

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

OFFICE OF SPECIAL PROJECTS

POPPY CULTIVATION IN AFGHANISTAN: AFTER A DECADE OF RECONSTRUCTION AND OVER \$7 BILLION IN COUNTERNARCOTICS EFFORTS, POPPY CULTIVATION LEVELS ARE AT AN ALL-TIME HIGH

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SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

October 14, 2014

The Honorable John F. Kerry
Secretary of State

The Honorable Chuck Hagel
Secretary of Defense

The Honorable Eric H. Holder, Jr.
Attorney General

The Honorable Dr. Rajiv Shah
Administrator, U.S. Agency for International Development

Dear Secretary Kerry, Secretary Hagel, Attorney General Holder, and Administrator Shah:

I am writing to provide the results of SIGAR's analysis of recent trends in opium poppy cultivation in Afghanistan. As you know, the narcotics trade poisons the Afghan financial sector and undermines the Afghan state's legitimacy by stoking corruption, sustaining criminal networks, and providing significant financial support to the Taliban and other insurgent groups. Despite spending over \$7 billion to combat opium poppy cultivation and to develop the Afghan government's counternarcotics capacity, opium poppy cultivation levels in Afghanistan hit an all-time high in 2013.

According to the United Nations Office on Drugs and Crime (UNODC), Afghan farmers grew an unprecedented 209,000 hectares of opium poppy in 2013, surpassing the previous peak of 193,000 hectares in 2007. With deteriorating security in many parts of rural Afghanistan and low levels of eradication of poppy fields, further increases in cultivation are likely in 2014.

As of June 30, 2014, the United States has spent approximately \$7.6 billion on counternarcotics efforts in Afghanistan. Multiple sources of funding support these efforts, including the Department of Defense (DOD) Afghan Security Forces Fund, the State Department's (State) International Narcotics Control and Law Enforcement fund, the DOD Drug Interdiction and Counter-Drug Activities fund, financial support from the U.S. Drug Enforcement Administration, and the U.S. Agency for International Development's Economic Support Fund. Counternarcotics efforts include the development of Afghan government counternarcotics capacity, operational support to Afghan counternarcotics forces; encouragement of alternative livelihoods for Afghan farmers; financial incentives to Afghan authorities to enforce counternarcotics laws; and, in limited instances, counternarcotics operations conducted by U.S. authorities in coordination with their Afghan counterparts.

Despite the significant financial expenditure, opium poppy cultivation has far exceeded previous records. Affordable deep-well technology has turned 200,000 hectares of desert in southwestern Afghanistan into arable land over the past decade. Due to relatively high opium prices and the rise of an inexpensive, skilled, and mobile labor force, much of this newly-arable land is dedicated to opium cultivation. Poppy-growing provinces that were once declared 'poppy free' have seen a resurgence in cultivation. Nangarhar province in eastern Afghanistan, considered a model for successful counterinsurgency and counternarcotics efforts and deemed 'poppy free' by the UNODC in 2008, saw a fourfold increase in opium poppy cultivation between 2012 and 2013. The UNODC estimates that the value of the opium and its derivative products produced in Afghanistan was nearly \$3 billion in 2013, up from \$2 billion in 2012. This represents an increase of 50 percent in a single year.

The attached opium cultivation figures and maps illustrate the increasing cultivation of opium in Afghanistan. Attachment I provides a graph of UNODC poppy cultivation data for 2002 through 2013. The graph includes data for Afghanistan as a whole as well as for two key opium producing provinces. The graph also includes information on some of the factors influencing the cultivation figures. The maps in attachments II and III depict the likely locations and concentrations of poppy cultivation in Afghanistan in 2012 and 2013, respectively.¹ The map in attachment IV shows the boom in poppy cultivation over those two years.²

SIGAR and the U.S. Army Geospatial Center developed the maps using the most current data available from the UNODC. Unlike other maps that show poppy cultivation by district or province, these maps provide a more detailed view of the concentration of poppy cultivation in Afghanistan. Using geospatial overlays of arable land in Afghanistan combined with district level opium poppy cultivation rates, these maps show the intensity of opium cultivation and where those cultivation levels are rising or declining.

In past years, surges in opium poppy cultivation have been met by a coordinated response from the U.S. government and coalition partners, which has led to a temporary decline in levels of opium production. However, the recent record-high level of poppy cultivation calls into question the long-term effectiveness and sustainability of those prior efforts. Given the severity of the opium problem and its potential to undermine U.S. objectives in Afghanistan, I strongly suggest that your departments consider the trends in opium cultivation and the effectiveness of past counternarcotics efforts when planning future initiatives.

