare and average prices of US\$40 per kilogram (sometimes as high as US\$80 for the 'best quality') it is highly remunerative once it begins to yield four years after planting. Reports indicated that given the value of the crop – and the ushr collected – that the harvest was supervised either directly by Taliban representatives or by elders to ensure that an accurate assessment of the yield was recorded. With much larger coverage of agricultural land than in Nimroz, and the production of higher value crops, particularly hing, ushr could generate as much as US\$2.2 million for MAIL in Samangan. This was a source of revenue that the former Afghan Republic showed little to no interest in.

Ultimately, Samangan can generate significant revenues following the Taliban takeover, according to our revenue mapping, primarily due

to the increased production and taxes charged on coal. The mining sector has seen much greater regulation and increased taxation as part of the de facto authorities' efforts to raise revenues and restrict the monies earned by both those within its own ranks, as well as potential rivals with links to the Republic. Samangan has also seen an influx of Pashtuns into strategic positions in the provincial administration, including in posts responsible for security and the economy, in a province where other ethnic groups are in far greater number. Once a remote mountain province generating little revenue for the government in Kabul, Samangan is playing a role in the de facto authorities' plans for financial self-sufficiency.

5. From the desert to the mountains: What does Nimroz and Samangan tell us about Taliban rule?

This research shows that despite Nimroz and Samangan's starkly contrasting characteristics, Taliban rule in these provinces has several common features. The first is the notable shift in the distribution of political power, particularly in the ethnic composition of the new provincial administrations and the disproportionate number of Pashtuns appointed. Both Nimroz and Samangan are provinces where Pashtuns are not in the majority, and yet Pashtuns have seen a marked increase in their appointment to the provincial administration since the fall of the Republic. In Nimroz, the Taliban takeover swept aside both the former provincial political elites (both Pashtun and Brahui) from the southern districts of Kang and Charburjak, and the technocrats of various ethnicities appointed by Kabul. In their stead a provincial administration was established dominated by Pashtuns, the majority of whom were Noorzais from the district of Khashrod in the north, Bakwa in the

neighbouring province of Farah, and from other districts of Helmand.

Samangan also saw an influx of Pashtun officials following the Taliban takeover. While occupying only a minority of positions in the Samangan provincial administration after the former Republic collapsed, Pashtuns took most of the key posts, including the governorship, the chiefs of police and intelligence, and important revenue-generating departments such as Finance, Mines and Petroleum, and the Economic Commission. Under the former Republic, it was Hazaras, Tajiks, and Uzbeks that vied for influence within the provincial administration, all supported by powerful backers in Jamiat, Junbish and Hezbe Wahdat, with only nominal Pashtun representation. Under the Taliban, Abdul Rahman Kunduzi was appointed Governor, the first Pashtun in the post since the last Taliban administration in 2001.

A second common feature found in the two provinces is the backgrounds of those in formal positions of power following the collapse of the Republic. For example, it is notable that as with Nimroz, many of the Taliban commanders with posts in the new administration in Samangan were fighters from within the province and nearby provinces during the insurgency. Whereas in Nimroz, those in the provincial administration fought in the northern district of Khashrod, or in Farah or Helmand, the spoils in Samangan were divided amongst former Taliban fighters largely from the surrounding provinces of Kunduz and Baghlan where the Taliban had a firm foothold during the insurgency. In both Samangan and Nimroz, local (mostly non-Pashtun) representation in the new administration was largely reduced to minor posts at provincial and district levels and in the provincial ulema councils, bodies that perhaps act as a bridge not just between Mullah Haibatullah and local elites, but perhaps also between the population and new provincial administrations largely dominated by what could be viewed locally as ‘outsiders’.

“ The spoils in Samangan were divided amongst the former Taliban fighters largely from the surrounding provinces of Kunduz and Baghlan where the Taliban had a firm foothold during the insurgency.

