



global witness

# "AT ANY PRICE WE WILL TAKE THE MINES"

**THE ISLAMIC STATE, THE TALIBAN,  
AND AFGHANISTAN'S WHITE  
TALC MOUNTAINS**



MAY 2018



With sincere thanks to all those  
whose help made this report possible

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# Summary

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In April 2017, the largest non-nuclear weapon in the United States arsenal, the 'Mother of All Bombs', crashed into a hillside in the district of Achin in eastern Afghanistan, targeting a network of tunnels held by the Afghan affiliate of the Islamic State (known as Islamic State – Khorasan Province, or ISKP). But on satellite photos, craters of another sort stand out, starting just a few hundred meters from the impact area: the marks of extensive mining for minerals at sites along the length of the valley.

ISKP controls a limited amount of territory in Afghanistan, but that includes parts of the country's rich mineral wealth, especially talc, chromite and marble. There are conflicting indications about how much they have exploited the mines so far: the available satellite imagery does not appear to show vehicles in the main ISKP-controlled area around Achin's Momand valley, and several sources denied mining had taken place since ISKP seized it in mid-2015. At the same time, multiple other credible sources reported that they have indeed benefitted at least to some extent from extraction and from taxing the minerals trade, and that they had done so with a tighter grip than the Taliban.

Whatever the reality, the danger is clear. Natural resources have long had a place in ISKP strategy in other countries, and that seems to be echoed in Afghanistan. In late 2017 more than 60,000 people were displaced by fighting between ISKP and the Taliban for control of other mineral-rich districts close to Achin: a Taliban official explicitly linked the ferocity of the battle to the struggle over the mines. An Afghan police source said ISKP had attempted to build a road to smuggle minerals south over the border to Pakistan. As early as 2015 an Afghan ISKP commander described control of mines in one mineral-rich province as a key priority, saying: "at any price we will take the mines."

But the threat from ISKP is just one dramatic illustration of the much wider danger of conflict and corruption around Afghanistan's resources. In Nangarhar, our research documented the Taliban's grip on the talc trade, which generates millions for them from just a few districts. Satellite imagery shows extensive activity, including use of heavy machinery, at sites reported to be under Taliban influence, and trucks carrying minerals

are routinely taxed. The onward trade is reportedly dominated by politically-connected strongmen, and widespread corruption costs the government millions in revenue. Beyond Nangarhar, mining has been a key revenue source for insurgents, strongmen and illegal militias – and a key driver of instability – across the whole country.

## *"At any price we will take the mines"*

And while talc may be the least glamorous of conflict minerals, ultimately much of its value comes from America and Europe. Our research indicated that almost all Afghan talc generates revenue for the Taliban, and almost all is exported to Pakistan. The majority of Pakistani exports in turn actually originate in Afghanistan: and the largest single market for them is the United States, with European countries not far behind. Consumers in those countries are almost certainly unwittingly helping to fund the insurgency.

There are no easy responses to this challenge. But there are basic measures which are realistic and could help, and which the government and its allies have yet to implement so far. Part of this is direct pressure. Minerals like talc and marble need trucks to transport and are relatively easy to interdict. Much more could also be done to increase controls on the trade in Pakistan, and further up the supply chain. A greater emphasis on security in mining areas is another fundamental step, although clearly a difficult and risky one: it is hard to deal with illegal mining if armed groups hold the mines.

Those measures would help to target the Islamic State and Taliban directly, but returning the mines to government control will be of limited benefit if abusive extraction simply continues under other masters. And durably displacing abusive extraction is difficult without filling the resulting vacuum, with a cleaner extractive sector that benefits all Afghans. That is the ultimate endgame in any case: the aim is not to close down the trade but to make it legitimate. In other words, the



A member of the Afghan Local Police in the Momand Valley, July 16, 2017. Credit: Andrew Renneisen/Getty Images

Islamic State's interest in Afghanistan's minerals should be an urgent wake-up call not just for the fight against extremist armed groups, but for the wider reform that the sector has been lacking so far.

And there are eminently realistic measures to implement that reform, based on the three core principles of transparency, community benefit and monitoring, and stronger oversight. They include amending the law to make contract publication a condition of validity, creating a single transparent account to be used for all payments as a condition for their receipt, and using the network of Community Development Councils to deliver a percentage of mining revenues to local communities. If ordinary traders and local communities can profit from legal mining, it will give them a reason to push back (to the extent they are able) against the takeover of resources by armed groups or corrupt strongmen, and reduce the political pressure on the government to turn a blind eye to abuses.

For its part, the Afghan government is relying on mining to help fund its budget and grow the economy, and has specifically identified talc as a priority for development. But without stronger action, it is hard to see those hopes being realistic. To be fair, the government says it recognises the problem, and it deserves real credit for publishing mining contracts and making some strong commitments

on more systematic reforms. But progress in actually implementing those reforms has been much more limited, with critical measures like revenue transparency and community benefit often more of an ideal than a reality, and amendments to the mining law still under discussion. A 2015 ban on the talc trade showed that the government could impose effective restrictions on illegal mining, but was dropped within months under pressure from traders. And as a whole, the international response has also been inadequate (with some exceptions): the key concern of the Trump administration, for example, seems to be to press the Afghan government to give US companies a greater stake in Afghan resources.

The scale of the challenge is significant – especially for the Afghan government, which faces many other problems, not least a large-scale insurgency. None of our recommendations offers a silver bullet. But even if the government and its partners cannot tackle illegal mining everywhere, they could start by making limited, key areas (like the Nangarhar mines) a particular focus for security and a showcase for reforms, and put in place the higher-level changes which are within their control. Without action, as Nangarhar so powerfully demonstrates, the reasonable expectation is that Afghanistan's resources will do much more harm than good. That is a threat which must not be ignored.



## RECOMMENDATIONS TO THE AFGHAN GOVERNMENT, PRESIDENT AND CHIEF EXECUTIVE

### 1. Restrict illegal mining by armed groups in Nangarhar

- Block the transit of talc, chromite, marble and other minerals from areas of Nangarhar under the influence of illegal armed groups, while moving as quickly as possible to create the conditions for 'clean' extraction, even if this is initially in a limited area.
- Make it a higher priority within security strategy to protect key resource-rich areas and associated transit routes, including mining sites in Nangarhar. Prioritise political means where possible.
- Ensure any enforcement or security actions are tied to wider measures like those outlined below, and to negotiations with local communities and protections for livelihoods – so long as this does not undermine efforts to exclude armed groups and strongmen from the trade.

### 2. Give local communities reasons to support legal mining

- Create effective mechanisms for a community share in legal revenues, community monitoring of mining, and community or artisanal ownership of mines. Ensure local communities can control what projects their revenues are used for, under appropriate safeguards including transparency and community monitoring. As a first option, consider distributing the funds as supplements to the budgets of Community Development Councils.
- Within Nangarhar, make community benefit from or ownership of mines a central element of wider efforts to reduce insurgent influence in the area.

### 3. Reform laws and oversight to make illegal mining harder and legal mining more attractive

Put in place basic transparency and oversight reforms to make abusive mining more difficult and create space for legal extraction that benefits the country and local communities. In particular:

- Within the next six months, amend the mining law and regulations in order to:
  1. Make the publication of contracts a condition of their validity.
  2. Require the publication of production and payment data.
  3. Require the creation of a single transparent sub-account of the Treasury Single Account, to be used for all extractive sector payments as a condition of their receipt, and published at least quarterly. The published statement must include clear identification of the relevant individual project for each payment, and information on the basis on which it was made, such as amount and grade of production.
  4. Create a public register of beneficial ownership, and require companies to register and update their entries as a condition of bidding for or holding government contracts.
- Strengthen the oversight capacity and practices of the Ministry of Mines, specifically information and contract management, cadastre, community relations, and inspection functions. Develop management capacity and mechanisms for artisanal and small-scale mining.



- Reform contracting processes to strengthen transparency and ensure companies are treated fairly. Move towards a license rather than contract model for extractive concessions. At a minimum, mandate the use of model contracts incorporating the strongest available protections against corruption and conflict, developed in conjunction with civil society, local communities, and mining companies.

#### 4. Use satellite imagery to monitor key mining sites

- Systematically monitor key mining sites using satellite imagery, including both optical and radar data. Make all images at commercially available resolutions automatically available to the public to allow transparent and broad-based monitoring of the sites, and share higher resolutions with established and reputable CSOs.

#### 5. Control supply chains

- Work with trade partners and consumer countries to put in place strong controls over supply chains from conflict affected areas, including a requirement for due diligence by both Afghan companies and those from major importing countries.

## KEY ACTORS

**The Islamic State** in Afghanistan is a relatively loose set of armed groups which have declared allegiance to the wider Islamic State extremist movement centred in Syria and Iraq. It grew mainly from fighters loyal to the 'Pakistani Taliban' (Tehreek e Taleban e Pakistan, TTP). Others have defected from the Afghan Taliban, and the two groups remain in violent competition.<sup>1</sup>

**The Taliban** came to prominence in 1994, during the civil war that followed the end of the Soviet occupation of Afghanistan.<sup>2</sup> While they lost almost all of their territory after the US-led invasion in 2001, they are now estimated to control 41 of Afghanistan's 407 districts and contest an additional 118.<sup>3</sup> Before 2015, the Taliban was present in areas of Nangarhar that now form the heartland of the Islamic State in Afghanistan, and they are still a major force in the province.<sup>4</sup>

**The Government of the Islamic Republic of Afghanistan and its allies** are fighting both the Taliban and the Islamic State, but US forces in particular have focused attention on ISKP out of proportion to the small size of the group.<sup>5</sup> This includes a major offensive in April 2017, Operation Hamza.<sup>6</sup>

An Afghan soldier at the scene of an attack in Jalalabad in May 2013. Credit: Noorullah Shirzada/Getty Images

## RECOMMENDATIONS TO AFGHANISTAN'S INTERNATIONAL PARTNERS

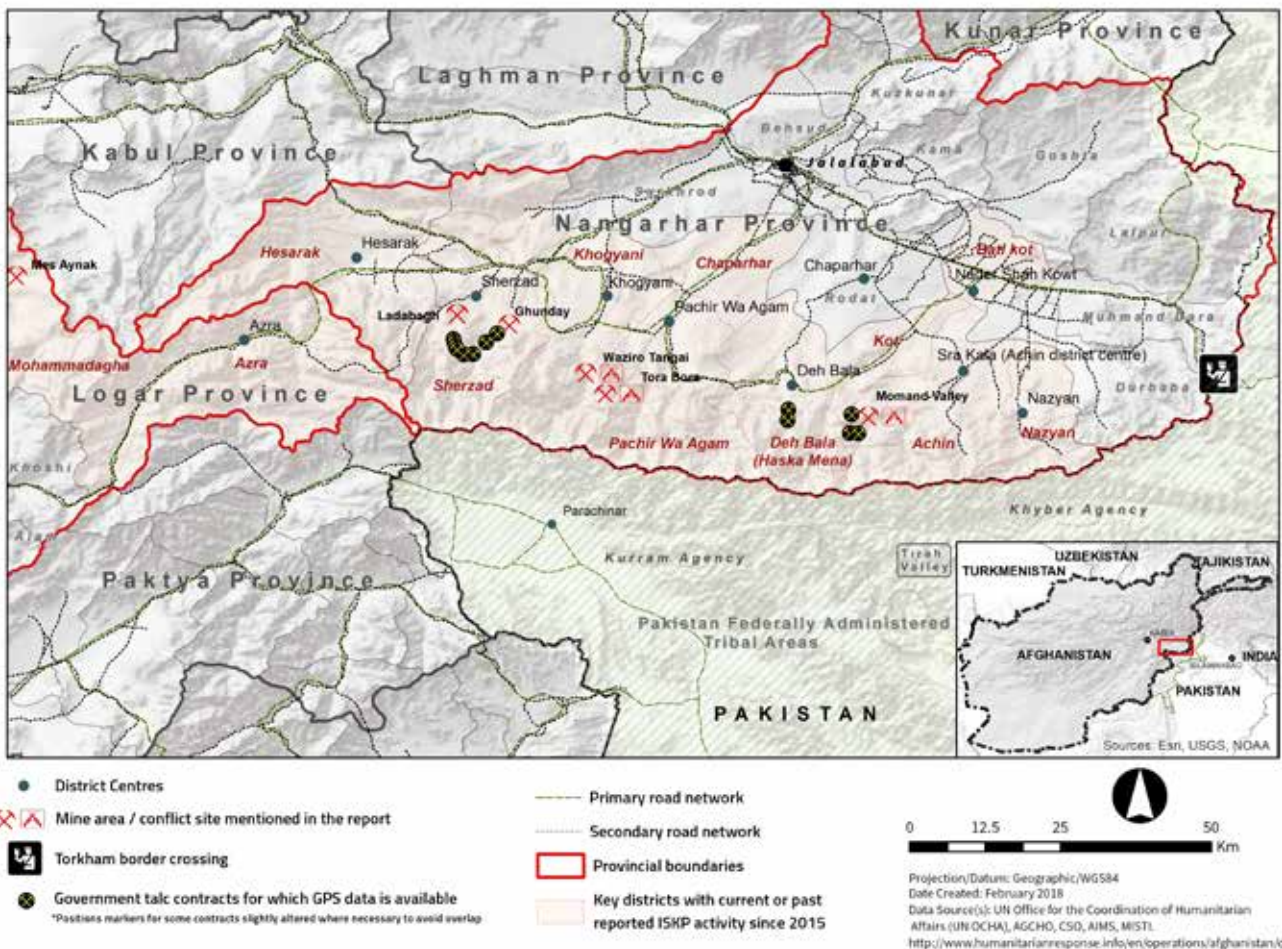
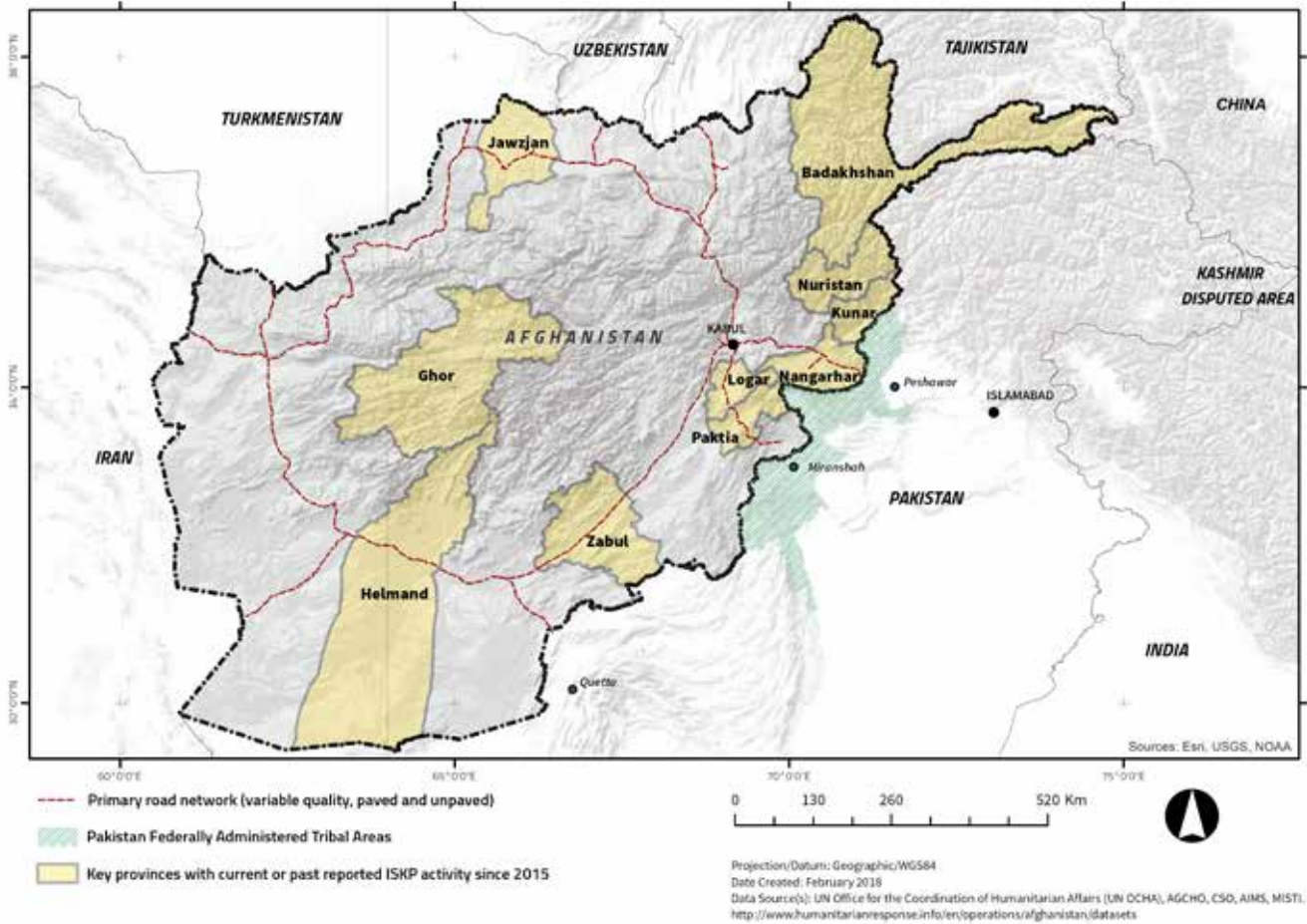
### 1. Support Afghan efforts to strengthen resource governance

- ▶ Provide full material and political support for government reforms of extractive sector governance, notably the mining-related measures discussed in the National Anti-Corruption action plan and the reform of the Ministry of Mines. Explicitly prioritise strengthening of oversight, governance and conflict prevention.
- ▶ Provide or fund the acquisition of high-resolution satellite imagery for monitoring of key extractive sites by the Afghan government as set out above, and direct your own intelligence resources to exposing and understanding links between resources, armed groups and corrupt actors.
- ▶ All importing countries for Afghan minerals, oil and gas should commit to requiring that companies carry out risk assessment and due diligence on their supply chains, at a minimum to the standard set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected High Risk Areas.

### 2. Make stronger resource governance a priority for your engagement with Afghanistan

- ▶ Integrate the most important extractive governance reforms into core benchmarks for mutual accountability between the Afghan government and its partners. Agree a single common set of more detailed benchmarks for donor support to the Ministry of Mines in particular.
- ▶ Hold the Afghan government to its existing commitments to strengthen natural resource governance, and raise the need for urgent reforms through political engagement at the highest level.
- ▶ Avoid creating any pressure for new natural resource contracts in areas that are at elevated risk from conflict or armed groups, or before basic protections (like the measures set out above) have become effective. Focus your engagement in Afghanistan on achieving these conditions as rapidly as possible.

*See Chapter 9 for full recommendations and further details.*



# 1. Introduction

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The involvement of armed groups in mining obviously has implications for the future of Afghanistan, and illustrates wider dangers around the abusive exploitation of the country’s natural resources. Yet little systematic research on the subject exists. This report aims to fill that gap, at least in part.

Our findings are based both on commercially-available satellite imagery, and interviews with a range of sources with credible knowledge of the local situation. Owing to security concerns around the report, especially for individuals in Afghanistan, we felt it necessary to go to exceptional lengths to ensure anonymity, and have included substantially fewer details than we normally would about the nature and background of the sources. We are confident in the credibility of our information, and are willing to discuss our research methodology with responsible third parties.

The report briefly covers the background of the Islamic State in Afghanistan (for more detailed accounts, see the sources cited in the endnotes).<sup>7</sup> It then documents the extent of ISKP’s control over resources and the evidence around how far they have been able to exploit them. This is closely linked to a discussion of their broader strategic interest in natural resources, drawing on evidence from their competition with the Taliban in other parts of the province, and briefly looking at the rest of Afghanistan. This is followed by our findings on Taliban involvement in mining in Nangarhar – highlighting the wider risk of armed groups profiting from mining. We also document the supply chains which ultimately fuel armed groups in Afghanistan, before finally discussing policy responses: there are a number of realistic options, even if there is no silver bullet.

Throughout the report the name ‘Islamic State – Khorasan Province’, or ISKP, is used to distinguish the Afghan affiliate of the Islamic State from the main body of the Islamic State in Iraq and Syria, which we will refer to as ISIS.<sup>8</sup> “Islamic State” is used when referring to the movement as a whole (although we fully acknowledge that the term is rejected in many quarters as a usurpation of the name of Islam).<sup>9</sup> Some Afghan sources referred to the Islamic State using the Arabic

term ‘Daesh’, a somewhat pejorative abbreviation of the name. Where they did, that term has been retained.

Locations mentioned in the text can be found on the relevant maps. Some place names could not be located with the maps available: this may partly reflect the fact that mining sites are often located away from settlements, which provide the great majority of names on the available lists.<sup>10</sup>

## ***The links of the Islamic State and other armed groups to mining illustrate wider dangers around the abusive exploitation of the country’s natural resources.***

Most prices cited in Nangarhar were expressed in Pakistani Rupees (colloquially known as kaldars), as the currency is widely used in the border areas.<sup>11</sup> For conversions in the report, a rate of 105 Pakistani Rupees (Rs) to one US dollar (\$) was used, which closely approximates the rate between August 2015 and December 2017.<sup>12</sup> For Afghanis, a rate of 68 Afghanis (Afs) to one US dollar was used, which roughly corresponds to the rate from December 2015 to November 2017.<sup>13</sup> Weights are expressed in kilograms and metric tons.

Global Witness gratefully acknowledges the considerable assistance provided by Sarmap SA in obtaining, processing and analysing satellite imagery. Sarmap’s contribution was particularly critical to enable us to access Synthetic Aperture Radar imagery and conduct analysis of optical imagery. We are also grateful to Digital Globe for its invaluable assistance in accessing wider satellite imagery.

Finally, and most importantly, this report could not have been written without the support and work of many others. We deeply regret that we cannot list them, but very gratefully acknowledge their contribution.



A man walks among piles of talc at a processing plant near Jalalabad, mid-2017. Credit: Global Witness

## Unglamorous conflict minerals – talc, chromite and marble

Our sources described mining of three key minerals in the areas under ISKP influence: talc, chromite, and marble. Other minerals like tourmaline may also be mined, but they are relatively insignificant.<sup>14</sup>

**Talc** (hydrated magnesium silicate –  $Mg_3Si_4O_{10}(OH)_2$ ) is the softest mineral known to man.<sup>15</sup> The name is of Persian origin, possibly reflecting the long history of talc mining in Afghanistan and the region.<sup>16</sup> Usually processed into a fine white powder, it easily absorbs moisture and oils, and can serve as a lubricant. Perhaps best known for its use in talcum powder or baby powder, it also has important applications in ceramics, paint, paper, plastics, rubber, insecticides, and other products.<sup>17</sup> Global output was around 8.1m tons in 2017.<sup>18</sup>

Afghanistan possesses talc of very high quality, with exceptionally high-grade deposits in the Khogyani/ Sherzad area, and only slightly less pure material in Achin.<sup>19</sup> Resources in Achin total an estimated 1.25m tons, distributed in narrow, irregular beds of one to 15 metres in width, and generally less than 240 m in length.<sup>20</sup> Artisanal mining has taken place there since the 1920s.<sup>21</sup>

**Chromite** (iron chromium oxide –  $FeCr_2O_4$ ) is a heavy, dark mineral, globally important as the only economic ore of chromium, which is widely used as an essential element in the production of stainless steel and other steel alloys.<sup>22</sup> Global production was about 31m tons in 2017.<sup>23</sup>

**Marble** (metamorphosed calcium carbonate –  $CaCO_3$ ) produced in Afghanistan is also renowned for its quality, with significant deposits of high-grade onyx marble.<sup>24</sup> Its uses range from flooring and tiles to decorative objects. There are reports of substantial smuggling, especially from Helmand province, where marble is the second largest source of revenue for the Taliban after narcotics.<sup>25</sup>

## 2. The Islamic State in Afghanistan: a complex threat

The movement calling itself the Islamic State<sup>26</sup> established its first nascent presence in Afghanistan only in 2014, and officially launched in early 2015.<sup>27</sup> Since then, they have expanded to become a threat in several provinces, but have also faced resistance from both the Taliban and government forces which has frustrated or reversed their growth. Nonetheless, they retain the ability to strike – and bases from which they aim to expand their insurgency across the country.

### AN IMPORTANT AFFILIATE

In January 2015, the leadership of the Islamic State of Iraq and Al-Shams (ISIS) declared the creation of the Khorasan *wilayat* or governorate – “Khorasan” being a historical term for a region encompassing Afghanistan, Pakistan and parts of other countries.<sup>28</sup>

The group’s creation was important for the Islamic State. It marked the first official ISIS affiliate outside of the Arab world,<sup>29</sup> had an important religious dimension,<sup>30</sup> and allowed ISIS to challenge their rival Al Qaeda on the territory where they have their primary base, in the Afghanistan-Pakistan border regions.<sup>31</sup> Indeed, ISKP’s initial attacks were against the Taliban, Al Qaeda’s ally and protector.<sup>32</sup>

ISKP quickly grew into a significant force after it was established. Government offensives in Pakistan’s tribal areas helped push militants, including foreign fighters, into Afghanistan, swelling the ranks of the movement,<sup>33</sup> which quickly became active in a dozen provinces around the country (including a number of northern provinces beyond their original Pashtun power base).<sup>34</sup> In July 2015, the Islamic Movement of Uzbekistan (IMU), a significant foreign-led militant group based in Badakhshan province in northern Afghanistan, also pledged *bay’at* [allegiance] to ISIS.<sup>35</sup> In Nangarhar, the fractured nature in many areas of both tribal society, and of the pre-2015 insurgency, made particularly fertile ground for an ISKP coup.<sup>36</sup>

Most estimates put the overall strength of ISKP at 1,000 to 3,000 fighters, with numbers in Nangarhar specifically put at 750-2,000.<sup>37</sup> The core leadership from

the start has been former members of the Pakistani Taliban group *Tehreek-e-Taliban* (TTP).<sup>38</sup> Afghan and international security forces in fact claim that 70-80 per cent of ISKP fighters are Pakistanis, but this may be an overstatement, given the impact of Afghans defecting to ISKP from the Taliban; a late 2016 USIP report found these made up the majority of mid-level commanders.<sup>39</sup> Even so, the Pakistani influence in the group could have significant implications for its ability to expand.<sup>40</sup> There is also a notable (and reportedly growing) international contingent (although the numbers of foreign fighters in Afghanistan are notoriously prone to exaggeration).<sup>41</sup>

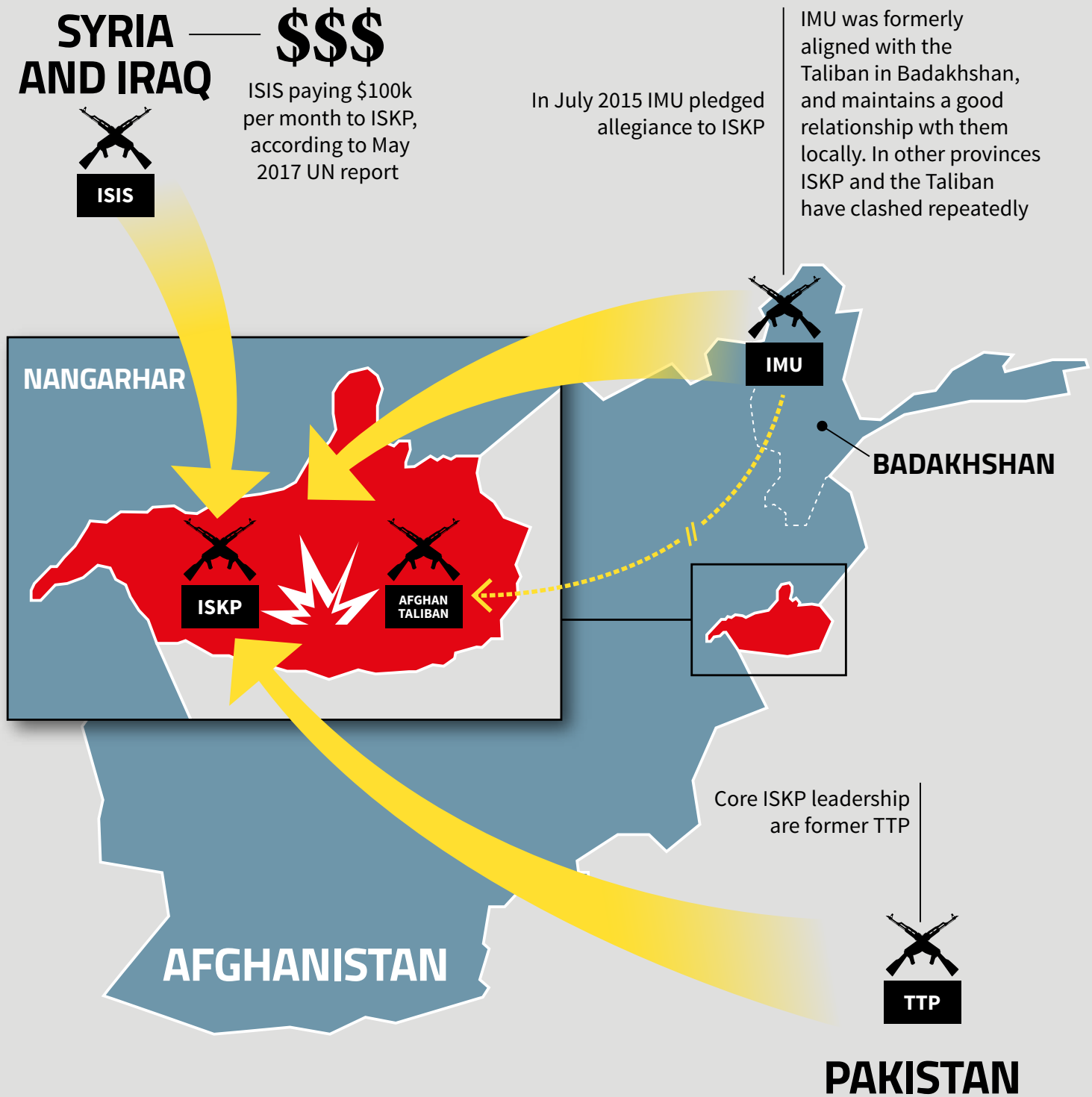
Franchises like ISKP receive at least a nominal level of management from the senior Islamic State leadership,<sup>42</sup> and for its part ISKP also asserts that its Afghan operations support the larger, Levant-centred IS fight.<sup>43</sup> However, the extent of more practical links between the two organisations are still subject to debate. There is a good deal of opportunistic re-branding by armed groups, with operational ties both among them and to IS leaders much less clear.<sup>44</sup> Indeed, some groups, especially those in Ghor and Jowzjan, may essentially be criminal networks that have taken the ISKP name.<sup>45</sup>

Nonetheless, one senior Afghan ISKP commander asserted that he had visited the ISIS senior leadership in Iraq and received seed funding from them, and that ISKP commanders shaped their strategy in line with guidance from ISIS.<sup>46</sup> There are other reports of small cash transfers (see below),<sup>47</sup> and General John Nicholson, the commander of international forces in Afghanistan, stated in early 2017 that ISIS was exercising “operational guidance” over ISKP.<sup>48</sup> Overall, there does seem to be some tie, even if there is no routine command-and-control.

### A WELL-RESOURCED INSURGENCY

The growth of ISKP has been helped by the allure of the Islamic State brand, but also by the resources they could offer (although the exact extent and source of their funding is very difficult to establish).<sup>49</sup> This may be changing now, with some observers reporting the movement is facing financial difficulties, but others indicated that their resources still appear considerable.

# Relationships between key insurgent groups in Afghanistan



## KEY



Islamic State in Iraq and Al-Shams (ISIS – the ‘core’ of the Islamic State)



Islamic Movement of Uzbekistan (IMU)



Islamic State – Khorasan Province (ISKP)



Tehreek e Taleban e Pakistan (TTP – the ‘Pakistani Taliban’)



Afghan Taliban



Broken allegiance

\*UN estimate as of 2017 (May)

The UN Sanctions Committee reported in January 2017 that “ISIL is struggling financially in Afghanistan, where it has resorted to extortion of the local population and has had to stop paying its fighters at times.”<sup>50</sup> Their May 2017 report, however, cited official sources reporting that ISKP “continues to appear to be well equipped and funded, with interlocutors reporting that it pays its fighters between \$200 and \$500 per month.”<sup>51</sup> Some of this funding – about \$100,000 a month – was reportedly being transferred from the core ISIS group in Iraq and Syria, despite the substantial declines in their income.<sup>52</sup> Whether this has changed with loss of almost all ISIS territorial control by late 2017 remains to be seen.

ISKP’s substantial propaganda work<sup>53</sup> and continued ability to launch operations certainly suggest that they have an independent source of funds.<sup>54</sup> Their fighters also appear to be paid relatively well, with several other sources supporting the UN’s findings, including Global Witness interviewees from two provinces.<sup>55</sup> They have reportedly been burning poppy fields rather than financing themselves from narcotics – another reason to think they would be particularly interested in minerals.<sup>56</sup> Taxes on locals (the *ushr* and *zakat* of Islamic tradition),<sup>57</sup> as well as cruder extortion or theft from individuals are

thought to be a key income source,<sup>58</sup> as are donations from sympathisers.<sup>59</sup> As we shall see, natural resources are another source of funds, even if their precise contribution is unclear.

## STALLED BUT DANGEROUS

Since 2015, ISKP has carried out a number of high-profile operations, including a string of attacks in the cities of Jalalabad and Kabul (although they may not have carried out all the operations that have been attributed to them).<sup>60</sup> Their methods have often been brutal even by the standards of the Afghan conflict,<sup>61</sup> which has alienated at least some potential supporters, and could be another factor limiting their growth.<sup>62</sup> They are also exceptional in the way they have explicitly targeted the Hazara ethnic minority, who are largely Shia Muslims, in an apparent attempt to foment sectarian conflict – a deeply worrying development.<sup>63</sup>

However, ISKP’s initial growth quickly created a sharp backlash, as the movement found itself the enemy of all – the Taliban, the Afghan government, and international forces. By the end of 2015, the group had been rolled



Mourners at a burial ceremony for victims of a massive suicide blast at a Shiite mosque, November 22, 2016. Credit: Wakil Kohsar/Getty Images





Ethnic Hazara demonstrators protest in Ghazni city to demand action to rescue Hazaras kidnapped from a bus by masked men thought to be affiliated with the Islamic State, March 17, 2015. Credit: Mustafa Andaleb/Reuters

back from several provinces.<sup>64</sup> In February 2017, General Nicholson estimated that operations since early 2016 had reduced the number of ISKP members by half, and their territory by two-thirds.<sup>65</sup> A series of ISKP leaders have also been killed.<sup>66</sup>

Yet as of late 2017, the movement was thought to have significantly rebuilt its numbers, with no sign of a let up in their recruiting.<sup>67</sup> There are fears these are being boosted by fighters displaced from lost Islamic State territories in Syria and Iraq,<sup>68</sup> and even that the safe haven of Afghanistan may be being used to plot attacks in the United States.<sup>69</sup> Groups claiming loyalty to ISKP are active in a clutch of provinces<sup>70</sup> – notably Logar, Kunar, and Nangarhar in eastern Afghanistan, but also more distant territories like Jawzjan in the north.<sup>71</sup> These are all mineral rich areas, even if it is not clear how far that has driven the pattern compared to other factors.<sup>72</sup>

Nangarhar is the heartland of the remaining ISKP presence. The movement had a “comfortable position” in eight districts of the province by mid-2015,<sup>73</sup> after brutal clashes with the Taliban.<sup>74</sup> While they quickly lost many of

these gains, the movement remained strong in Kot, Deh Bala, and Achin, especially their stronghold in the Momand valley.<sup>75</sup> This position lasted more or less intact until March 2017, when the government and its international allies launched a sustained campaign, including ‘Operation Hamza’, which dislodged ISKP from Kot district and put them under serious pressure in Achin.<sup>76</sup> (This may be why Nangarhar was the deadliest province for US troops in 2017.)<sup>77</sup> Nonetheless, they were still able to hold part of their territory, and even to relaunch renewed efforts in other parts of the province shortly afterwards.<sup>78</sup>

ISKP have faced major setbacks after their impressive initial expansion. Their brutality and lack of local roots, and the strong opposition they face, mean that the threat they pose to the country as a whole is limited at present. But they have shown resilience, retain a powerful brand and significant resources, and are still able to mount terrorist operations, as the attacks in Kabul show. Even as the Islamic State deals with the loss of its territory in Iraq and Syria, the danger of renewed expansion of the movement’s affiliate in Afghanistan should not be discounted.

## 3. The threat on the ground: ISKP's hold on the mines of Nangarhar

Even in their reduced state, ISKP control a rich swathe of mineral resources. Although there is mixed evidence on the extent to which they have been able to exploit them, there are some grounds for the Afghan government's concern that: "The mines of Afghanistan can be a good economic source for [the Islamic State]."<sup>79</sup>

### RICHES IN THEIR HANDS: THE RESOURCES ISKP CONTROLS IN ACHIN

Achin district of Nangarhar is where the ISKP first emerged in Afghanistan, and is the heartland of their current presence.<sup>80</sup> They are under substantial military pressure from US and Afghan forces – including the use in April 2017 of the American military's largest non-nuclear bomb, the Massive Ordnance Air-Blast (MOAB) device, popularly called the 'Mother of All Bombs'.<sup>81</sup> Nonetheless, the movement has so far proved resilient despite its setbacks.

In late 2016 a source described how ISKP was particularly present around the mining areas: "Before, Daesh (...) were only in the hills (...), where the mines were. Now they have come to the villages – it is a sign that they are stronger."<sup>82</sup> The source said sites under ISKP control included Nargesai and Ai Tang in Achin, and Sangorai just over the border in Kot, which they said produced talc (*shawkanai* in Pashto) and chromite (*sangina*).<sup>83</sup> (Locations of the corresponding place-names are shown on our map, although the mining areas may not be immediately adjacent to them).