Agency Comments

A draft copy of this correspondence was circulated to the Department of State, the Department of Defense, The Department of Justice, and USAID. Embassy Kabul, responding for State and USAID, acknowledged the significance of the poppy cultivation issue in Afghanistan. Embassy Kabul also acknowledged that, after more than a decade of taxpayer-funded counternarcotics programs in Afghanistan, U.S. government efforts to build Afghan government counternarcotics capability were still “in progress.” Despite recent record increases in opium cultivation, Embassy Kabul claimed that its ongoing counternarcotics efforts are yielding results. The response highlighted the success of specialized Afghan interdiction units as well as the implementation of a network of drug treatment programs in Afghanistan. The response went on to say: “[t]here is no silver bullet to eliminate drug cultivation or production in Afghanistan or to address the epidemic of substance abuse disorder that plagues too many Afghans...Our counternarcotics goals can be accomplished only when these are also Afghan counternarcotics goals. We look forward to the new Afghan government assuming a leadership role in this regard.” The Embassy response also included technical comments which SIGAR staff addressed, as appropriate.

¹ The maps included in this report illustrate “potential” opium poppy cultivation. Potential cultivation is defined by the percentage of arable land used to cultivate poppies in a given district, as reported by the UNODC. The U.S. Army Geospatial Center uses geographical overlays of arable land in Afghanistan and color-codes the arable land area according to the percentage of reported poppy cultivation in the relevant district.

² The map in attachment IV illustrates only the increase or decrease in a given area between 2012 and 2013. It does not imply an absolute percentage of area under cultivation nor does it imply an absolute amount of poppy produced. If, in a given province, the area under cultivation increased from only 2 percent to only 3 percent, it will still be displayed as an increase, despite the low percentage of arable land under cultivation. For actual percentage values of area under cultivation, consult the maps in attachments II and III.

For its part, DOD acknowledged the significance of increased opium poppy cultivation in Afghanistan, and that “poppy production is on the increase and is a significant threat to U.S. and international efforts in Afghanistan.” Like the Embassy Kabul response, DOD highlighted its efforts and those of other U.S. government agencies to build a “reliable Afghan counterdrug partner and enduring Afghan [counternarcotics] capacity.” However, DOD went on to state that “the failure to reduce poppy cultivation and increase eradication is due to the lack of Afghan government support for the effort.”³

The Embassy Kabul and DOD responses can be found at attachments V and VI, respectively. The Department of Justice did not provide any comments.

This material was prepared by SIGAR’s Office of Special Projects. To conduct this review, we examined information provided by the Departments of Defense, State, and Justice. We also received technical assistance from the U.S. Army Geospatial Center. A contributor to this report was David Mansfield, a recognized subject matter expert on drug cultivation related issues.⁴ The work was conducted under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Attachments:

- I. Figure: Total Area Under Opium Cultivation in Afghanistan, 2002-2013
- II. Map: Opium Cultivation Potential in Afghanistan, 2012
- III. Map: Opium Cultivation Potential in Afghanistan, 2013
- IV. Map: Change in Reported Percentage of Arable Land Under Opium Poppy Cultivation, 2012-2013
- V. State Department Response
- VI. Department of Defense Response