However, distinct from this dominant group of former fighters within both provincial administrations is what could be seen as a cadre of ‘technocrats’ positioned in key economic roles, each with prior experience of revenue generation from the insurgency. For example, the head of the economic commission in Nimroz oversaw the economic and finance commission for Farah and Nimroz during the insurgency. In 2021, this commission was responsible for the collection of an estimated US\$100 million in duties per year from the Taliban checkpoints at Ghorghory and Pushtrod,⁶⁰ as well as taxes from the production and trade in drugs in what is a key entrepot en route to Iran and Pakistan.⁶¹ Similarly, his equivalent in the new administration in Samangan worked in the economic and finance commission for both Samangan and Baghlan, the latter of which had an important checkpoint at Cheshmashir where as much as US\$66 million per year was collected in duties on goods transiting from the northern port of Hairatan to Kabul (many of them imported by NATO).⁶² In Nimroz, the heads of the Department of Agriculture (a tax raising department with the formalisation of the agricultural tithe as an official tax under the de facto authorities) and customs all held similar positions in revenue earning commissions during the insurgency.

A third feature highlighted in the research in both Nimroz and Samangan is the increased regulation of production and trade by the Taliban authorities. It is not surprising that an authoritarian regime – particularly one facing a dramatic

60 Alcis and David Mansfield, 2022, “Changing the Rules of the Game: How the Taliban Regulated Cross Border Trade and Upended Afghanistan’s Political Economy”, XCEPT, 2022. [20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf](https://www.xcept-research.org/20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf) (xcept-research.org)

61 Alcis, David Mansfield and Graeme Smith, 2021, “War gains: how the economic benefits of the conflict are distributed in Afghanistan and the implications for peace – A case study on Nimroz province”. Overseas Development Institute, 2021. https://www.alcis.org/_files/ugd/a5fe58_49ae80744c6c4f259347debf6be40d79.pdf

62 Alcis and David Mansfield, 2022, “Changing the Rules of the Game: How the Taliban Regulated Cross Border Trade and Upended Afghanistan’s Political Economy”, XCEPT, 2022. [20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf](https://www.xcept-research.org/20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf) (xcept-research.org)

“ The Taliban exploit cross-border value chains to maximise revenue collection. There are numerous accounts in the media of the Taliban increasing taxes following their takeover.

downturn in external funding – would look to strengthen the regulation of trade, particularly given the potential for increasing revenues. The increased regulation on trade is most apparent in Nimroz, a border province. Here the Taliban sought not only to enforce rules on cross-border trade that were largely ignored during the former Republic but also to regulate the trade in what were once smuggled goods, like fuel, and (for a period) drugs and irregular migration, which became an important source of revenue in the face of dwindling official trade through the border at Milak.⁶³ These new controls serve several functions: raising additional revenues for the authorities, reducing corruption, and denying income for those within the Taliban ranks looking to establish a potential independent powerbase.

In Samangan, we see a pattern of regulation with transport that is seen across other parts of Afghanistan, including Nimroz, with the enforcement of restrictions on the freight that trucks are allowed to carry.⁶⁴ In particular, the Taliban have moved to limit the weight of trucks on the road between the mines of Dar-e-Suf Bala and Mazar-e-Sharif to reduce road damage. There are also moves to close the 20 to 25 coal yards to the east of the city of Mazar-e-Sharif, arguing that their location has a detrimental impact on the city in terms of both air pollution and congestion. While no doubt these claims have merit, there is the added advantage that redirecting the lucrative coal trade to the newly established coal yard in Hazrat-e-Sultan will provide further revenue for the Taliban authorities and deny revenues to the private yards of Mazar-e-Sharif established by Republic era strongman governor Atta Mohammad Noor and his allies.

This points to a fourth feature common to both provinces: the reorientation of trade towards Pakistan since the Taliban takeover. This is not just a matter of the volume and value of goods transported from and through Nimroz and Samangan to Pakistan; this reorientation also takes on a physical form with the support for more direct routing through difficult terrain. With Samangan, it is the redirection of the coal trade eastwards away from Mazar-e-Sharif through the mountains to Hazrat e Sultan and Aybak. In Nimroz, large volumes of goods are transported along desert roads between the city of Ziranj and Dak in Pakistan. The redirection of trade has been accompanied by infrastructural developments by the Taliban, including road improvements, and new storage areas and tax offices.