According to the source, all these areas held both talc and chromite, and might each have more than a dozen individual mines. They said other minerals were also occasionally mined, including transparent and green precious or semi-precious stones (the first of these could be possibly quartz, while the other seems likely to be tourmaline, although it was referred to as emerald).<sup>84</sup>

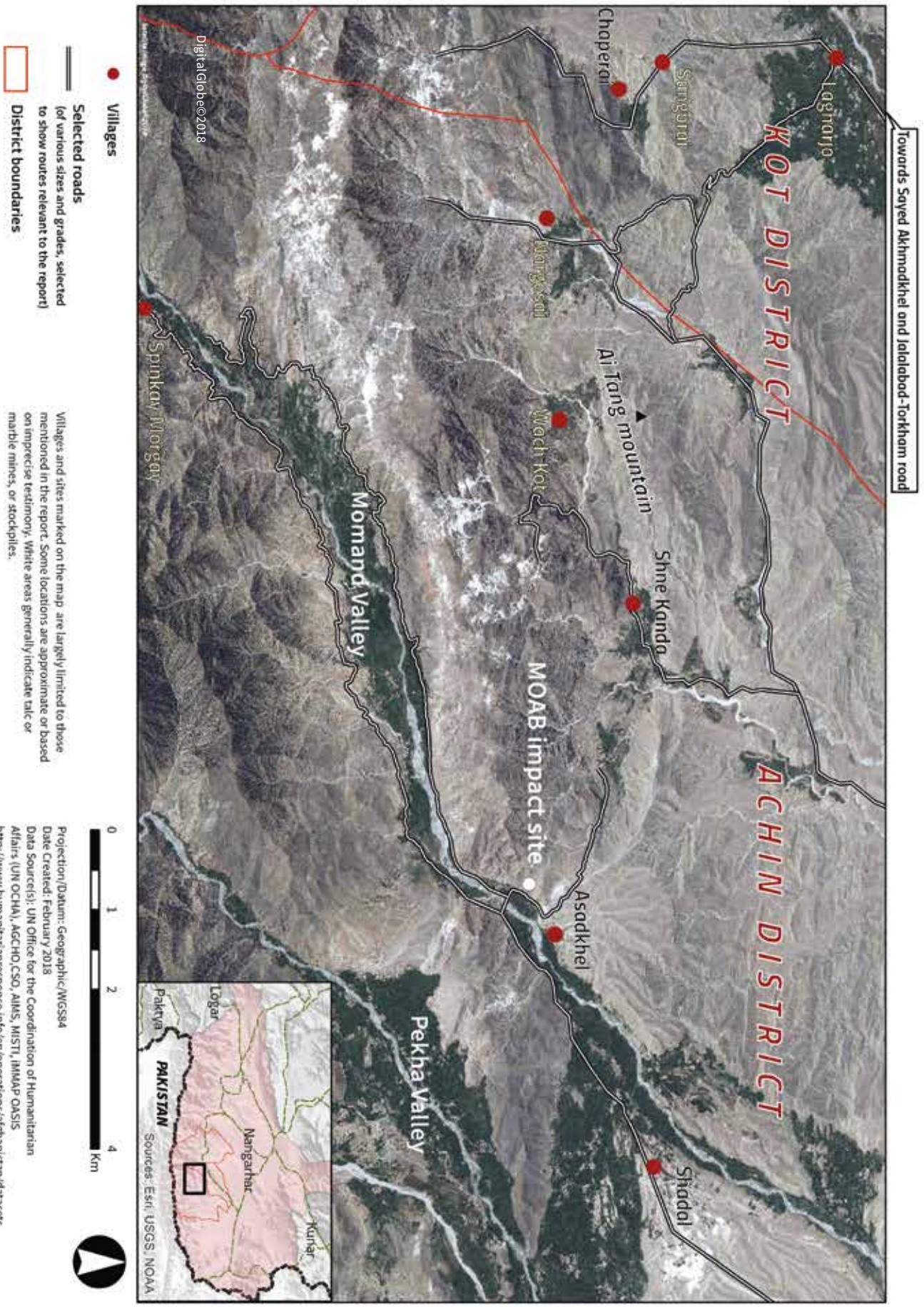
Another informed source confirmed that there were ISKP-controlled sites at Nargesai, Ai Tang, and Sangorai, with between 5 and 20 individual mines at each site.<sup>85</sup> This source said all three sites produced both talc and chromite, adding that tourmaline could also be found at

Ai Tang.<sup>86</sup> "Everywhere that has the mines, [ISKP] now have a lot of focus that they take [them]," the source noted in mid-2016. "The local people (...) say that today (...) they have got more mines. (...) They take them from the people, from the Taliban, from whoever has them."<sup>87</sup>

A third informed source had knowledge of four different sites in the area where he said ISKP was mining.<sup>88</sup> They said Nargesai had talc, but also white marble and what he called lapis lazuli (there appear to be no confirmed reports of lapis being found in the area, and it is possible this is nephrite or some similar coloured marble).<sup>89</sup> The source noted that there was a place where talc was stockpiled in Nargesai, something which may be visible on the satellite imagery (see Annex E). As of late 2016 the source was also aware of other sites at Shne Kanda in Achin district, and Lagharjo and Yanak in Kot; and said the first two of these held marble, while Yanak had both marble and chromite.<sup>90</sup> All the sites had been held by the



Chromite mining taking place in an area of Achin controlled by the Islamic State, mid 2017. Credit: Global Witness



DigitalGlobe©2018



Afghan Special Forces inspect inside a cave which was used by suspected Islamic State militants at the site where a MOAB, or “mother of all bombs”, struck the Achin district of the eastern province of Nangarhar, Afghanistan April 23, 2017. REUTERS/Parwiz

Taliban before ISKP took them over in late 2015: “There was a little fighting between Daesh and the Taliban – the Taliban gave up to the mines to the people [when they fled] and the people gave them to Daesh.”<sup>91</sup>

Despite all the military pressure, ISKP’s hold on these mining areas appears to be enduring, and may be expanding.<sup>92</sup> “It is propaganda that they are getting weak,” one source said in mid-2017: “they are getting stronger day by day.”<sup>93</sup> Local elders issued a similar warning in late 2017.<sup>94</sup> In mid-2017 the movement claimed to have captured the district of Chaparhar from the Taliban,<sup>95</sup> and they at least temporarily captured the strategic Tora Bora area (in Pachir Wa Agam district, less than 30km from Achin) – an area that includes a valuable marble mine.<sup>96</sup> In early 2018, two traders mentioned that ISKP held Tora Bora at least for the moment, though one said the mine “is not very active.”<sup>97</sup>

At the end of 2017, major ISKP/Taliban clashes were reported in Khogyani, likely partly around the control of mines (see below). In early 2018 two traders independently reported that the Waziro Tangai area of the district was under ISKP control, and that the mines there were active, although a third said their control (and presumably any income) was limited to just a more

distant part of the valley.<sup>98</sup> If it spreads, it could allow the movement to significantly increase its revenues.

There is doubt over the significance of the MOAB bomb in particular. The insecurity and lack of access on the ground makes it difficult to confirm claims of significant ISKP casualties, and one detailed analysis found much less damage than initially reported.<sup>99</sup> One informed source Global Witness spoke to was sceptical that the MOAB had done much harm.<sup>100</sup> Indeed, one local rumour was that the crater conveniently left by the bomb was being used for mining.<sup>101</sup> While that is almost certainly false (or at least distorted), it is telling that satellite imagery shows the existence of mines just a few hundred metres from the bomb site (see below).<sup>102</sup>

## **A MORE INTENSE EXPLOITATION?**

Several of our sources indicated that ISKP’s exploitation of the mines was a step change above the normal practice of the Taliban both in terms of investment in machinery and expertise, and of the degree of security and control the exercise over the sites. That would be another sign of the importance of extractives to the movement – although it should be noted that the

satellite data raises questions about how significant recent mining activity has actually been (see below).

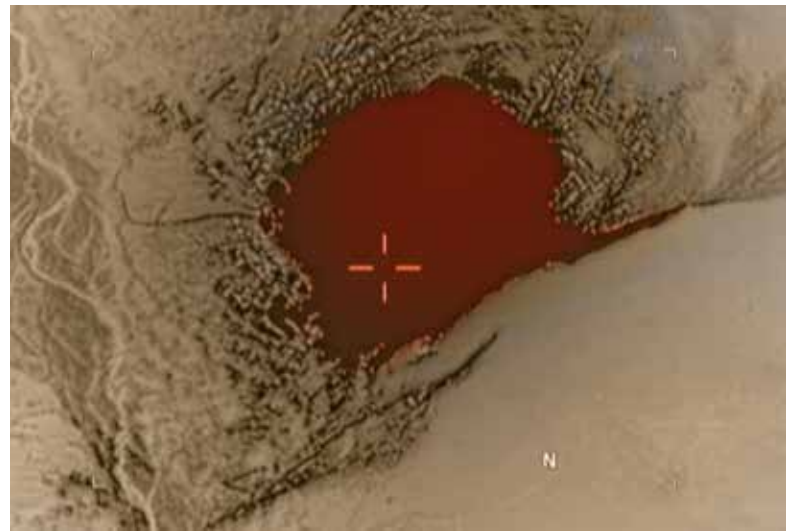
One informed source described how the level of extraction increased at the mines in Achin as the hold of ISKP strengthened. “The people of the village work with them – the number of workers has become a lot,” he said in late 2016. “Before it was from 20-40 people [at one mine, in different shifts], now it is from 50-100.”<sup>103</sup> He said a *munshi* [secretary or administrator] kept the books at the mines. In mid-2017 he reported that activity had further increased, and that ISKP had opened an office in Suriya Bazaar, near Sayed Akhmadkhel village in Kot, where they would pay and recruit workers, and deal with traders.<sup>104</sup>

The source reported that heavy tracked machinery was used at some mines, with extraction mainly carried out with large pneumatic jackhammers mounted on excavators, and wheeled excavators used to load the trucks.<sup>105</sup> This equipment would be brought over from other mines when demand was high. While machinery had been used before ISKP took over the mines, “they brought more.”<sup>106</sup>

A different source similarly said that after ISKP took over another site they knew of, ISKP brought in more machinery and intensified exploitation: “now the number [of machines] has increased. (...) Extraction has gone up.”<sup>107</sup> The source said most of the mine sites had an excavator and a loader. In mid-2016 a third source said that the rent for an excavator would be \$5,000 a month, with driver.<sup>108</sup>

The reports of machinery being used at the mines may be linked to the confiscation of vehicles that were already at the site. One source reported that ISKP took “the private excavators by force.”<sup>109</sup> A researcher told Global Witness that the Bilal Musazai company, which has a contract for talc mines in the Momand valley, lost “around 100” vehicles when the Islamic State took over.<sup>110</sup> Even if that number was exaggerated, this may explain the reports of ISKP bringing in machines. That could in turn imply that the extraction was only as mechanised as before, not more.

ISKP had also brought in foreign engineers to help extraction, one source claimed:<sup>111</sup> he said locals believed they came from Pakistan, Arabia, and possibly even Western countries (although the basis for their belief was accents and appearance rather than anything more definite, and sightings of ‘Chechens’ and other foreigners are notoriously unreliable).<sup>112</sup> The engineers were not constantly on the site but visited on rare occasions “to show people where to mine.”<sup>113</sup> A second source similarly



Colorized aerial view of the Massive Ordnance Air Blast (MOAB) bomb striking an ISKP tunnel system in Achin’s Momand valley, April 13, 2017. Credit: Getty Images

claimed that more skilled professionals – the machinery drivers for example – were brought in from outside, while a third also noted the presence of “foreigners” as well as Pakistanis.<sup>114</sup> (Several sources actually reported that foreigners were working as ordinary labourers, which may be significant, as the lack of local labour was one reason a number of observers said that ISKP could not be extracting significant amounts – see below).

## A TIGHTER GRIP

The sources also reported that ISKP imposed substantially tighter security around the mines they controlled, with phones banned, and workers searched and monitored. In late 2016 one source reported that workers were only allowed in the mining areas when it was time for their shift: “They work in a very disciplined and strict way.”<sup>115</sup>

The source said security was even higher around one other mining site, not far from Ai Tang, where they claimed ISKP were extracting stones with a ‘colour like emeralds.’<sup>116</sup> Whether this is indeed emeralds, or just tourmaline, it is a much more precious stone by weight. “Local people are not allowed in there at all. The workers are foreigners, they do the mining themselves and take it away themselves (...) even [having] a mobile phone [in that place] is a crime.”

A different source told Global Witness that when the Taliban controlled the mines, they would take a share of the mine revenues, as well as taxes in the form of *ushr* and *zakat* – but the actual exploitation was done



Children in Nangarhar playing on an abandoned armoured vehicle, the relic of an earlier war, November 2017. Credit: Hiromi Yasui/Getty Images

by local entrepreneurs. “The mine was in the hands of the people – of the *maleks* [local elites],” the source said.<sup>117</sup> When ISKP took over, they changed the system, to directly exploit the mines themselves.<sup>118</sup> Locals were still employed as labourers, but they were “their people,” linked in some way to the Islamic State. Work was much more closely controlled, the source claimed, and again, locals were not allowed to be in the area when they were not on their shift.<sup>119</sup> But the source also said that unlike other sites, at the Yanak marble mines “now the local shura is extracting, but the Islamic State has half share” – with a local businessman providing machinery in exchange for a share of the stone.<sup>120</sup>

A third informed source similarly reported that in the past “the big people rented the mine.”<sup>121</sup> Now that ISKP had taken over the mines, they said in mid-2016, “the *maleks* [local powerbrokers] and commanders are finished. (...) These people are so upset that they cry.”<sup>122</sup> But the source claimed ordinary people had benefited from the change. Under the Taliban, the local businessmen who exploited the mines paid labourers a flat rate of Rs2,500 (about \$24) for a ton of production – however many people were involved. Now people were happy, as the ISKP would pay a \$400 monthly salary “whether you work a lot or little.”

### CONTRADICTIONARY EVIDENCE

A number of indirect sources support the testimony set out above.<sup>123</sup> Matt DuPée, an author and Afghan expert with the US Department of Defence, told Global Witness that sources from Achin had reported that ISKP was controlling mines and profiting from the talc trade as of late 2017, and he had also heard that ISKP was extracting minerals directly.<sup>124</sup> Separately, Borhan Osman of the Afghanistan Analysts Network reported that a credible source in Nangarhar had mentioned ISKP taxing talc trucks in mid to late 2015, and that local elders said the movement was exploiting 3-4 mines.<sup>125</sup> A June 2017 USIP report also noted that ISKP reportedly had taken control of talc mines in Achin and was “directly extracting and selling it to traders.”<sup>126</sup> Finally, in April 2017 the governor of Nangarhar warned that “Nangarhar’s regions which have forests and mines are insecure. Taliban and Daesh militants are mining illegally and destroying forests in those areas. This is an income source for their war which has to be rooted out.”<sup>127</sup>

However, a number of other sources cast doubt on this narrative. In mid-2017 a purported ISKP source denied that the movement was making money from minerals, saying that “no one can touch the mines in (...) districts which are under the control of the Islamic State.”<sup>128</sup> The journalist Franz Marty also reported a conversation

with a former ISKP commander (albeit a low-ranking individual who appeared unaware of the location of the mines), who said the movement’s leaders had ordered a stop to all economic and social activities (not only mining, but also schooling and other services) in order “to put their whole focus on their armed struggle.”<sup>129</sup>

Of course, such individuals might have an incentive to conceal any activity. But Marty also cited a former miner from the area who said Daesh closed the mines.<sup>130</sup> A senior trader Global Witness interviewed in mid-2017 also said that ISKP “are not allowing us to work in the Achin mines.”<sup>131</sup> And an elder with strong links to the area said “Daesh does not extract” the mines (though he claimed they were profiting from illegal logging): “Daesh never stopped people from mining (...) but since this area was insecure and people left the area, so the mining stopped.”<sup>132</sup>

The researcher David Mansfield found that mining briefly continued in the immediate aftermath of the ISKP takeover in May 2015, but had been essentially dormant since the exodus of locals caused by the Taliban counter-offensive in July.<sup>133</sup> Finally, a senior Afghan police officer with recent experience in the province said that the Islamic State had not allowed extraction (he thought to avoid security risks, and possibly to deny the government the benefit of the trade) and that in any case access to the ISKP-controlled areas was too dangerous and too restricted by the government for mining to be possible: “Since Daesh came not one kilo was extracted.”<sup>134</sup>

On the question of the lack of workforce, it is worth noting that some of the sources reported the presence not just of technicians but of ordinary workers from Pakistan: “they have their own labourers,” one said in late 2016.<sup>135</sup> ISKP “gives a good salary but people do not



A worker at a talc stockpile in a Taliban-controlled area of Sherzad district, Nangarhar. Credit: Global Witness

want to work there – they are afraid. (...) very few [locals] work there. This is I think why they brought people from outside.”<sup>136</sup> In mid-2017 the same source reported that: “now they have changed, so they are inviting [local] people (...) before it was their own people from Momand and Pakistan (...) it was people who had relations with them. Now it is not – they are using locals as well” (although they said the majority were still from outside – including “people from Sindh” in Pakistan).<sup>137</sup> A second source said that “locals that are now with Daesh” worked the mines, as well as foreigners,<sup>138</sup> while a third said that: “Both locals and themselves [ISKP] do labouring.”<sup>139</sup> In theory, this could provide at least a partial explanation of how the mines could have been operational even with most locals having fled.

## SMUGGLING ROUTES?

One question around any possible ISKP extraction is how the stone would travel out of the area. There appears to be no passable route for trucks south over the Spinghar Mountains to Pakistan, although there are certainly smaller paths through which weapons and other less bulky goods are regularly smuggled.<sup>140</sup> A leading talc trader in the province said ISKP “cannot take it through the mountains, they have to transport it through main roads, so they cannot mine for themselves.”<sup>141</sup> Again, the former senior police officer said traffic from ISKP controlled areas would be restricted by government checkpoints on the roads.<sup>142</sup> This seems plausible given the limited number of exit routes, the relative ease of interdicting large talc trucks, and the clear strategic urgency of blocking a trade which could help fund the Islamic State.



A large truck of the type used to carry talc from mines in southern Nangarhar to Jalalabad and Pakistan. Credit: Global Witness

But there is some evidence that material may be finding a way out nonetheless. In early 2018, a credible first-hand source described one trader buying chromite from Ai Tang and taking it out of the area on a small truck through “a smuggler road.”<sup>143</sup> This involved quite small quantities (around 4 tons a load), and it is not clear how many trucks travelled that route, but it could be enough to represent significant extraction. While the source did not reveal who he bought the chromite from, Ai Tang was mentioned by several other sources as within the ISKP area of influence (see above).

Two of our other key sources similarly referred to talc leaving the area by smuggling routes – although the extent of their first-hand knowledge was unclear. “There are hundreds of roads,” one said – possibly even including the long route west through Paktia province Kurram Agency, one of Pakistan’s Federally Administered Tribal Areas.<sup>144</sup> Another reported that “it goes on the official road through Torkham,” before adding that the “smuggler road (...) is through Kot” – presumably meaning the initial part of the exit route before the main Jalalabad-Torkham highway.<sup>145</sup> Overall, while the route south seems out of the question, it is at least possible that there could be a route west of the main mining area, exiting through Kot rather than Achin district.

## THE SATELLITE EVIDENCE: EXTENSIVE MINING, BUT RECENT ACTIVITY UNCLEAR

The satellite evidence is a key part of this debate. The available imagery very visibly confirmed the presence of a substantial number of mining sites in Achin, some of them quite large. We identified at least seven significant mining areas: multiple sites in the Momand valley to the south of the villages of Nargesai and Sangorai were particularly prominent, showing extensive mining over large areas (see images). The Islamic State clearly control very substantial resources.

However, the images do not make clear how much these resources are actually being exploited, and how much the marks are signs of earlier mining. Global Witness viewed around 25 images of the main talc mining area in the Momand valley, but all but four of them were from 2017 or early 2018 (with the most recent in April 2018), with the others from December and September 2016 and August 2014.<sup>146</sup> This means there is a gap of more than a year in the imagery after ISKP took over the mines in mid-2015.<sup>147</sup> A comparison of the August 2014 and September 2016 imagery shows clear signs that extensive mining took place in this period – but it is impossible to eliminate the possibility that this extraction took place in the last year of Taliban control, rather than in the first year under the Islamic State.





A series of satellite images showing the progression of mining at one of the larger sites in the Momand valley. From top to bottom they are dated August 13, 2014, September 3, 2016, and September 6, 2017. The images show the evidence of substantial extraction from 2014 to 2016, and the apparent lack of significant changes from 2016 to 2017.



A mine – possibly for marble – close to the mouth of the Momand valley, September 17, 2017.

## Satellite monitoring of Afghan mines

One key piece of evidence in the debate over mining in Nangarhar is the satellite imagery. The extraction of talc, marble and chromite offers particular potential for remote observation, as it involves the removal of significant quantities of material in open quarries: talc especially is easily visible against the darker background soil, sometimes from very high altitudes. These methods have considerable potential as a way to monitor illegal mining in environments across Afghanistan where access on the ground is dangerous and difficult. They are not a silver bullet, and in practice the data answers some questions while raising others – but they provide useful points of reference, which we refer to at various points in the report.

Global Witness partnered with SARMAP, the Swiss-based imagery specialists, to acquire and analyse satellite photos from Achin districts. These were commercially-available Pleiades visible spectrum images, with a 50cm resolution. A more extensive selection of commercially-available optical satellite imagery with a resolution of between 50cm and 30cm was also obtained from DigitalGlobe, covering all parts of Nangarhar. Finally, with the assistance of SARMAP, both 1.5 metre resolution stereoscopic SPOT images and Synthetic Aperture Radar (SAR) imagery were used for volumetric analysis – documenting selected areas where there had been significant changes in surface levels which could indicate that mining had taken place, and estimating the quantities of material involved. However, in the time available for this report, this was only done for a small area of Achin and over a relatively small period – about two weeks in late August 2017.

After September 2016 meanwhile there are few obvious signs of large-scale extraction – in that the surface area of the mines appears to be roughly unchanged, and there appear to be no visible vehicles or other direct signs of extraction, not only at mines but on the roads in the Momand valley.<sup>148</sup> The SAR imagery failed to show significant removal of material in the mining area it covered, although it only measured over a 10-day period,

and the resolution and terrain meant that its ability to highlight small differences was limited.<sup>149</sup>

There are a number of factors which might explain this situation. The first is that issue of timing: violence around the Momand valley escalated sharply in March 2017, and this could have deterred otherwise active mines from operation.<sup>150</sup> Against this, the half-dozen satellite images

before this, from September and December 2016, and January and February 2017, do not show any more activity than the others (although only one of them is the highest 30cm resolution). It is still possible that mining was largely concentrated in the year after ISKP took over, but there is nothing in particular to indicate that was the case. While the information from our sources is somewhat skewed towards mid and late 2016, one of them in fact reported as late as mid-2017 that extraction had increased.<sup>151</sup>

Our analysis may have missed signs of activity, either because activity was hidden, or because it took place outside the areas we concentrated our search, or simply because it was less intense and more scattered than expected, and trucks were not present during the time of the satellite overflights. (The output described by our sources who claimed mining was ongoing would only amount to around a dozen trucks a day, though diggers would also be present.)<sup>152</sup> Given the insecurity in the area, it is plausible that mining could have been irregular. And it is important to note that, with the exception of a single blurry and uncertain identification of a possible truck, we could find no vehicles in the one image we viewed from 2014, before ISKP took over – a period when the mines were certainly likely to be active.<sup>153</sup>

One source indicated that mining did take place outside the main sites, with corroborating evidence of chromite extraction using a single digger and men working with

basic tools along the side of a road in mid-2017.<sup>154</sup> That sort of activity might well be difficult to spot, especially where there was tree cover. Having said this, some small sites are quite visible in the imagery, at least for talc.

Extraction of existing mines may also have dug deeper rather than expanding their area in a way that is relatively easy to spot. It is even possible that IS could be mining at night or otherwise discreetly, given the level of conflict and the possible threat from US drones. However, one would expect there to have been some mention of this from our sources (one spoke of mines working at night, but as part of additional shifts to maximise production.)<sup>155</sup> The Achin images were all acquired in a narrow window, between about 1030 and 1115 local time (0600-0645 UTC), but there seems no particular reason why activity would not be taking place at this time of day.

Finally, the resolution of the images does make it possible that activity is missed: only six of the images were of the clearer 30cm class, and atmospheric conditions also have an impact. But it is useful to compare the Momand valley images to the mining site in Ghunday in Sherzad district, presumed to be under Taliban influence. Changes in surface area are noticeable, and there are multiple trucks visible in images from August 2014 to April 2018, also taken around 1030 local time (see below). While they are blurry, trucks can be identified, including at 50cm resolution.



Multiple trucks and excavators are visible in this 30cm resolution image of a mining site in the Taliban-controlled Ghunday area of Sherzad district, April 12, 2018.



Trucks removing talc from the major stockpile in the village of Shadal, Achin district, January 11, 2017. The right hand part of the image dates from December 28, 2016, and shows the stockpiles prior to removal. The village was under Islamic State control until March 2017.

The task is made easier in Ghunday by the presence of several vehicles in a single site, and one might be harder to spot on its own (especially the smaller '6 wheel' trucks mentioned by our sources). Overall, Ghunday is exceptional in its level of activity: the Achin mine would have fewer trucks to see, and they may work more intermittently, over a larger area. Nonetheless, it is certainly notable that none have so far been identified.

### THE SHADAL STOCKPILE

Another possibly valuable indicator of the activity in the area is the stockpiles where talc was stored before being taken onwards to market, of which there are at least four that we could find, including two a few kilometres to the east of the Momand valley.<sup>156</sup> By far the largest is at

Shadal, near the mouth of the valley, with its many talc mines: the village itself was reportedly held by ISKP until around March 2017 – which would coincide with the start of Operation Hamza.<sup>157</sup> It seems certain that the talc there originates from Momand.

The images clearly show a large talc stockpile at the site in late 2016 – and that it had significantly increased in size from August 2014. In January 2017, that stockpile was systematically removed, with many large trucks visible in two separate images, from January 11 and January 16.

This could certainly indicate an ongoing trade through Shadal. However, because of the same lack of imagery from 2014 to 2016, it is unclear when the stockpile originates from. This makes it difficult to eliminate the

possibility that the talc was mined before the ISKP takeover in mid-2015 and remained at the site until January 2017.

It seems unlikely that traders would wait so long to move their goods. But multiple sources indeed reported that ISKP had prevented any movement of talc from Shadal since they had taken over the area, and that eventually a deal was struck with ISKP which allowed the talc to be exported. One local source said traders paid Rs6,000 (about \$57) per truck, while an elder gave a figure of Rs7,000 (\$67).<sup>158</sup> It is notable that a third source told Borhan Osman that ISKP were charging Rs7,000 per truck back in 2015 (significantly less, they said, than the Taliban had charged when they controlled the mines).<sup>159</sup> David Mansfield’s sources meanwhile reported that in “the spring [of 2017] the traders had come in to ask the Islamic State for the inventory [stored in Shadal] and agreed a payment. The Islamic State agreed and that stuff was shipped out.”<sup>160</sup>

It should be noted that the images taken after January 2017 appear to show some minor changes in the distribution and number of the stockpiles, and at least one mid-size truck appears to be visible in the area, as well as occasional smaller vehicles. More noticeably, in April 2018, around a dozen small trucks are visible in part of the site, and there are changes in the number of small, darker mounds, which could possibly be chromite. This may be evidence of new extraction, but it is difficult to be sure.

## SO HOW MUCH MINING?

The overall picture from the available satellite data is somewhat uncertain, and it is worth remembering that there is no guarantee of spotting signs of activity, especially with a limited number of good images. Nonetheless, the data clearly suggests a more cautious view of what mining was taking place in the period it covers. This contrasts sharply with some of our other key sources: as set out above, three credible direct sources and two from other researchers independently spoke of mining taking place at various dates between mid-2015 and late 2017 (including three that reported extraction after late 2016), and another source reported a truck picking up minerals. At least one set of images of extraction (see page 16) are in circulation, and support this testimony.

So what is the reality? On balance, it seems unlikely that so many independent sources are completely mistaken or deliberately misleading (though it is not impossible). However, it is important not to ignore the significant

question marks that the satellite data and some of the other sources raise. The most likely explanation is that some extraction did take place, but was significantly less intense and regular than suggested by our five sources alone, and possibly less concentrated in the Momand valley. It is not difficult for sources to be honestly inaccurate to this degree, especially on figures and questions of the overall scale of extraction which might go beyond their direct experience.

The revenue that would result from this extraction is correspondingly difficult to estimate. Just about the only element about which there is a good level of certainty is that ISKP made something from allowing the removal of the Shadal stockpile. Our local source estimated the number of trucks at no less than 300, but at Rs6,000 (\$57) a truck the income generated could be as low as \$17,000. It seems certain that they made something more than this from actual extraction – and the estimates range into the millions of dollars, especially if we include possible revenue from beyond Achin (see Annex B). But the low end of the range is in the tens of thousands. Given the uncertainty, it is probably better not to cite a single more specific figure. In any case, the extent of current extraction is not the only measure of ISKP’s interest in the mines.



Afghan Forces discuss a mission during Operation Hamza in Kot district, Nangarhar, May, 5, 2017. Credit: Staff Sgt. Trevor T. McBride/US Air Force

## 4. A strategic interest

Whatever ISKP’s current income from the mines, the extent to which they have fought over them strongly suggests that they consider them of strategic interest. The researcher Matt DuPée noted that: “If you were to overlay the patterns of violence [between] Daesh and the Taliban, it really overlays where the natural resources are.”<sup>161</sup> This appears to reflect the strategic priorities of the wider Islamic State as well.

### THE BIGGER PICTURE

In 2015, one senior ISKP commander described mining as a priority, along with transit routes (for drugs and other goods). Speaking of one particularly rich mining area, he said: “The mines are in the hands of the mafia (...) At any price we will take the mines.”<sup>162</sup>

Afghan armed groups have a long history of exploiting minerals: ISKP is not unique in this respect. But this statement echoes the pattern of Islamic State activity in Iraq and Syria (see below), and their strategic doctrine, which discusses the use of extractives as a source of income.<sup>163</sup> ISKP would likely have targeted mining in some form without outside guidance, but the fact that the wider movement has put such emphasis on the sector is another reason to treat the activity that has already been visible as a serious concern.



### “THE FIGHT IS OVER THE MINES”

According to one source interviewed, ISKP’s expansion from the Momand valley to Kot district and other parts of Achin, which he dated to late 2015, was around the mines.<sup>164</sup> It is unclear how much this reflected a deliberate targeting of those sites, or the need to use the cover of the mountains, or a mix of both. But the source believed that: “The real fight [between the Taliban and ISKP] was over the mines – because there are no villages there. (...) The [local] people say [that] wherever there is a mine, [ISKP] go there first.”<sup>165</sup>

More recently, Khogyani district, around 30km west of Achin, has become a key battleground for the struggle between the Islamic State and the Taliban.<sup>166</sup> There have been multiple clashes, with fierce fighting reported from October 2017:<sup>167</sup> as of December more than 60,000 local residents had been displaced.<sup>168</sup> Clashes were also reported in neighbouring Sherzad district and (earlier in 2017) in Pachir Wa Agam, both part of the wider Khogyani area.<sup>169</sup>

Much of the fighting has taken place in the Waziro Tangai valley in Khogyani district, around a dozen kilometres from the exceptionally high quality Ghunday talc deposits in Sherzad in one direction, and the notorious caves (and marble mines) of Tora Bora in the other.<sup>170</sup> The area has been described as “an important economic corridor used by militants for smuggling of Afghan mineral supplies to neighboring Pakistan,”<sup>171</sup> although again the only plausible route for that seems to be via Torkham.

In early 2018, ISKP appeared to have actually taken over some mines as a result of the fighting, at least temporarily. One local source reported that “the mines of Ghunday and [of] Waziro Tangai (...) – they were in the hands of the Taliban and the Daesh took them” in late 2017 (although around two months later he said they were not yet being exploited – and our other sources

An Afghan fighter watches fighting in Tora Bora. This image is from December 2001 but illustrates more recent fighting in the area. Credit: Romeo Gacad/AFP/Getty Images

reported Ghunday as still under Taliban control).<sup>172</sup> In early 2018 two other Kabul-based traders reported that the Waziro Tangai mines were both under ISKP control, and active.<sup>173</sup> A third source however reported that the ISKP presence was limited to just part of the valley.<sup>174</sup>

One source, the former senior police officer from Nangarhar, was sceptical that the battles between ISKP and the Taliban were in fact over the mines, suggesting instead that ISKP was following a natural route to extend its influence west towards Logar, from where it could threaten Kabul.<sup>175</sup> That is certainly likely to be at least a secondary motivation. But while ISKP and Taliban strategy is difficult to know with certainty, there is a strong case that the rich mineral deposits in the district are indeed a key factor driving the two sides to this exceptional violence.

Perhaps the most powerful evidence of this comes from a Taliban official with direct knowledge of Nangarhar, who described how the mines were important enough to the movement that one of their groups alone had been

forced to sacrifice 16 men in the battle with ISKP. “The fight is over the mines, the fight is over the profits,” he said. “What can we do – we have expenses, we don’t get much from the Arabs [unlike ISKP]. If we don’t have this source [of funds] we will be defeated.”<sup>176</sup>

The importance of the Sherzad and Khogyani deposits as a source of income for the Taliban is confirmed by our own investigation (see below). At the very least, it seems highly probable that depriving the Taliban of this resource is of considerable interest to the Islamic State – an objective of great value even if they were not able to subsequently exploit the mines themselves.

Finally, it is notable that the same former police officer also reported that around the end of 2016 ISKP: “had a plan that they would extract [talc] themselves – they began a road from [the] Tirah valley of Pakistani to Achin district [to allow minerals to leave by that route].”<sup>177</sup> He said they were not successful, but even starting such a major undertaking would be a powerful indicator of ISKP’s interest in extraction.

## ISIS and extractives in Iraq and Syria

A focus on oil and mining has long been an established part of the Islamic State playbook in their home ground. One of the few published ISIS strategy documents stresses the importance of the “Wealth of the State” as the principal source of financing – including “oil and gas and what the land possesses.”<sup>178</sup> It calls for using accounting and oversight to control production, and forbids anyone who has not pledged allegiance to ISIS from having a stake in extraction.<sup>179</sup> In line with this focus, ISIS reportedly formed special armed groups in Syria and Iraq to control the oil fields, escort oil traders, and help with smuggling.<sup>180</sup> As in Afghanistan, extractives have also been a significant focus for competition between ISIS and other insurgent groups,<sup>181</sup> and used for political leverage.<sup>182</sup>

The use of oil for funding follows the established practice of Al Qaeda and other groups,<sup>183</sup> but it has been particularly important for ISIS.<sup>184</sup> By 2015, oil was generating up to \$550m a year by some estimates,<sup>185</sup> a significant sum, even if it was likely only a fraction of the income from ordinary taxes.<sup>186</sup> The oil revenue was managed under an official *diwan* [Ministry or Bureau] of Resources – often simply

referred to as the ‘Ministry of Oil’.<sup>187</sup> ISIS requires its franchises to mirror their organizational structure, so in principle mining should also fall within such an office in Afghanistan.<sup>188</sup>

ISIS has now lost almost all its territory in Iraq and Syria.<sup>189</sup> By early 2017 the UN described them as operating a “crisis” budget due to their reduced territory and thus tax base, as well as coalition attacks on oil infrastructure.<sup>190</sup> Nevertheless, as late as October 2017 a report put their oil-related revenue at \$4m a month.<sup>191</sup> (The UN report also found another natural resource, gemstones, were an important source of Islamic State funding in South East Asia.)<sup>192</sup>

The Islamic State is of course using whatever resources it can find: the focus on extractives in Iraq and Syria to some extent merely reflected the local environment. But the fact that the Islamic State does have so much experience and interest in the sector certainly increases the threat of their affiliates exploiting extractives in another resource-rich area like Afghanistan.<sup>193</sup> For the movement as a whole, extractives are a part of the core playbook – and Afghanistan is fertile ground to apply that strategy.

## 5. ISKP and mining beyond Nangarhar

Global Witness concentrated its research on Nangarhar, but a limited number of sources in other provinces also confirmed ISKP's interest in mining.

### PAKTIA AND LOGAR

In Zurmat district of Paktia, an informed source told Global Witness in mid-2015 that ISKP had raised the black flag of the movement and taken over four local mines from the Taliban.<sup>194</sup> This source described seeing fighters from the group in a local bazaar, wearing cloths covering most of their faces, and said it also had a substantial foreign contingent, allegedly under an 'Arab'.