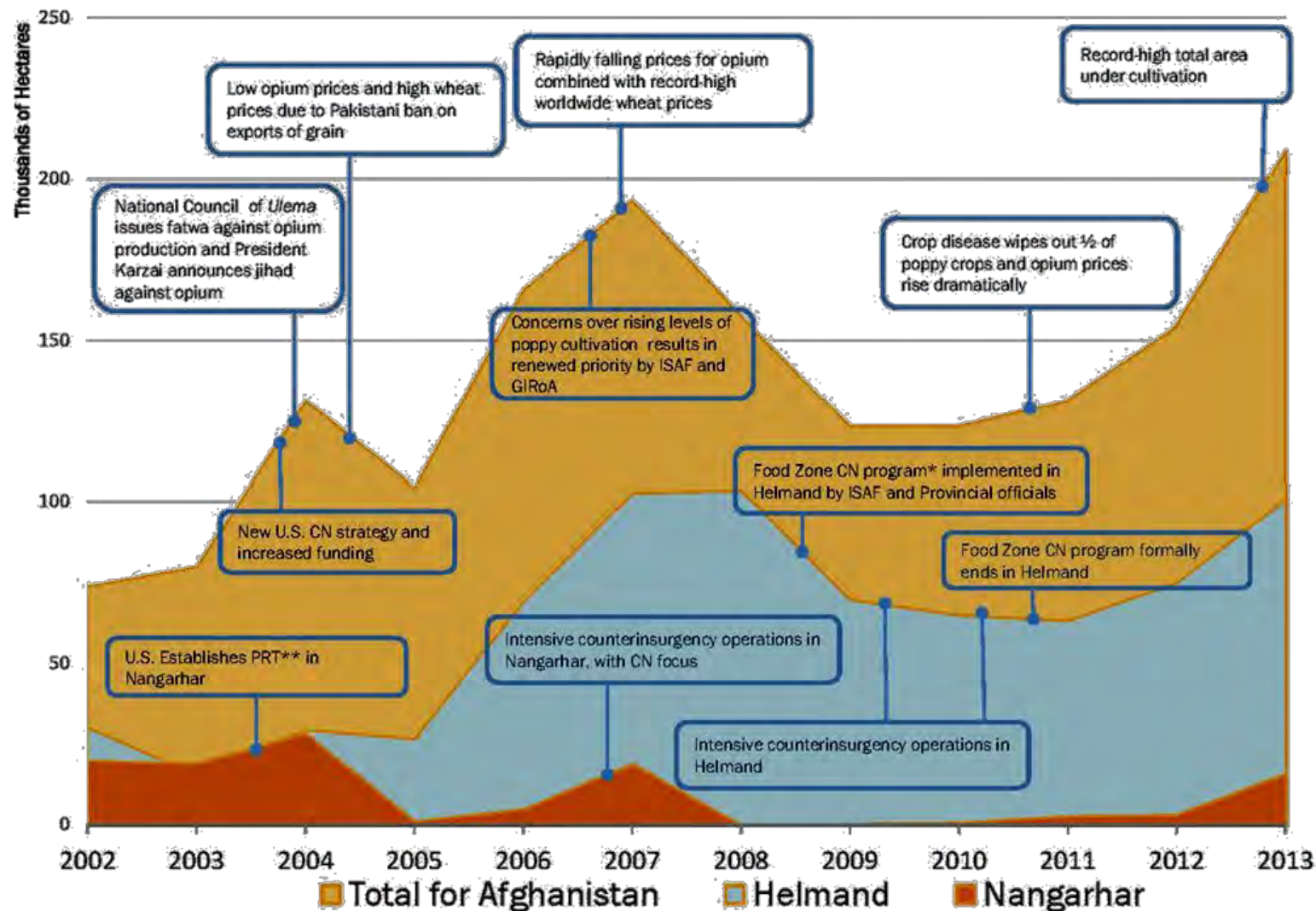
³ The DOD response asked that Secretary Hagel be removed from the list of addressees for this correspondence “because DOD does not conduct eradication activities in Afghanistan.” However, as DOD has spent billions of dollars to develop Afghan government counternarcotics capacity, SIGAR believes that the Secretary of Defense should be informed of the current situation.

⁴ David Mansfield has conducted field research in rural Afghanistan since 1997 and is a recognized expert on opium cultivation and alternative livelihood development. Dr. Mansfield has worked with a variety of government and multi-lateral institutions concerned with opium production in Afghanistan. He currently is under contract to SIGAR.

ATTACHMENT I: TOTAL AREA UNDER POPPY CULTIVATION 2002 – 2013

Figure 1 demonstrates UNODC poppy cultivation data for 2002 through 2013. The graph includes data for Afghanistan as a whole as well as two key opium producing provinces as illustrative examples. The graph also includes information on some of the factors influencing the cultivation figures.