On the Afghan side of these routes, the Pakistani authorities have also acted to facilitate increased volumes of trade, improving border management and infrastructure at official border crossings such as Torkham, where most of the coal from Samangan transits. However, it is not just at official border crossings the Pakistani authorities are supporting cross-border trade. For example, the border town of Dak has grown dramatically since the collapse of the Afghan Republic and sees increasing volumes of trade.

A fifth feature common to both provinces is the relatively adept way that the Taliban exploit cross-border value chains to maximise revenue collection. There are numerous accounts in the media of the Taliban increasing taxes following their takeover. This research supports these claims and offers details of the increased taxes levied in both provinces, including: the substantial rise in royalties and export duties on the coal produced in Samangan; the formalisation of the tithe the Taliban collected as insurgents on agricultural production in both Nimroz and Samangan; the imposition of import duties on what had previously been smuggled fuel from Iran at Kang; and until March 2023, the collection of taxes on the illicit drugs trade on Afghanistan's borders at rates that were significantly higher than during the insurgency.

63 David Mansfield, 2021, "People smuggling is booming in Afghanistan", Alcis Blog, 14 October 2021. [People smuggling is booming in Afghanistan. \(alcis.org\)](https://alcis.org)

64 Alcis and David Mansfield, 2022, "Changing the Rules of the Game: How the Taliban Regulated Cross Border Trade and Upended Afghanistan's Political Economy", XCEPT. [20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf \(xcept-research.org\)](https://xcept-research.org)

“ While the Taliban imposed a tax of the equivalent of US\$0.95 per kilogram on the opium trade in March 2021 during the insurgency, corrupt officials took the equivalent of US\$9.20 per kilogram in bribes.

However, the rise in taxes since the Taliban takeover is only part of the story. The other part of the story is the benefits that have accrued to traders and producers. In many cases, increases have been compensated for by a fall in transaction costs following the collapse of the Republic. For example, the tax of US\$0.33 on 20 litres of fuel that the Taliban levied in February 2023 on Iranian imports crossing the border at Kang is lower than the US\$0.52 taken in bribes on the same volume by corrupt officials during the former Afghan Republic.

The same is true of the drug trade. While the Taliban imposed a tax of the equivalent of US\$0.95 per kilogram on the opium trade in March 2021 during the insurgency, corrupt officials from the ABP, the ANP, the National Directorate of Security, and the District Governor in Kang took the equivalent of US\$9.20 per kilogram in bribes.⁶⁵ As such, the imposition of a tax of US\$6.66 per kilogram by the Taliban following their takeover represented a saving for drug traders. Moreover, as with those who had previously smuggled fuel and people during the Republic, the levying of taxes under a regulated system offered greater guarantee for drug traders as well as lower transport costs due to the low risk of interdiction. With such a dramatic rise in opium prices following Mullah Haibatullah’s ban, traders saw an increase in the profits they earned despite the rise in taxes.

It is not solely on formerly smuggled goods where we see tax increases absorbed by reductions in

costs and/or increases in prices at different points in the value chain. It is also with licit goods such as coal, talc stone, and chromite.⁶⁶ In the case of coal, while royalties levied at the mines rose six-fold on high quality coal, from the equivalent of US\$6.25 under the Afghan Republic to US\$33.33 per metric ton in 2022, and export duties tripled, from US\$24.44 to up to US\$68.89 per metric ton, the price paid in Peshawar rose from US\$130 per metric ton during the final months of the Republic, to a peak of US\$305 per metric ton in January 2023. As such, the tax increases levied were more than matched by higher market prices in Pakistan. At the same time, traders saved almost US\$7.50 per metric ton in bribes and considerable time in transit, following the Taliban takeover and the removal of as many as 38 informal checkpoints on the route between the mines at Dar-e-Suf to the border at Torkham.