One of the mines, in Tukur, extracted magnetite; two others at Gawyan and Surkai had chromite, while one at Landaiyawara had coal and *abrak* (mica). Locals were excluded even from gathering firewood in the area around the mines in Tukur when ISKP controlled them in 2015.<sup>195</sup> "Because of fear people cannot go [to the mines]," a source reported. "[Daesh] take out the [stone]. They bring the workers themselves. They don't show the place. They do not allow us to go close."<sup>196</sup> The materials were allegedly smuggled out on camels to Miranshah in Pakistan (a trade large enough that the source claimed the price of camels had increased by several times).<sup>197</sup> However, the mines are no longer under ISKP control today, another local source said.<sup>198</sup>

In Logar province, ISKP appears to have limited control but a growing presence, which overlaps with a stronger Taliban control. The first reports of fighters in the district date from January 2015, and by April ISKP released propaganda photos which they said showed a training camp they had established in the province.<sup>199</sup> In late 2016, their hold on territory was still relatively limited, but seen as expanding: one senior official in the provincial government claimed that there were more than 200 ISKP fighters in Charkh district, with around 150 in Azra and others elsewhere.<sup>200</sup> There were further reports of ISKP activity in Azra in late 2017.<sup>201</sup>

In late 2016 one source with knowledge of Mohammad Agha district (home to the massive, though dormant, Mes Aynak copper project) said that ISKP visited villages

where the Taliban were weaker to preach and spread propaganda: "This place is slowly going to Daesh – [they have not taken it] yet but it is moving that way. (...) when the Taliban become less [present] Daesh come and (...) force people to come together for the preaching."<sup>202</sup> The source claimed ISKP were offering up to 70,000 Afghanis a month (\$1,029) as initial salary to attract fighters to the cause (although such a high rate was likely only for an initial period).<sup>203</sup>

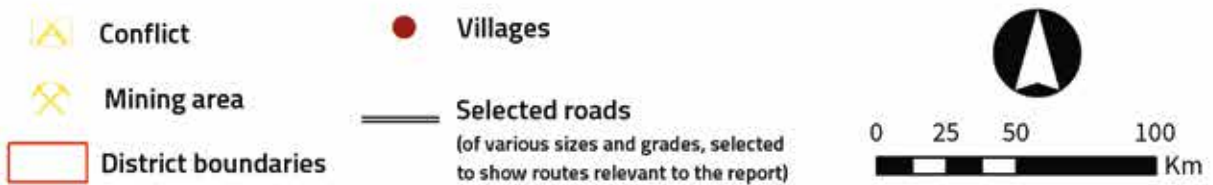
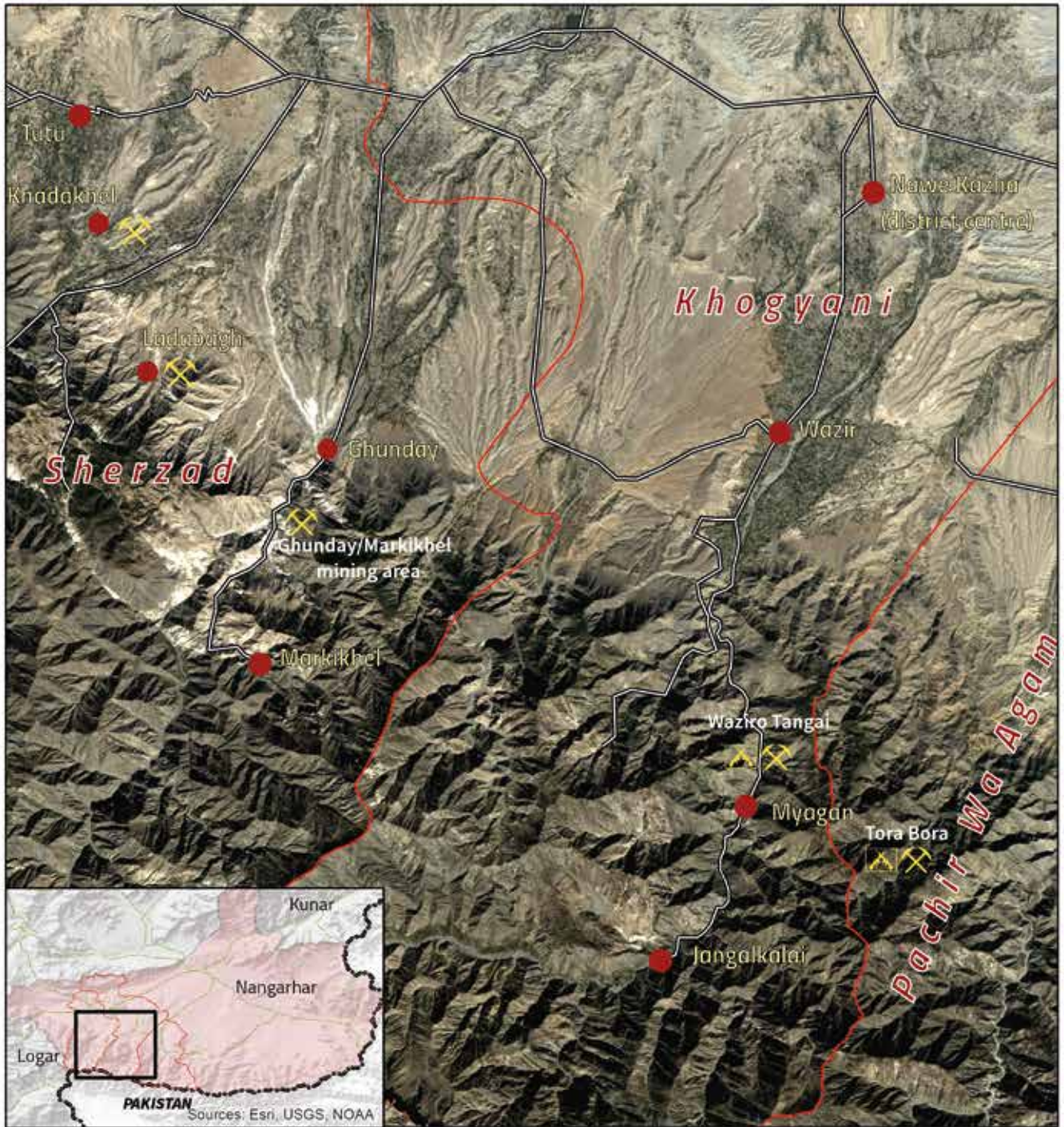
The same source reported that ISKP already controlled two mines in the Kamalkhel area, where they extracted a "very expensive stone," probably chromite, again showing the movement's interest in mining.<sup>204</sup> The source described how an ISKP member had been ordered to "go to the elders and others (...) Ask about the mines – where they are, who has them, how much do they produce, what share does the Taliban take, what share do the local *maleks* [powerful local individuals] take."<sup>205</sup>

### OTHER PROVINCES

Badakhshan is one of the most mineral-rich provinces of Afghanistan, and there is some evidence that the Islamic State has an interest in the mines. As of mid-2017 ISKP had a close if murky relationship with the Taliban in the province (in contrast to the violent competition between the two groups elsewhere).<sup>206</sup> This probably reflects the fact that ISKP's presence in Badakhshan was the result of local forces of the Islamic Movement of Uzbekistan (IMU) pledging allegiance to them, and not of Taliban commanders defecting. There is a long record of cooperation between the IMU and the Taliban in Badakhshan, unlike in the rest of Afghanistan, and this seems to have continued after IMU's 'rebranding'.<sup>207</sup>

In 2016, the Taliban appeared to be deriving significant benefit from the lapis lazuli mines that are one of Afghanistan's greatest treasures (as documented in the Global Witness report *War in the Treasury of the People*).<sup>208</sup> It could be argued that the Islamic State received an indirect benefit from this as they were helped by the Taliban's increased fighting strength, and local security sources reported that they also





Villages, mines and conflict sites marked on the map are largely limited to those mentioned in the report. Some locations are approximate or based on imprecise testimony. White areas generally indicate talc or marble mines, or stockpiles.

Projection/Datum: Geographic/WGS84  
 Date Created: February 2018  
 Data Source(s): UN Office for the Coordination of Humanitarian Affairs (UN OCHA), AGCHO, CSO, AIMS, MISTI, iMMAP OASIS  
<http://www.humanitarianresponse.info/en/operations/afghanistan/datasets>



Afghan security officials inspect the site of an attack on Shia Muslims in Kabul, November 21, 2016. Credit: Haroon Sabawoon/Getty Images

received some transfers of captured military equipment. Since 2016, however, the scale of extraction at the lapis mines appears to have dropped very substantially.<sup>209</sup>

The Islamic State remains a threat in Kunar and (to lesser extent) Nuristan provinces.<sup>210</sup> There are multiple reports of ISKP profiting from mines and timber in Kunar, where they have reportedly opened a 'customs office' in the Mazar valley of Sawkai district.<sup>211</sup> The Taliban and local power-brokers have long profited from illegal extraction and smuggling of the same resources.<sup>212</sup>

In February 2016, a media report cited local officials and tribal elders claiming that the Islamic State had imported timber equipment and been cutting trees in the Achin, Naziyan and Deh Bala districts of Nangarhar province, with truckloads sent to Pakistan and local markets daily.<sup>213</sup> As noted above, an elder with links to Achin actually reported in mid-2017 that "Daesh does

***"The fight is over the mines, the fight is over the profits,"***

not extract [minerals] – they only cut the forest. They get a lot of profit from this extraction [of timber]."<sup>214</sup> And a former senior police officer also said that in late 2017 ISKP had exported timber from Deh Bala district: he estimated they made a profit of Rs100,000 (\$952) from each of about 40-50 small truckloads sent out before a government operation ended the trade.<sup>215</sup>

Finally, ISKP forces are reported to be present in Jawzjan province in the far north of Afghanistan, and in December 2017 the Afghan Ministry of Mines and others expressed deep concern about the possibility of them exploiting minerals there, although there is no indication yet whether this is taking place.<sup>216</sup>

## 6. “The Islamic State are crueller” – ISKP and human rights abuses

In the areas that they control, ISKP has carried out a number of serious abuses – a particularly stark aspect of the danger they pose. They are not alone in this, but as one report noted, the group’s tactics “have been beyond the pale, even by the standards of the current Afghan conflict, which can be very brutal. Beheadings and public executions have become ISKP’s trademark, with victims including elderly civilian men.”<sup>217</sup>

A source reported abuses including four people killed in one village and three in another in early 2016. He said the militants would extort money from individuals with slightly greater wealth, and sometimes arrest them: “there is a lot of *zulm* [cruelty].” The source also said that one person who was arrested by the Islamic State (and subsequently released) reported that his captors had “slaughtered and tortured people.”<sup>218</sup>

There are numerous reports of civilians executed for spying, often on the basis of very slight suspicion.<sup>219</sup> The United Nations has documented 9 such cases in the last three years.<sup>220</sup> A source told of one such execution in Achin district in early 2016, and also said a 12 year old boy had been killed in early 2016 for having a mobile phone: “The Taliban were cruel, and the Islamic State are crueller.”<sup>221</sup> Another case also allegedly involved the killing of a child.<sup>222</sup>

The impact of ISKP on women is also especially pronounced, even compared to the Taliban. ISKP

has reportedly imposed harsh restrictions on the movement of women outside the home, and on female education.<sup>223</sup> “ISIS [sic] made women sit in the home,” one woman told Human Rights Watch. “If you go out they will kidnap you.”<sup>224</sup> There are several reports of ISKP fighters demanding widows either marry or otherwise serve them.<sup>225</sup> One man from Bati Kot district said that when ISKP arrived in 2015 they said: “We heard there are widows here. Give them to us, they will serve our mujahids.”<sup>226</sup>

A source alleged that in Achin ISKP would hang a flag on a house where a widow or eligible unmarried woman lived. “They make her marry by force. [They say that if] your husband died you should go to someone else. You should not lose the honour of your daughter.”<sup>227</sup> The source also claimed that 40 women from families accused of supporting the government were taken from Lagharjo village around late October 2017, after ISKP defeated a local state-sponsored militia. “They took all the women from them and burnt their houses.”<sup>228</sup>

However, since their early days in the area, ISKP appeared to have consciously softened their approach to the local population. One informed source reported that when the local ISKP leader “first came, there was a lot of cruelty – he terrorised the people. (...) Now he is become very soft.”<sup>229</sup> Whether this represents a real change is unclear.



**“The Taliban were cruel, and the Islamic State are crueller”**

An ISKP propaganda image featuring the movement’s then-leader Hafiz Saeed Khan (standing centre), who was appointed in January 2015 and killed in July 2016.

## 7. Not just ISKP: the Taliban and other armed groups

The relationship between the Islamic State and mining is worrying, but it is only a case study for what is a much larger problem. Not just insurgent groups but also a host of other illegal, semi-legal and legal armed groups across the country benefit from mining. The Taliban in Nangarhar province demonstrate this with particular force.

### THE TALIBAN AND MINING: ACHIN

The Taliban clearly profited from the Achin mines now controlled by ISKP well before their takeover – presumably from their arrival in the Momand valley in 2011.<sup>230</sup> We have already mentioned how the movement would reportedly take a share from local producers. A source described how local elites would control extraction and employ people mainly from their own families, paying a set amount to the Taliban, which the source estimated at Rs200,000-Rs500,000 (\$1,900-\$4,770) a month, depending on the site.<sup>231</sup>

Another source similarly estimated the Taliban would collect around Rs200,000 a month (\$1,900) from each mine however hard they were (or were not) worked.<sup>232</sup> This rate seems low given how much a single mine could produce – but that perhaps partly reflects the Taliban's roots among local communities, and their need to make a profit in the talc trade.<sup>233</sup> (It roughly matched some of the rates reported for mines in Sherzad – see below.) But the Taliban would also collect the Islamic taxes of *ushr* and *zakat*. Another source reported that “people said the Taliban took a third” of the value of the output this way.<sup>234</sup>

There are indications that the Taliban would also tax vehicles carrying the minerals.<sup>235</sup> Borhan Osman cited a credible source who reported that the Taliban took Rs25,000 (\$238) per truck in this period.<sup>236</sup> As set out above, the satellite data, while incomplete, also supports a picture of extensive and ongoing exploitation while they were in control.

### THE TALIBAN AND MINING: ELSEWHERE IN NANGARHAR

The Taliban may no longer control the Achin mines, but in other districts, especially Khogyani and Sherzad, they have even greater resources under their control – which our research indicates are generating significant income. Again, it is reasonable to assume this is one reason the area has become a battleground between ISKP and the Taliban.

Global Witness interviewed a wide range of relevant sources, including a number from Khogyani and Sherzad and individuals with direct knowledge of the trade. The most direct of these sources was the Taliban official cited above, who described the revenues from the mines as critical to the group's survival in the district.<sup>237</sup> He put the total *daily* income just from the major mining area of Ghunday at Rs500,000 to Rs1.2m (\$4,760-\$11,430). It is possible this is an exaggeration, but if not it would amount to a maximum of more than \$4m a year, assuming it actually was paid every day.

Some support for this account came from one credible source who reported that two local *maleks* controlled separate talc mines in a location called Abdulkhel (located within or close to the Ghunday/Markikhel mining area, although its exact position could not be positively identified on the map), and that they together paid a total of at least Rs3m (\$28,571) in rent to the Taliban every month, whether or not there was any extraction.<sup>238</sup> The source alleged that a former Minister of the pre-2001 Taliban government was a partner in one of the projects: if true, this would imply another income stream for the movement (or at least for that individual).

A second source with direct knowledge of the Ghunday mines gave a similar picture, but mentioned a substantially lower rent: just Rs100,000 to Rs150,000 (\$952-\$1,428) a month, which he said was paid by the heads of the 8-10 large mines there.<sup>239</sup> (The source said there were also many smaller mines, but was unable to estimate how many.)<sup>240</sup> Unlike the first source, he said this rent was based on the level of production, and might be less if it was disrupted by bad weather or fighting. It already seems low given that the source estimated a mine

paying Rs100,000 produced perhaps 10 large truckloads a week – worth at least \$64,000 a month, making the rent less than 1.5% of the value of the talc (compared to a rate of about 20% in the Taliban onyx contract we obtained – see Annex D).<sup>241</sup> On the other hand, Matt DuPée gave a roughly similar figure (see below).

At the highest level, the Taliban leadership reportedly have a role through the Finance Committee of the Quetta Shura (which also gets at least a share of the revenues).<sup>242</sup> On a more day to day level, one of our sources reported that the Taliban had a representative in the Arzan Kimat district of Kabul, a mullah who ran a local *madrassa* [religious school] and who was empowered to sign contracts for the mines.<sup>243</sup> A copy of a Taliban mining contract we obtained shows what such documents might cover, including production rates and standards (See Annex D – although it was unclear where in Afghanistan the contract was from.) Businessmen could also receive letters of introduction if needed, to negotiate directly with senior Taliban officials in the mining districts, or could buy talc directly at the mines. Another source similarly reported that deals with the Taliban were either made with the shadow District Governor, or with a representative either in Kabul or in the Zakhel area of Jalalabad.<sup>244</sup>

But the same Taliban source also reported that the movement was itself engaging in direct exploitation, at least in less accessible mines – and that this was following the example set by the Islamic State.<sup>245</sup> This would allow them to retain more profit. However, there was no indication of what proportion of mines were exploited this way. Other sources suggested the mining was generally carried out by locals, albeit as part of a trade dominated by strongmen (see chapter 8).<sup>246</sup>

Multiple sources also confirmed that the Taliban were collecting revenue from the trucks carrying minerals out of the district. Two sources independently reported that a fee of Rs35,000 (about \$330) was the standard for the large tractor-trailers that haul the heaviest loads – between 40 and 50 tons.<sup>247</sup> (The first of these individuals specified that the minerals were loaded from Markikhel and Abdulkhel.)<sup>248</sup>

It appears that in principle, those renting a mine with the Taliban should not have to pay this transit tax to export their own production, but in practice something might still be extracted, even if at a lesser rate, perhaps Rs10,000 (\$95).<sup>249</sup> Either way, the traders in return received a letter or receipt which allowed them passage as far as the beginning of government controlled territory in Surkhrod.<sup>250</sup>



Trucks near a large talc stockpile in the Ghunday mining area, southern Sherzad district, April 12, 2018. Vehicles like these would pay a tax to the Taliban, according to our sources.



Mining ongoing in a talc mine in Ghunday, a Taliban-controlled area of Sherzad district, Nangarhar, late 2017

A third source reported that a smaller 'Mazda' truck, which carried 4-5 tons, would be charged Rs5,000 (\$48).<sup>251</sup> A fourth source separately gave the same figure, and specified that it would be charged at the same if it was carrying stone, no matter of what kind (though they cited a lower capacity, of up to 3 tons).<sup>252</sup> A fifth source put the fee for a Mazda at between Rs3,000 ("if I am lucky") and Rs6,000 (\$29-\$57), although they said it could sometimes be as high as Rs8,000 (\$76), for a 4-5 ton load.<sup>253</sup> A sixth source said that the Taliban would take Rs20,000-Rs25,000 (\$190-\$238) for a '10-wheel' truck carrying talc from Waziro Tangai, with a load of 14-20 tons.<sup>254</sup>

Two other sources gave significantly higher figures. The first of these, a well-informed former senior police officer from the province, said interviews with people involved in the trade indicated that the Taliban were charging as much as Rs100,000 (\$952) per trailer of talc – generating a total of around Rs30m (\$285,714) every month, equivalent to \$3.43m a year.<sup>255</sup> The other put the figure at Rs80,000 (\$760) from each tractor-trailer, but also claimed they could carry up to 70 tons of minerals – which is implausibly high even given the chronic overloading common in Afghanistan. From smaller trucks they said lesser amounts were taken.<sup>256</sup>

While the higher figures justify some scepticism over these sources, it is interesting that for this eighth source the amount per ton works out as similar to the rates given by other witnesses, which conservatively averaged around Rs750 (\$7.14) per ton (though they vary between about Rs700 (\$6.67) and Rs2,220 (\$21.16)).<sup>257</sup> That figure is incidentally broadly in line with the royalty rates in the government's own talc contracts, perhaps an argument for its plausibility.<sup>258</sup>

The source said traders rented the larger rig at a cost of around Rs200,000 (\$1,800) per trip (this compares to about Rs30,000 – \$286 – for a Mazda).<sup>259</sup> He said trucks often carried a mixed load, and might conceal the more expensive minerals: the government permitted trucks to carry wood, talc or marble, but not chromite. He gave the location for the tolls he was aware of as the village of Tutu, which he described as being under Taliban control, but said the mine that he knew of was under local power-brokers, at least one of which had an informal militia.<sup>260</sup> It is significant that even where a mine was not Taliban controlled, minerals were apparently still unable to escape road tolls.

An eighth source also mentioned a Taliban checkpoint in Tutu: they estimated that around 60 trucks a day passed through that area in a single day (mostly Kamaz, Mercedes or '6-wheeled' trucks, but including 4-5 large tractor-trailers) and that the Taliban collected a lucrative toll from each of them.<sup>261</sup> It was not clear what loads they were carrying, but a significant number are likely to have had minerals of different kinds.

The source reported that Tutu was one of three Taliban toll posts in the area, which they estimated together provided between Rs400,000 and Rs1m (\$3,600-\$9,000) in revenues every day, depending on the season.<sup>262</sup> The basis for this estimate was such that, while although it was credible, the exact figures should be treated with a certain amount of caution. But again the general picture is broadly consistent with the other sources.

A ninth source reported that most of the trade he knew of was organised by mine owners and so paid little or no rent on the road, but added that if trucks "don't have a road pass they will pay."<sup>263</sup> He guessed this might amount to Rs5,000-Rs20,000, to whatever Taliban checkpoints were on the way, "village by village."

An influential local elder with links to the minerals trade in Khogyani also asserted that mines paid a tax to the Taliban,<sup>264</sup> while two mineral traders we interviewed separately mentioned ISKP as well: "no one can extract talc and marble without paying to Taliban or Daesh," one said.<sup>265</sup> The other confirmed that "Taliban and Daesh are controlling the mine areas, no one can extract talc without paying to the Taliban." They specifically mentioned Ghunday and Ladabagh as being under Taliban control, and said that dealers contracted with locals who in turn had contracts with the Taliban or gave them "a percentage."<sup>266</sup> (Ladabagh is another significant mining area, which our other sources confirmed was active).<sup>267</sup>

None of the three gave a figure for how much was paid. The two traders did however say that the Taliban were

taking only Rs6,000 (\$57) per truck in road tolls, which would imply much less revenue from this source.<sup>268</sup> (One of the sources was referring to talc transported by a mine owner, the other to talc transported by a trader who bought from the mine.) That testimony may not outweigh the multiple sources cited above, but it is notable that it matches the figure one source reported for Islamic State taxes on the talc exported from Shadal (see above).

## SUPPORTING SOURCES

Findings from elsewhere further back up the picture from our own sources. A Le Monde investigation for example found that truck drivers would receive a “payment ticket” which would allow them to cross the checkpoints controlled by the Taliban insurgent groups, although they found that payments were made in Peshawar: “The transactions take place in a public place, in broad daylight, just next to the famous and majestic Speen Jumat Mosque.”<sup>269</sup>

Le Monde cited a Ministry of Mines official complaining that members of the Taliban sometimes visit the mines to try to improve the production methods, and that Ministry inspectors were unable to visit the area: “The talc trade enriches the Taliban and the Islamic State in the region,” he said.<sup>270</sup>

Matt DuPée reported from his sources that the Taliban were known to tax talc trucks at a rate of Rs850 (\$8.10) a ton.<sup>271</sup> He also found that taxes charged by the Taliban on marble in Helmand were substantially higher.<sup>272</sup> Meanwhile, a June 2017 USIP report found that in Khogyani and Sherzad districts:

*Talc has been extracted by local residents and mine operators and exported to Pakistan, from where it is further exported to Italy, Saudi Arabia, France, and Japan, according to one talc trader. (...) Mine operators in Sherzad district reportedly pay \$10 to local officials per ton of talc and \$12 to the Taliban. Any private company operating a talc mine needs to pay “rent” to the Taliban and reportedly in some cases to ISIS as well. (...)*

*Senior officials of the provincial mining department admit that most of the talc-rich districts of Nangarhar have come under the influence of the Taliban or ISIS. Residents have complained that the Taliban and ISIS may have started to engage in direct extraction of talc. Local elders recently stated that “the Taliban shadow governor of Nangarhar province visited the talc mines in Sherzad district to assess them, and NATO aircraft bombed his location, but he managed to escape unhurt, though several Taliban died. In Achin district of Nangarhar, ISIS reportedly had taken control of talc and was directly extracting and selling it to traders.”<sup>273</sup>*



A mine near Ladabagh, in a Taliban-controlled area of Sherzad district, Nangarhar, November 6, 2017.



Trucks carrying talc parked on the road leading to Torkham and the border with Pakistan, mid 2017. Credit: Global Witness

In December 2015, the Sherzad district governor claimed the Taliban earned Rs12m (\$113,200) a month from the extraction of “precious stones and marbles” from mines under their control in the Markikhel area (close to Ghunday) and in Kadikhel (likely in the Tutu area – which would confirm the other mention of Taliban checkpoints there).<sup>274</sup> “The government has no control in these areas and people who know Taliban leaders get the extraction contracts,” Mualem Mashooq said: “These minerals are extracted in an unprofessional way and 70 percent of the profit goes to Taliban.” While the basis for his estimate was unclear, both areas show signs of extraction in recent satellite images.

Finally, the satellite imagery confirms intensive mining in other areas under Taliban control or influence. The renowned talc mines around Ghunday and Markikhel in Sherzad are the most visible: the imagery shows numerous excavators and dozens of trucks. Other mines around Ladabagh also show clear signs of activity. In total we identified at least 16 mining areas with significant signs of mining in the Ghunday/Markikhel and Ladabagh areas, and some of these were large enough that it is possible they host more than one mining operation.

## MILLIONS IN MINING REVENUE TO THE TALIBAN

Both Sherzad and Khogyani districts are reported to be almost entirely under the control or influence of the Taliban, and have been for some time – as have a number of other key mining districts in Nangarhar.<sup>275</sup> Given the strong evidence from our sources about the prevalence of mine rents and transit fees, it is reasonable to assume that all, or nearly all, of the minerals mined in these districts contribute in some way to funding of the Taliban. For talc, that covers almost all of Afghanistan’s production.<sup>276</sup>

The precise extent of this benefit is difficult to calculate. Available estimates are mixed. A report from “an international organisation” cited in *Le Monde* put the total revenue of the Taliban from the province’s talc trade alone at around \$22m in 2014, although the basis for the calculation is unclear.<sup>277</sup> One civil society report alleged that the Taliban and the Islamic State were making \$46m in total from the Khogyani area alone, but the credibility of the estimate is subject to question.<sup>278</sup>

Our own calculations range from around \$2.5m to more than \$10m a year, depending on the methodology and assumptions used (see Annex C). The task is complicated by the mix of revenue streams, the likely variations in arrangements for individual traders, and inevitable ambiguities in the testimony (for example over what was counted as a tax on trucks and what as mine rent). Our best estimate – very rough, but tilted firmly towards the conservative side – would be in the mid single figures of millions of dollars: somewhere around \$4m a year. Given it comes from one mineral and just a few districts, that is a significant sum.

## A PROBLEM ACROSS AFGHANISTAN

Again, this problem is not limited to Nangarhar, or to the Taliban. In Badakhshan, the Taliban made millions over several years from the illegal trade in lapis lazuli, much of it apparently in payments from local power-brokers (although extraction has diminished since 2016).<sup>279</sup> In Logar, our sources also described how the Taliban profited from local mines.<sup>280</sup>

At a national scale, author and Afghan expert Matt DuPée found that: “The Taliban exploit mining sites in at least 14 of Afghanistan’s 34 provinces and now earn as much as \$200 to \$300 million annually.”<sup>281</sup> A UN report citing “various Afghan officials” gave a lower figure, “at least several dozen million” US dollars.<sup>282</sup> It should be noted that both these estimates are likely to be based on partial and sometimes unreliable data. But even so, it is clear mining is a major source of Taliban funding: certainly the higher figure would make it their second-largest revenue stream after narcotics.<sup>283</sup>

Finally, the ‘pro-government’ armed groups and powerbrokers that also draw strength from this trade are in many respects as much of a threat to Afghanistan as the insurgency. In Badakhshan for example, the payments to the Taliban are linked to wider abuses around mining by a local militia and the official Mining Protection Force that have caused huge damage to stability and development.<sup>284</sup> The problem of illegal mining goes not just beyond the ISKP, but beyond the insurgency as a whole: it is an integral part of a wider problem of rule of law in Afghanistan.





Afghan Shiite mourners and relatives weep during the burial ceremony for the one of the 41 victims of a bomb attack on a Shiite cultural center in Kabul on December 29, 2017. Credit: Wakil Kohsar/Getty Images

## 8. Implicating us all: supply chains and corruption

The value of Afghanistan's minerals to armed groups like ISKP and the Taliban ultimately depends on consumers in the rest of the world. While the supply chain is only partially documented, it is all but certain that individuals and companies in Europe and the USA in particular are effectively, if inadvertently, funding insurgent groups. And those supply chains are only possible because of the subversion of government controls.

### GOVERNMENT CORRUPTION

It appears certain that the vast majority of minerals from insurgent-controlled mines in Nangarhar openly goes through government-held territory on the main roads to Pakistan, and in particular via the border crossing at Torkham. Our sources consistently said trucks used the Torkham route to the Pakistani city of Peshawar, and other reports agree.<sup>285</sup> Imagery sources also support this: long lines of tractor trailers are visible lined up by the border in multiple images, as well as in video footage.

The government banned the talc trade in early 2015 (though the dates are somewhat unclear),<sup>286</sup> but by September traders were able to successfully lobby for a one-off exception to export 100,000 tons: one researcher reported that "since then the talc has been flowing freely," with some reports even suggesting up to a million tons may have been moved by April 2016.<sup>287</sup> However, in theory export of *unprocessed* talc is still not allowed. A Ministry of Mines official confirmed that: "Companies can export processed and semi-processed talc."<sup>288</sup>

Capturing more of the talc value chain is a perfectly legitimate goal. But progress even towards this aim has been mixed. Talc processing centres have been established, and a late 2017 government report claimed the "highest level of export has been (...) in semi-processed (bulk) form."<sup>289</sup> But a former senior police officer claimed that corruption allowed 90% of talc to leave without processing, while trade data from 2016 shows crushed talc as an insignificant fraction of overall exports.<sup>290</sup>

Meanwhile, the transit of minerals to Pakistan from insurgent-controlled areas of Nangarhar is closely linked to

and enabled by corruption of Afghan government officials, as well as the payments to insurgents. This appears to take place both on an informal level and more systematically.

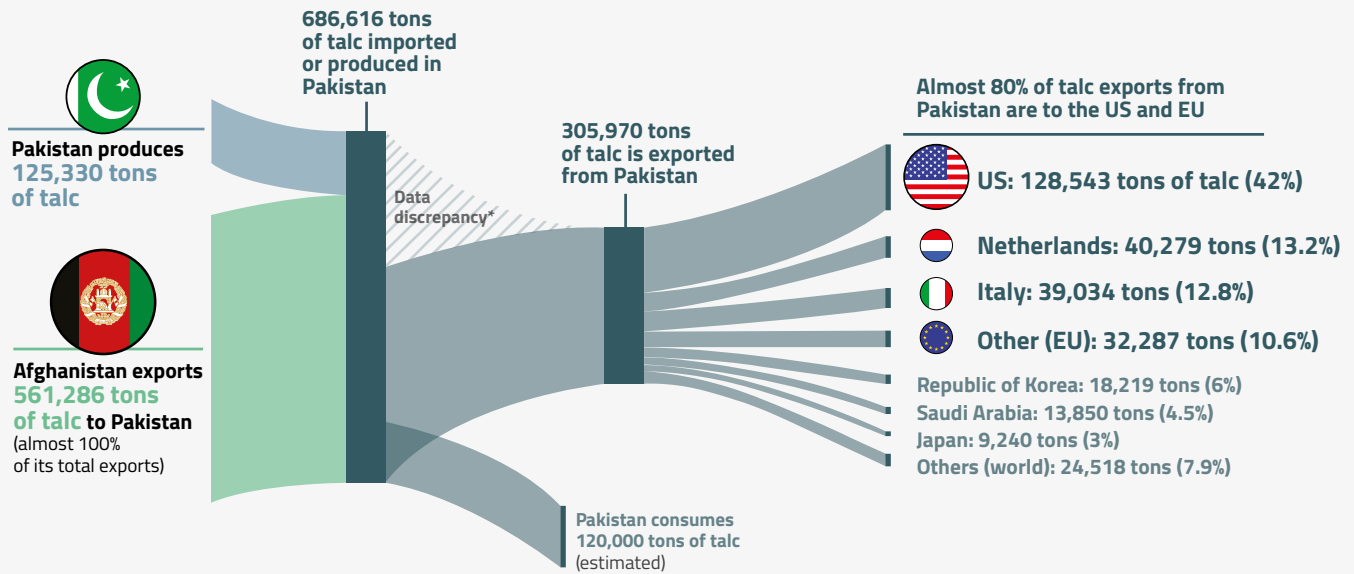
Three sources reported that truck drivers would buy documents at the *gumruk* [customs] office attesting that tax had been paid on the cargo, which allowed them to transit as far as Torkham.<sup>291</sup> The first of these sources put the cost at Rs6,000-Rs7,000 (\$57-\$67), adding that Rs2,000 (\$19) would go to the tarezo [weighscale] and Rs5,000 (\$48) to the *gumruk* office itself; those without experience of the system might pay a little more.<sup>292</sup> At the Torkham border crossing itself, this source said Rs8,000-Rs10,000 (\$76-\$95) would be paid to ensure passage.

The second source put the *gumruk* figure at Rs5,000 (\$48), but mentioned that the Pakistani "militia" also needed to be paid on the road from Torkham to the depot on the outskirts of Peshawar: in total, the expenses for a Mazda would be Rs10,000-Rs15,000 (\$95-\$142).<sup>293</sup> The third spoke of payments of Rs6,000 (\$57) for the *gumruk* but just Rs2,000 (\$19) at Torkham, and said the total payments to various authorities would never be in excess of Rs20,000 (\$190).<sup>294</sup> The similarity in the figures is more notable than the variations, given the unofficial nature of the tolls and the likely differences in the traders' individual relationships with those taking the payments. Finally, a fourth source we interviewed, a minerals trader, confirmed in general terms that "We have to pay bribes to the police check posts on the way from Khogyani district to the Torkham border, as well as to customs staff."<sup>295</sup>

But this business is not just a matter of informal bribes. One of the sources described it as "a very organised system – a system of the mafia."<sup>296</sup> They said traders could organise transit in advance: "They call from Pakistan and say 'it is organised, show this sign' [to the authorities]." Le Monde wrote that: "Illegal extraction is protected by the provincial authorities and the insurgents, with the support of the local population."<sup>297</sup>

A former senior police described in more detail a system where the mines were allocated by the local tribes, but in practice the trade was dominated by *zurmanda* [strongmen] who had the corrupt government connections needed to get minerals out without paying unsustainable

## THE TALC TRADE FROM AFGHANISTAN AND PAKISTAN (2016)



\*Data discrepancy of 266,646 tons. See discussion in main text

Flags © iStock

amounts in bribes or taxes along the way.<sup>298</sup> They were often directly involved in the trade as well. “Most of the [Afghan] companies belong to the mafia”, the source said: “they make the company in someone else’s name, or the companies give a share to the mafia.”<sup>299</sup> He said the trader’s ‘union’ could also help arrange the necessary illicit payments to get talc out of the country. Either way, many of the key political, security and administrative officials in the province, he alleged, got a cut from the trade: “the leadership of the province all has a share.”

The majority of mining was done by locals, the source said, but the real profits were made by the strongmen. Locals sold talc at a low price – a reflection of the low cost of extraction (beyond a few excavators) and the abundance of the resource, but presumably also of the dominance of more powerful actors in the onward trade. “Either [the locals] independently extract and ask the mafia to [arrange for the] transfer of their vehicle and they pay them,” the source said, “or they sell [the minerals] to the mafias who then transfer it for themselves. (...) If they are not with [the strongmen] these people cannot transfer a single kilo.”<sup>300</sup> At least one of these strongmen was reported to control a small private militia.<sup>301</sup>

The effect of this corruption is evident. The average value of the talc declared by traders for customs is just \$14/ton, compared to an average price of \$60 a ton for talc bought in Afghanistan on the open market – and \$150-\$200 for talc being sold onto the global market from Pakistan.<sup>302</sup> That represents a massive loss to the Afghan treasury.

From all talc production in the year from March 2017, the government’s 5% export duty raised just \$315,393, which is equivalent to about 450,000 tons of export at \$14 a ton: that amount would have brought in \$3.38m if it was valued at \$150 a ton, and \$1.35m even at \$60 a ton, so the losses are in the millions.<sup>303</sup> What other revenue the Afghan government is losing is hard to say: the Ministry of Mines could not provide figures for royalty or other revenues from talc, which in itself is a deep source of concern.<sup>304</sup> In any case though, it seems clear that the total is only a fraction of the revenue collected by the Taliban.

***The average value of talc declared by traders in Afghanistan is just \$14/ton, compared to a price of \$150-\$200 on the global market***

This fits into a broader picture of the talc value chain in Afghanistan. If margins are tight, it would imply that large taxes or bribes would make the trade economically unviable. Indeed in early 2015 David Mansfield noted a report that traders in Achin had declined to pay a contribution to the Taliban from talc “on the basis that there are insufficient profit margins in the business.”<sup>305</sup> But if talc is bought at \$60 or less at the mines and sold at \$150, that should in principle allow enough margin for the level of taxes and bribes described above, and still leave a profit for the traders.<sup>306</sup>

## THE LINK TO INTERNATIONAL MARKETS

Minerals mined in ISKP or Taliban controlled areas almost all end up on the international market. One source put it that the stones mined in Achin “don’t just go to Pakistan – they go abroad as well, they go to Italy and Australia.”<sup>307</sup>

The evidence for this is especially straightforward for talc. First, it appears that almost all Afghan talc production produces revenue for armed groups. Although the mineral is found in other provinces, there seem to be few if any active mines outside of areas of southern Nangarhar where the Taliban likely have the leverage to collect taxes – keeping in mind that this extends outside the areas they fully control.<sup>308</sup> While most of them lacked exact coordinates, as far as can be determined the government’s own talc contracts are all in these districts (the fact that most of them are nonetheless still active is itself a cause for concern).<sup>309</sup>

Essentially the entirety of this production is exported by Afghan traders via Pakistan.<sup>310</sup> From there, much of it is re-exported as Pakistani talc: as the most recent USGS assessment explicitly noted: “Large quantities of crude talc are mined in Afghanistan before being milled in and exported from Pakistan.”<sup>311</sup> One Pakistani company openly boasted on its website that: “We are well placed to supply / export SOAPSTONE (TALC) LUMPS in big quantity available in and around Pakistan & Afghanistan border area, which is known as world best quality and it is in demand all over the world.”<sup>312</sup>

In 2016 (the most recent year for which figures are available), Pakistan reportedly produced 125,330 metric tons of talc, but exported 305,970 tons, worth \$57.6m.<sup>313</sup> Pakistan has no significant talc imports from any other country.<sup>314</sup> From the available data, it appears Pakistan consumed around 120,000 tons of talc in 2016.<sup>315</sup> It is unlikely that this domestic consumption is only fed by Afghan talc, but even if it was, so that every bit of Pakistani-produced talc went into that overall export figure, it would only account for about 40% of it – meaning that the other 60% actually originated in Afghanistan.<sup>316</sup> A more reasonable assumption might be that domestic consumption is equally supplied by Pakistani and Afghan talc – in which case Afghan talc would make up about 80% of the total.