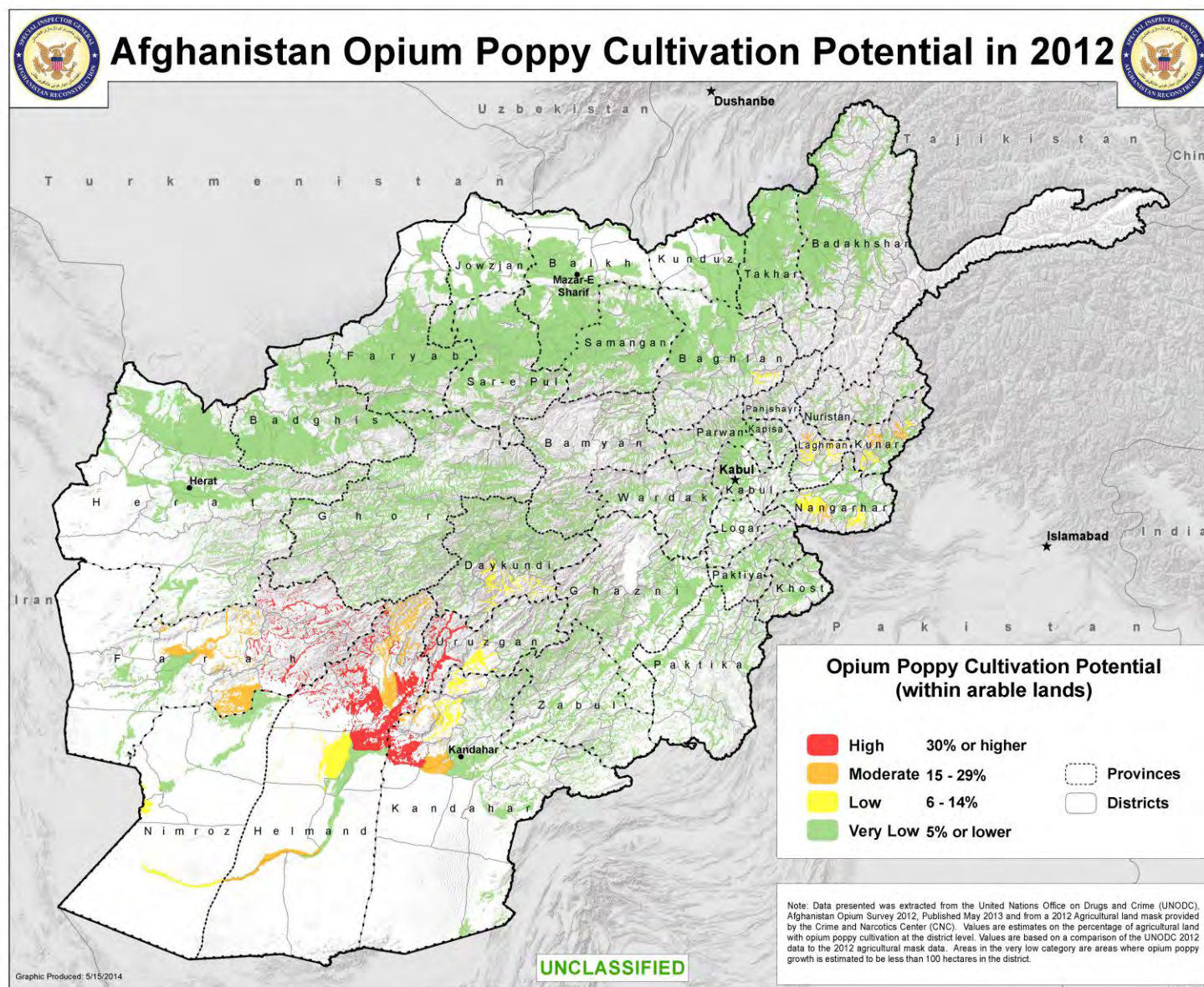
Figure 1 – Total area of under Opium Poppy Cultivation, 2002-2013