In recognising the Taliban’s adeptness in exploiting these different value chains, it is also worth considering how these changes in regulation and taxes have been managed. In contrast to reports of the Taliban taking a more commanding role in the economy (e.g. determining the market price of commodities like coal),⁶⁷ the empirical data from Nimroz, Samangan, and other provinces presents a more nuanced picture where the authorities continue to straddle many of the key cross-border value chains, as they did as an insurgency, and take a more pragmatic position as to where they can intervene to extract the greatest benefit.

Bargaining appears to be a critical part of the process, including listening to the complaints and concerns of traders that work these value chains and are most impacted by tax hikes, regulatory changes, and price fluctuations. Traders described improved access they have to senior staff in customs at border crossings and in Kabul following the Taliban takeover. The coal industry is an exemplar, where proposed tax increases have repeatedly been abandoned in response to the complaints of traders and falling market prices, as seen with the reductions in both royalties and

65 The same is also true of those involved in the other former smuggling businesses. For example, people smugglers saved the equivalent of US\$150 on each pick-up vehicle of migrants in payments to corrupt official on the route from Ziranj to Dak, following the collapse of the Republic.

66 Alcis and David Mansfield, 2022, “Changing the Rules of the Game: How the Taliban Regulated Cross Border Trade and Upended Afghanistan’s Political Economy”, XCEPT. 20220713-XCEPT-Afghanistan-PUBLIC-Report-FINAL.pdf (xcept-research.org)

67 Ayaz Ghul, 2022, ‘Taliban Again Raise Coal Prices Amid Booming Exports to Pakistan’, Voice of America News, 16 July 2022. Taliban Again Raise Coal Prices Amid Booming Exports to Pakistan (voanews.com); Geo TV, 2022, ‘Afghanistan bumps up coal prices once more ahead of Pakistani delegation’s visit’, 16 July 2022. Afghanistan bumps up coal prices once more ahead of Pakistani delegation’s visit (geo.tv)

duties in August 2023.⁶⁸ Other examples of this kind of pragmatism can be found in the talc stone and chromite trade.⁶⁹

now occupy positions of power at the centre in Kabul and Kandahar, as well as in Pashtun-minority provinces such as Nimroz and Samangan.

Besides seeking to increase revenues, the Taliban have also taken into consideration their political support in their approach to taxation and regulation of cross-border value chains. For instance, initially the fuel smuggling route on the Iran-Afghan border at Kang was closed by the Taliban when they captured Nimroz in August 2021. It was reopened following the intervention of Mullah Haibatullah at the request of the provincial ulema, who were concerned about the economic effects of the ban on the heavily drought-affected border population. Similarly, the restrictions the Taliban imposed on people smuggling throughout much of 2022 were also abandoned in early 2023 in the face of growing economic distress. It is perhaps this economic adeptness, and pragmatism in response to protests by traders and affected communities that makes the sustainability of the Taliban ban on drugs even more questionable. Indeed, it is hard to believe that they would maintain the current prohibition once its effects reach the rural population and those involved in trading, including people in the Taliban's own ranks, particularly in the south and southwest.

Finally, it is worth noting the overall priority that the Taliban authorities give to mobilizing revenue. The experience of those appointed to revenue earning departments, the strict enforcement of regulations and controls on highways and at borders, the economic relations maintained with neighbours like Iran and Pakistan even where political disputes become acute (be it over shared water or cross-border attacks), the way tax rates are established and negotiated, and the centralisation of payments, all reflect an effort by the Taliban to maximise revenues. It appears that in the absence of donor funding, the Taliban has had to become much more efficient at generating revenues than its predecessor. What is far less clear is how these monies are distributed, particularly considering the dominant cadre of former Taliban fighters, primarily Pashtuns, who

68 In August 2023, both duties and royalties were reduced on coal, a reaction to the drop in international coal prices and the complaints of those traders selling in Peshawar. See S.Muddasir Ali Shah, 2023 'Duty cut to boost coal exports, hopes ACCI', Pajhwok Afghan News, 21 August 2023. [Duty cut to boost coal exports, hopes ACCI – Pajhwok Afghan News](#)

69 Alcis, 2022, 'Canalizing Trade: The Pakistani border fence and its impact on the political economy of cross border trade with Pakistan' Unpublished Report for HMG, June 2022.



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