And the largest part of this talc in turn ends up on the US market. In 2016 the US was the destination for 42% of all Pakistani exports, 128,542 tons, worth \$23.6m.<sup>317</sup> In turn, Pakistan is the single largest source of talc for the United States, providing more than a third of imports from 2013-2016: that would mean that around a quarter of the talc imported into the US is actually from Afghanistan.<sup>318</sup>

European countries like the Netherlands (accounting for 13.2% of Pakistani exports) and Italy (12.8%) were also major buyers of Pakistani talc.<sup>319</sup> In total, the US and EU account for almost 80% of Pakistani exports.<sup>320</sup> All in all, this implies that a substantial proportion of the revenue the Taliban gets from talc – likely between a third and two thirds – ultimately comes from US and EU consumers (though of course all buyers bear responsibility to some extent).<sup>321</sup>

The limitations in the available data create some uncertainty around these calculations. In particular, if you add Afghan exports to Pakistan of 561,286 tons in 2016 to Pakistani production of 125,330 tons, then the total (686,616 tons) exceeds the combined total of Pakistani exports (305,970 tons) and Pakistani consumption (120,000 tons) by some 368,790 tons.<sup>322</sup> Unless there is major stockpiling in Pakistan, which seems unlikely, these figures should roughly balance out – meaning there must be an error somewhere. While this uncertainty affects all our calculations to some extent, it seems reasonable to think that exports from Afghanistan would if anything be understated rather than exaggerated, given the prevalence of corruption on that border. And in any case, it is clear that the US and EU are very major markets for the talc that ultimately helps fund the insurgency.

### ***Around a quarter of the talc imported into the United States is estimated to be from Afghanistan – and is likely to be funding armed groups***

Chromite shows a similar picture, with production in Pakistan around 230,000 tons in 2016 but exports of almost 350,000 tons.<sup>323</sup> Resourcetrade.earth lists Afghan production in 2016 as just 4,500 tons, and exports just 29 tons: these figures are very low, and would be consistent with reports of substantial illegal extraction and smuggling of chromite from Afghanistan.<sup>324</sup> There are no obvious reports of chromite smuggling or indeed legal imports into Pakistan from other countries which could make up the difference of 120,000 tons between Pakistani production and exports, and it seems likely that at least this much is being mined in Afghanistan and exported via Pakistan – although since it comes from a number of different areas it is harder to say what proportion is funding particular armed groups.<sup>325</sup> We could find no reports of chromite being consumed within Afghanistan. Finally, the data for Afghan marble exports also appears to be unreliable, with only small amounts registered: again, production is from multiple different areas.<sup>326</sup>



A talc processing factory near Nangarhar. Credit: Global Witness

## EUROPEAN MULTATIONALS AND THE TALC TRADE

There have been more direct links between Nangarhar and the Western market. Notably, reports in *Le Monde* highlighted at least two European companies purchasing talc in the past through intermediaries from Afghanistan, the major French supplier Imerys, and an Italian company, IMI Fabi.<sup>327</sup> Imerys suspended its purchases of talc from Pakistan or Afghanistan in mid-2017 in reaction to the *Le Monde* report, but it appears IMI Fabi has not.<sup>328</sup>

Imerys sells talc on the global market, including to the United States and many European countries.<sup>329</sup> Their Pakistani intermediary North West Minerals reportedly bought talc from a number of sites in Afghanistan, including at least one in the Khogyani area, controlled by the Shamshir Zamir company under the influential trader Dost Mohammad.<sup>330</sup> The Ministry of Mines lists two possible contracts for Shamshir Zamir in the Ghunday/Markikhel mining area (a third is in the Momand valley of Achin),<sup>331</sup> and the company appears in the latest EITI report, though the data raises some questions.<sup>332</sup>

A senior official with North West Minerals said “you have to pay taxes to the local tribe and the village.”<sup>333</sup> That of course does not answer the question of payments

to insurgents, and there is no direct evidence to show that ISKP, the Taliban, or other illegal armed groups are benefiting from these specific sites. But we have already documented how routinely the Taliban appear to tax minerals in the Ghunday area: it would be strange if the Shamshir Zamir areas were exempted.<sup>334</sup> Meanwhile, the other Afghan mines supplying North West Minerals in Nangarhar remain unknown.

Imerys for its part reacted to the *Le Monde* report by commissioning an independent external review, based on which they suspended their sourcing of talc from either Afghanistan or Pakistan. Prior to this, however, the company was “unsure of the exact mines from which NWM was sourcing its talc in Afghanistan.” In a statement to Global Witness, they said:

*Some talc coming from various sources seemed to be combined in a trading bazaar where purchases were made by suppliers of NWM. (...) NWM was contractually required to adhere to Imerys business standards, and to provide the required assurances that talc sold was not ethically or otherwise compromised. Imerys undertook a number of assessments through audits carried out by external and independent audit firms whose conclusions were confirming compliance of the supply from NWM in Pakistan. However, following the assessment by the*



Trucks of the type used to carry talc, lined up along the road near the Torkham border crossing in Nangarhar, January 14, 2018.

*external independent organization hired by Imerys, we decided to discontinue the purchase from NWM since we could no more ensure the compliance of the local supply chain with Imerys business standards.*<sup>335</sup>

That statement highlights the wider problem of international companies sourcing minerals without certainty over their origin – and the weakness of current global supply chain due diligence standards. It is open to question whether the initial audits which Imerys carried out failed to identify the risks involved.<sup>336</sup> The company was unaware of the Afghan government’s reported ban on the talc trade from early 2015, but was aware of the later ban on unprocessed talc, and said purchases after it was imposed were crushed.<sup>337</sup>

IMI Fabi agreed a joint venture in 2012 with the Omar Group, a major Pakistani talc company, under the name IMI Omar Private Limited. The joint venture reportedly held licenses for talc extraction in Nangarhar,<sup>338</sup> although the Director of Omar Group, Nadeem Omar, only acknowledged sourcing talc from “3 or 4 local concession holders,” whose identities are unclear.<sup>339</sup> He said that production was 100,000 tons in 2014 before it dropped to around 25,000 tons, following the Presidential ban on exports in 2015. The production was processed in Karachi, and part then exported to Italy for further refinement before being sold across Europe.<sup>340</sup> IMI Fabi CEO Corrado Fabi said that “all the big global producers supply themselves now from Pakistan and Afghanistan.”<sup>341</sup>

As of April 2018, the joint venture was still active, with Pakistan listed as a “mining and manufacturing” site “able to supply customers in the long term and on a global scale.”<sup>342</sup> This suggests that their previous arrangement still continues. If so, it would be despite IMI Fabi being aware of the risk reported by Le Monde, which our own research for this report suggests would likely have been confirmed by serious independent inquiries. It would be a stark contrast to the reaction from Imerys (whose own inquiries apparently confirmed enough issues of concern for them to suspend operations).

Corrado Fabi declined to provide responses to questions submitted by Global Witness, citing ongoing defamation proceedings against Le Monde,<sup>343</sup> although he said that “we were fully aware of the Afghan government’s ban on talc exports. This led IMI Fabi to heavily invest in Brazil and Australia.”<sup>344</sup> The company’s website describes corporate social responsibility as “the core policy of the IMIFABI Group.”<sup>345</sup>

Of course, Imerys and IMI Fabi are far from the only companies active in the Afghan talc trade, and may simply be more visible than others whose actions we have not been able to scrutinise.<sup>346</sup> But either way, two things are already clear: Nangarhar’s talc production is not isolated from the international market – and greater transparency and controls are desperately needed to ensure these supply chains do not fund armed groups.

## 9. Policy implications and recommendations

The threat posed by the interest of ISKP and the Taliban in mining is clear. It should be seen as a red flag warning of the powerful and direct link between illegal mining and instability, not just in Nangarhar but across Afghanistan. This is not just an issue of development or economics, but a matter of national security both for Afghans and for their international allies.

The problem is all the more urgent as the government and donors are explicitly relying on mining for “the economic development and prosperity of Afghanistan,” as President Ghani put it.<sup>347</sup> Talc is a particular priority,<sup>348</sup> and the High Economic Council has ordered the Ministry of Mines “to create the conditions for award of competitive tenders for large-scale development” of the mineral.<sup>349</sup> Our research shows just how difficult that will be.

So what can be done? These problems are often thought of as intractable part of the violence and corruption supposedly inherent to Afghanistan. There are certainly no easy answers, and the government will need support. But the challenge is less a shortage of effective measures than it is the will and capacity to implement them.

### RESTRICT ILLEGAL MINING

The fundamental problem of ISKP and Taliban control over mining areas inevitably overshadows this debate. It is difficult to avoid the need to address this – and mining areas and transit routes should indeed be a higher priority within security and intelligence strategy. But military action in itself is only a vehicle, and can be deeply damaging if it is done badly – especially if it is not in the service of a coherent approach to underlying problems. Other means of influence should be prioritised wherever possible.

One of these is to target supply chains. The government has shown it can block the transfer of talc, at least for a period: they should restrict the trade in minerals to areas where extraction is not significantly funding armed groups (for talc, these areas need to be created first). While a selective ban is always at greater risk of being undermined by corruption, this could still help to create

pressure against illegal exploitation, not least from traders.

At an international level, the Afghan government can help bring the leverage of the market to bear by working with importing countries to develop traceability systems and by requiring any company operating inside the country to apply established standards of due diligence to their supply chains. The major importers such as China, the EU and the USA have a particular responsibility to require that any companies buying minerals in Afghanistan and Pakistan meet those standards.

Blocking the trade would create significant political pressure on the government as well. To some extent this just has to be confronted, but it means there is practical as well as a moral reason to do everything possible to avoid putting the costs of action on ordinary Afghan civilians. Measures to restrict trade, for example, should be part of an urgent wider effort to establish areas where legitimate extraction, that benefits the community and local traders, can be carried out – so long as that does not become an excuse to perpetuate corruption or the control of armed groups.

This highlights the point that any effort to restrict the trade is only likely to be effective in the long term if it is tied to wider reforms – to ensure that people have a direct reason to support legal mining, and that the alternative to control by armed groups is not control by corrupt strongmen.

### GIVE COMMUNITIES A STAKE IN LEGAL MINING

One of those reforms is to give the local population in mining areas a stake in legal mining, with the aim of bringing the weight and legitimacy of the community to bear against the incursion of illegal armed groups or corrupt strongmen of all kinds. This has its limitations – no community is going to be able to stand against the full force of the Islamic State (and in the Momand valley the “local community” has been largely displaced, at least temporarily).<sup>350</sup> Social and tribal structures are also

fractured after so many years of conflict.<sup>351</sup> But they still carry significant clout, and that can be a vital leverage in the fight against abusive armed groups and corruption. Involving local communities in places with greater security also has the potential to create a demonstration effect, as more difficult areas see practical evidence of what they are missing.

Three key elements are needed: a viable channel for fair redistribution; transparency and monitoring at a local level; and in some cases community ownership or legalised artisanal production. Firstly, for community participation to work effectively, the benefits they receive must be real enough to set against the incentives available under a strongman or insurgent group, and insulated enough from corruption to reach their intended target. This is not a simple task, but it is not impossible. The existing structure of the Community Development Councils (CDCs), which manages development money at village level under the National Solidarity Program (NSP), offers one obvious path for distributing funds equitably and relatively insulated against abuses.<sup>352</sup>

Transparency is also essential to allow a reliable estimate of how much is owed to communities – just

as it is to know how much is owed to the national treasury. Top-level transparency reforms can help here (see below). But these should also be linked to community monitoring of mining so there is a channel for locals to flag evidence of untaxed production or breaches in contract terms relating to the community. Integrity Watch Afghanistan has already created a pilot monitoring project building on the success of similar mechanisms for aid projects.<sup>353</sup>

Finally, another option to consider is community ownership of mines, or reform of artisanal mining, to allow small-scale miners to operate within a legal framework while ensuring some government revenue – although safeguards would be needed to prevent these mechanisms being hijacked or abused.

## CLEAN UP THE WIDER INDUSTRY

These local reforms need to be part of a systematic effort to reform Afghan mining more widely. It is difficult for example to imagine communities benefiting from mining if contracts are acquired through corruption, or the Ministry of Mines has no capacity to oversee them.



Afghan President Ashraf Ghani delivers a speech during the Brussels Conference on Afghanistan, October 5, 2016. Credit: Dursun Aydemir/Getty Images



Even if they did, the country as a whole would still suffer serious harm.

For this wider reform, three basic transparency measures are critical (and indeed the first two would be worth applying across all government procurement). First is contract transparency. Making extractive contracts publicly available is critical for accountability. But while the government has made multiple commitments on publication, and released many contracts, at least one possibly abusive deal was not among those released and there is uncertainty about what remains hidden.<sup>354</sup> A simple and effective way to deal with this would be to amend Afghan law so government contracts only become valid after they are made public.

Secondly, much of the corruption in Afghanistan’s extractive sector allegedly involves well-connected figures using illegitimate influence to control contracts, often secretly through third parties.<sup>355</sup> The government has made a very welcome commitment to creating a public register of the true, ‘beneficial’ owners of all companies contracting with the government, but it should go further and make this a condition of applying for or holding a mining license.

Perhaps most importantly, lack of transparency on extractive payments and production greatly undermines efforts to prevent corruption and tax losses. The government should amend the law both to require the publication of this information, and to establish a single transparent account for all natural resource payments. Use of the account should be a condition for funds to be registered as received. The sub-accounts already used by Afghan ministries provides a model for how to do this without undermining the central state revenue account, which could open up avenues for abuse.

These are particularly critical measures, but there are many others that could help. The government could move towards a licensing rather than bidding system to award concessions, and meanwhile reform contract allocation processes and mandate the use of model contracts (developed with public consultation and incorporating strong protections against corruption and conflict). Medium and large companies (especially SOEs) could be required to undergo annual public audits. Royalty rates could be more carefully calibrated to maximise revenue while ensuring legitimate companies are able to realistically apply for contracts. Making Afghanistan more attractive for investors can actually help the battle against corruption – if it is done the right way.

The flip side of this is that governance reforms can help attract legitimate investment, not deter it. To

benefit from its resources, Afghanistan wants to attract established international mining companies – precisely the ones who have a reputation to lose, and are likely to be deterred by abuses or links to armed groups. Imerys for example stated that they could consider re-engaging in Afghanistan “if a transparent and responsible supply chain for talc extraction, processing, and transport could be assured.”<sup>356</sup> There is no conflict between better governance and the development of Afghanistan’s extractives: on the contrary, the second is unlikely without the first.

Underlying all of these measures is the need for capacity and above all political will within the Afghan government. The Ghani administration has shown it understands the dangers of illegal mining. It has made a number of laudable commitments to reform, and has taken initial steps in some areas like beneficial ownership. It deserves support to continue these efforts. But the test is action, rather than words, and for now these critical reforms have not been put into practice: the upcoming revisions to the mining law will be a critical test. Three years into the Ghani administration, there are no more excuses for delay.

## THE ROLE OF THE INTERNATIONAL PARTNERS

While the Afghan government has the first responsibility for safeguarding its resources, Afghanistan’s partners can play a crucial role. Donor governments have supported the Ministry of Mines in the past, and some (notably the European Union) have raised extractive sector abuses at a political level. These efforts deserve recognition. But as a whole international engagement still does not reflect the seriousness of the issues at stake.

The US and UK both at one stage sent ambassadors to push for the government to speed up decisions on contracts: a level of engagement that would have been welcome on governance issues.<sup>357</sup> US President Trump’s first concern appears to be to secure a greater share for American companies in Afghanistan’s mineral wealth.<sup>358</sup> Donors have occasionally agreed broad benchmarks on extractive sector reform with the government, but have lagged on harder-edged measures, based either on results (like increasing mining sector revenue) or specific reforms.<sup>359</sup>

The issue is not resources: donors have invested around half a billion dollars in developing the sector since 2001.<sup>360</sup> [iv] But commercial development has been the priority, in a way that addressing corruption and conflict risks has not.<sup>361</sup> Almost 17 years on from

the US intervention, the result of this approach is that commercial development has stalled, Afghan oversight capacity is extremely weak, and revenues are a fraction of what they could be – leaving donor country taxpayers to cover the gap.<sup>362</sup>

### ***As a whole, donor efforts still fail to reflect the seriousness of the issues at stake.***

Afghanistan's partners should make the reform of the sector not just a development goal but a first-order political priority, embedded at the heart of the relationship with the Afghan government – ensuring strong support to their efforts, but also holding them to their (very welcome) commitments. They should continue practical support to the Ministry of Mines, but agree a common approach which prioritises oversight capacity and related processes (including information management) and sets hard-edged mutual benchmarks for reforms. As noted above, they should actively require their own companies to apply due diligence to resources imported from Afghanistan and Pakistan, and otherwise help the Afghan government control these supply chains. They should also use their intelligence and security resources to help monitor and prevent abuses.

## **FINAL WORD**

These are all fairly obvious steps that could have a material impact on abuses that are major driver of conflict in Afghanistan, a major resource for the Islamic State and the second largest source of funding for the Taliban. The lack of action on these issues in the past is striking given how much they threaten to undermine the vast investment of international manpower and money since 2001.

Again, the scale of the challenge is significant, and none of these recommendations offers a silver bullet. But even if the government cannot tackle illegal mining anywhere, they can move the ball. It is not hard for example to imagine a focus on security in a limited area – say the Ghunday mines – which can be used as a showcase and laboratory in which to implement reforms for transparency and local benefit. At the same time the government could restrict the trade from other areas, backed up by independent monitoring. This could even be linked to an outside or even international investment, so long as it did not undermine that local benefit.

The point is that while it is impossible to solve the problem of illegal mining overnight, there are ways forward. For both the government and its partners, it is time to confront the challenge so starkly embodied in the 'white mountains' of Nangarhar.

*These recommendations should be considered in conjunction with more detailed proposals set out in other Global Witness documents, including the policy briefing *Avoiding the Resource Curse*,<sup>363</sup> suggested amendments to the Mining Law developed in conjunction with Afghan and international civil society groups,<sup>364</sup> Global Witness technical notes (notably on the Mandatory Single Transparent Sub-Account for Extractives), and other documents.<sup>365</sup>*

## **RECOMMENDATIONS TO THE AFGHAN GOVERNMENT, PRESIDENT AND CHIEF EXECUTIVE**

### **1. Restrict illegal mining by armed groups in Nangarhar**

- Block the transfer of talc, chromite, marble and other minerals from areas of Nangarhar under the influence of illegal armed groups, while moving as quickly as possible to create the conditions for 'clean' extraction, even if this is initially in a limited area.
- Work with traders and communities to minimise and compensate for disruption to livelihoods as far as possible – so long as this does not undermine the effort to exclude armed groups or strongmen from the trade.
- Make it a higher priority within security strategy to protect key resource-rich areas and associated transit routes, including mining sites in Nangarhar but also other areas with a strong presence of ISKP, Taliban, or other armed groups (including 'pro-government' armed groups). Ensure security forces involved in these tasks have appropriate training and oversight and are rotated to reduce the possibility of involvement in abuses, and that security actions are strongly linked to governance and development measures like those outlined below.
- In general, tie enforcement and security actions to wider reforms and to negotiations with local communities, and prioritise political means where possible. If necessary, consider piloting reforms and security measures in a limited area before extending elsewhere.

**2. Give local communities reasons to support legal mining**

- Create effective mechanisms, embedded in law, for community share in legal revenues, community ownership of mines, and legalised artisanal mining.
- By spring 2019, put in place a mechanism to provide a share of the proceeds from legal mining to local communities in a given mining area. The level of funding and method of calculation should be developed with the aim of ensuring a sufficient benefit to have a realistic prospect of countering the attraction of illegal mining.
- Ensure local communities can control what projects their revenues are used for, under appropriate safeguards including transparency and community monitoring. As a first option, consider distributing the funds as a supplement to the budgets of Community Development Councils.
- Within Nangarhar, make community benefit from or ownership of mines a core element of wider efforts to reduce insurgent influence in the area.
- This should be linked to community monitoring of mines as a way of preventing abuses. The Afghan government should facilitate and empower an appropriate mechanism in consultation with local communities and civil society, building on the work Afghan civil society organisations have already done with community monitoring of mining and aid projects.<sup>366</sup>
- Explore mechanisms to legalise artisanal mining on a license basis to increase government revenues and create incentives for the exclusion of armed groups.

**3. Strengthen laws and oversight to make illegal mining harder and legal mining more attractive** Put in place basic transparency and oversight reforms to make abusive mining more difficult and create space for legal extraction that benefits the country and local communities.

- Within the next six months, amend the mining law and regulations in order to:
  - a. Make the publication of contracts a condition of their validity
  - b. Require the publication of production and payment data

- c. Require the creation of a single transparent sub-account of the Treasury Single Account, to be used for all extractive sector payments as a condition of their receipt, and published at least quarterly. The published statement must include clear identification of the relevant individual project for each payment, and information on the basis on which it was made, such as amount and grade of production. The sub-account would remain subject to the same control and oversight mechanisms as any other part of the Treasury Single Account.
- d. Create a public register of beneficial ownership, and require companies to register and update their entries as a condition of bidding for or holding government contracts.
- e. Require regular (at least annual) audits of medium and large extractive companies, including all State Owned Enterprises.
- f. Provide a legal basis for community monitoring, benefit and ownership.
- g. Require all contracts to contain precise coordinates for the mining area under license.
- Strengthen the oversight capacity and practices of the Ministry of Mines, particularly for information and contract management, cadastre, community relations, and inspection functions. Develop management capacity and mechanisms for artisanal and small-scale mining.
- Reform contracting processes to strengthen transparency and ensure companies are treated fairly. Amend the Afghan Mining law to require a transparent, fair and rigorous bidding process, in line with the Open Contracting Global Principles.<sup>367</sup>
- Move towards a license rather than contract model for extractive concessions. As an interim measure, mandate the use of model contracts incorporating the strongest available protections against corruption and conflict, developed in conjunction with civil society, local communities, and mining companies.

**4. Use satellite imagery to monitor key mining sites**

- Systematically monitor key mining sites using satellite imagery, including both optical and radar data. Make all images at commercially available resolutions automatically available to CSOs and the public to allow

transparent and broad-based monitoring of the sites, and share higher resolutions with established and reputable CSOs, including members of the EITI Multi-Stakeholder Group. Allow CSOs to flag particular sites for monitoring based on field research.

## 5. Control supply chains

- Tighten controls over movements of minerals through Torkham and other border crossings.
- Work with trade partners and consumer countries to put in place strong controls over supply chains from conflict affected areas, including a requirement for companies to carry out due diligence, at a minimum to the standard set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected High Risk Areas and in the United Nations Guiding Principles on Business and Human Rights.
- This requirement should cover companies linked directly or indirectly to supply chains carrying minerals from Afghanistan, or minerals that risk originating from these regions (regardless of where the seller claims they are from) – for example because they are traded from known hubs for the illegal trade such as Peshawar.
- Responsibility for due diligence should include local as well as international companies, and extend to significant investors and financial backers of extractive projects. Due diligence efforts should be publicly reported.
- Work with the international community to develop strong traceability systems to ensure the integrity of the minerals export trade.

## RECOMMENDATIONS TO AFGHANISTAN'S INTERNATIONAL PARTNERS

### 1. Support Afghan efforts to strengthen resource governance

- Provide full material and political support for government reforms of extractive sector governance, notably the mining-related measures discussed in the National Anti-Corruption action plan and the reform of the Ministry of Mines.

- Make the strengthening of oversight, governance and conflict prevention the explicit strategic priority for this support to the Ministry of Mines and the Afghan government. Coordinate programs across donors to ensure that all aspects of this agenda are adequately covered without duplication.
- Provide or fund the acquisition of high-resolution satellite imagery for monitoring of key extractive sites by the Afghan government as set out above, and direct your own intelligence resources to exposing and understanding natural resource flows linked to armed groups.
- All importing countries for Afghan minerals, oil and gas should commit to requiring that companies carry out risk assessment and due diligence on their supply chains, at a minimum to the standard set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected High Risk Areas and in the United Nations Guiding Principles on Business and Human Rights.

### 2. Make stronger resource governance a key priority for your engagement with Afghanistan

- Integrate a limited set of the most important extractive governance reforms into core benchmarks for mutual accountability between the Afghan government and its partners.
- Agree a single common set of more detailed benchmarks for donor support to the Ministry of Mines.
- Hold the Afghan government to its existing commitments to strengthen natural resource governance, and raise the need for urgent reforms through political engagement at the highest level.
- Avoid creating any pressure for new natural resource contracts in areas that are at elevated risk from conflict or armed groups, or before basic protections (including the transparency and community measures set out above) have become effective. Focus engagement in Afghanistan on achieving these conditions as rapidly as possible.

## Glossary and acronyms

AAN	Afghanistan Analysts Network, an independent non-profit policy research and analysis organization based in Kabul.
Abrak (Mica)	Pashto for Mica, a name given to any group of hydrous potassium aluminium silicate minerals, which are physically and chemically similar. They are known as sheet silicates because they form distinct layers.
Afghan Local Police	A local defence militia force established by the Afghan government with international funding.
Al Qaeda	Al-Qaeda is a militant organisation founded in the 1980s, which began as a logistical network to support Muslims fighting against the Soviet Union during the Afghan war (1979-1989). It attracts volunteer fighters from around the world and is supported by wealthy financiers in Saudi Arabia and the Persian Gulf states.
Ba'yat	An oath of allegiance.
Chromite	Chromite is a heavy, dark mineral, globally important as the only economic ore of chromium, which is widely used as an essential element in the production of stainless steel and other steel alloys.
CSO	Civil Society Organisation.
Community Development Councils (CDC)	Community Development Council (CDC) are a democratically elected body in the community level in Afghanistan. They were introduced through National Solidarity Program (NSP). The key objective of NSP is to build, strengthen and maintain Community Development Councils as effective institutions for local governance and social development through planning and implementation of development projects.
Daesh	Daesh is an Arabic acronym for the Islamic State, formed from the initial letters of the group's previous name in Arabic: "al-Dawla al-Islamiya fil Iraq wa al-Sham."
Diwan	A central finance department, chief administrative office, or regional governing body in Islamic societies.
EITI	Extractive Industries Transparency Initiative aims to promote the open and accountable management of oil, gas and mineral resources.
FATA	Federally Administered Tribal Areas.
Hazara	An ethnolinguistic group, predominantly Shiite in faith, that is present in central Afghanistan and northern Pakistan.
IWA	Integrity Watch Afghanistan, an Afghan non-governmental organization that works to increase transparency, integrity and accountability.
Islamic Movement of Uzbekistan (IMU)	A militant Islamic group that was formed in 1998 that traces its ideological roots to a radical interpretation of Sunni Islam and Pan-Islamism, which advocates the unity of all Muslims under one Islamic state or Caliphate based on Sharia law. The group was founded by Tahir Yuldashev, and Juma Namangani, a former Soviet paratrooper — both were ethnic Uzbeks. IMU Its original objective was to overthrow President Islam Karimov of Uzbekistan, and to create an Islamic state under Sharia, however, in subsequent years, it realigned itself as an ally of al-Qaeda and the Taliban.

Islamic State – Khorasan Province (ISKP)	Islamic State in the Khorasan Province was established in 2015, and is Islamic State’s official affiliate in Afghanistan.
Islamic State in Iraq and al Sham (ISIS)	The original name for the group in Arabic was Al-Dawla Al-Islamiya fi al-Iraq wa al-Sham. The first three words translate to the Islamic State of Iraq while “al-Sham” refers to Syria and the wider surrounding area.
Kaldar	A colloquial term for the Pakistani rupee
Kurram Agency	Kurram is a Tribal Agency area, one of the Federally Administered Tribal Areas of north-western Pakistan.
Lapis Lazuli	Lapis for short, this is a deep blue metamorphic rock used as a semi-precious stone that has been prized since antiquity for its intense colour.
Madrassa	A school offering religious-based instruction focusing on the Koran and Islamic texts, at both the primary and secondary levels
Malek	The leader of a town or community in some parts of Asia and the Indian subcontinent.
MPF	Mining Protection Force, a government force responsible for protecting mining sites.
Momand valley	Valley in Achin district of Nangarhar, a stronghold of ISKP in Afghanistan. Should not be confused with either the Mohmand Agency, one of Pakistan’s Federally Administered Tribal Areas, or Momand Dara district of Afghanistan’s Nangarhar province.
MoMP	Afghan Ministry of Mines and Petroleum.
Mujahed	A person who strives or fights in support of Islam; specifically an Islamic fundamentalist guerrilla. Plural is Mujahedeen.
Munshi	A word often used in South Asia to refer to a secretary or assistant.
National Solidarity Program (NSP)	The Afghan National Solidarity Programme (NSP) is an initiative by the government of Afghanistan which aims to rehabilitate and develop around 5 000 villages across the country. It aims to develop local democratically elected institutions that will identify, plan and manage local reconstruction. The programme has received \$600 million funding over three years.
Nephrite	A hard, pale green or white mineral which is one of the forms of jade. It is a silicate of calcium and magnesium.
Operation Hamza	Launched in April 2017 by Afghan Special Forces in cooperation with foreign troops, Operation Hamza was a ten-day operation by ground troops in the Achin and Kot districts of Afghanistan.
Pashtun	A member of a Pashto-speaking people inhabiting southern Afghanistan and north-western Pakistan.
Shia	One of the two main branches of Islam, followed by about a tenth of Muslims, especially in Iran, that rejects the first three Sunni caliphs and regards Ali, the fourth caliph, as Muhammad’s first true successor.
Sunni	One of the two main branches of Islam, commonly described as orthodox, and differing from Shia in its understanding of the Sunna and in its acceptance of the first three caliphs.

SAR	Synthetic Aperture Radar, a form of radar that is used to create two or three-dimensional images of objects and can be used to identify areas where significant volumes of minerals or earth have been removed.
Talc	Talc is the softest mineral known to man. The name is of Persian origin, possibly reflecting the long history of talc mining in Afghanistan and the region. Usually processed into a fine white powder, it easily absorbs moisture and oils, and can serve as a lubricant. Perhaps best known for its use in talcum powder or baby powder, it also has important applications in ceramics, paint, paper, roofing materials, plastics, rubber, insecticides, and other products.
Taliban	A religious and military group that emerged in the early 1990s in northern Pakistan following the withdrawal of Soviet troops from Afghanistan. Following an extreme form of Sunni Islam, they have been linked to financiers in Saudi Arabia and operate across the border regions of Pakistan and Afghanistan.
Tehreek e Taliban (TTP)	The Tehreek e Taliban Pakistan (TTP) is the largest militant umbrella organization in Pakistan. The organization formed under Baitullah Mehsud in 2007. It is a subset of the Pakistani Taliban, which includes most, but not all, of the Pakistani Taliban groups.
Tourmaline	A crystalline boron silicate mineral compounded with elements such as aluminium, iron, magnesium, sodium, lithium, or potassium. <i>Tourmaline</i> is classified as a semi-precious stone and the gemstone comes in a wide variety of colours.
USGS	The United States Geological Survey.
USIP	United States Institute for Peace.
Ushr	An Islamic tax, usually on the harvests of irrigated land, harvest from rain-watered land and on land dependent on well water.
Wilayat	An administrative division, usually understood as a ‘state’ or ‘provenance’
Zakat	An Islamic tax and one of the five pillars of Islam. It is only imposed on Muslims. It is generally described as a tax on savings to be donated to the Muslim poor and needy.
Zulm	The Arabic word used interchangeably for cruelty or unjust acts of exploitation, oppression, and wrongdoing, whereby a person either deprives others of their rights or does not fulfil his obligations towards them.

## Annex A: how big is the trade?

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Data on mining in Afghanistan can be difficult to obtain and can be unreliable, given the presumed scale of the illegal trade and the incentives to under-declare the value and amount of exports. That certainly applies to the trade in talc, chromite and marble.

### TALC

A Ministry of Mines study on the talc supply chain found around 500,000 tons were exported in from March 2017-March 2018 (the year 1396 in the Afghan calendar).<sup>368</sup> This was supported by a well-informed leading member of the Nangarhar talc traders, who reported that "in general we export 400,000 to 500,000 metric tons per year."<sup>369</sup> Another trader said that 45 registered talc companies exported about 100 trucks per day through Torkham (a figure echoed by Matt DuPée's sources, though there was a more mixed picture from our few data points on production at individual mines).<sup>370</sup> This would amount to almost 1.5m tons a year if the traffic was always consistent. That seems unlikely, but the source also put the total extraction of talc at 2000 tons a day, which would give a more modest total of about 730,000 tons a year. If that applied just two days in three it would be equivalent to about 486,000 tons.

Meanwhile Chatham House's [resourcetrade.earth](http://resourcetrade.earth) database lists Afghan talc exports to all countries at 561,430 tons of talc in 2016, the most recent available year.<sup>371</sup> The figures for earlier years are much lower, apart from 487,256 tons in 2014, but this could be due to deficiencies in the data (as well as the temporary 2015 ban): one source put the total at possibly in excess of 300,000 tons as early as 2012.<sup>372</sup>

In terms of production, a Ministry of Mines questionnaire to mining companies indicated a figure of around 1.5m tons over the 3-year period of March 2015-March 2018 – and the Ministry said companies were "conservative" in their answers. As the report noted, this number "is clearly different from the figures of exported talc during this specific period," which officially totalled just 715,000 tons.<sup>373</sup>

Some difference between production and exports may be understandable: the government's 2015 ban on unprocessed talc exports for example reportedly led to significant stockpiling.<sup>374</sup> One would expect this to have corrected itself after the ban was effectively lifted (and to have bumped the 2016 figures for exports above

actual production), but it is possible the formal ban on unprocessed exports is still pushing some talc to the stockpiles. But a stronger explanation may be that the amount of export is significantly understated, given the bypassing of government weighing stations and the incentives for traders to minimise the volume on which they pay tax. Indeed some reports talk of as much as a million tons of extraction in less than a year.<sup>375</sup> Given all this, a figure of around 500,000 tons of production in each of the last two years (2016 and 2017) seems a reasonable estimate, although a clearly conservative one: it is possible the true figure is significantly more.

Prices for talc cited by our sources vary very significantly. The Ministry of Mines reported that the average purchase price for talc inside Afghanistan was around \$60 a ton (although the average price for customs receipts was just \$14 – a clear red flag for corruption).<sup>376</sup> The price of unprocessed talc in the data from [resourcetrade.earth](http://resourcetrade.earth) is just \$46 a ton for 2016 (the most recent available figures), although it is unclear if this might be affected by the same issue of under-valuing.<sup>377</sup> In previous years back to 2012 the official record varies from \$65 to \$80 a ton. Le Monde reported mine-gate prices of \$40-\$60 a ton.<sup>378</sup> All these contrasts sharply with the figures for 2016 unprocessed talc exports from Pakistan, which vary from about \$110 to \$275, with an average of just under \$190.<sup>379</sup> Internationally, Afghan talc is advertised on the trading website [Alibaba.com](http://Alibaba.com) at around \$150-\$300.<sup>380</sup>

### CHROMITE

The average price for chromite exported from Afghanistan between 2012 and 2016 was \$262 per ton, according to the [resourcetrade.earth](http://resourcetrade.earth) statistics, with variance between \$189 and \$330.<sup>381</sup> The same source gave an average of \$236 per ton for exports from Pakistan: it is unclear why it would be less, although it is possible that Pakistani chromite is of lower purity.

### MARBLE

The average price for crude marble exported from Afghanistan to Pakistan in 2016 was \$115 a ton, according to [resourcetrade.earth](http://resourcetrade.earth). But overall crude marble exports were valued at \$259 per ton – a reflection of the much higher value of the Afghan marble going to Italy. However, it should be noted that the data appears to be incomplete, with only 3,300 tons of exports noted.



## Annex B: Funding ISKP

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Estimating the total revenue that ISKP earns from mining with any accuracy is difficult. While a rough indication of the scale of the trade can be calculated from our sources, the uncertainty created by the satellite data in particular makes it harder to fix a definitive figure.

One element of revenue over which there is little doubt is from the liquidation of the stockpile at Shadal in early 2017. One local source reported that ISKP took Rs6,000 (\$57) per large truck, and estimated that “more than 300” truckloads were loaded, with 80-100 leaving per day and an average load of 40-50 tons.<sup>382</sup> This certainly seems possible given the number of trucks visible in the satellite imagery. Another put the figure at Rs7,000 (\$67).<sup>383</sup>

That level of taxation is modest: just \$57-\$67 per truck. If there were indeed around 300 truckloads, that would mean a little over \$17,000-\$20,100 in revenue – not a significant amount. The local source claimed that the Taliban collected a similar amount when they controlled the area (in addition to rent from the mines). But another source with direct information said the Taliban had charged Rs25,000 (\$238) per truck, and it is interesting how this matches the taxes collected by the Taliban in Sherzad and Khogyani, which averaged about Rs750 (\$7.14) a ton, with Rs35,000 paid for the largest loads of 40-50 tons (see main text above).<sup>384</sup> But even this would imply a revenue of no more than about \$100,000, from the one-off liquidation of a significant stockpile.