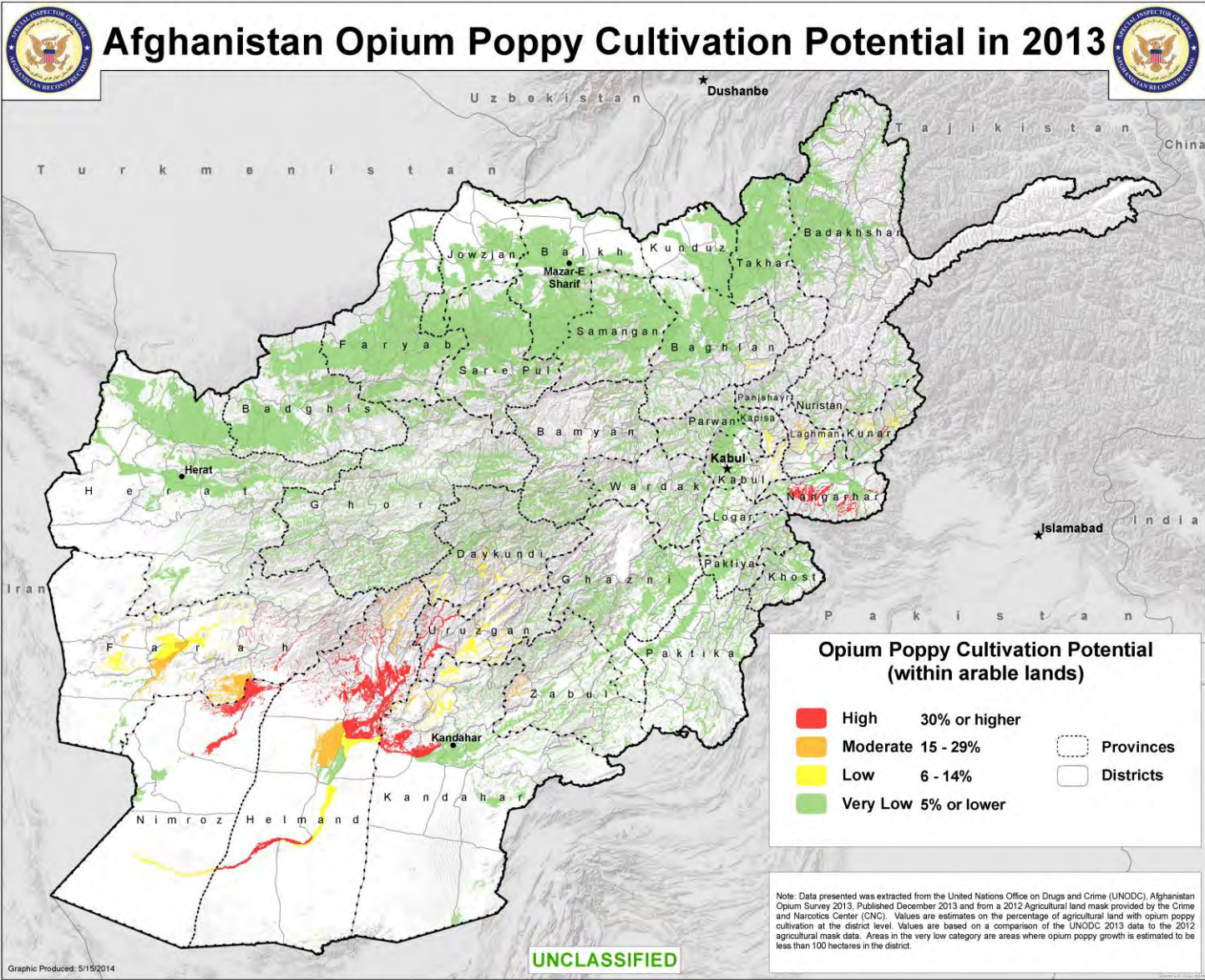
Source: UNODC, *Afghanistan Opium Survey 2013*, December 2013

*The Food Zone Program was a concentrated alternative livelihood agricultural program implemented by the United States and the United Kingdom in coordination with Afghan provincial officials. The program cost \$56 million and paired alternative crop development with intensive poppy eradication efforts.

**Provincial Reconstruction Teams (PRTs) are units consisting of military forces, diplomats, and economic development and reconstruction subject matter experts. PRTs are intended to improve stability in an area and build host nation legitimacy by providing security to citizens and delivering public services.