It is highly likely that the Islamic State have made at least something from the actual extraction of talc, marble or chromite since they took over in May 2015. If we simply take the sources who claimed active extraction was taking place, the total would be in the millions of dollars a year.

As noted above, our sources mentioned half a dozen mine sites around the Momand valley in Achin and nearby areas of Kot: Nargesai (talc and chromite) Sangorai (talc and chromite), Ai Tang (talc, chromite, marble), Shne Kanda (marble), Lagharjo (marble), and Yanak (marble and chromite). Of these only three were mentioned by at least two sources, so we will focus on them.

One source was able to obtain information that an estimated overall total of eight to ten trucks a day were going from the 15-20 individual mines at one of these three sites when it was active, carrying talc and chromite in roughly even quantities – so at least four truckloads of

each.<sup>385</sup> These were six-wheel trucks, with a load which the source put at eight to ten tons. Another source gave a more conservative figure for the same site, of a minimum of 24 trucks for talc and chromite combined over 10 days from 8 mines.<sup>386</sup> These were also 6-wheelers, though the source put their average load at six to seven tons, with talc accounting for a little more than chromite overall. Part of the difference may reflect the fact that the names of the sites refer to general areas rather than clearly defined concessions. (It is also not entirely clear which of the multiple mining areas visible on the satellite images would be referred to under which name, as different villages are usually close enough to be potentially associated with several of them.)

Meanwhile a third source reported that talc extraction at a second mining area was four six-wheel trucks a day, with a load estimated at seven to ten tons.<sup>387</sup> He did not make clear how many individual mines this was from, but this is broadly in line with the others’ estimate for the first site.<sup>388</sup>

For a conservative approach to our estimate, we will take the lower end of the range of figures and apply a further discount to allow for inadvertent exaggeration and possible gaps in production. A reasonable rough assumption might be an average of 2.5 trucks a day of talc and two of chromite from the first site, with a load of 6 tons. If we assume the mine is active on average just 4 days a week,<sup>389</sup> this gives us a total monthly production of 260 tons of talc and 208 tons of chromite.<sup>390</sup> If we assume a 6-ton load and four trucks a day from the second site, that is another 416 tons of talc a month.<sup>391</sup>

That accounts for two of the three mining areas for talc and one of the three sites for chromite. If we take the average of the two figures for talc output from the first two sites (338 tons) and apply it to the third talc site, this would give us just over 1,000 tons a month in total. But the number of mines at the third site was reported to be less than at the first two. To reflect this, we reduce the estimate for the third site by a third, to 225 tons a month, giving us an overall total of around 900 tons of talc a month, or 10,800 tons a year.

For chromite, if we conservatively assume that the two sites we have yet to account for produce only half as much mineral per day, this gives us another 208 tons a month, for a total of 416 tons of chromite a month (4,992 tons a year).

The value of this cargo at the mine site also needs some thought. The average price for talc exported from Afghanistan according to the Ministry of Mines is \$60 ton, although the *resourcetrade.earth* website produces an average of around \$46 per ton.<sup>392</sup> We will conservatively assume a mine price of \$40, in line with the lower end of the *Le Monde* estimate.<sup>393</sup> For chromite, we will take the average *resourcetrade.earth* price of \$262, and halve to \$130, to very conservatively account for the price likely being significantly lower at the mine. This gives us overall ballpark figures of \$432,000 a year for talc (10,800 tons at \$40 a ton) and \$648,960 for chromite (4,992 tons at \$130 a ton), for a total of \$1.08m.

This leaves out marble, which a source reported was also extracted in significant quantities in at least one of the three mining areas, roughly 60-72 tons a day.<sup>394</sup> Reducing this by a third to allow for natural variation gives 40-48 tons a day. At four days a week that would mean something like 700 tons of marble a month or 8,320 tons a year, if we take the lower end of the range. Afghan marble exported to Pakistan is valued at \$115 (see annex A). If we take a price of \$60 a ton to reflect mine-gate prices this would mean revenues of about \$500,000 a year. Given this is from one site, and the source reported marble mining in four sites in total, it seems reasonable to assume that total revenue from marble might be at least in the region of \$1m a year. That would bring overall revenues a little above \$2m.

This ignores the cost of production borne by the Islamic State: unlike the Taliban's franchise model, it

is presumed that ISKP's direct control would generally leave them to bear the burden of production themselves (even if there are occasional exceptions, as noted above). Those costs are hard to quantify, but it seems fair to assume they are not more than 50% of revenue. That would still leave the Islamic State with around \$1m in profit over the course of a year.

This estimate leaves out the possibility of other talc sites, along with timber and mines reported to exploit more expensive minerals like tourmaline. The real revenue could plausibly be significantly higher. We have also left out revenue from other districts and provinces, of course, where some sources indicated that active mines were under ISKP control. And we have not attempted to account for *ushr* and *zakat* taxes on non-ISKP individuals or companies profiting from the mines – which could be significant. In other areas, the Taliban have been known to tax the trade at a rate of up to 20%.<sup>395</sup>

However, given the uncertainties around the calculation, and the ambiguous evidence from the satellite data, it may be best, even with our cautious assumptions, to simply state that ISKP revenue from mining in Nangarhar could be anywhere from the high tens of thousands to the low millions of dollars a year, with 'somewhere in the hundreds of thousands' a plausible mid-range. That may not seem like much, but given that the lowest estimates suggest the movement may have fewer than 1000 fighters across the whole country, even this could represent a significant source of funding.<sup>396</sup>

## Annex C: Funding the Taliban

It is difficult to calculate just how much revenue the Taliban make from extractives in Nangarhar with any accuracy, but we can attempt to define a likely range.

Existing estimates offer one starting point. One CSO report of \$46m a year is impossible to verify, and so has to be discounted. A report from an "international organisation" cited in *Le Monde* put the total revenue of the Taliban from the province's talc trade alone at around \$22m in 2014, but again the basis for the calculation is unclear.<sup>397</sup> The Sherzad District Governor's estimate amounts to a much more modest figure, around \$1.36m from his district alone: if one assumes income from Khogyani and other districts would be at least this much, this would amount to about \$2.7m a year.<sup>398</sup> An Afghan researcher reported an estimate from the head of the

Nangarhar office of the Ministry of Mines of Rs400,000 (\$3,809) daily just from talc, equivalent to about \$1.4m a year.<sup>399</sup> Finally, a former senior police officer from the province reported that the Taliban were making around Rs30m (\$285,714) a month from talc, generated by a toll of Rs 100,000 on each trailer-load.<sup>400</sup> That is equivalent to \$3.43m a year (that figure is very conservative if the toll was really that high, although it fits well with a toll closer to the average from our other sources - see below)<sup>401</sup>.

None of these estimates are ideal, but coming up with an alternative is not straightforward. Our Taliban source might be the best bet. His figure of Rs500,000-Rs1.2m (\$4,762-\$11,429) a day put the movement's income at \$1.74m-\$4.17m a year for the Ghunday mines alone. Again, as a very rough rule of thumb one might assume that the

movement would at a minimum receive the same again from other mines in Sherzad and Khogyani (like Ladabagh), for a figure of \$3.48m-\$8.34m a year. The lower end of the range would take into account that the “daily” revenue may very likely not have been collected every single day.

Another route is to consider the data on the three main forms of Taliban revenue: direct mining income, mine rents, and transit tolls. First, as noted above, the Taliban are reported to have extracted talc directly. It is impossible to say what percentage of mines would be exploited this way, but if we assume that they account for just 10% of production, then this would mean 50,000 tons. If this production is sold at a price of \$45 a ton (close to the minimum figure we saw of \$40 a ton), it would generate \$2.25m. Of course, the Taliban would have to bear production costs, but if we assume they are no more than 50% of revenue, that would still leave them with \$1.125m from talc alone (rounded to \$1.13m).

For mine rents, our figures from Ghunday give us a starting point. But they are quite far apart. One source alleged \$28,571 a month from two mines, another reported \$952-\$1,428 from one.<sup>402</sup> The second of these figures seems low compared to the rate seen in the purported Taliban contract (see Annex D). But given Matt DuPée also reported a figure for talc mine rent of \$10,000 a year, we will nonetheless weight our estimate strongly towards the lower end of the range. If we take the average of the three figures (using a mid-range where needed), we get \$5,436 a month per mine. If we give the lower figures five times as much weight as the higher one, this comes down to \$2,218.<sup>403</sup>

Without reliable data on the size or the overall number of such mines, it is difficult to extrapolate what that means for overall income. Our rough satellite analysis of 16 mining areas in Ghunday/Markikhel and Ladabagh does not account for mines in other areas, or for multiple operations at the larger sites, and includes all visible mines, not just talc.<sup>404</sup> The number of unregistered mines is unknown. The sites may be of different sizes, but if we assumed that at a minimum there are the equivalent of 40 talc sites in Nangarhar paying this level of rent, that would generate an annual revenue of a little over \$1m.

Finally, the tolls charged varied, but it seems defensible to assume an average rate of about Rs750 (\$7.14) per ton. This is based on a conservative average of our data on the tolls (as set out in the main text above), but it is also closest to the figures we got from two sources for the largest trucks. (Two other sources mentioned a higher toll for these trucks, as did other sources in relation for smaller vehicles; while only a couple of sources suggested lower rates).<sup>405</sup> Of course, some trucks may have avoided

tolls (though those would be mainly the ones carrying production which was extracted by the Taliban or by miners directly renting the mines, which would mean that the Taliban income on it was not zero). But if we simply take our assumption of 500,000 tons of annual production of talc, we get a total revenue of \$3.57m, for talc alone.

The difficulty is that the balance between these three forms of income is very difficult to assess. We do not know how many mines exist in total, or how many are Taliban operated and how many rented (or how many might avoid paying rent at all, given the one mine a source claimed was out of their control – though from the testimony we have discussed above it is very few if any). We don’t know how much talc the businessmen who rented mines sold to other traders and how much they shipped themselves, or how much road toll was paid on their own production.

Despite this, perhaps it is possible to suggest a reasonably plausible scenario. If we assume that just 10% of production comes from mines the Taliban exploits directly, this gives us \$1.13m a year in revenue, as set out above. We then assume the remaining 90% of production is divided over the equivalent of 36 remaining mines that pay an average of \$2,218 in rent each a month. This accounts for about another \$958,000 a year. We then assume that 50% of the production of these mines pays road tolls, at the estimated rate of Rs750 (\$7.14) a ton, which seems reasonable given the number of sources that reported trucks paying the fees. That makes a total of another \$1.6m. All in all, this would amount to \$3.7m. If we allow a margin of plus or minus a third to reflect the uncertainty in the data, this gives us a range of about \$2.5-\$5m. This of course leaves out any revenue from *ushr* and *zakat* on individuals involved in the mining (which is potentially significant), as well as even nominal road tolls on talc from mines either controlled by the Taliban or paying rent to them. Given this, and the broad assumptions involved, it seems appropriate to round to the nearest million, and simply say we estimate the Taliban are making somewhere in the region of \$4m a year.

As a final gut check, this figure appears plausible against the wider picture of the talc industry: it would amount to a little over 10% of the total value of talc produced in Afghanistan (albeit based on official statistics which may understate the trade), which is less than some reports of the Taliban take from other resources.<sup>406</sup> Again, other methods could produce significantly higher totals. If for example we simply accepted the report from a former senior police officer that the Taliban made Rs100,000 (\$952) from each truck, this would give us more than \$10m a year in revenue (or even more if we take higher estimates of the size of the trade). But given the uncertainties involved, it is probably better to be cautious.

## Annex D: A Taliban mining contract

*This is an anonymised and annotated translation of a purported Taliban mining contract. The contract was received from a Taliban source, although we were unable to otherwise independently corroborate it. It is thought to be for onyx marble, which is valued at up to \$3,000 per ton.<sup>407</sup> This would make the tax rate (\$571 per ton) around 20%, which is high to raise some questions, but seems within plausible limits, given reported Taliban tax rates charged elsewhere.<sup>408</sup> It is unclear which location the contract covers.*

### MINING COMMISSION

**Date: XX/XX/2015 [Date anonymised]**

- 1) Per ton: 60,000 [likely Pakistani rupees, around \$571]
  - 2) This contract is only for a period of one year only. The contract for next year will belong to the [Taliban] mining commission despite their [the mining company's] work, whether they have done a large amount or less amount.
  - 3) The contractor cannot cancel the contract before the expiry date
  - 4) The contractor at first pays (?) rupees, however this amount is going to be calculated within the main revenue
  - 5) The work will need to be started in a month time, if this is not done the commission has the ability to cancel the contract
  - 6) The responsibility of the contract is upon the contractor, indeed all the shareholders must agree to the [Taliban] mining commission and if the shareholders get into a dispute then the commission has the right to take the contract away from them and give it to someone else
  - 7) The contractor cannot give a part of the mine or the entire mine to someone else in order to make extra profit
  - 8) Extraction should be done in an appropriate and suitable way and no waste should be made
  - 9) The extraction should be done in the specific area where it is supposed to be, and no right is given to extract any other mines in any other areas
  - 10) The contractor is responsible for extracting at least 20 tons or more per day. If there are no security issues or natural disasters they can extract more
  - 11) The extracted mines revenue should be paid in the current month whether the goods have been sold or not
  - 12) The goods will get weighed in a city that is closest to the area in Pakistan with the attendance of both sides
  - 13) The contractors need to vacate all their equipment from the mine before the end of the year and should clear all their accounts
  - 14) Those goods that are transferred are the responsibility of the contractors and not the mining commission
  - 15) In the case that the area is taken over by the government, the contract will be in its place but before starting the work the agreed contract amount should be paid to the commission.
  - 16) The responsibility of contractor is to deal with Pakistan and Afghanistan governments, commission has no responsibility.
  - 17) Mining Commission has the right to add any shareholders to the mine and the traders do not have the right to complain.
  - 18) The Islamic Government Mujahedeen will support the contractors by not causing any harm to their goods, equipment and personnel.
  - 19) If the contractor disobeys from rules and regulation of the contract, the commission has the right to terminate their contract
  - 20) Both sides will commit to their contract and not cause any issues.
- Signed by XXXXXX [Taliban official, name anonymised] (responsible for the contract).
- And responsible person of the mining [company]

## Annex E: Additional satellite images

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Part of Shadal village, showing dark mounds which could be interpreted as mineral stockpiles, likely of chromite, October 25, 2017. The white areas are the remains of large talc stockpiles.



Another image of Shadal from April 6, 2018, showing changes to the same dark mounds – possibly a sign of mining activity in the area.



A possible talc stockpile (or small mine site) near Nargesai village, Achin, November 17, 2017.



This image shows the sole evidence we could find of vehicles in a mosaic satellite image from Achin's Momand valley, dated August 13, 2014 (a time when mining was almost certainly taking place in the area). The dark dot and rectangle in the centre of the image may - or may not - be a truck.



A mine site near Ladabagh, Sherzad district, November 6, 2017.



Mines and talc stockpiles near Ladabagh, Sherzad district, November 6, 2017.

# Endnotes

- 1 Details on the background of ISKP and their competition with the Taliban are set out later in the main text.
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- 8 Harleen Gambhir, ‘ISIS in Afghanistan’, Institute for the Study of War, December 3, 2015 [http://www.understandingwar.org/sites/default/files/ISIS%20in%20Afghanistan\\_2.pdf](http://www.understandingwar.org/sites/default/files/ISIS%20in%20Afghanistan_2.pdf)
- 9 Lizzie Dearden, ‘Isis vs Islamic State vs Isil vs Daesh: What do the different names mean – and why does it matter?’, The Independent, September 23, 2014 <http://www.independent.co.uk/news/world/middle-east/isis-vs-islamic-state-vs-isil-vs-daesh-what-do-the-different-names-mean-9750629.html>
- 10 The most comprehensive list of names was from the IMMAP Oasis software, which includes some geographic features but is mainly made up of settlement names.
- 11 Almost all our sources expressed prices in terms of Pakistani rupees.
- 12 ‘XE Currency Charts: USD to PKR’, XE.com <http://www.xe.com/currencycharts/?from=USD&to=PKR&view=5Y>
- 13 ‘XE Currency Charts: USD to AFDN’, XE.com <http://www.xe.com/currencycharts/?from=USD&to=AFDN&view=5Y>
- 14 While two of our sources mentioned tourmaline or a mineral that could be tourmaline, they did not present it as a major focus for extraction, and other sources did not mention its presence. See ‘The Threat on the Ground’, below.
- 15 ‘The Mineral Talc’, Minerals.net, <http://www.minerals.net/mineral/talc.aspx>
- 16 ‘Talc’, Etymology Online <http://www.etymonline.com/index.php?term=talc>
- 17 ‘Talc: the softest mineral’, Geology.com <http://geology.com/minerals/talc.shtml>
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- 19 Ian Wilson, ‘Global Talc Markets’
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- 23 ‘Mineral Commodity Summaries: Chromium’, United States Geological Survey, January 2018, pp 46-47 <https://minerals.usgs.gov/minerals/pubs/commodity/chromium/mcs-2018-chrom.pdf>
- 24 Golnar Monetvalli, ‘Afghanistan sees great white hope in marble sector’, Reuters, April 21, 2010 <https://www.reuters.com/article/us-afghanistan-marble-idUS-TRE63K00C20100421>; ‘Marbles of Afghanistan’, Ministry of Mines and Petroleum of the Islamic Republic of Afghanistan, January 2014 [http://www.mom.gov.af/Content/files/MoMP\\_MARBLE\\_Midas\\_Jan\\_2014\\_NEW.pdf](http://www.mom.gov.af/Content/files/MoMP_MARBLE_Midas_Jan_2014_NEW.pdf)
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- 26 The movement headed by Abu Bakr al-Baghdadi generally refers to itself as the Islamic State, though other terms are often used. They include ISIS (the Islamic State in Iraq and Al-Shams, roughly corresponding to the area known as the Levant), ISIL (the Islamic State in Iraq and the Levant), and Daesh (from the Arabic acronym for Islamic State – the term preferred by many observers who wish to avoid legitimising the movement, as it has negative connotations in Arabic). The movement’s claim to represent a new Islamic Caliphate is abhorrent to many within Islam.
- 27 ‘Mapping the emergence of the Islamic State in Afghanistan’, Long War Journal, March 5, 2015 <https://www.longwarjournal.org/archives/2015/03/mapping-the-emergence-of-the-islamic-state-in-afghanistan.php>
- 28 Historic Khorasan includes parts of Iran, Afghanistan and Turkmenistan, and some definitions of the term include Pakistan. Adam Taylor, ‘The strange story behind the ‘Khorasan’ group’s name’, Washington Post, September 25, 2014 [https://www.washingtonpost.com/news/worldviews/wp/2014/09/25/the-strange-story-behind-the-khorasan-groups-name/?utm\\_term=.6ac9453709a7](https://www.washingtonpost.com/news/worldviews/wp/2014/09/25/the-strange-story-behind-the-khorasan-groups-name/?utm_term=.6ac9453709a7); Seth Jones, James Dobbins, Daniel Byman, Christopher Chivvis, Ben Connable, Jeffrey Martini, Eric Robinson, and Nathan Chandler, ‘Rolling back the Islamic State’, RAND Corporation, 2017 p 153 [https://www.rand.org/content/dam/rand/pubs/research\\_reports/RR1900/RR1912/RAND\\_RR1912.pdf](https://www.rand.org/content/dam/rand/pubs/research_reports/RR1900/RR1912/RAND_RR1912.pdf)
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- 31 Harleen Gambhir, ‘ISIS in Afghanistan’, p 2
- 32 It was not until September 2015 that ISKP began attacking Afghan government and international targets. Harleen Gambhir, ‘ISIS in Afghanistan’, p 3; Bill Roggio, ‘Afghanistan’s terrorist resurgence: Al Qaeda, ISIS, and beyond’, Long War Journal, April 27, 2017 <https://www.longwarjournal.org/archives/2017/04/afghanistans-terrorist-resurgence-al-qaeda-isis-and-beyond.php>
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- 34 The Institute for the Study of War refers to commanders pledging allegiance from Kunar, Nangarhar, and Logar – presumably meaning defectors from the Taleban rather than TTP. As the United States Institute for Peace notes, ISKP appointed recruiters in nine other provinces beyond these core provinces. Four of these (Kunduz, Samangan, Sar-e Pol, and Faryab) are in northern Afghanistan: “perhaps a telling allocation of resources, and an indication that [ISKP]’s strategy is to recruit outside of traditional Taliban areas of influence and move northward from their current base along the Afghanistan-Pakistan (Af-Pak) border through northern Afghanistan into Central Asia.” Casey Garret Johnson, ‘The rise and stall of the Islamic State in Afghanistan’, United States Institute for Peace, November 2016, p 3 <https://www.usip.org/publications/2016/11/rise-and-stall-islamic-state-afghanistan>; Harleen Gambhir, ‘ISIS in Afghanistan’, p 4; Lauren McNally, Alex Amiral, Marvin Weinbaum, and Antoun Issa, ‘The Islamic State in Afghanistan: Examining its Threat to Stability’, Middle East Institute, May 2016, p 3 [https://www.mei.edu/sites/default/files/publications/FF12\\_McNallyAmiral\\_ISISAfghan\\_web.pdf](https://www.mei.edu/sites/default/files/publications/FF12_McNallyAmiral_ISISAfghan_web.pdf); Casey Garret Johnson, ‘The rise and stall of the Islamic State in Afghanistan’, United States Institute for Peace, November 2016, p 3
- 35 Other individual commanders had pledged loyalty or support to the Islamic State before July 2015, but statement in July 2015 from the IMU’s spiritual leader Usman Ghazi was a formal commitment on behalf of the whole organisation. Edward Lemon, ‘IMU pledges allegiance to Islamic State’, Eurasianet, August 1, 2015 <http://www.eurasianet.org/node/74471>
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- 37 A Russian estimate of 10,000 fighters overall is contested, while an American figure of 600 is likely out of date, even if it was not over-optimistic to begin with. Noor Zahid, ‘A Look at Islamic State’s Operations in Afghanistan’, Voice of America, April 29, 2017 <https://www.voanews.com/a/a-look-at-is-operation-in-afghanistan/3831169.html>; Lauren McNally, Alex Amiral, Marvin Weinbaum, and Antoun Issa, ‘The Islamic State in Afghanistan: Examining its Threat to Stability’, p 6; Casey Garret Johnson, ‘The rise and stall of the Islamic State in Afghanistan’, United States Institute for Peace, November 2016, p 2 <https://www.usip.org/publications/2016/11/rise-and-stall-islamic-state-afghanistan>; ‘Letter dated 9 May 2017 from the Chair of the Security Council Committee established pursuant to resolution 1988 (2011) addressed to the President of the Security Council’, United Nations, May 25, 2017, p 12 [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/2017/409](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2017/409); Gulabuddin Ghubar, ‘Army Chief Rejects Russia’s Figures On Daesh Fighters’, Tolo News, December 25, 2017 <http://www.tolonews.com/afghanistan/army-chief-rejects-russia%E2%80%99s-figures-daesh-fighters>; Ayaz Gul, ‘US Military Rejects Russian Claims About Number of IS Fighters in Afghanistan’, Voice of America, February 24, 2018 <https://www.voanews.com/a/us-military-rejects-russia-numbers-of-islamic-state-fighters-in-afghanistan/4268999.html>; Noor Zahid, ‘A Look at Islamic State’s Operations in Afghanistan’, Voice of America, April 29, 2017 <https://www.voanews.com/a/a-look-at-is-operation-in-afghanistan/3831169.html>
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- 39 The NATO estimate is that 70% of ISKP fighters originated from the TTP; the Afghan government estimate is that 80% of ISKP fighters are Pakistani. ‘IS in Afghanistan: How successful has the group been?’, BBC; ‘The rise and stall of the Islamic State in Afghanistan’, United States Institute for Peace, November 2016, p 2 <https://www.usip.org/publications/2016/11/rise-and-stall-islamic-state-afghanistan>

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- 42 Within the ISIS structure, beneath the senior leadership is a Diwan [ministry] for the "Administration of Distant Wilayat" [provinces], under which ISKP would be organized. How ISIS Describes its Government Structure", Stanford University <http://interactive.acharicenter.org/wp-content/uploads/2016/07/Structure-of-ISISFinal-1.pdf>; "IS in Afghanistan: How successful has the group been?", BBC, February 27, 2017 <http://www.bbc.com/news/world-asia-39031000>; Sune Engel Rasmussen and Zahra Nader, "Iran Covertly Recruits Afghan Shias to Fight in Syria", The Guardian, June 30, 2016, <https://www.theguardian.com/world/2016/jun/30/iran-covertly-recruits-afghan-soldiers-to-fight-in-syria>
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- 45 Global Witness interview with Caitlin Forrest, March 2017
- 46 The ISIS statement accepting ISKP's allegiance in January 2015 also claimed ISKP had already submitted an overall military strategy to them. The spokesman was reportedly Abu Muhammad al-Adnani. Harleen Gambhir, "ISIS in Afghanistan", p 4; Global Witness interview with an Islamic State commander, 2015
- 47 "Letter dated 9 May 2017 from the Chair of the Security Council Committee established pursuant to resolution 1988 (2011) addressed to the President of the Security Council", United Nations, May 25, 2017, p 12 [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/2017/409](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2017/409)
- 48 Caitlin Forrest, an analyst with the Institute for the Study of War, also reported that two groups are in contact, even if only by SMS. Brian Dodwell and Don Rassler, "A View from the CT Foxhole: General John W. Nicholson", Combating Terrorism Center at West Point, February 22, 2017 <https://ctc.usma.edu/posts/a-view-from-the-ct-foxhole-general-john-w-nicholson-commander-resolute-support-and-u-s-forces-afghanistan>; Global Witness interview with Caitlin Forrest, Institute for the Study of War, Foundation for Defense of Democracies, March 21, 2017
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- 51 "Letter dated 9 May 2017 from the Chair of the Security Council Committee", United Nations
- 52 Caitlin Forrest says there is evidence that ISIS sends funds to ISKP forces in Zabul Province in Afghanistan, perhaps due to pre-existing relationships with the Islamic Movement of Uzbekistan (IMU) factions there that defected from Al Qaeda to ISKP. But it is unknown whether that applies to all ISKP groups, especially the core groups in Nangarhar. General Nicholson for his part also stated that some funds come from ISIS, claiming that ISKP "have had some financial difficulties, but there's still money getting through." Global Witness interview with Caitlin Forrest; Dodwell and Rassler, "A View from the CT Foxhole"; "Letter dated 9 May 2017 from the Chair of the Security Council Committee", United Nations
- 53 ISKP operates an FM radio station as well as internet propaganda and Facebook and Twitter accounts. "IS in Afghanistan: How successful has the group been?", BBC; Thomas Joscelyn, "US: 'Major' Islamic State media 'hub' destroyed in Nangarhar, Afghanistan", Long War Journal, June 17, 2017 <https://www.longwarjournal.org/archives/2017/06/us-major-islamic-state-media-hub-destroyed-in-nangarhar-afghanistan.php>
- 54 Harleen Gambhir, "ISIS in Afghanistan", p 6
- 55 In early 2017 General Nicholson claimed that ISKP fighters are paid almost twice as much as their Taliban rivals. This was supported by our sources from Nangarhar and Logar. In Logar one Global Witness source alleged a salary of 70,000 Afghanis – more than \$1,000 – was being paid to ISKP fighters, although the figure is worth treating with some scepticism given the implications for the funding of the group: it is possible this was just an initial sum that would fall away quickly after recruitment. In Nangarhar, a Global Witness source reported in 2016 that ISKP had "a lot of money – they give \$600 a month salary for a soldier." This same figure was cited in a May 2017 UN report, although the salaries reportedly gradually fell back to parity with the Taliban after recruitment – and one ISKP commander reportedly estimated that his expenses per soldier were a much lower average of between \$145 and \$290 a month. Dodwell and Rassler, "A View from the CT Foxhole". Global Witness interview, mid-2016; Global Witness interview with Source T, late 2016; "Letter dated 9 May 2017 from the Chair of the Security Council Committee established pursuant to resolution 1988 (2011) addressed to the President of the Security Council", United Nations, May 25, 2017, p 12 [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/2017/409](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2017/409); Franz Marty, "Speaking to an Afghan Disciple of the Caliphate", The Diplomat, July 28, 2016 <https://thediplomat.com/2016/07/speaking-to-an-afghan-disciple-of-the-caliphate/>
- 56 There are unconfirmed reports that some groups may in fact profit from the drugs trade. ISKP has officially banned poppy cultivation and drug sales, very publicly burned narcotics fields, and kidnapped some poppy farmers, and yet at least turning a blind eye to the drug trade may be a necessity. If this activity does take place, it does not seem to have been either condemned or condoned by the IS leadership overall. IS Senior Leadership and the IS franchise in Libya both reportedly engage in various forms of narcotics use and smuggling, so similar activities from ISKP would be plausible. Harleen Gambhir, "ISIS in Afghanistan", p 6; Zarifi, "Daesh Seizes 8 Nangarhar Farmers for Poppy Cultivation"; Osman, "The Islamic State in "Khorasan"; Allen et al., "The Big Spin"; "Turkey Seizes 11m Amphetamine Pills Used to Fuel Isis Fighters in Combat".
- 57 Zakat is an Islamic tax raised on wealth, while Ushr is a form of Zakat charged on goods produced from land, including output from mines. It is charged at 5% (or 10% for the produce of unirrigated land). "Zakat", Islamic Voice, December 1998 <http://www.islamicvoice.com/december.98/zakat.htm#IN>
- 58 One victim in Shinwar district of Nangarhar reportedly said that ISKP took "whatever they liked – goods in stores, our homes, our livestock, even our firewood." Another source noted, "They held people for ransom. They began to ask everyone, even teachers, for payments. They would say: 'We are mujahids, it is our right.'" An informed source from Nangarhar also said that ISKP would "take money from a person who was a little richer, they will beat him to the edge of death and detain them" – although another reported in contrast that "unlike the Taliban, [ISKP] do not take food and things from the people." Ali M. Latifi and Mohsin Khan Mohmand, "When Islamic State Showed up in a Corner of Afghanistan, "Nothing Was Safe, Not Even the Cows"; Los Angeles Times, June 3, 2016 <http://www.latimes.com/world/asia/la-fg-afghanistan-daesh-adv-snap-story.html>; Ali M. Latifi and Mohsin Khan Mohmand, "When Islamic State Showed up in a Corner of Afghanistan, "Nothing Was Safe, Not Even the Cows"; Global Witness interview with an informed source from Nangarhar, late 2016; Global Witness interview with an informed source, mid-2016
- 59 Global Witness interview with Matt DuPée, April 2017
- 60 See US News and World Report article for a list of attacks up to the end of 2017. ISKP's claimed operations include an attack on a military hospital in March 2017 which killed at least 38, although an AAN analyst expressed some doubt that ISKP rather than the Taliban actually carried it out. More recent attacks claimed by ISKP have included an April 2018 suicide bombing against civilians waiting to register to vote which killed at least 52. Interview with Kate Clark, November 2017; "IS in Afghanistan: How successful has the group been?", BBC; Global Witness interview with Matt DuPée, April 2017; Sayed Salahuddin, "At least 52 Afghans killed in Kabul by suicide bomber, health ministry says", Washington Post, April 22, 2018 [https://www.washingtonpost.com/world/at-least-31-afghans-killed-in-kabul-by-suicide-bomber-official-says/2018/04/22/30174d76-4615-11e8-9072-f6d4b-c32f223\\_story.html?utm\\_term=.26b9a91f500e](https://www.washingtonpost.com/world/at-least-31-afghans-killed-in-kabul-by-suicide-bomber-official-says/2018/04/22/30174d76-4615-11e8-9072-f6d4b-c32f223_story.html?utm_term=.26b9a91f500e); "A Look at Islamic State Attacks in Afghanistan", Associated Press/U.S. News and World Report <https://www.usnews.com/news/world/articles/2017-12-28/a-look-at-islamic-state-attacks-in-afghanistan>; Hasib Danish Alikozai and Mohammad Habibzada, "Afghan General: Haqqani Network, Not IS, Behind Spike in Violence", Voice of America, January 13, 2018 <https://www.voanews.com/a/afghan-general-haqqani-network-islamic-state/4206961.html>; Borhan Osman, "A Black Week in Kabul (2): Who are the most likely perpetrators?", Afghanistan Analysts Network, June 7, 2017 <https://www.afghanistan-analysts.org/a-black-week-in-kabul-2-who-are-the-most-likely-perpetrators/>; Harleen Gambhir, "ISIS in Afghanistan", p 4; Lauren McNally, Alex Amiral, Marvin Weinbaum, and Antoun Issa, "The Islamic State in Afghanistan: Examining its Threat to Stability", 2016, pp 3-4; Michael Safi, "Isis militants disguised as doctors kill 38 in Kabul hospital attack", The Guardian, March 8, 2017 <https://www.theguardian.com/world/2017/mar/08/gunmen-dressed-as-doctors-attack-military-hospital-in-kabul>
- 61 Notorious reported incidents include the alleged beheading of women and children and the execution of village elders using explosives. An attack on the offices of the humanitarian NGO Save the Children in Jalalabad may or may not have been deliberately targeted at them. Global Witness interview with NGO security advisor in Kabul, February 2018; "Death Toll Rises to 6 In Save The Children Attack In Jalalabad", Tolo News, January 25, 2018 <http://www.tolonews.com/afghanistan/death-toll-rises-6-save-children-attack-jalalabad>; Heather Barr, "From the Taliban Frying Pan to the Islamic State Fire", Human Rights Watch, September 28, 2016 <https://www.hrw.org/news/2016/09/28/taliban-frying-pan-islamic-state-fire>; Mujib Mashal and Taimoor Shah, "Afghan Fighters Loyal to ISIS Beheaded 7 Hostages, Officials Say", New York Times, November 9, 2015 [https://www.nytimes.com/2015/11/10/world/asia/afghan-fighters-loyal-to-isis-beheaded-7-hostages-officials-say.html?\\_r=0](https://www.nytimes.com/2015/11/10/world/asia/afghan-fighters-loyal-to-isis-beheaded-7-hostages-officials-say.html?_r=0); Lauren McNally, Alex Amiral, Marvin Weinbaum, and Antoun Issa, "The Islamic State in Afghanistan: Examining its Threat to Stability", p 7; Shereena Qazi, "Afghans protest 'beheadings of ethnic Hazara by ISIL", Al Jazeera, November 11, 2015 <http://www.aljazeera.com/news/2015/11/afghans-protest-killings-hazara-isis-151110135854342.html>
- 62 Lauren McNally, Alex Amiral, Marvin Weinbaum, and Antoun Issa, "The Islamic State in Afghanistan: Examining its Threat to Stability", p 8; Heather Barr, "From the Taliban Frying Pan to the Islamic State Fire"; Mirren Gidda, "Why ISIS is failing to build a caliphate in Afghanistan", Newsweek, March 25, 2017 <http://www.newsweek.com/afghanistan-isis-taliban-caliphate-kabul-bombing-574198>; "ISIS in Afghanistan", p 4; Lauren McNally, Alex Amiral, Marvin Weinbaum, and Antoun Issa, "The Islamic State in Afghanistan: Examining its Threat to Stability", Middle East Institute, May 2016, pp 7-8 [https://www.mei.edu/sites/default/files/publications/PF12\\_McNallyAmiral\\_ISISAfghan\\_web.pdf](https://www.mei.edu/sites/default/files/publications/PF12_McNallyAmiral_ISISAfghan_web.pdf)
- 63 ISKP claimed responsibility for a July 2016 bomb attack on a Hazara demonstration which killed at least 80 people, and for a December 2017 attack on a Shia cultural centre which killed at least 40. A March 2018 attack on a Hazara mosque killed at least 10. The Taliban have also targeted Hazaras in the past, but they have not made sectarian part of their official platform in the struggle against the current Afghan government. "Hazaras and Afghan insurgent groups", Land Info, October 3, 2016 [https://landinfo.no/asset/3483/1/3483\\_1.pdf](https://landinfo.no/asset/3483/1/3483_1.pdf); Borhan Osman "With an Active Cell in Kabul, ISKP Tries to Bring Sectarianism to the Afghan War", Afghanistan Analysts Network, October 19, 2016 <https://www.afghanistan-analysts.org/with-an-active-cell-in-kabul-iskp-tries-to>



- bring-sectarianism-to-the-afghan-war/; Sune Engel Rasmussen, 'Isis claims responsibility for Kabul bomb attack on Hazara protesters', *The Observer*, July 24, 2016 <https://www.theguardian.com/world/2016/jul/23/hazara-minority-targeted-by-suicide-bombs-at-kabul-protest>; Fahim Abed, Fatima Faizi and Mujib Mashal, 'Islamic State Claims Deadly Blast at Afghan Shiite Center', *New York Times*, December 28, 2017 <https://www.nytimes.com/2017/12/28/world/asia/afghanistan-suicide-attack.html>; Emma Graham-Harrison and Haroon Janjua, 'Scores killed in Isis bombing of Kabul news agency and Shia centre', *The Guardian*, December 28, 2017 <https://www.theguardian.com/world/2017/dec/28/blast-afghan-news-agency-kabul-kills-dozens>; Andrew Kramer, 'Hazaras Protest After an ISIS Attack Kills 10 in Kabul', *New York Times*, March 9, 2018 <https://www.nytimes.com/2018/03/09/world/asia/suicide-attack-kabul-hazaras.html>
- 64 By the end of 2015 the Taliban had liquidated ISKP-affiliated forces in Zabul and Logar, and a significant group led by former Taliban commanders in Farah. A combination of Taliban, government and international pressure also effectively eliminated the ISKP presence in Helmand. Borhan Osman, 'The Islamic State in 'Khorasan'
- 65 Dodwell and Rassler, 'A View from the CT Foxhole'
- 66 Borhan Osman, 'The Battle for Mamand: ISKP under strain, but not yet defeated'; Borhan Osman, 'Another ISKP leader "dead": Where is the group headed after losing so many amirs?', *Afghanistan Analysts Network*, July 23, 2017 <https://www.afghanistan-analysts.org/another-iskp-leader-dead-where-is-the-group-headed-after-losing-so-many-amirs/>
- 67 Borhan Osman, 'Another ISKP leader "dead": Where is the group headed after losing so many amirs?'
- 68 Jeff Seldin, 'Afghan Officials: Islamic State Fighters Finding Sanctuary in Afghanistan', *Voice of America* November 18, 2017 <https://www.voanews.com/a/afghan-officials-islamic-state-finds-sanctuary-in-afghanistan/4122270.html>; Animesh Roul, 'Islamic State Gains Ground in Afghanistan as Its Caliphate Crumbles Elsewhere', *Jameson Foundation*, January 26, 2018 <https://jamestown.org/program/islamic-state-gains-ground-afghanistan-caliphate-crumbles-elsewhere/>
- 69 The danger of ISKP organising attacks in the US should perhaps be treated with a certain caution as it appears to be based on a single statement made to an undercover FBI officer by a Canadian plotter, who said he "was in contact with an ISIS affiliate about obtaining official sanction of the planned attacks by the Khorasan Province, a branch of ISIS active in Pakistan." It is less clear how far ISKP's leadership is taking any active steps to organise such attacks themselves. Jennifer Cafarella, 'ISIS Plotting Attacks from Afghanistan', *Institute for the Study of War*, November 17, 2017 <http://www.understandingwar.org/background/isis-plotting-attacks-afghanistan>; 'Charges Unsealed Against Three Men for Plotting to Carry out Terrorist Attacks in New York City for ISIS in the Summer of 2016', *United States Department of Justice*, October 6, 2017 <https://www.justice.gov/opa/pr/charges-unsealed-against-three-men-plotting-carry-out-terrorist-attacks-new-york-city-isis>
- 70 Sarah Almurkhtar, 'How Much of Afghanistan Is Under Taliban Control After 16 Years of War With the U.S.?', *New York Times*, August 23, 2017 <https://www.nytimes.com/interactive/2017/08/23/world/asia/afghanistan-us-taliban-isis-control.html>
- 71 The ISKP incursion into Jawzjan can be traced at least as far back as 2015, given that in late 2016 the Taliban reportedly launched an unsuccessful offensive against a local commander, Qari Hekmat, who had defected to ISKP the previous year. However, the tempo of their activities there seems to have increased since mid-2017. See lower in the main text for a discussion of ISKP links to mining in all the areas mentioned, and the resources involved. '34 provinces mines info', *Pajhwok Afghan News*, March 1, 2015 <http://mines.pajhwok.com/article-categories/34-provinces-mines-info>; Obaid Ali, 'Qari Hekmat's Island: A Daesh enclave in Jawzjan?', *Afghanistan Analysts Network*, November 11, 2017 <https://www.afghanistan-analysts.org/qari-hekmats-island-a-daesh-enclave-in-jawzjan/>; Jeff Seldin, 'Afghan Officials: Islamic State Fighters Finding Sanctuary in Afghanistan', *Voice of America* November 18, 2017 <https://www.voanews.com/a/afghan-officials-islamic-state-finds-sanctuary-in-afghanistan/4122270.html>; Khalid Zerai, 'Illegal logging, mining help bankroll militants in Kunar Province', *Salaam Times*, October 18, 2017 [http://afghanistan.asia-news.com/en\\_GB/articles/cnmi\\_st/features/2017/10/18/feature-01](http://afghanistan.asia-news.com/en_GB/articles/cnmi_st/features/2017/10/18/feature-01); Matin Sahak, 'Islamic State seizes new Afghan foothold after luring Taliban defectors', *Reuters*, December 1, 2017 <https://www.reuters.com/article/us-afghanistan-islamic-state/islamic-state-seizes-new-afghan-foot-hold-after-luring-taliban-defectors-idUSKBN1DV3G5>
- 72 See below in the main text for a discussion of the ISKP presence and mineral resources in these provinces.
- 73 Borhan Usman, 'The Islamic State in 'Khorasan': How it began and where it stands now in Nangarhar'
- 74 The fighting included ISKP fighters capturing and beheading ten Taliban commanders in June 2015. Lauren McNally, Alex Amir, Marvin Weinbaum, and Antoun Issa, 'The Islamic State in Afghanistan: Examining its Threat to Stability', p 5; Borhan Usman, 'The Islamic State in 'Khorasan': How it began and where it stands now in Nangarhar'
- 75 The Taliban themselves acknowledged 1 March 2017 that "Deh Bala, Kot, Spin Ghar, Achin and Naziyan districts are 25% under Mujahideen control, 30% enemy and 45% under miscellaneous bandits". By "bandits" they presumably meant ISKP. AAN also noted that a significant ISKP presence also remained in the small district of Nazian. Deh Bala is also known as Haska Mina. 'Haska Meyna District', *Wikipedia*, [https://en.wikipedia.org/wiki/Haska\\_Meyna\\_District](https://en.wikipedia.org/wiki/Haska_Meyna_District); 'Afghanistan: The security situation in Nangarhar province', *Landinfo*, October 13, 2016 pp 11-14 [https://landinfo.no/asset/3493/1/3493\\_1.pdf](https://landinfo.no/asset/3493/1/3493_1.pdf); Borhan Usman, 'The Islamic State in 'Khorasan': How it began and where it stands now in Nangarhar'; 'Percent of Country under the control of Mujahideen of Islamic Emirate', *Voice of Jihad*, March 26, 2017 <https://alemarah-english.com/?p=12443>
- 76 See interview testimony below; Borhan Osman, 'The Battle for Mamand: ISKP under strain, but not yet defeated', *Afghanistan Analysts Network*, May 23, 2017 <https://www.afghanistan-analysts.org/the-battle-for-mamand-iskp-under-strain-but-not-yet-defeated/>; Jessica Purkiss and Abigail Fielding-Smith, 'Islamic State in Afghanistan: Is US assault working?', *The Bureau of Investigative Journalism*, July 28, 2017 <https://www.thebureauinvestigates.com/stories/2017-07-28/islamic-state-in-afghanistan-us-military>
- 77 There were seven US servicemen killed in Nangarhar in 2017. Chad Garland, 'Nangarhar is the deadliest Afghan province for US forces in the past year', *Stars and Stripes*, January 8, 2018 <https://www.stripes.com/news/nangarhar-is-the-deadliest-afghan-province-for-us-forces-in-the-past-year-1.505390>
- 78 Borhan Osman, 'The Battle for Mamand: ISKP under strain, but not yet defeated,' *Ayaz Gul, 'IS Says It Has Captured E. Afghan District From Taliban'*, *Voice of America*, May 1, 2017 <https://www.voanews.com/a/islamic-state-claims-to-have-captured-district-from-rival-taliban-in-afghanistan/3833364.html>;
- 79 That concern is shared by some diplomats. 'Saba: Daesh Seeking to Exploit Mines for Funding', *Tolo News*, June 8, 2015 <http://www.tolonews.com/business/saba-daesh-seeking-exploit-mines-funding>; *Global Witness* interview with a senior official in a Western embassy, 2015
- 80 'Afghanistan: The security situation in Nangarhar province', *Landinfo*, October 13, 2016 pp 11-14 [https://landinfo.no/asset/3493/1/3493\\_1.pdf](https://landinfo.no/asset/3493/1/3493_1.pdf); Yousuf Zarifi, '11 Daesh fighters eliminated in Nangarhar drone raid', *Pajhwok Afghan News*, September 6, 2017 <https://www.pajhwok.com/en/2017/09/06/11-daesh-fighters-eliminated-nangarhar-drone-raid>; Yousuf Zarifi, 'Daesh restricted to limited areas in Nangarhar', *Pajhwok Afghan News*, November 19, 2017 <http://www.file.pajhwok.com/en/2017/11/19/daesh-restricted-limited-areas-nangarhar>; 'Dozens Killed In Daesh, Taliban Clash in Afghanistan's Nangarhar', *Tasnim News*, October 16, 2017 <https://www.tasnimnews.com/en/news/2017/10/16/1547299/dozens-killed-in-daesh-taliban-clash-in-afghanistan-s-nangarhar>; 'IS, Taliban fight for key towns in Nangarhar', *Dawn*, November 29, 2017 <https://www.dawn.com/news/1373507>; Borhan Osman, 'The Islamic State in 'Khorasan'
- 81 Sune Engel Rasmussen, 'Devastation and a war that rages on: visiting the valley hit by the Moab attack', *The Guardian*, April 17, 2017 <https://www.theguardian.com/world/2017/apr/17/moab-bomb-site-afghanistan>
- 82 In late 2016 the source said that after ISKP captured two Taliban outposts and killed a prominent commander, the source said, "a lot of the Taliban became scared and fled the area." One of the Talebs who was reportedly killed was called Maulavi Abdul Salam, assassinated in the village of Khune Kalai. The source later reported that around April 2017 ISKP had taken over several more villages which had been in the hands of their rivals. *Global Witness* interview, late 2016; *Global Witness* interview, mid-2017
- 83 The source mentioned ISKP taking over mines in locations called Ruidod, Sherzad, Safed Koh, but they could not be identified on the map. Safed Koh is the Dari translation of Spinghar – the White Mountain – which can refer to the whole of the range on the Pakistan border with southern Nangarhar. Sherzad may have been a reference to the district of that name. In addition, there are two locations in Achin called Nargesai, one around 34.0732 North / 70.5556 East, and one at 34.0535 N / 70.6893 E. However, the first of these is in the area of the other mines mentioned by the sources, and fits the testimony. The satellite imagery does not appear to show any mines in the immediate vicinity of the second Nargesai. A village called Sangorai is marked on the best available maps (based on declassified Soviet military maps), but it appears to consist of a few houses a few hundred yards from the larger hamlet of Chaperai, and in fact on more modern satellite imagery no houses are visible in that specific location. It is of course still possible that the name has been applied to a larger mining area distinct from the village.
- 84 The source referred to the mineral as emerald, but also as 'like emerald.' They said it was found at Ai Tang, Nargesai, and Sangorai, but searches including on Mindat.org did not reveal any history of emeralds in Nangarhar (the Badel emerald mine which is sometimes listed appears to be in Kunar province). Tourmaline however can have a green colour and be easily be mistaken for emerald. See further mentions of emeralds in the main text for more details. *Global Witness* interviews, late 2016 and mid-2017
- 85 *Global Witness* interview, mid-2016
- 86 The source gave a rough date of early 2015 for the takeover of the mines by ISKP, which is about six months before the movement openly emerged to challenge the Taliban (although they were present in the area before this). But their recollection on dates in general was somewhat vague, as is often the case for sources of this nature. *Global Witness* interview, mid-2016
- 87 *Global Witness* interview, mid-2016
- 88 The source earlier said that in total nine different mines were in the hands of ISKP, but it was somewhat unclear if this referred to the number of mines he had more detailed information on, or the total number of mines across the wider local region. *Global Witness* interview, mid-2016' *Global Witness* interview, late 2016
- 89 An elder originally from Achin mentioned a 'blue stone' he called lapis being extracted in Ai Tang. *Global Witness* interview with an elder originally from Achin district, mid-2017
- 90 Based on data from the IMMAP OASIS software and satellite photos, locations of the places which were linked to three of the mining areas, Nargesai, Lagharjo, and Shne Kanda, are shown on our map, but the mines themselves were not necessarily immediately proximate to the villages in question. The source described these three mines as producing white marble. The location of Yanak, which he said also produced chromite, was unclear from the testimony. *Global Witness* interview, late 2016; *Global Witness* interview, mid-2016
- 91 *Global Witness* interview, mid-2016
- 92 Borhan Osman, 'The Battle for Mamand: ISKP under strain, but not yet defeated'
- 93 *Global Witness* interview, mid-2017
- 94 Yousuf Zarifi, 'Daesh rebels continue to get equipment: Achin residents', *Pajhwok Afghan News*, November 25, 2017 <https://www.pajhwok.com/en/2017/11/25/daesh-rebels-continue-get-equipment-achin-residents>
- 95 'Ayaz Gul, 'IS Says It Has Captured E. Afghan District From Taliban'; Thomas Joscelyn, 'Taliban and Islamic State clash in eastern Afghanistan', *Long War Journal*, May 1, 2017 <https://www.longwarjournal.org/archives/2017/05/taliban-and-islamic-state-clash-in-eastern-afghanistan.php>
- 96 The government claimed to have evicted Daesh from Tora Bora by the end of June. Borhan Osman, 'Another ISKP leader "dead": Where is the group headed after losing so many amirs?', *Afghanistan Analysts Network*, July 23, 2017 <https://www.afghanistan-analysts.org/another-iskp-leader-dead-where-is-the-group-headed-after-losing-so-many-amirs/>; Rod Nordland and Fahim Abed, 'ISIS Captures Tora Bora, Once Bin Laden's Afghan Fortress', *New York Times*, June 14, 2017 <https://www.nytimes.com/2017/06/14/world/asia/isis-captures-tora-bora-afghanistan.html>; Ziar Yaad, 'Tora Bora Completely Cleared of Daesh: MOD', *Tolo News*, June 25, 2017 <http://www.tolonews.com/afghanistan/tora-bora-completely-cleared-daesh-mod>
- 97 The quote was from Source W. *Global Witness* interview with Source W, early 2018; *Global Witness* interview with Source X, early 2018

- 98 Global Witness interview with Source W, early 2018; Global Witness interview with Source X, early 2018
- 99 Ahmed Sultan, 'Few clues on casualties at site of huge U.S. bomb in Afghanistan', Reuters, April 23, 2017 <https://uk.reuters.com/article/uk-afghanistan-usa-bomb/few-clues-on-casualties-at-site-of-huge-u-s-bomb-in-afghanistan-idUKKBN17P016>; Borhan Osman, 'The Battle for Mamand: ISKP under strain, but not yet defeated', Global Witness interview with Source Z, early 2018; 'After the Dust Settles—Making Sense of the Non-sense', ALCIS, May 3, 2017 <https://stories.alcis.org/after-the-dust-settles-making-sense-of-the-non-sense-c97da619a20f>
- 100 ISKP still seem to be very much present in the area. Global Witness interview, mid-2017; Yousuf Zarifi, '7 Daesh rebels killed in Nangarhar airstrikes', Pajhwok Afghan News, March 16, 2018 <https://www.pajhwok.com/en/2018/03/16/7-daesh-rebels-killed-nangarhar-airstrikes>; 'Internecine rifts: 15 Daesh insurgents decapitated', Pajhwok Afghan News, November 23, 2017 <https://www.pajhwok.com/en/2017/11/23/internecine-rifts-15-daesh-insurgents-decapitated>
- 101 Global Witness interview, mid-2017. The source spoke of people mining 'aluminium', which seems fanciful – but could be plausible if it refers to people recovering scrap metal from the remains of the bomb itself.
- 102 One source claimed 'aluminium' was being mined at the site. That is profoundly improbable – but it is possible that locals were salvaging metal fragments left from bombing. Global Witness interview, mid-2017
- 103 Global Witness interview, late 2016.
- 104 Global Witness interview, mid-2017
- 105 Global Witness interview, late 2016
- 106 Global Witness interview, September 2016
- 107 Global Witness interview, late 2016
- 108 Global Witness interview, mid-2016
- 109 Global Witness interview, late 2016
- 110 Global Witness interview with an Afghan civil society researcher, February 2018
- 111 Global Witness interview, late 2016
- 112 We were not able to confirm the identity of this source, and there was some grounds for slight caution that he was in fact with ISKP, but other elements of the interview appeared credible. Global Witness interview with a purported ISKP official, mid-2017
- 113 Global Witness interview, late 2016
- 114 Global Witness interview, mid-2016; Global Witness interview, mid-2016.
- 115 Global Witness interview, late 2016.
- 116 The source also directly called the stones 'emeralds'. While mineral identifications by non-experts are often unreliable, the source's description of small green gemstones found in white rock is compatible with reports of emeralds in other mines. Some sources also mention emeralds found in white talc stone. However, searches including on Mindat.org did not reveal any clear history of emeralds in Nangarhar. The ancient Badel emerald mine is described variously as located in Nangarhar, Parwan and (most commonly) Kunar provinces: references which include a map have it in Kunar. Tourmaline can have a green colour, which could easily be mistaken for emerald. Global Witness interview, late 2016; 'The gemstone tourmaline', Minerals.net, [http://www.minerals.net/gemstone/tourmaline\\_gemstone.aspx](http://www.minerals.net/gemstone/tourmaline_gemstone.aspx); 'Beryl (Var: Emerald) Sold', The Arkenstone <http://www.irocks.com/minerals/specimen/12467>; Mindat search, November 8, 2017 [https://www.mindat.org/minlocsearch.php?frm\\_id=mls&c-form\\_is\\_valid=1&cf\\_mls\\_page=1&minname=emerald&region=afghanistan&sort=&submit\\_mls=Search](https://www.mindat.org/minlocsearch.php?frm_id=mls&c-form_is_valid=1&cf_mls_page=1&minname=emerald&region=afghanistan&sort=&submit_mls=Search); Selina Denman, 'Emeralds: The journey of a gem', The National, May 1, 2014 <https://www.thenational.ae/lifestyle/emeralds-the-journey-of-a-gem-1.242915>; 'Emerald on matrix', Mineral auctions <https://www.mineralauctions.com/auctions/inventory-liquidation-auction-end-june-11-45/emerald-on-matrix-6920.html>; 'Beryl var. Emerald on Talc from Badel Mine, Nangarhar, Afghanistan', Online Mineral Museum, <http://www.johnbetts-fineminerals.com/jhbnyc/mineralmuseum/picshow.php?id=49366>; 'The Mineral Beryl', Minerals.net <http://www.minerals.net/mineral/beryl.aspx>; 'Badel Mine (Budal Mine), Narang District, Konar Province (Kunar Province; Konarh Province; Konarha Province; Nuristan), Afghanistan', Mindat.org, <https://www.mindat.org/loc-30624.html>; 'Beryl from Badel Mine (Budal Mine), Narang District, Konar Province (Kunar Province; Konarh Province; Konarha Province; Nuristan), Afghanistan', Mindat.org <https://www.mindat.org/loc-988391.html>; G. J. Orris and J. D. Bliss, 'Minerals and Mineral Occurrences of Afghanistan', United States Geological Survey, 2002 <https://pubs.usgs.gov/of/2002/0110/pdf/of02-110.pdf>; Global Witness interview, late 2016
- 117 Global Witness interview, mid-2016
- 118 Matt DuPée, an author and Afghan expert with the US Department of Defence, also reported that he "heard as well that [ISKP] is extracting directly." Global Witness interview with Matt DuPée, November 9, 2017
- 119 Global Witness interview, mid-2016.
- 120 Global Witness interview, late 2016
- 121 Global Witness interview, mid-2016
- 122 Global Witness interview, mid-2016
- 123 This counts the four sources who we directly interviewed and the sources who informed Matt DuPée and Borhan Usman.
- 124 DuPée reported that: "It looks like the activity has begun again, the taxation scheme [on minerals] is in place. The Afghan government in December 2016 was tracking more Taliban involvement in terms of taxation on talc – [but] by February 2017 we see data points on the Islamic State making money from talc. That time period from November 2016 to February 2017 – I think if we looked at the dynamics of what is happening, we would see both groups making a lot of money from both the exploitation and shipping of talc." DuPée's sources included locals, but he was unable to be more specific. Global Witness interviews with Matt DuPée, November 2017 and January 2018 in November 2017
- 125 Global Witness interview with Borhan Usman, late 2017
- 126 William Byrd and Javed Noorani, 'Industrial-Scale Looting of Afghanistan's Mineral Resources', United States Institute for Peace, June 2017, p 8 <https://www.usip.org/sites/default/files/2017-05/sr404-industrial-scale-looting-of-afghanistan-s-mineral-resources.pdf>
- 127 Ziar Yad, 'Daesh, Taliban Plundering Mines, Destroying Forests in Nangarhar', Tolo News, April 3, 2017 <http://www.tolonews.com/afghanistan/provincial/daesh-taliban-plundering-mines-destroying-forests-nangarhar>
- 128 Global Witness interview with ISKP official, mid-2017
- 129 As we were unable to confirm the identities of the sources, there is some slight possibility that they were the same individual. The quote is from Marty's paraphrase of the conversation. Marty also reported that "the commander told me back in May 2016 that they did not need to do other work than fighting," which might be relevant to explaining why ISKP would not be interested in the potentially lucrative mines. Global Witness email correspondence with Franz Marty, January 20, 2018
- 130 Global Witness email correspondence with Franz Marty, January 19, 2018
- 131 Global Witness interview with a leading talc trader from Nangarhar province, mid-2017
- 132 Global Witness interview with local source from Shadal, mid-2017
- 133 Mansfield added that there were some reports in early 2018 that more locals were again being allowed into the mining areas. "My understanding is that things are back on line." Global Witness interview with Daniel Mansfield, January 18, 2018
- 134 Global Witness interview with a senior Afghan police official, February 2018
- 135 Global Witness interview, late 2016
- 136 Global Witness interview, mid-2017
- 137 Global Witness interview, mid-2017
- 138 Global Witness interview, mid-2016; Global Witness interview, late 2016. In late 2016 the source said that it was locals who did the work at the mines he knew of, and that "only the drivers are from outside." In the same interview however, the source said that: "the workers are 25% locals and 75% foreigners. Most of the locals escaped (...) some of those who left are in favour of them – the rest are foreigners." Global Witness interview, mid-2016; Global Witness interview, late 2016
- 139 The source spoke of foreigners who "would come and observe" the mining who were not labourers – but also that the extraction was done by both locals and foreigners. There is a small chance that this implies some uncertainty in their testimony over the presence of foreign labourers at all, but the most plausible explanation appears to be that they were highlighting that the visitors were not labourers. Global Witness interview, mid-2016.
- 140 None of our sources indicated such a route existed, and none was visible in the available satellite imagery. Borhan Osman, 'The Battle for Mamand: ISKP under strain, but not yet defeated', Afghanistan Analysts Network, May 23, 2017 <https://www.afghanistan-analysts.org/the-battle-for-mamand-iskp-under-strain-but-not-yet-defeated/>; 'Why Daesh chose Achin district as its base in Afghanistan', Pajhwok Afghan News, May 9, 2016 <https://www.pajhwok.com/en/2016/05/09/why-daesh-chose-achin-district-its-base-afghanistan>
- 141 Global Witness interview with a leading talc trader, mid-2017
- 142 Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 143 The source referred to buying the minerals for Rs50,000 (\$476) and sold it in the Korkhano area of Peshawar for Rs90,000-Rs130,000 (\$857-\$1,238), but there was some confusion whether it was per ton or for the whole load. There is also a possibility they carried talc. Global Witness interview with Source K, early 2018
- 144 Global Witness interview, late 2016
- 145 Global Witness interview, late 2016
- 146 A number of additional images in the missing time period do exist – mostly at lower resolution – but they were not among those Global Witness was able to access. One image from April 2015 was accessible, but was unusable because of 100% cloud cover.
- 147 Immediately before publication, we were able to view one 50cm image from March 2016. It contained some ambiguous indications that might be interpreted as vehicles around at least one mine, but could equally have been vegetation or rock formations: resolution and quality were too poor to draw any conclusions.
- 148 One image from relatively close to the Momand valley (about 5km east of the valley mouth) shows several vehicles, but at a location which suggests they might belong to the Afghan Local Police, a government militia force. Three images from April 14, April 29, and May 4 2017 show the vehicles (and possibly people) at a location about 5km east of the mouth of the Momand valley. An image from September 17, 2017 shows the letters ALP scoured on the landscape at that location near a new structure that first appears (possibly in incomplete form) in an image of July 23, 2017.
- 149 Global Witness exchanges with SARMAP, April 2018
- 150 Borhan Osman, 'The Battle for Mamand: ISKP under strain, but not yet defeated', Afghanistan Analysts Network, May 23, 2017 <https://www.afghanistan-analysts.org/the-battle-for-mamand-iskp-under-strain-but-not-yet-defeated/>; Jessica Purkiss and Abigail Fielding-Smith, 'Islamic State in Afghanistan: Is US assault working?', The Bureau of Investigative Journalism, July 28, 2017 <https://www.thebureauinvestigates.com/stories/2017-07-28/islamic-state-in-afghanistan-us-military>
- 151 Global Witness interview, mid-2017.
- 152 This is based on a total of 24,112 tons of extraction a year (10,800 tons of talc, 4,992 tons of chromite, and 8,320 tons of marble), carried in trucks with an average capacity of 6 tons. That suggests an average of 11 trucks per day. See Annex B
- 153 Multiple sources claim extraction was ongoing when the Islamic State took over in mid-2015 (see below). See Annex E for the satellite image mentioned in the text
- 154 Global Witness interview, mid-2017. Other sources also referred to some extraction happening by hand, although trucks were still used for transport. One local source from Shadal said at the time the Taliban still controlled the Momand valley, he was aware of a mine where "the excavator worked for an hour and made a hole in mountain, after clearing you could see the talc, then put it in plastic bags and carry it by donkeys from the mountain and load it in the trucks to take to Shadal bazaar, and sell it [there]. Global Witness interview with a local source from Shadal, mid-2017
- 155 Global Witness interview, mid-2017 Another source from Logar said that ISKP 'do a lot of extraction at night' but it was unclear what his own source for this information was. Global Witness interview with Source U, mid-2016
- 156 The stockpiles were of varying sizes but all much smaller than those at Shadal, and there was no clear sign of them being active in the 2016 or 2017 imagery
- 157 Global Witness interview with a local source from Shadal, mid-2017

- 158** The first source gave a date of about March 2017 for this, when the satellite imagery suggests January, but this seems within the range of a plausible rough recollection from a source interviewed some months later. Another source from Shadal, interviewed by the journalist Franz Marty, also confirmed that the people who owned the mined material had reached an agreement with Daesh to allow it to leave the area. Global Witness interview with a local source from Shadal, mid-2017; Global Witness interview with a tribal elder originally from Achin district, mid-2017; Global Witness email correspondence with Franz Marty, January 19, 2018
- 159** Osman's source put the Taliban's take at Rs25,000 (\$238). Global Witness email correspondence with Borhan Osman, November 2017
- 160** Global Witness interview with David Mansfield, January 2018. One image from relatively close to the Momand valley (about 5km east of the valley mouth) shows several vehicles, but at a location which suggests they might belong to the Afghan Local Police, a government militia force. Three images from April 14, April 29, and May 4 2017 show the vehicles (and possibly people) at a location about 5km east of the mouth of the Momand valley. An image from September 17, 2017 shows the letters ALP scoured on the landscape at that location near a new structure that first appears (possibly in incomplete form) in an image of July 23, 2017.
- 161** Global Witness interview with Matt DuPée, November 2017
- 162** Global Witness interview with Islamic State commander, 2015
- 163** On the Islamic State in Iraq and Syria, see box below, but also: Sam Jones, Guy Chazan, and Erika Solomon, 'Black gold fuels the 'caliphate' war machine', Financial Times, October 15, 2015; Brian Perkins, 'Islamic State Eying Afghanistan's Natural Resources', The Diplomat, June 28, 2015 <http://thediplomat.com/2015/06/islamic-state-eying-afghanistans-natural-resources/>
- 164** The source specifically mentioned the infiltration had been from the Momand valley. They dated this infiltration to late 2015, while other sources indicate that the Taliban had fled Achin and Kot by the middle of 2015. However, this may reflect local variations and very back and forth nature of the conflict, the distinction between the initial take-over of the Momand valley and later expansion to other districts, and the Taliban launched an attempt to retake the district in July. Global Witness interview, mid-2017; Borhan Osman, 'The Islamic State in 'Khorasan' Global Witness interview, late 2016
- 165** Global Witness interview, late 2016
- 166** Local sources confirm ISKP's presence and clashes between them and the Taliban. One reported evidence of 'Chechen and Uzbek' families travelling through the district to Tora Bora, and said Arabs were also in the district; possible evidence of an ISKP presence. Another source described fighting between the local ISKP commander in his village and Taliban supporters. Global Witness interviews with two credible sources, late 2017.
- 167** Ayaz Gul, 'Suicide Bomber Kills Six Afghan Civilians', Voice of America, December 3, 2017 <https://www.voanews.com/a/suicide-bomber-kills-6-afghan-civilians/4147131.html>; Noor Zahid, 'Afghan Civilians Bear Brunt of Taliban, IS Clashes in Eastern Nangarhar', Voice of America, October 20, 2017 <https://www.voanews.com/a/afghan-civilians-bear-brunt-of-taliban-is-clashes-in-eastern-nangarhar/4079720.html>; Zeerak Fahim, '31 Taliban, Daesh fighters killed in Nangarhar', Pajhwok Afghan News, July 14, 2017 <http://www.pajhwok.com/en/2016/07/14/31-taliban-daesh-fighters-killed-nangarhar>;
- 168** 'Humanitarian Bulletin Afghanistan, Issue 70, 1–30 November 2017', United Nations Office for the Coordination of Humanitarian Affairs, December 12, 2017 [https://www.humanitarianresponse.info/system/files/documents/files/20171218\\_ocha\\_afghanistan\\_monthly\\_humanitarian\\_bulletin\\_november\\_2017\\_en.pdf](https://www.humanitarianresponse.info/system/files/documents/files/20171218_ocha_afghanistan_monthly_humanitarian_bulletin_november_2017_en.pdf)
- 169** Khogyani, Sherzad and Pachir Wa Agam are separate districts but often referred to as part of a wider 'Khogyani' area, which includes some other districts as well. Global Witness interview with a credible source from Khogyani, January 2018; Christian Parenti, 'Tropic of Chaos: Climate Change and the New Geography of Violence', Hachette, 2011 Chapter 9, endnote 1; 'IS, Taliban fight for key towns in Nangarhar', Dawn, November 29, 2017 <https://www.dawn.com/news/1373507>; Yousuf Zarifi, 'Clashes between Taliban, Daesh resume in Nangarhar's Khogyani district', Pajhwok Afghan News, October 28, 2017 <https://www.pajhwok.com/en/2017/10/28/clashes-between-taliban-daesh-resume-nangarhar%E2%80%99s-khogyani-district>; Khyber Sarban, 'Islamic State Khorasan Province: Pakistan's New Foreign Policy Tool?', The Diplomat, November 15, 2016 <http://thediplomat.com/2016/11/islamic-state-khorasan-province-pakistans-new-foreign-policy-tool/>;
- 170** Borhan Osman, 'Another ISKP leader "dead": Where is the group headed after losing so many amirs?', Afghanistan Analysts Network, July 23, 2017 <https://www.afghanistan-analysts.org/another-iskp-leader-dead-where-is-the-group-headed-after-losing-so-many-amirs/>; Rod Nordland and Fahim Abed, 'ISIS Captures Tora Bora, Once Bin Laden's Afghan Fortress', New York Times, June 14, 2017 <https://www.nytimes.com/2017/06/14/world/asia/isis-captures-tora-bora-afghanistan.html>; Ziar Yaad, 'Tora Bora Completely Cleared of Daesh: MoD', Tolo News, June 25, 2017 <http://www.tolonews.com/afghanistan/tora-bora-completely-cleared-daesh-mod>
- 171** Noor Zahid, 'Clashes Between IS, Taliban Displace Hundreds in Eastern Afghanistan', Voice of America, November 26, 2017 <https://www.voanews.com/a/afghanistan-nangarhar-province-taliban-islamic-state-clashes/4137455.html>
- 172** The source suggested that unlike the Taliban, ISKP would not allow locals any rights to the mines they controlled (although at the time he was interviewed, around two months later, he said ISKP had not yet started exploit them). See lower in the main text for references to the Taliban controlling the Ghunday mines. Global Witness interview-C, late 2017
- 173** Source W directly said the Waziro Tangai mines were active; Source X said that Waziro Tangai and Tora Bora were under ISKP control and that "none of the dealers can extract mine until they pay to the Taliban or Daesh." Global Witness interview with Source W, early 2018; Global Witness interview with Source X, early 2018
- 174** Global Witness interview with Source Z, early 2018
- 175** Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 176** The quote is a paraphrase based on the notes of the individual who carried out the interview. Global Witness interview with Taliban commander, early 2018
- 177** The source said ISKP gave up the project as the government was preparing an operation against it. It is likely that the only reason to build such a road would indeed be to transport minerals, given people and weapons already flowed over the southern border relatively easily. Global Witness interview with a former senior police officer from Nangarhar, early 2018; Borhan Osman, 'The Battle for Mamand: ISKP under strain, but not yet defeated'
- 178** 'Caliphate [based] on the Prophetic Methodology', in 'The Isis papers: a masterplan for consolidating power', The Guardian, December 7, 2015 <https://www.theguardian.com/world/2015/dec/07/islamic-state-document-masterplan-for-power>
- 179** The document specifically talks about barring those who had not pledged allegiance from a stake in an oil or gas field, or from excavating gold or antiquities.
- 180** Michael Weiss and Hassan Hassan, 'ISIS: inside the army of terror', Regan Arts, New York, 2015, p 227
- 181** An American journalist held hostage by the Al Nusra Front (the Al Qaeda franchise in Syria) reported that: "The real issue between the Nusra Front and the Islamic State was that their commanders, former friends from Iraq, were unable to agree on how to share the revenue from the oil fields in eastern Syria that the Nusra Front had conquered." William McCants, 'The ISIS Apocalypse: The History, Strategy, and Doomsday Vision of the Islamic State' St. Martin's Press, New York, 2015 pp 136, 90
- 182** Oil was also used for other strategic goals apart from revenue, like rewarding cooperative tribes and individuals (somewhat similar to the use of ISKP sympathisers as workers reported in Achin). In 2013 for example, ISIS offered a share of oil revenues (among other incentives) to younger tribal leaders if they would turn on their elders in Syria, and gave oil as a reward for cooperative tribes. The tribes that cooperated received various goods as well as oil, and the right to handle their own security and gain advantage over other rival tribes. Those who did not cooperate found their children kidnapped and their tribal members killed. This is the IS version of plato o plomo ("silver or lead" in Spanish) – a tactic often used by Latin American drug cartels to ensure compliance by journalists, government officials etc. The person is offered to either take an offered bribe (the silver) or be killed (the lead). The quote is sometimes attributed to Colombian drug lord Pablo Escobar, but is also used by various Mexican drug syndicates. Finally, as well as providing a lever for influence, the Islamic State also saw attacking critical oil infrastructure as a way to tie down security forces, using oil as bait: an influential 2004 treatise (*The Management of Savagery* by Abu Bakr Najji) encourages jihadists to carry out "vexation operations" against important targets like oil pipelines, forcing the diversion of local forces to protect those sites. But it is unclear if ISIS, not to mention ISKP, has actually followed this strategy. McCants, *The Isis Apocalypse*, pp 83, 136; Weiss and Hassan, 'ISIS: Inside the Army of Terror', p 206
- 183** American classified report from November 2006 estimated that \$25m-\$100m per year was going to insurgents in Iraq from oil smuggling and other criminal activity associated with the state owned oil industry there. In 2008 an Iraqi official estimated the Al Qaeda was making as much as \$2 million a month by setting up "quasi-legitimate gas stations and fuel-trucking companies, demands "protection" payments from legitimate businesses, and hijacks trucks carrying gasoline and kerosene, then resells the fuel." Phil Williams, 'Criminals, Militias, and Insurgents: Organized Crime in Iraq', Strategic Studies Institute, June 2009; Lennox Samuels, 'Al Qaeda in Iraq Ramps Up Its Racketeering', Newsweek, Ma20, 2008 <http://www.newsweek.com/al-qaeda-iraq-ramps-its-racketeering-89733>
- 184** As Michael Weiss and Hassan Hassan note, "ISIS is a terrorist organization, but it isn't only a terrorist organization. It is also a mafia adept at exploiting decades-old transnational grey markets for oil and arms trafficking." Weiss and Hassan, 'ISIS: Inside the Army of Terror', pp xv, 234
- 185** Stefan Heißner, Peter R. Neumann, John Holland-McCowan, and Rajan Basra, 'Caliphate in Decline: An Estimate of Islamic State's Financial Fortunes', The International Centre for the Study of Radicalisation (ICSR), February 2017, p8 <http://icsr.info/wp-content/uploads/2017/02/ICSR-Report-Caliphate-in-Decline-An-Estimate-of-Islamic-States-Financial-Fortunes.pdf>
- 186** Rukmini Callimachi, 'The ISIS files', New York Times, April 4, 2018 <https://www.nytimes.com/interactive/2018/04/04/world/middleeast/isis-documents-mosul-iraq.html?hp&action=click&pg-type=Homepage&clickSource=story-heading&module=span-ab-top-region&region=top-news&WT.nav=top-news>
- 187** This, too, originates at least with ISIS' predecessor, the Islamic State of Iraq, who also had a Ministry of Oil. The term *diwan* can be translated as ministry or bureau – but ministry if perhaps more appropriate given the creation was part of a 'cabinet structure' which surely reflected ISIS concerns to bolster their claims to statehood. The "Cabinet" reported to the Islamic State supreme leader Ibrahim Awwad Ibrahim Ali al-Badri al-Sammari (better known by his *nom de guerre* as Abu Bakr al-Baghdadi), although it is unclear if this individual is still alive. The Minister of Oil was a fighter who used the *nom de guerre* Abu Ahmad al Janabi. Global Witness interview with Caitlin Forrest, March 2017; Williams, 'Criminals, Militias, and Insurgents', p 232; 'Letter dated 11 January 2017 from the Chair of the Security Council Committee'
- 188** There are, however, at least two other ministries which could control mining-related operations and revenues: the Ministry of Agriculture or the Ministry of War Spoils. Global Witness interview with Caitlin Forrest, March 2017
- 189** For regularly updated maps, see <https://isis.liveuamap.com/> Louisa Loveluck and Liz Sly, 'Islamic State defeated in de facto Syrian capital Raqqa', Sydney Morning Herald, October 17, 2017 <http://www.smh.com.au/world/islamic-state-defeated-in-de-facto-syrian-capital-raqqa-20171017-gzzx234.html>
- 190** Their estimated oil revenue had already fallen by more than half in 2016. 'Letter dated 11 January 2017 from the Chair of the Security Council Committee', p 9
- 191** The media report dates from October 2017, but does not make clear when exactly the \$4m figure relates to. The implication is that it was current at the time of publication. Jim Michaels, 'U.S. coalition slashes ISIS oil revenue by more than 90%', USA Today, October 2, 2017 <https://www.usatoday.com/story/news/world/2017/10/02/u-s-coalition-slashes-isis-oil-revenue-more-than-90/717303001/>
- 192** It is unclear where those gems originated or if they were mined by an Islamic State affiliate. The local affiliates in South East Asia have not been declared full-fledged wilayats yet by senior ISIS leaders. Attacks

- by Islamic State associated groups have occurred in the Philippines, Malaysia, and Indonesia, with one affiliate made up of the remnants of the Abu Sayyaf group in the Philippines. 'Letter dated 11 January 2017 from the Chair of the Security Council Committee', pp 18-19
- 193** Aside from oil, another core Islamic State model that may have relevance for Afghanistan is how they have treated antiquities. In Syria, antiquities have been exploited in a variety of ways that can bring money into the organization. First, ISIS has issued excavation licenses and taxed antiquities that have been excavated or were being smuggled out. In Manbij, Syria, ISIS had even established an office to handle antiquities issues and ran a market for antiquities-related exploitation such as metal detectors and digging equipment. They had also imposed taxes on excavation teams and may have had direct relations with some antiquities buyers. It is possible that IS-K could use a similar model for natural resource exploitation in Afghanistan as well – or simply turn to targeting Afghan antiquities. Humud, Pirog, and Rosen, 'Islamic State Financing and US Policy Approaches', p 7
- 194** Global Witness interview with Source V, a credible source with local connections in Paktia, mid-2015
- 195** Global Witness interview with Source V, mid-2015
- 196** He claimed ISKP had brought in an antenna to block mobile phone signals across Shahikot – while this is very likely no more than local rumour, it demonstrates the sense that ISKP were keeping a tight grip on the area. Global Witness interview with Source V, mid-2015
- 197** According to Source V, the smuggling was carried out by a cousin of Jalaluddin Haqqani called Jalali. He said: "Before a camel was 50,000 – now it is up to 150,000 to 300,000." However, he admitted he had not seen camels carrying the minerals himself. Global Witness interview with Source V, mid-2015
- 198** A well-informed source from the province reported that ISKP no longer controlled the mines. There is some mention of ISKP activity in Paktia in media reports, but no indication that they still control the mine. Global Witness interview-A, mid 2018; Antonio Giustozzi, 'Taliban and Islamic State: enemies or brothers in jihad?', Center for Research and Policy Analysis, December 14, 2017 <https://www.crpaweb.org/single-post/2017/12/15/Enemies-or-Jihad-Brothers-Relations-Between-Taliban-and-Islamic-State>
- 199** Jean MacKenzie and Aziz Ahmad Tassal, 'ISIS in Afghanistan is like the boogeyman under the bed', *The Week*, January 27, 2015 <http://theweek.com/articles/534830/isis-afghanistan-like-boogey-man-under-bed>; Mirwais Adeel, 'ISIS promotes training camp in Logar province of Afghanistan'. Khaama Press, April 29, 2015 <http://www.khaama.com/isis-promotes-training-camp-in-logar-province-of-afghanistan-9403>
- 200** Global Witness interview with Source U, a senior official in the Logar provincial government, late 2016
- 201** Sayed Sharif Amiri, 'ANSF Nabs Foreign Militants In Logar As Daesh Infiltrates North', *Tolo News*, December 10, 2017 <http://www.tolonews.com/index.php/afghanistan/concerns-grow-over-daesh-activities-logar-%E2%80%99s-azra-district>; Gulabuddin Ghubar, 'Concerns Grow Over Daesh Activities in Logar's Azra District', *Tolo News*, November 27, 2017 <http://www.tolonews.com/afghanistan/ansf-nabs-foreign-militants-logar-daesh-infiltrates-north>
- 202** Global Witness interview with Source T, late 2016
- 203** This was far higher than the 20,000 (\$294) the source said the Taliban offered. The UN said one member-state reported high salaries for ISKP of around \$600 which then fell to a lower level after period. Global Witness interview with Source T, late 2016; 'Letter dated 9 May 2017 from the Chair of the Security Council Committee established pursuant to resolution 1988 (2011) addressed to the President of the Security Council', United Nations, May 25, 2017, p 12 [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/2017/409](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2017/409)
- 204** Global Witness interview with Source T, late 2016
- 205** Global Witness interview with Source T, late 2016
- 206** Global Witness interview with an international diplomatic source, early 2018
- 207** 'War in the Treasury of the People', Global Witness, June 2016 pp 22-23 <https://www.globalwitness.org/en/reports/war-treasury-people-afghanistan-lapis-lazuli-and-battle-mineral-wealth>
- 208** 'War in the Treasury of the People', Global Witness
- 209** Global Witness interview with Franz Marty, a freelance journalist who visited the mines in late 2016, January 2017; Franz Marty, 'Afghanistan's lapis lazuli trade at a standstill', *The Third Pole*, December 15, 2016 <https://www.thirdpole.net/en/2016/12/15/afghanistans-lapis-lazuli-trade-at-a-standstill/>
- 210** Ali M. Latifi and Mohsin Khan Mohmand, 'When Islamic State Showed up in a Corner of Afghanistan, "Nothing Was Safe, Not Even the Cows"'; Hamid Shalizi, 'In Afghan province, government woos allies against Islamic State', *Reuters*, December 6, 2016 <http://www.reuters.com/article/us-afghanistan-nuristan-islamicstate-ins-idUSKBN13U2WA>; Shadi Khan Saif, 'Gun fight in northeastern Afghanistan kills 27', *Anadolu Agency*, January 9, 2018 <http://aa.com.tr/en/middle-east/gun-fight-in-northeastern-afghanistan-kills-27/1026164>; Lalit K Jha, 'Death of Abu Syed disrupts ISIS-K expansion: Pentagon', *Pajhwok Afghan News*, July 18, 2017 <https://www.pajhwok.com/en/2017/07/18/death-abu-syed-disrupts-isis-k-expansion-pentagon>
- 211** 'ISIL raises funds in Afghanistan by taxing illegal timber trade', *The National*, January 21, 2018 <https://www.thenational.ae/world/asia/isil-raises-funds-in-afghanistan-by-taxing-illegal-timber-trade-1.697436>; Khalid Zerai, 'Illegal logging, mining help bankroll militants in Kunar Province', *Salaam Times*, October 18, 2017 [http://afghanistan.asia-news.com/en\\_GB/articles/cnmi\\_st/features/2017/10/18/feature-01](http://afghanistan.asia-news.com/en_GB/articles/cnmi_st/features/2017/10/18/feature-01); Rohullah Anwari and Abubakar Siddique, 'Illegal Logging Boosts Taliban, IS Revenues In Eastern Afghanistan', *Radio Free Europe/Radio Liberty*, October 5, 2017 <https://gandhara.rferl.org/a/afghanistan-kunar-forest/28775967.html>
- 212** 'Study on Political Economy of Mineral Extraction in Afghanistan – Kabul, Khost, Kunar, and Samangan', *The Liaison Office*, 2016 pp 29-41 [http://www.tloafghanistan.org/Study\\_on\\_Political\\_Economy\\_of\\_Mineral\\_Extraction\\_in\\_Afghanistan\\_Final\\_Report.pdf](http://www.tloafghanistan.org/Study_on_Political_Economy_of_Mineral_Extraction_in_Afghanistan_Final_Report.pdf); Harry Bader, Clint Hanna, Clint Douglas, and John Fox, 'Illegal Timber Exploitation and Counterinsurgency Operations in Kunar Province of Afghanistan: A Case Study Describing the Nexus Among Insurgents, Criminal Cartels, and Communities Within the Forest Sector', *Journal of Sustainable Forestry*, Vol. 32, 2013, pp 329-352 [https://calhoun.nps.edu/bitstream/handle/10945/48942/Hanna\\_Illegal\\_Timber\\_2013a.pdf?sequence=1](https://calhoun.nps.edu/bitstream/handle/10945/48942/Hanna_Illegal_Timber_2013a.pdf?sequence=1)
- 213** Zia-U-Rahman, 'IS Runs Timber Smuggling Business in Afghanistan, Officials Say', *Voice of America*, February 8, 2016 <https://www.voanews.com/a/islamic-state-timber-smuggling-afghanistan/3182282.html>
- 214** Global Witness interview with an elder originally from Achin district, mid-2017
- 215** Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 216** Zabihullah Jehanmal, 'MoMP Worries Daesh Might Extract Mineral Riches', *Tolo News*, December 12, 2017 <http://www.tolonews.com/business/momp-worries-daesh-might-extract-mineral-riches>; Aref Musawi, 'Daesh 'Could Exploit' Mineral Resources In Jawzjan', *Tolo News*, December 9, 2017 <http://www.tolonews.com/business/daesh-%E2%80%98could-exploit%E2%80%99-mineral-resources-jawzjan>
- 217** Borhan Osman, 'Descent into chaos: Why did Nangarhar turn into an IS hub?', *Afghanistan Analysts Network*, September 27, 2016 <https://www.afghanistan-analysts.org/descent-into-chaos-why-did-nangarhar-turn-into-an-is-hub/>
- 218** Global Witness interview, late 2016
- 219** Heather Barr, 'From the Taliban Frying Pan to the Islamic State Fire'; Borhan Osman, 'Descent into chaos: Why did Nangarhar turn into an IS hub?'
- 220** Global Witness interview with a senior official of the United Nations Assistance Mission to Afghanistan, October 2017
- 221** The source reported that: "There was an old man who had a car and [so] he came and went [from the area] and they killed him for spying." Global Witness interview, mid-2016
- 222** Two of the sources mentioned this story. In late 2015 Noor Mohammad, a man from the village of Surobi, who had several daughters, had finally been blessed with a son. In celebration, he had fired his rifle (which many people in Nangarhar keep for self defense) in the air. ISKP reacted by arresting him and using the mosque loudspeakers to call all the local inhabitants together. While Global Witness found significant corroboration for this account, the story is so exceptionally brutal as to prompt some scepticism, and ISKP has denied it. Borhan Usman reported that: "I have heard this story about the baby. People talking about it in the solid details. A woman came and said she had talked to the wife of the Malek – but there was some inconsistency. At the end of the day my impression was that this was made very skilfully. I was never able to trace it to a real thing. IS came out and said we did not do it." Global Witness interview, mid-2016; Global Witness interview, mid-2017; Global Witness interview with Borhan Osman, November 2017
- 223** ISKP in fact reportedly imposed restrictions on all children going to school, not just girls, but it is not clear if this has been maintained. Heather Barr, 'From the Taliban Frying Pan to the Islamic State Fire'
- 224** Heather Barr, 'From the Taliban Frying Pan to the Islamic State Fire'
- 225** Ali M. Latifi and Mohsin Khan Mohmand, 'When Islamic State Showed up in a Corner of Afghanistan, "Nothing Was Safe, Not Even the Cows"'; Mujib Mashal, 'Afghan ISIS Branch Makes Inroads in Battle Against Taliban', *New York Times*, October 13, 2015 <https://www.nytimes.com/2015/10/14/world/asia/afghan-isis-branch-makes-inroads-in-battle-against-taliban.html>
- 226** Ali M. Latifi and Mohsin Khan Mohmand, 'When Islamic State Showed up in a Corner of Afghanistan, "Nothing Was Safe, Not Even the Cows"'
- 227** Global Witness interview, late 2016
- 228** Global Witness interview, late 2016
- 229** Global Witness interview, mid-2016
- 230** David Mansfield, 'The Devil is in the Details: Nangarhar's Continued Decline into Insurgency, Violence and Widespread Drug Production', *Afghanistan Research and Evaluation Unit (AREU)*, February 2016, p 13 <http://areu.org.af/wp-content/uploads/2016/02/1602E-The-Devil-is-in-the-Details-Nangarhar-continued-decline-into-insurgency.pdf>
- 231** Global Witness interview, mid 2016
- 232** Global Witness interview, late 2016
- 233** Based on the limited information available, the talc trade does not seem to have especially tight margins once the stone leaves the mines. See section in Chapter 8 on supply chain and associated endnotes for a brief discussion on the talc value chain. But another source also reported that the Taliban in this period took nothing from the local people at all, just from traders who paid in Peshawar. Global Witness interview with an elder originally from Achin, mid-2017
- 234** Global Witness interview, mid-2016
- 235** Global Witness interview with a local source from Shadal, mid-2017; Julien Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans', *Le Monde*, February 13, 2017 [http://www.lemonde.fr/asia-pacifique/article/2017/02/13/un-talc-tout-en-douceur-dans-la-guerre-des-talibans\\_5078682\\_3216.html](http://www.lemonde.fr/asia-pacifique/article/2017/02/13/un-talc-tout-en-douceur-dans-la-guerre-des-talibans_5078682_3216.html)
- 236** Global Witness email correspondence with Borhan Osman, November 2017
- 237** Global Witness interview with Taliban commander, early 2018
- 238** The source said that the rent was 3m rupees a month, and 10m every 3 months – implying that it was a little higher than 3m a month. But it was not clear if this was paid daily, monthly, or quarterly. Global Witness interview with Source M, early 2018
- 239** The source said that the rent was 3m rupees a month, and 10m every 3 months – implying that it was a little higher than 3m a month. But it was not clear if this was paid daily, monthly, or quarterly. Global Witness interview with Source M, early 2018
- 240** Global Witness interview with Source Z, early 2018
- 241** See Annex B for a discussion of talc prices.
- 242** The Taliban official we interviewed said that the mines were divided up by the Finance Committee of the Quetta Shura, though it was not clear what this meant in practice. A former senior police officer from Nangarhar similar said that the Taliban's revenue from the mines was "divided to different parts, one part for weapons in Sherzad and Achin districts, one part to the Quetta shura and the other part to the Peshawar shura." Global Witness interview with a Taliban official, early 2018; Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 243** Global Witness interview with Source M, early 2018
- 244** There is a Zakhel area in the district of Rodat, immediately south of Jalalabad, and this could be what the source was referring to. Global Witness interview with Source G, early 2018
- 245** At least one other source also mentioned the Taliban extracting more directly. Matt DuPée also mentioned the Taliban mining directly, but said he had heard of it

- only in Helmand. Global Witness interview with Taliban commander, early 2018; Global Witness interview with Source H, early 2018; Global Witness interview with Matt DuPée, November 2017
- 246** The Taliban official and another source suggested locals would also mine informally, but only in their own areas. See Chapter 8 for more discussion of this. Global Witness interview with Source H, early 2018; Global Witness interview with Taliban commander, early 2018
- 247** A leading talc trader put the load at about 42-45 metric tons, while a truck driver put it at between 40-50 tons. Global Witness interview with a leading talc trader, mid-2017; Global Witness interview with Source G, early 2018; Global Witness interview with Source J, early 2018
- 248** Global Witness interview with Source G, early 2018
- 249** Global Witness interview with Source M, early 2018. One individual (Source J) had direct information on one trader who he said never paid any transit tax – but that trader had unusually good contacts with the Taliban, including with “someone in the Quetta Shura,” and they still provided a share of profits as well as other assistance. Global Witness interview with Source J, early 2018
- 250** The former police officer from Nangarhar mentioned that when the Taliban took money on the road: “They give [the driver or trader] an official document to say that we took this much money. Once [the driver] takes the document [they go forward]. Another source specifically mentioned that the Taliban provided a letter which allowed safe passage through their territory, as did Le Monde. It seems very likely this was the general rule. Global Witness interview with a former senior police officer from Nangarhar, early 2018; Global Witness interview with Source J, early 2018; Julien Bouissou, ‘Comment l’industrie mondiale du talc finance les talibans et l’Etat islamique en Afghanistan’
- 251** Global Witness interview with Source K, early 2018
- 252** The source said traders rented these small trucks for around Rs30,000 (\$285) per trip. They also mentioned that if the load was wood, the charge would be Rs1,000 (\$9.50). Global Witness interview with Source Q, late 2017
- 253** Global Witness interview with Source H, early 2018
- 254** Global Witness interview with source L, early 2018
- 255** The source said that the Taliban were charging Rs100,000 per truck, but that this was an increase from ‘before’, when they had charged Rs50,000-Rs60,000 (\$476-\$571). (Presumably this reflected a tighter grip on the trade or a better understanding of how much could be charged.) Given this, it is perhaps sensible to treat the Rs100,000 figure as the top end of a wider range – especially since at Rs100,000 per truck, Rs30m would only be equivalent to just 300 trucks a month, much less than our estimates indicate. See Annex C for further discussion. Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 256** The source reported that the Taliban would take 50,000 rupees from a 10-wheeler truck with capacity of around 60 tons; from a Kamaz truck with a 22 ton capacity the toll was 40,000 rupees; and from a 16-ton truck it was 30,000. These figures appear high both in terms of the tolls and in terms of the cited capacities. Global Witness interview with Source O, late 2017
- 257** See figures cited higher in the main text and in the preceding endnote. Our calculations were based on taking the mid-range of load and tax amount estimates. For our eight sources, these were in order Rs700, Rs700, Rs1000, Rs1666, Rs900, Rs1125, Rs2,222 and Rs1,417 (the last is an average of the four figures cited by that one source, so as not to give them too much weight, especially as there was some reason for caution on his estimates). The overall average is about Rs1,216, but to weight the more conservative end of the scale (and the two more credible sources who were discussing the largest trucks, which we assume carry the large part of the trade) we ignore the highest figure and reduce the resulting average by 30%. This gives us a figure of around Rs750.
- 258** The royalties vary between Afs606 and Afs673 (\$5.77-\$6.40) per ton. ‘An analysis and review of talc sector value chain’, Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 259** Global Witness interview with Source O, late 2017. The figure for the rental of a Mazda came from another source. Global Witness interview with Source Q, late 2017
- 260** Global Witness interview with Source O, late 2017
- 261** Global Witness interview with Source P, late 2017
- 262** The other checkpoints were described as being in a place called Miyonkhel or Myagon, and in a place called Kurtar or Gortargar. Global Witness interview with Source P, late 2017
- 263** Global Witness interview with Source Z, early 2018
- 264** Global Witness interview with an influential local elder from Khogyani, mid-2017
- 265** The quote was from source W. Global Witness interview with Source W, early 2018; Global Witness interview with Source X, early 2018
- 266** Global Witness interview with Source X, early 2018
- 267** Source A-E confirmed the mine was active, with about 15 trucks a day leaving the area with various minerals (although they specifically mentioned only talc and marble mines being in the area). Satellite imagery also showed vehicles at sites in Ladabagh (see main text). Global Witness interview-E, mid 2017
- 268** Global Witness interview with Source W, early 2018; Global Witness interview with Source X, early 2018
- 269** Julien Bouissou, ‘Comment l’industrie mondiale du talc finance les talibans et l’Etat islamique en Afghanistan’ Another source also mentioned payments being made ‘on the ring road of Peshawar’. Global Witness interview with Source X, early 2018
- 270** The source cited in Le Monde recounted that a colleague who had tried to stop talc trucks in Nangarhar was attacked and had to flee. Julien Bouissou, ‘Comment l’industrie mondiale du talc finance les talibans et l’Etat islamique en Afghanistan’
- 271** Global Witness email correspondence with Matt DuPée, April 2018
- 272** Matt DuPée reported a rate ranging from Rs25,000 (\$239) to Rs60,000 (\$572) per ton charged by the Taliban on marble in Helmand, depending on the type of marble. Another researcher, former UN political officer Graeme Smith, said one Nangarhar businessman reported that for every truckload of white marble exported from Khogyani, “the Taliban receive fifty thousand Pakistani Rupees (...) from a money exchanger in the Notyah area of Pakistan.” This would imply a much lower rate of tax than Matt DuPée reported from Helmand, though part of the difference may be due to differences in the type and quality of marble between the two parts of the country. Matt DuPée, ‘The Taliban Stones Commission and the insurgent windfall from illegal mining’, Combatting Terrorism Center, March 10, 2017 <https://ctc.usma.edu/posts/the-taliban-stones-commission-and-the-insurgent-windfall-from-illegal-mining>; Global Witness email correspondence with Matt DuPée, April 2018; Global Witness email correspondence with Graeme Smith, May 17, 2018
- 273** William Byrd and Javed Noorani, ‘Industrial-Scale Looting of Afghanistan’s Mineral Resources’, p 8
- 274** It seems likely that the Kadikhel the District Governor mentioned refers to Khadakhel, where some activity can be seen at 34.24763 N 69.96281 E and 34.25218 N 69.95767 E. It is perhaps significant that this is around the area referred to as Tutu by another source (see lower in main text), where the Taliban had a checkpoint. But there is also a Katikhel listed at 34.21218 N 70.02621 E, which is within or adjacent to Markikhel – the Soviet maps appear list Markikhel as an area rather than a village, although the IMMAP OASIS database records a spot location under that place name. The maps also list a Merkekkel village (with different transliteration but similar pronunciation) south of Ghunday – on our map we have listed it as Markikhel for consistency. On balance, it seems likely the Markikhel the District Governor mentioned simply refers to a wider area or to the valley that Ghunday is located in – there is a ‘Merkekkel Tangai’ (Merkekkel Narrows or Gorge) referenced in that area. Given all this, it is quite possible that the District Governor was generally talking about the Taliban taxing talc and marble mining around Ghunday – but the possibility he was also referring to Tutu/Khadakhel as a second area should not be discounted. We were not able to contact the District Governor to clarify the situation. Zeerak Fahim, ‘Precious stones being smuggled to Pakistan from Sherzad’, Pajhwok Afghan News, December 27, 2017 <https://www.pajhwok.com/en/2015/12/27/precious-stones-being-smuggled-pakistan-sherzad>
- 275** The Taliban themselves claim to control 75% of Khogyani and 95% of Sherzad and Hesarak, but more neutral sources generally report a similar picture. A former police officer from Nangarhar said it had taken around 1,000 government troops three days to travel just 25-30km to reach the district center. LandInfo reported that the “southwestern [Nangarhar] districts of Hesarak, Sherzad and Khogyani have long been the heartland of [the] Taliban in Nangarhar.” They said that in April 2016 a local journalist “considered that the authorities had very little presence in Sherzad. Here the rebels had almost full freedom of movement, and the government’s presence was limited to their own buildings in the district centre. He further claimed that the population largely supported the Taliban.” The same source (it appears) said that “the authorities had greater control in Khogyani district than in Sherzad and Hesarak. According to the source, this means that there are many people who support the government. At the same time, he stressed that the conflict dynamic is complicated.” But this contrasts with the more recent report from Matt DuPée, who said that: “I have been told a number of times that all of the [Khogyani] district apart from the centre is under Taliban control – except the centre plus 2km round it. Sources have been consistent with that in late 2017.” Multiple sources claim extraction was ongoing when the Islamic State took over in mid-2015 (see start of Chapter 7 for more details). DuPée reported that the Taliban’s taxation of mines in those districts began as early as 2004 or 2005. The New York Times similarly reports that the “Afghan government’s authority in Khogyani, in a remote region of Nangarhar Province, has long been confined to the district compound and the immediate surroundings.” ‘Percent of Country under the control of Mujahideen of Islamic Emirate’, Voice of Jihad, March 26, 2017 <https://alemarah-english.com/?p=12443>; Global Witness interview with Matt DuPée, January 2018; Global Witness correspondence with Matt DuPée, April 2018; ‘Afghanistan: The security situation in Nangarhar province’, LandInfo, October 13, 2016 pp 17, [https://landinfo.no/asset/3493/1/3493\\_1.pdf](https://landinfo.no/asset/3493/1/3493_1.pdf); Mujib Mashal, ‘In Tangled Afghan War, a Thin Line of Defense Against ISIS’, New York Times, December 25, 2017 [https://www.nytimes.com/2017/12/25/world/asia/eastern-afghanistan-isis.html?\\_r=0](https://www.nytimes.com/2017/12/25/world/asia/eastern-afghanistan-isis.html?_r=0); Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 276** See discussion of this point in the main text and endnotes of Chapter 8.
- 277** Corruption Bouissou, ‘Comment l’industrie mondiale du talc finance les talibans et l’Etat islamique en Afghanistan’
- 278** The report, from the Afghanistan Anti-Corruption Network (AACN), alleged that 500 trucks of talc were exported from Khogyani every day, creating revenues for insurgents (both Taliban and ISKP) of \$46m a year. The report is cited in media articles, but the actual research is not published on the AACN website or apparently anywhere else, and so must be treated with a good deal of scepticism. Farhad Naibkhel, ‘Bootie of natural riches; Insurgents earns \$46m from illegal mining to continue war in Afghanistan: Survey’, Afghanistan Times, February 1, 2017 <http://afghanistantimes.af/bootie-of-natural-riches-insurgents-earns-46m-from-illegal-mining-to-continue-war-in-afghanistan-survey/>
- 279** Global Witness interview with Franz Marty, January 2017
- 280** One source recounted how that in late 2015, a local militia commander called Sabz Ali had been killed by the Taliban after a disagreement over the mines: allegedly he had taken a 20 per cent cut on local mining revenue to allow passage through the checkpoints he controlled, and the Taliban wanted to reduce this to 5 per cent. Global Witness interview with Source T, late 2016; Global Witness interview with Source U, late 2016
- 281** Matt DuPée, ‘The Taliban Stones Commission and the insurgent windfall from illegal mining’, Combatting Terrorism Center, March 10, 2017 <https://ctc.usma.edu/posts/the-taliban-stones-commission-and-the-insurgent-windfall-from-illegal-mining>
- 282** ‘Letter dated 18 August 2015 from the Chair of the Security Council Committee established pursuant to resolution 1988 (2011) addressed to the President of the Security Council’, United Nations, August 26, 2015, p 15 [http://www.securitycouncilreport.org/atf/cf/%7B65B5CF9B-6D27-4E9C-8CD3-CF6E4F-F96FF9%7D/s\\_2015\\_648.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65B5CF9B-6D27-4E9C-8CD3-CF6E4F-F96FF9%7D/s_2015_648.pdf)
- 283** The UN report in fact also described mining as the second highest source of revenue for the Taliban, but there is some uncertainty about how much revenue comes from other sources (notably taxes on local business) and this could be substantial. Matt DuPée, ‘The Taliban Stones Commission and the insurgent windfall from illegal mining’, Combatting Terrorism Center, March 10, 2017; ‘Letter dated 18 August 2015 from the Chair of the Security Council Committee established pursuant to resolution 1988 (2011) addressed to the President of the Security Council’, United Nations, August 26, 2015, p 15; Gabriel Dominguez and Masood Saifullah, ‘How the Taliban get their money’, Deutsche Welle, January 21, 2016 <http://www.dw.com/en/how-the-taliban-get-their-money/a-18995315>

- 284** 'War in the Treasury of the People', Global Witness, pp 6-9 There are other examples like this. In Paktika province for example, one source said he had visited a laal (garnet or ruby) mine located in Urgan district. The source identified a Commander Jabar, a former follower of the notorious local militia leader Commander Azizullah, whose forces have been implicated in significant human rights abuses. The source believed the mine was under Azizullah's control. Interview with Source A-D, an inhabitant of Paktia province, late 2016; "Today We Shall All Die": Afghanistan's Strongmen and the Legacy of Impunity"; Human Rights Watch, March 2015, pp 31-36 [https://www.hrw.org/sites/default/files/report\\_pdf/afghanistan0315\\_4up.pdf](https://www.hrw.org/sites/default/files/report_pdf/afghanistan0315_4up.pdf)
- 285** As described above, a large talc stockpile of talc was systematically removed from the village of Shadal in early 2017. The fact that the mineral was held in Shadal an extended time makes it more plausible that there was not another way to remove it apart from the route through government-controlled territory to Shadal. Global Witness interview, late 2016; Global Witness interview with Source G, early 2018; Global Witness interview with Source J, early 2018; Global Witness interview with Source K, early 2018; Julien Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans', Le Monde, February 13, 2017 [http://www.lemonde.fr/asia-pacifique/article/2017/02/13/un-talc-tout-en-douceur-dans-la-guerre-des-talibans\\_5078682\\_3216.html](http://www.lemonde.fr/asia-pacifique/article/2017/02/13/un-talc-tout-en-douceur-dans-la-guerre-des-talibans_5078682_3216.html)
- 286** A USIP report put the date the ban was imposed as early 2015, but an Imerys official reported that the "border was indeed closed to talc trade between the third quarter of 2015 and the third quarter of 2016. Then the border reopened before closing again at the end of 2016. Talc export resumed in the first quarter of 2017." [sic] This may be a reference to border closings caused by tensions between the Afghan and Pakistani governments rather than by attempts to restrict the talc trade. The USIP dates in any case seem more reliable given there is a media confirmation of the ban being partially lifted in September 2015. 'Minister of Mines and Petroleum meets the members of the union of talc', Ministry of Mines and Petroleum, September 21, 2015 <http://mom.gov.af/en/news/minister-of-mines-and-petroleum-meets-the-members-of-the-union-of-talc>; Global Witness email correspondence with Vincent Gouley, Head of Financial Communication & Investor Relations, Imerys, April 18, 2018; William Byrd and Javed Noorani, 'Industrial-Scale Looting of Afghanistan's Mineral Resources', United States Institute for Peace, June 2017, p 8
- 287** The figure of a million tons comes from an unnamed Afghan government official cited in the USIP report – it is not known where they obtained the figure from or how exact it is. But Matt DuPée also reported that between 850,000 and 1m tons of talc were taken out after the ban was lifted. Global Witness interview with Matt DuPée, November 9, 2017; Julien Bouissou, 'Comment l'industrie mondiale du talc finance les talibans et l'Etat islamique en Afghanistan'; 'Minister of Mines and Petroleum meets the members of the union of talc', Ministry of Mines and Petroleum, September 21, 2015 <http://mom.gov.af/en/news/minister-of-mines-and-petroleum-meets-the-members-of-the-union-of-talc>; Global Witness interview with Afghan researcher, early 2018
- 288** It was difficult to fully confirm what restrictions were in place. But a government presentation also references the ban on unprocessed talc. It gives the Afghan year 1392 (2013) as its start date, but this may be an error. An official from Imerys, the international talc traders, said the requirement that talc be processed had been in place from the third quarter of 2016. The precise legal status of both the bans is unclear: while presumably they are the result of presidential decrees, Global Witness could not find a reference to them. Global Witness email correspondence with Vincent Gouley, Head of Financial Communication & Investor Relations, Imerys, April 18, 2018; Global Witness email correspondence with a Ministry of Mines advisor, March 2018; 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 289** It is unclear exactly how 'semi-processed bulk form' is defined, but it is differentiated in the government report from raw talc. One trader said 21 processing plants had been established near Jalalabad. Global Witness interview with Source Y, early 2018; 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 290** Global Witness interview with a former senior police officer from Nangarhar, early 2018; trade data from [resourcetrade.earth](http://resourcetrade.earth), accessed April 14, 2018 <https://resourcetrade.earth/data?year=2016&exporter=4&category=1151&units=value>
- 291** The first of these sources put the figure at Rs6,000-Rs7,000 (\$57-\$66), the second at Rs6,000, and the third at Rs5,000 (\$48). There is a slight possibility that the third source was referring to the price for smaller vehicles. Global Witness interview with Source G, early 2018; Global Witness interview with Source J, early 2018; Global Witness interview with Source K, early 2018
- 292** The source suggested those who were unfamiliar with the system might pay Rs8,000 (\$76), and said described a diver paying twice on one occasion "because the person of the customs had been changed." Global Witness interview with Source G, early 2018
- 293** Global Witness interview with Source K, early 2018
- 294** Global Witness interview with Source J, early 2018
- 295** Global Witness interview with Source W, early 2018
- 296** Global Witness interview with Source G, early 2018
- 297** Bouissou, 'Comment l'industrie mondiale du talc finance les talibans et l'Etat islamique en Afghanistan'
- 298** One source reported that in Achin as well two local tribes (the Rahimdadkhel and Haiderkhel) controlled the rights to the mines in the time when the Taliban still held the area. Meanwhile, a media report suggested communities in Sherzad had clashed over control of minerals, which indicates they must have been of some benefit to them. Global Witness interview with a local source from Shadal, mid-2017; Yousuf Zarifi, 'Taliban seen behind tribal clash over Nangarhar stone deposit', Pajhwok Afghan News, August 21, 2017 <https://www.pajhwok.com/en/2017/08/21/taliban-seen-behind-tribal-clash-over-nangarhar-stone-deposit>
- 299** Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 300** Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 301** The former senior police officer from Nangarhar reported that one politically-connected individual involved in the trade had "30 to 40" armed men. Another credible and informed source also said that this individual "has a militia." Global Witness interview with a former senior police officer from Nangarhar, early 2018; Global Witness interview with Source O, early 2018
- 302** The government's own talc study suggested a figure of \$151. The average price of unprocessed talc exported from Pakistan in 2016 was about \$190, and one trader reported buying talc at \$130 and selling it at \$170-\$200 in Peshawar. Internationally, processed Afghan talc is advertised on the trading website Alibaba.com at around \$150-\$300. Semi-processed talc lumps (purportedly originating in Pakistan) was advertised at \$168-\$222. 'Talc lumps', Alibaba.com, [https://www.alibaba.com/product-detail/talc-lumps\\_115510779.html?spm=a2700.7724838.2017115.9.317e2977x7fkQD](https://www.alibaba.com/product-detail/talc-lumps_115510779.html?spm=a2700.7724838.2017115.9.317e2977x7fkQD); 'Talcum Powder Brands Mineral Talc Lumps Importers Talc Afghanistan', Alibaba.com [https://www.alibaba.com/product-detail/Talcum-Powder-Brands-Mineral-Talc-Lumps\\_60557892546.html?spm=a2700.7724838.2017115.1.317e2977x7fkQD](https://www.alibaba.com/product-detail/Talcum-Powder-Brands-Mineral-Talc-Lumps_60557892546.html?spm=a2700.7724838.2017115.1.317e2977x7fkQD); Global Witness interview with Source X, early 2018; 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness; trade data from [resourcetrade.earth](http://resourcetrade.earth), accessed April 14, 2018 <https://resourcetrade.earth/data?year=2016&exporter=586&category=1152&units=value>
- 303** The export tax revenue figure was cited in the government's own analysis for the year 1396 according to the Afghan calendar, but it is unclear if it refers to all of that period or just the first three quarters. The 5% rate was found in the Ministry of Finance's list of customs tariffs. 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness; 'Customs Tariff - 2010/1390', Islamic Republic of Afghanistan Ministry of Finance, General Directorate of Customs, p 75 [http://mof.gov.af/Content/files/Tariff\\_English\\_final.pdf](http://mof.gov.af/Content/files/Tariff_English_final.pdf)
- 304** Global Witness requested the revenue figures from the Minister of Mines and one of her key advisors, but they were not able to provide the data. Global Witness correspondence with Nargis Nehan, March 2018; 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 305** Mansfield notes that: The magnesium silicate business does not generate income just in RS 11 [one of Mansfield's research sites in southern Nangarhar] and the Mahmand [sic] valley but provides revenue across a much wider area, including to the government of Afghanistan and Pakistan. The value chain for magnesium silicate, known locally as shawkanay, begins in the hills to the north and east of RS11 where it is mined by people from the Mahmand valley. It is estimated that one miner collects around 100 seer [an Afghan unit of weight equivalent to 7kg] of shawkanay in a day and sells it for 8 PR in the Mahmand valley. The shawkanay is subsequently transported across the bridge at the mouth of the Mahmand valley to Shadal bazaar where it is stored and purchased by traders for around 12 PR per seer. The shawkanay is then transported onwards to Pakistan where it is sold on the Peshawar ring road for around 6,000 to 6,500 PR per metric ton. Some of the final product is said to be transported to Karachi port and then on to Italy. While the government of Afghanistan is no longer present in the Mahmand valley it still generates a revenue stream from the production and subsequent trade in Shawkanay. Firstly, the government raises a revenue by issuing licenses to traders. These costs 50,000 PR and are issued by the Ministry of Trade following approval by the Directorate of Mines. Secondly, the government then taxes the trade, weighing the trucks transporting the shawkanay in Kahi, and charging 650 Afs per metric ton to be paid in the bank in Jalalabad. The final beneficiary of the trade is the Pakistani government which is said to charge a tax of 150 PR per metric ton on exports and 1,600 PR per metric ton when the shawkanay is sold in Pakistan. It is alleged that in the recent past the Taliban have also approached the traders of shawkanay looking for a financial contribution. It is said that the traders declined this request on the basis that there are insufficient profit margins in the business. [sic] The prices he cites seem very low: Rs12 per seer (\$0.11) amounts to just \$16.32 a ton. While this echoes the export records showing an average price of \$14 per ton, we have already discussed why those appear artificially low. So does the price he quotes for sales in Pakistan of \$57-\$61 a ton. If the traders are paying Af650 (\$9.56) per ton to the government (which seems highly unlikely), that increases the plausibility of our reports that an average of around this much per ton was taken by the Taliban in Sherzad, with bribes of a few thousand rupees going to the government in place of the bulk of royalties. There might be some on the supply chain – the labourers for example – who would indeed struggle with any extra burden, but Mansfield specifically cites the traders. David Mansfield, 'David Mansfield, Examining the Impact of IDEA-NEW on Opium Production – Nangarhar: A Case Study', Alcis Ltd, January 11, 2015 p 60 [https://www.alcis.org/media/102697/idea-new\\_nangarhar\\_evaluation\\_2015-report.pdf](https://www.alcis.org/media/102697/idea-new_nangarhar_evaluation_2015-report.pdf); 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 306** Le Monde makes a similar point, quoting a "source well informed on the supply chain to the Afghan frontier" saying that: "Talc costs between \$40 and \$60 a ton when it leaves the Afghan mine, and \$150 a ton when it arrives at the depot of North West Minerals, on the other side of the frontier. Between the two, between \$50 and \$100 go on official taxes, transport...and into nature." Part of the money is in fact taken by corrupt officials and by the insurgents. The same applies for traders moving stone all the way to Pakistan. One trader with a mine in Nangarhar said that "in general with all custom duties and expenses [presumably including bribes], one [ton] of talc costs us about \$130, and we sell it from \$170 to \$200." Julien Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans', Le Monde, February 13, 2017 [http://www.lemonde.fr/asia-pacifique/article/2017/02/13/un-talc-tout-en-douceur-dans-la-guerre-des-talibans\\_5078682\\_3216.html](http://www.lemonde.fr/asia-pacifique/article/2017/02/13/un-talc-tout-en-douceur-dans-la-guerre-des-talibans_5078682_3216.html); Global Witness interview with Source X, early 2018
- 307** Another source reported that while they did not have exact information, the belief among those in a position to know was that the talc "goes to China and [other places] abroad, some say it is used in Pakistani factories." Global Witness interview, mid-2016; Global Witness interview, late 2016
- 308** One trader confirmed that "most of the talc mining areas are under control of the Taliban. The Taliban send their agent to collect taxes in some areas which are not under [their] control." Global Witness has not come across any report of talc extraction outside of Nangarhar in our extensive research, apart from one report of two talc mines in Kandahar being put up for tender in early 2015. No corresponding contracts appear on the Ministry of Mines list. If we take the government's talc contracts as a proxy for the location of all talc mines, all are in districts that are either under effective Taliban control, or highly contested (see below). Our research did not uncover any reports of talc mines in other districts, and mindat.org does not list any deposits in the province outside of Achin and Sherzad. 'Talc', Mindat.org, accessed May 1, 2018 <https://www.mindat.org/min-3875.html>; Global Witness interview with Source W, early 2018 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness; Ahmad Bashir

Naadem, 'Kandahar puts 4 minerals deposits on offer', Pajhwok Afghan News, February 3, 2015 <https://www.pajhwok.com/en/2015/03/10/kandahar-puts-4-mineral-deposits-offer>

**309** Of the 47 talc contracts (active and expired) listed on the Ministry of Mines website, all are in Nangarhar, and all but nine are in Achin and Sherzad (with 14 and 24 respectively). Of those nine, three are in Hesarak, which is largely Taliban-controlled, and two each are in Haska Mena and Pachir Wa Agam, which are heavily contested. The location of the other contracts could not be determined: only 10 of the contacts had GPS coordinates, with the rest having place names. Interestingly, there are no contracts for any mineral listed for Khogyani. In terms of active contracts (i.e. within their period of validity and not listed as cancelled), in Achin district 10 of the 14 contracts were registered as active as of April 2017, according to the Ministry of Mines lists, with another 21 out of 24 listed as active in Sherzad. A Ministry of Mines report from late 2017 listed 21 contracts as active, 15 of them in Sherzad. Our research produced no indication that contracts had been cancelled or suspended because of the presence of insurgents. 'Small mines contracts', Ministry of Mines and Petroleum of the Islamic Republic of Afghanistan, <http://mom.gov.af/en/page/momp-contracts/104421>; 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness 'Small mines contracts', Ministry of Mines of the Islamic Republic of Afghanistan, <http://mom.gov.af/en/Percent%20of%20Country%20under%20the%20control%20of%20Mujahideen%20of%20Islamic%20Emirate%20Voice%20of%20Jihad%20March%2026%202017> <https://alemarah-english.com/?p=12443>; 'Afghanistan: The security situation in Nangarhar province', LandInfo, October 13, 2016, pp 16-19 [https://landinfo.no/asset/3493/1/3493\\_1.pdf](https://landinfo.no/asset/3493/1/3493_1.pdf); Yousef Zarifi, 'Civilian deaths only outcome of Haska Mena operation', Pajhwok Afghan News, August 12, 2017 <https://www.pajhwok.com/en/2017/08/12/%E2%80%98civilian-deaths-only-outcome-haska-mena-operation%E2%80%99>; Rod Nordland and Fahim Abed, 'ISIS Captures Tora Bora, Once Bin Laden's Afghan Fortress', New York Times, June 14, 2017 <https://www.nytimes.com/2017/06/14/world/asia/isis-captures-tora-bora-afghanistan.html>; Ziar Yaad, 'Tora Bora Completely Cleared of Daesh: MoD', Tolo News, June 25, 2017 <http://www.tolonews.com/afghanistan/tora-bora-completely-cleared-daesh-mod>

**310** A former senior police officer from Nangarhar with knowledge of the trade told Global Witness that "Pakistani companies do not work in Afghanistan. They have representatives who come to Afghanistan." Le Monde's research on the work of IMI Omar suggests that occasionally Pakistani companies may be more directly involved, although it was somewhat unclear if did more than sourcing from Afghan sellers. In terms of numbers, according to [resource.trade.earth](https://resource.trade.earth), of 561,430 tons of Afghan exports to all countries, 561,286 tons went to Pakistan – all of it unprocessed. The Ministry of Mines study on talc supply chains meanwhile found that "Afghanistan has exported 100 percent of its talc in bulk to Pakistan and China." Talc bound for China presumably exists via Pakistan, given the difficulty of alternative routes. Global Witness interview with a former senior police officer from Nangarhar, early 2018; 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness; trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1152&units=value>; trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 2, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1151&units=value>

**311** Pakistan's share was 37%, with Canada and China the other two major sources. 'Talc and Pyrophyllite', United States Geological Survey, January 2017 <https://minerals.usgs.gov/minerals/pubs/commodity/talc/mcs-2018-talc.pdf>

**312** A 2014 report on talc from Pakistan's export promotion bureau lists 12 other major exporting companies in Pakistan. Mustansar Mehmood, Sajid Hussain, 'A Report on Talc (Soap Stone)', Trade Development Authority of Pakistan, November 2014 [https://www.tdap.gov.pk/doc\\_reports/TDAP\\_Report\\_on\\_Talc\\_\(Soap\\_Stone\).pdf](https://www.tdap.gov.pk/doc_reports/TDAP_Report_on_Talc_(Soap_Stone).pdf); SA, 'MINERALS LINE, Minerals, soapstone, natural Talc, on EUROPAGES.' <http://www.europages.co.uk/MINERALS-LINE/00000004642402-452335001.html>

**313** 'World Mineral Production 2012-2016', British Geological Survey, February 2018, p 72 <http://www.bgs.ac.uk/downloads/start.cfm?id=3396>; trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 17, 2018 <https://resource.trade.earth/data?year=2016&exporter=586&category=1151&units=value>; trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 17, 2018 <https://resource.trade.earth/data?year=2016&exporter=586&category=1152&units=value>

**314** There is one import of about 8,400 tons from China in 2016, but no other imports above 5,000 tons apart from those coming from Afghanistan. Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&importer=586&category=1151&units=value>; Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&importer=586&category=1152&units=value>

**315** An Afghan government report refers to Pakistan accounting to 2% of global talc consumption in 2016. A separate source lists global talc consumption as 6m tons in that year, giving a figure of 120,000 tons for Pakistani consumption. 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness; 'Global Talc Market to Cross US\$ 1.6 Billion by 2022', Cision PR Newswire, December 12, 2016 <https://www.prnewswire.com/news-releases/global-talc-market-to-cross-us-16-billion-by-2022-606049696.html>

**316** The calculation here is that of 305,970 tons of Pakistani talc exports, 125,330 originate in Pakistan (the entirety of Pakistani production) and the remaining 180,640 tons in Afghanistan (41% and 59% of the total). If we assume that domestic consumption of 120,000 tons is equally supplied by Pakistani and Afghan talc (60,000 tons each), then the figures are 65,330 and 240,640 tons – 21% and 79% of the total.

**317** In 2016, out of a total of 305,970 tons of total Pakistani talc exports (both processed and unprocessed) 128,542 tons, or 42%, went to the United States. Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 17, 2018 <https://resource.trade.earth/data?year=2016&exporter=586&category=1151&units=value>; trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 17, 2018 <https://resource.trade.earth/data?year=2016&exporter=586&category=1152&units=value>; Ian Wilson, 'Global Talc Markets'

**318** The calculation here is that of the 35% of US imports of talc that come from Pakistan, at least 60% (and more realistically 80%) of those come from Afghanistan, so between 21% and 28% of US imports come from Afghanistan. (35% $\times$ 60%=21%; 35% $\times$ 80%=28%). 'Talc and Pyrophyllite', United States Geological Survey, January 2017 <https://minerals.usgs.gov/minerals/pubs/commodity/talc/mcs-2018-talc.pdf>

**319** In 2016 the Netherlands imported 40,279 tons of talc from Pakistan, while Italy imported 39,034 tons, making them the second and third largest markets after the USA, respectively accounting for 13.2% and 12.8% of Pakistani exports. In the Netherlands Pakistani talc accounted for 17.6% of all talc imports (processed and unprocessed), although it is accounted for 88.6% of unprocessed talc imports. In Italy Pakistan accounted for 29.7% of all talc imports, and 50.2% of unprocessed talc imports. Other European countries (Germany, Portugal, Belgium, Greece, Spain, Slovenia, and Poland) accounted for 10.5% of Pakistani exports, meaning that a total of 78.5% of Pakistani export went to the US and EU. Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=586&category=1151&units=value>; Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 20, 2018 <https://resource.trade.earth/data?year=2016&importer=381&category=1151&units=weight>; Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 20, 2018 <https://resource.trade.earth/data?year=2016&importer=528&category=1151&units=weight>; Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 20, 2018 <https://resource.trade.earth/data?year=2016&importer=586&category=1152&units=weight>; Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 20, 2018 <https://resource.trade.earth/data?year=2016&importer=528&category=1152&units=weight>

**320** Using the same data sources, we can work out that other European countries (Poland, Germany, Portugal, Belgium, Greece, Spain, Slovenia, in ascending order by weight of exports) accounted for 10.5% of Pakistani exports, meaning that a total of 78.5% of Pakistani exports went to the US and EU combined.

**321** The basis for this estimate is as follows. If we take the total of Pakistani exports and Pakistani domestic consumption we get a total of (305,970+120,000 =) 425,970 tons of talc being used in total (this is assuming there is no significant net stockpiling). From this we deduct the amount produced in Pakistan (125,330 tons): the remainder (300,640 tons) we assume must be supplied by Afghan talc. If we then assume that half of the domestic consumption of 120,000 tons is supplied by domestic talc and half by Afghan talc, this means that 240,640

tons of Afghan talc is going to export, along with 65,330 tons of Pakistani talc – a roughly 80%-20% split. So of the 128,542 tons going to the US, 80% (102,834 tons) are Afghan. That is 34% of the total amount of Afghan talc (300,640 tons). Total EU imports are 111,600 tons, of which 80% is 89,280 tons, or 30% of the total. This would mean 64% of Afghan talc goes to the US and EU together. However, the major problem with this calculation is that we know the figure for the total amount of Afghan talc does not match the [resource.trade.earth](https://resource.trade.earth) export data, which shows Afghan exports to Pakistan of 561,286 tons. There is a fundamental discrepancy in the data, as noted in the main text, with the figures for Afghan exports (even without adding in Pakistani production) far exceeding Pakistani consumption and exports. We can try to compensate for this by taking the Afghan export figure as the correct total, then the amount going to the US (102,834 tons) is 18%, and to the EU (89,280 tons) is 16% - a total of 34%. We can take this as the lower end of our range. But there is clearly an error somewhere in the data, which it is important to acknowledge as it casts a certain question over the overall process. Incidentally, our calculations are based on volume of exports, but an analysis by value produces very similar figures.

**322** Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1152&units=value>; trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 2, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1151&units=value>

**323** Trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=586&category=1388&units=value>; 'Dynamics of chrome trading', Dawn, October 1, 2012 <https://www.dawn.com/news/753264>; 'Pakistan chromite production by year', Index Mundi <https://www.indexmundi.com/minerals/?country=pk&product=chromite&graph=production>; 'World Mineral Production 2012-2016', British Geological Survey, February 2018, p 13 <http://www.bgs.ac.uk/downloads/start.cfm?id=3396>

**324** Abdul Maqsood Azizi 'Illegal mining, smuggling of chromites continue unabated', Pajhwok Afghan News, April 23, 2017 <https://www.pajhwok.com/en/2017/04/23/illegal-mining-smuggling-chromites-continue-unabated>; Matt DuPée, 'The Taliban Stones Commission and the insurgent windfall from illegal mining', Combatting Terrorist Center, March 10, 2017 <https://ctc.usma.edu/posts/the-taliban-stones-commission-and-the-insurgent-windfall-from-illegal-mining>; Luis de la Corte and Hristina Hristova, 'The Role of Illicit Trafficking in the Af-Pak Context', Instituto Español de Estudios Estratégicos (IEEE), April 11, 2017 [http://www.ieee.es/en/Galerias/fichero/docs\\_marco/2012/DIEEEM03-2012\\_PapelTraficosIllicitosAF-PAK\\_ENGLISH.pdf](http://www.ieee.es/en/Galerias/fichero/docs_marco/2012/DIEEEM03-2012_PapelTraficosIllicitosAF-PAK_ENGLISH.pdf); 'World Mineral Production 2012-2016', British Geological Survey, February 2018, p 13 <http://www.bgs.ac.uk/downloads/start.cfm?id=3396>; trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 17, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1388&units=value>; 'Chromite extraction in Kunar, factor of [in]stability', Integrity Watch Afghanistan, 2013 [https://iwaweb.org/wp-content/uploads/2015/11/05-chromite\\_extraction\\_in\\_kunar\\_factor\\_of\\_instability.pdf](https://iwaweb.org/wp-content/uploads/2015/11/05-chromite_extraction_in_kunar_factor_of_instability.pdf)

**325** Legal imports into Pakistan registered at [resource.trade.earth](https://resource.trade.earth) amount to less than 2,500 tons in 2012 – and even lesser amounts in subsequent years. It is of course possible that there is production in Pakistan that is not registered, but no reports of illegal chromite mining there were found in a short review of online sources. See endpoint above for references to illegal chromite mining outside of Nangarhar. 'Pakistan chromite imports', trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&importer=586&category=1388&units=value>; 'Afghanistan chromite production by year', 'World Mineral Production 2012-2016', British Geological Survey, February 2018, p 12; Index Mundi, <https://www.indexmundi.com/minerals/?country=af&product=chromite&graph=production>

**326** 'Afghanistan marble exports', trade data from [resource.trade.earth](https://resource.trade.earth), accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1184&units=value>; 'Marbles of Afghanistan', Ministry of Mines and Petroleum <http://mom.gov.af/Content/files/Marble%20in%20Afghanistan%20Brochure.pdf>

**327** Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans'

**328** Global Witness correspondence with Imerys, April 2018 IMI Fabi did not respond to an email inquiry from Global Witness on this question.

- 329 'USA Import Customs Data: Price of Talc', USA Import, accessed April 17, 2018 <https://www.usaimportdata.com/usa-import-product-talc.aspx>; Julien Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans'
- 330 Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans'
- 331 Ghunday is in fact in Sherzad district, but part of the wider area often referred to as Khogyani. 'Small contracts', Ministry of Mines and Petroleum, [www.mom.gov.af](http://www.mom.gov.af)
- 332 Shamshir Zamir appears to have also paid significant taxes to the government, though the data raises some questions. Afghanistan's 5th EITI Reconciliation Report records zero tons of production for Shamshir Zamir in 1393 (2014) and 1394 (2015), but revenue of Afs51,523,007 (\$757,691) and Afs4,544,373 (\$66,829). The figures suggest there is an inaccuracy in the data, and the company claimed that a legal dispute among its leadership prevented it from filing EITI data, which could explain why it is listed as not having production. The royalty rate on the company's Sherzad contract is Afs673 (\$9.89) per ton, and on its Sherzad contract Afs606 (\$8.91) per ton. Taking an average of these two rates would indicate that the company extracted at most 80,567 tons in 2014 and 7,106 tons in 2015. This would be consistent with the ban on talc exports in 2015. 'Inception Report and Fifth Reconciliation Report', Afghanistan Extractive Industries Transparency Initiative, April 29, 2017 pp 40, 62, 71, 72 [https://eiti.org/sites/default/files/documents/5threconciliationfinalreport\\_1393-1394\\_210520174405722555325325.pdf](https://eiti.org/sites/default/files/documents/5threconciliationfinalreport_1393-1394_210520174405722555325325.pdf)
- 333 Bouissou, 'Comment l'industrie mondiale du talc finance les talibans et l'Etat islamique en Afghanistan'
- 334 'Afghanistan: The security situation in Nangarhar province', p 17
- 335 Global Witness email correspondence with Vincent Gouley, Head of Financial Communication & Investor Relations, Imerys, April 10, 2018
- 336 As early as 2011, around the time Imerys began sourcing talc originating in Afghanistan, a report described Khogyani district as a "disputed zone, controlled neither by the authorities or by the insurgents" Julien Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans'
- 337 Global Witness email correspondence with Vincent Gouley, Head of Financial Communication & Investor Relations, Imerys, April 18, 2018
- 338 It is notable that these do not appear in the supposedly comprehensive list of contracts published by the Ministry of Mines.
- 339 It is not clear not clear why the head of the Omar Group only referred to buying from local concession holders if he had concessions himself. Julien Bouissou, 'Comment l'industrie mondiale du talc finance les talibans et l'Etat islamique en Afghanistan', *Le Monde*, October 4, 2016 [http://www.lemonde.fr/asia-pacifique/article/2016/10/04/comment-l-industrie-mondiale-du-talc-finance-les-talibans-et-l-etat-islamique-en-afghanistan\\_5007632\\_3216.html#IJIUGy-WP5Xd4oiRx.99](http://www.lemonde.fr/asia-pacifique/article/2016/10/04/comment-l-industrie-mondiale-du-talc-finance-les-talibans-et-l-etat-islamique-en-afghanistan_5007632_3216.html#IJIUGy-WP5Xd4oiRx.99)
- 340 Julien Bouissou, 'Comment l'industrie mondiale du talc finance les talibans et l'Etat islamique en Afghanistan', *Le Monde*, October 4, 2016
- 341 Julien Bouissou, 'Comment l'industrie mondiale du talc finance les talibans et l'Etat islamique en Afghanistan'
- 342 IMI Fabi CEO Corrado Fabi confirmed the joint venture was still active, and the IMI Fabi website also listed "IMI Omar PTV. Ltd - Karachi, Pakistan" as one of the company's worldwide locations. Global Witness correspondence with Corrado Fabi, Chief Executive Officer of IMI Fabi, April 12, 2018; 'Worldwide locations', IMI Fabi <https://www.imifabi.com/52-Worldwide-locations.html>; 'Talc', IMI Fabi, <https://www.imifabi.com/53-Talc.html>
- 343 Global Witness emails to IMI Fabi, April 2018
- 344 Global Witness correspondence with Corrado Fabi, Chief Executive Office of IMI Fabi, April 12, 2018
- 345 'Mission and Vision', IMI Fabi, <https://www.imifabi.com/46-Mission-Vision.html>
- 346 A 2014 report on talc from Pakistan's export promotion bureau lists 12 major producers. Mustansar Mehmood, Sajid Hussain, 'A Report on Talc (Soap Stone)', pp 26-28
- 347 When U.S. President Donald Trump and Afghan President Ashraf Ghani met in New York City in the autumn of 2017, they too discussed the extractive sector. A September White House statement said the two presidents agreed that tapping Afghan mineral resources "would help American companies develop materials critical to national security while growing Afghanistan's economy and creating new jobs in both countries, therefore defraying some of the costs of United States assistance as Afghans become more self-reliant." President Ghani said "The economic development and prosperity of Afghanistan depend on its mining sector, which will enable Afghanistan to pay its military expenditure and achieve self-reliance." 'Quarterly report to the United State Congress', Special Inspector General for Afghanistan Reconstruction, January 30, 2018 pp 3-4 <https://www.sigar.mil/pdf/quarterlyreports/2018-01-30qr-intro-section1.pdf>
- 348 'Press Release - Afghanistan to announce Strategy for Extractives at PDAC 2018', Ministry of Mines and Petroleum, March 3, 2018 <http://mom.gov.af/en/news/press-release---afghanistan-to-announce-strategy-for-extractives-at-pdac-2018>
- 349 'Islamic Republic of Afghanistan: Mining Sector Roadmap', Ministry of Mines and Petroleum, December 2017
- 350 Many of them were displaced by arrivals from Pakistan, including the families of ISKP members.
- 351 Borhan Osman, 'Descent into chaos: Why did Nangarhar turn into an IS hub?', Afghanistan Analysts Network, September 27, 2016 <https://www.afghanistan-analysts.org/descent-into-chaos-why-did-nangarhar-turn-into-an-is-hub/>
- 352 CDCs are local elected councils charged with developing and implementing economic programs in their area as part of the Afghan National Solidarity Program. Each council is ideally comprised of about 25 families. 'Community Development Councils in Afghanistan - A Social Capital', United Nations Post-Conflict Reconstruction Programme, July 2011 [http://www.unitor.org/hiroshima/sites/unitor.org/hiroshima/files/19\\_Case\\_Study\\_CDCs\\_as\\_Social\\_Capital.pdf](http://www.unitor.org/hiroshima/sites/unitor.org/hiroshima/files/19_Case_Study_CDCs_as_Social_Capital.pdf)
- 353 Community Based Monitoring of Extractives (CBM-E) program mobilize communities to monitor extraction processes to avoid negative social and environmental impacts and to ensure socio-economic development of local communities around extraction areas. 'CBM - Extractives', Integrity Watch Afghanistan, December 29, 2017
- 354 These include for example the PBIM tourmaline contract in Badakhshan. In January 2018, the Afghan government released many contracts, a positive step - but it is possible that further contracts remain hidden in provincial offices of the Ministry of Mines. 'War in the Treasury of the People', Global Witness, pp 41-45
- 355 William Byrd and Javed Noorani, 'Industrial-Scale Looting of Afghanistan's Mineral Resources', pp 2, 5-9
- 356 Global Witness correspondence with Imerys, April 2018
- 357 Both the British ambassador and the US acting ambassador visited the Minister of Mines around May 2017, but the primary purpose of the meetings was to discuss the 'resolution' of two contracts, the Badakhshan gold contract and the Balkhab copper contract. Preferred bidders had been named for the contracts in 2012 but they had not been finalised. So far as Global Witness is aware (and based on our discussions with the two embassies) no ambassador level meeting with the Minister of Mines has recently taken place with a specific focus on governance. Global Witness meetings with British and US embassy officials, and officials of the Ministry of Mines, May 2017; 'Preferred bidder for current mineral tenders', Ministry of Mines and Petroleum of the Islamic Republic of Afghanistan, December 8, 2012 <http://mom.gov.af/en/announcement/15333>
- 358 James Mackenzie, 'The victor, the spoils? Trump eyes Afghanistan's elusive mineral riches', Reuters, August 21, 2017 <https://www.reuters.com/article/us-usa-afghanistan-minerals/the-victor-the-spoils-trump-eyes-afghanistans-elusive-mineral-riches-idUSKCN1B102L>
- 359 The Brussels Conference produced a set of Deliverables which included this: "To operationalize the government's commitment to the Extractive Industries Transparency Initiative (EITI), amendments to the Mining Law submitted to the parliament include measures such as publication of mining contracts, identification of the mining contracts beneficial ownership, assignment of mineral rights for funding of mining projects, suspension for Force Majeure, rights of private land owners' enforcement of mining contracts being linked to their publication, by first half 2018 and the mineral fiscal regime developed by 2018." Self-Reliance Through Mutual Accountability Framework - Smart Deliverables 2017/2018', Brussels Conference on Afghanistan, October 5, 2016 [http://mfa.gov.af/Content/Media/Documents/agreed\\_smaf\\_smart\\_deliverables\\_final26102016113033613553325325.pdf](http://mfa.gov.af/Content/Media/Documents/agreed_smaf_smart_deliverables_final26102016113033613553325325.pdf)
- 360 'Afghanistan's Oil, Gas, and Minerals Industries: \$488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth', Special Inspector General for Afghanistan Reconstruction, January 2016 <https://www.sigar.mil/pdf/audits/SIGAR-16-11-AR.pdf>
- 361 A good example of this is that the performance indicators for the main USAID project with the Ministry of Mines did not include any which directly related to improved transparency or governance (such as publication of contracts or implementation of audits). 'Afghanistan's Oil, Gas, and Minerals Industries: \$488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth', Special Inspector General for Afghanistan Reconstruction, January 2016, p 8
- 362 For a full discussion of the weaknesses in the Ministry of Mines and the wider extractive sector, see for example 'Quarterly report to the United State Congress', Special Inspector General for Afghanistan Reconstruction, January 30, 2018 pp 3-4 <https://www.sigar.mil/pdf/quarterlyreports/2018-01-30qr-intro-section1.pdf>
- 363 'Extractives, Corruption, And Conflict in Afghanistan: Avoiding The Resource Curse', Global Witness, November 2017 <https://www.globalwitness.org/en/gb/campaigns/afghanistan/extractives-policy-briefing-avoiding-resource-curse-afghanistan/>
- 364 'Proposed Amendments to the Afghan Mining Law: December 2015 draft', Global Witness, December 2015, <https://www.globalwitness.org/en/campaigns/afghanistan/suggested-amendments-afghan-mining-law/>
- 365 Other useful documents include a report on the Afghan Mining Law, *A Shaky Foundation*; the policy document *Building for the Long Term*, and the policy report 'A Citizens' Checklist'. 'A Shaky Foundation?: Analysing Afghanistan's Draft Mining Law', Global Witness, November 2013 [http://www.globalwitness.org/sites/default/files/library/SHAKY\\_FOUNDATION\\_GW.pdf](http://www.globalwitness.org/sites/default/files/library/SHAKY_FOUNDATION_GW.pdf); 'Building for the Long Term: Avoiding the Resource Curse in Afghanistan', Global Witness, February 2014 [http://www.globalwitness.org/sites/default/files/library/LONG-TERM\\_BUILDING\\_Report.pdf](http://www.globalwitness.org/sites/default/files/library/LONG-TERM_BUILDING_Report.pdf); 'A Citizens' Checklist: Preventing corruption in the award of oil, gas and mining licenses', Global Witness, January 2012 <https://www.globalwitness.org/sites/default/files/A%20Citizens%20checklist%20EN%20Jan%202012.pdf>
- 366 See for example Integrity Watch Afghanistan Community Based Monitoring Project, <http://iwaweb.org/cbm.html>
- 367 See [http://www.open-contracting.org/global\\_principles](http://www.open-contracting.org/global_principles)
- 368 The figure was based on extrapolation from incomplete official figures for that year, which showed 443,594 tons of exports. An adjacent sentence talks about 2m tons of exports - but there is no explanation for the contradiction, so we have taken the more conservative figure. 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 369 Global Witness interview with a leading talc trader, mid-2017
- 370 The trader was source Y. Another Global Witness source (source A-E) reported around 15 trucks a day from the Ladabagh mines (though this may have been other minerals as well as talc - especially marble). Another (Source Z) talked of 2,000 to 2,500 trucks a year going from two mines in Ghunday (equivalent to 80,000 to 100,000 tons if the load was 40 tons a truck). If there were 8-10 such mines as the source suggested, that would be up to a half a million tons just from Ghunday. But they also spoke of those mines generating 10 trucks a week - about a fifth as much - which suggests that there was some misunderstanding or that his information was incorrect (their testimony was otherwise credible, and they had plausible reasons to have access to accurate information). As noted above in the main text, production at Achin at best was around 10,000 tons a year, so the overall export picture is about the same. Global Witness interview with Source Y, early 2018; Global Witness email correspondence with Matt DuPée, April 23, 2017; Global Witness interview-E, early 2018 Global Witness interview with Source Z, early 2018
- 371 All but 96 tons of this was unprocessed talc, and all but 114 tons went to Pakistan. Trade data from [resourcetrade.earth](http://resourcetrade.earth), accessed April 14, 2018 <https://resourcetrade.earth/data?year=2016&exporter=4&category=1152&units=value;trade:data.from>



resource.trade.earth, accessed April 2, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1151&units=value>

- 372** The government's figures showed 198,157 tons of exports in 2016-2017 and 73,438 tons in 2015-2016, but the resource.trade.earth data shows 60,524 tons of export in 2015 (doubtless because of the ban on the talc trade). 487,256 tons in 2014, 223,246 tons in 2013, and 23,644 in 2012. If Ian Wilson's 2012 assessment of that there could be more than 300,000 tons of Afghan talc output is correct, the lower figures may just reflect under-declared exports or poor records. Jack Elliott, 'Pakistan, Afghanistan talc production vastly underestimated', Industrial Minerals, April 11, 2012 <http://www.indmin.com/Article/3009828/Pakistan-Afghanistan-talc-production-vastly-underestimated.html>; Ian Wilson, 'Global Talc Markets', powerpoint presentation to the 21st Industrial Minerals Congress & Exhibition, Budapest, Hungary, March 2012 <http://www.indmin.com/events/download.ashx/document/speaker/6517/a0ID00000X0jN2MAJ/Presentation>; trade data from resource.trade.earth, accessed April 2, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1152&units=value>
- 373** 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 374** USIP reported that: "Concerned about the uncontrolled exploitation of talc and associated funds going to the Taliban, the Afghan government declared a blanket ban on the extraction and export of talc, precipitating a sudden disruption of supply across the border and a build-up of talc stocks in Nangarhar. According to an MoMP official who personally inspected stocks of talc, about 375,000 tons were piled up in Sherzad district alone. Estimates of the total amount of talc stockpiled after the ban were as high as 750,000 tons, worth perhaps \$40 million within Afghanistan." William Byrd and Javed Noorani, 'Industrial-Scale Looting of Afghanistan's Mineral Resources', United States Institute for Peace, June 2017, p 8 <https://www.usip.org/sites/default/files/2017-05/sr404-industrial-scale-looting-of-afghanistan-s-mineral-resources.pdf>
- 375** Julien Bouissou, 'Comment l'industrie mondiale du talc finance les talibans et l'Etat islamique en Afghanistan'
- 376** 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 377** Trade data from resource.trade.earth, accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1152&units=value>
- 378** Julien Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans', Le Monde, February 13, 2017
- 379** One trade is listed at \$54.64, but it seems to be exceptional. Trade data from resource.trade.earth, accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=586&category=1152&units=value>
- 380** Talc lumps', Alibaba.com, [https://www.alibaba.com/product-detail/talc-lumps\\_115510779.html?spm=a2700.7724838.2017115.9.317e2977x7fkQD](https://www.alibaba.com/product-detail/talc-lumps_115510779.html?spm=a2700.7724838.2017115.9.317e2977x7fkQD); "Talcum Powder Brands Mineral Talc Lumps Importers Talc Afghanistan", Alibaba.com [https://www.alibaba.com/product-detail/Talcum-Powder-Brands-Mineral-Talc-Lumps\\_60557892546.html?spm=a2700.7724838.2017115.1.317e2977x7fkQD](https://www.alibaba.com/product-detail/Talcum-Powder-Brands-Mineral-Talc-Lumps_60557892546.html?spm=a2700.7724838.2017115.1.317e2977x7fkQD)
- 381** Trade data from resource.trade.earth, accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=4&category=1388&units=value>
- 382** Global Witness interview with local source from Shadal, mid-2017
- 383** Global Witness interview with an elder originally from Achin district, mid-2017
- 384** The source was cited by AAN researcher Borhan Osman. Global Witness email correspondence with Borhan Osman, November 2017
- 385** Global Witness interview, mid-2016
- 386** Global Witness interview, late 2016
- 387** The source mentioned that Mazda six-wheel trucks were normally rated to carry 6 tons. Global Witness interview, mid-2016
- 388** The source spoke of 8-9 mines in the area in total, but only specifically mentioned one of them as having talc. At least one marble and one chromite mine were also among that number, but it is not clear what the others produced. Global Witness interview, mid 2016; Global Witness interview, mid 2017

- 389** One source mentioned that the mines were worked every day except for Friday, so this is conservative. Global Witness interview, mid-2016
- 390** The calculation here for talc is: 2.5 trucks x 6 tons load x 4 days a week of mining x 52 weeks a year equals 3,120 tons a year or 260 tons a month. For chromite it is: 2 trucks x 6 tons x 4 days a week of mining x 52 weeks a year equals 2,496 tons a year or 208 tons a month.
- 391** The calculation here is 4 trucks a day x 6 tons load x 4 days a week of mining x 52 weeks a year equals 4,992 tons a year or 416 tons a month.
- 392** Trade data from resource.trade.earth, accessed April 14, 2018 <https://resource.trade.earth/data?year=2016&exporter=586&category=1388&units=value> One of our sources reported a price of about Rs40,000-Rs50,000 (\$380-\$475) for a ton, with chromite worth about Rs80,000 (\$760) a ton – but this clearly seems to be inaccurate given the global prices for those commodities. Global Witness interview, late 2016 and mid-2017; Global Witness interview, mid-2017
- 393** Julien Bouissou, 'Comment une entreprise française se fournit en talc au pays des talibans', Le Monde, February 13, 2017
- 394** Global Witness interview, mid-2017. This was based on extraction from the single site where our source said marble mining was taking place, with 10-12 trailer a day being extracted with a load of around 6 tons each.
- 395** In Afghanistan miners often pay 20% of the value of production to the Taliban. Matthew DuPée, 'Afghanistan's Conflict Minerals: The Crime-State Insurgent Nexus', CTC Sentinel, February 16, 2012 <https://www.ctc.usma.edu/posts/afghanistans-conflict-minerals-the-crime-state-insurgent-nexus>; Michael Renner, 'The Anatomy of Resource Wars', WorldWatch Institute, October 2002 <http://www.worldwatch.org/system/files/EWP162.pdf>; 'Afghanistan's Fabulous Ruby Mines Plundered by Thieves', BBC News, May 25, 2012 <http://www.bbc.co.uk/news/world-asia-18070571>
- 396** See discussion of the number of ISKP fighters higher in the main text.
- 397** Corruption Bouissou, 'Comment l'industrie mondiale du talc finance les talibans et l'Etat islamique en Afghanistan'
- 398** Zeerak Fahim, 'Precious stones being smuggled to Pakistan from Sherzad', Pajhwok Afghan News, December 27, 2017
- 399** Global Witness interview with an Afghan researcher, early 2018. If we assumed similar income from marble and chromite, the total would be \$4.2m a year.
- 400** Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 401** If the toll was really Rs100,000 (\$952) per trailer, the Rs30m (\$285,714) a month that the source reported in revenue for the Taliban would be equivalent to only 300 trucks a month, or just 162,000 tons of talc a year if the average load was 45 tons. That is far less than our estimate of the size of the talc trade, which comes in at around 500,000 tons of production (see Annex A). But if the average toll was only Rs35,000 (\$333), as two credible sources indicated (see main text), then it would be equivalent to around 463,000 tons, much closer to our estimate. If on the other hand the toll really was Rs100,000 per truck, 500,000 tons would generate more than \$10.5m. Global Witness interview with a former senior police officer from Nangarhar, early 2018
- 402** The fact that the upper range of the second figure is exactly a tenth of the first figure it may lead to suspicion that one or the other is off by a single zero, but there was no indication of this from the sources. Global Witness interview with Source M, early 2018; Global Witness interview with Source Z, early 2018
- 403** We take Matt Duppee's rate of \$8333 a month (\$10,000 a year/12) and our other data point of \$1190 a month, and the higher data point of \$14,285 a month. We then give the lower data points five times as much weight in the calculation of the overall average – as follows:  $[(5 \times 8333) + (5 \times 1190) + 14,284] / 11 = \$2,218$ .
- 404** 'Small mines contracts', Ministry of Mines and Petroleum of the Islamic Republic of Afghanistan, <http://mom.gov.af/en/page/momp-contracts/104421>; 'An analysis and review of talc sector value chain', Ministry of Mines and Petroleum, 2017, copy on file with Global Witness
- 405** Source Z guessed that tolls of Rs5,500 to Rs20,000 might be paid by trucks that did not have road passes from mine owners, but this was not based on direct knowledge. Sources W and X both said that road tolls were 6,000 per truck regardless of load. Global Witness interview with Source Z, early 2018; Global Witness

interview with Source W, early 2018; Global Witness interview with Source X, early 2018

- 406** This is based on the resource.trade.earth figures of 561,430 tons of exports, at an average price of about \$60 a ton. See endnote on Taliban take from mines elsewhere in Annex B.
- 407** A tax of \$571 a ton for the highest quality marble would be broadly consistent with a media report of taxes \$300-\$500 per ton for Helmand marble. A price of up to \$3,000 for onyx was cited by one Afghan involved in the stone trade: while it is certainly at the high end of the range, green Afghan onyx is listed on Alibaba.com for up to \$3,500 per ton. Sune Engel Rasmussen, 'Afghan government money reaching Taliban through marble trade', The Guardian, June 3, 2016; Global Witness interview-B, mid 2018; 'Afghan Green Onyx', Alibaba.com, accessed April 22, 2018 [https://www.alibaba.com/product-detail/Afghan-Green-Onyx\\_157650743.html?spm=a2700.7724838.2017115.277.145e66e2Ef-MZ1E](https://www.alibaba.com/product-detail/Afghan-Green-Onyx_157650743.html?spm=a2700.7724838.2017115.277.145e66e2Ef-MZ1E);
- 408** See endnote on this in Annex B.







**global witness**

Global Witness investigates and campaigns to change the system by exposing the economic networks behind conflict, corruption and environmental destruction.

Global Witness is a company limited by guarantee and incorporated in England (No.2871809)

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ISBN 978-1-911606-18-5

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