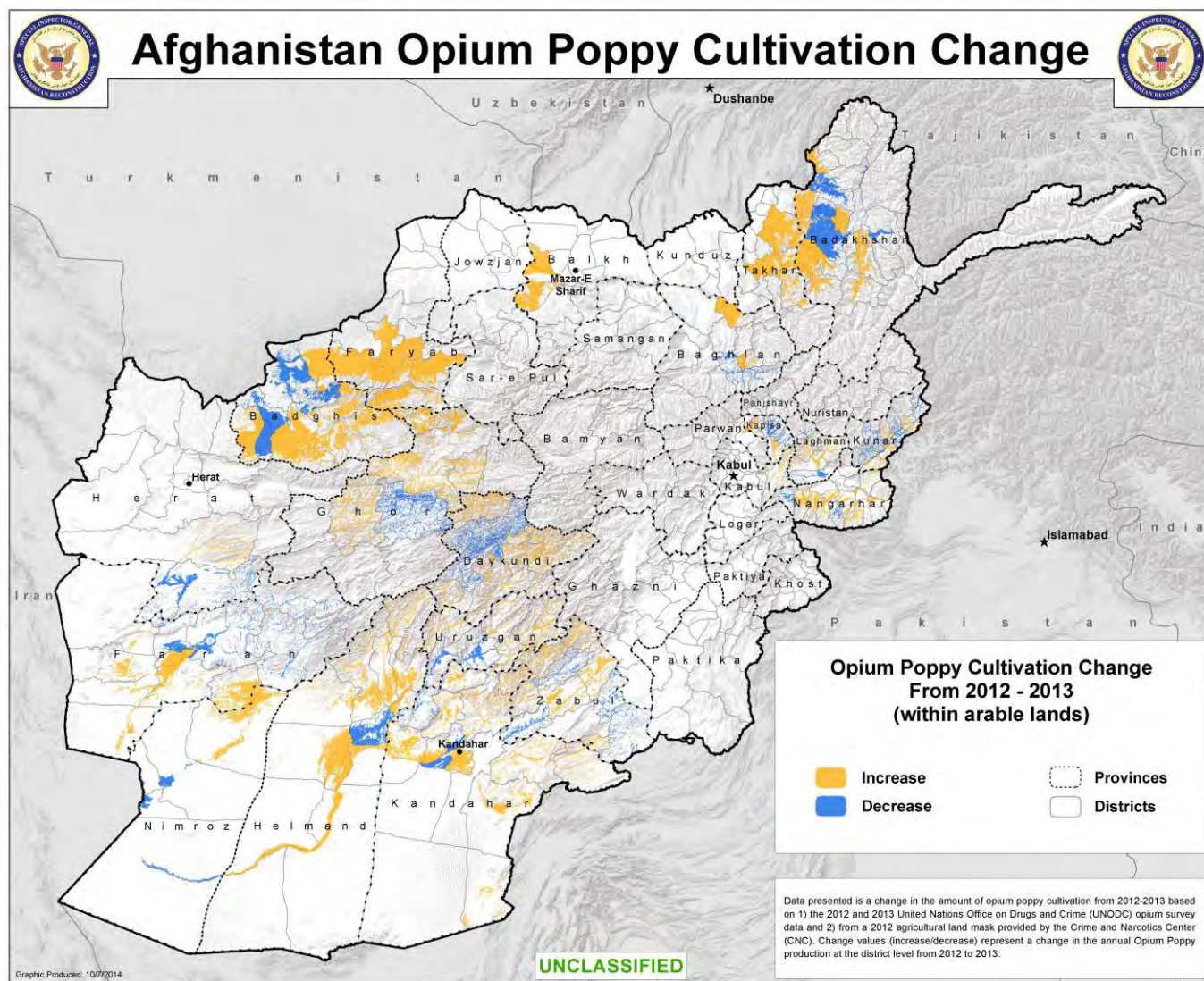


⁵ Potential cultivation is defined by the percentage of arable land used to cultivate poppies in a given district, as reported by the UNODC. The U.S. Army Geospatial Center uses geographical overlays of arable land in Afghanistan and color-codes the arable land area according to the percentage of reported poppy cultivation in the relevant district.



⁶ Potential cultivation is defined by the percentage of arable land used to cultivate poppies in a given district, as reported by the UNODC. The U.S. Army Geospatial Center uses geographical overlays of arable land in Afghanistan and color-codes the arable land area according to the percentage of reported poppy cultivation in the relevant district.

ATTACHMENT IV: CHANGE IN REPORTED PERCENTAGE OF ARABLE LAND UNDER OPIUM POPPY CULTIVATION, 2012-2013⁷



⁷ The map in attachment IV illustrates only the increase or decrease in a given area between 2012 and 2013. It does not imply an absolute percentage of area under cultivation nor does it imply an absolute amount of poppy produced. If, in a given province, the area under cultivation increased from only 2 percent to only 3 percent, it will still be displayed as an increase, despite the low percentage of arable land under cultivation. For actual percentage values of area under cultivation, consult the maps in attachments II and III.



*Embassy of the United States of America
Kabul, Afghanistan*

October 3, 2014

Mr. Jack Mitchell
Director, Special Projects
Office of the Special Inspector General
for Afghanistan Reconstruction (SIGAR)
1550 Crystal Drive, 9th Floor
Arlington, VA 22202

Dear Mr. Mitchell:

U.S. Embassy Kabul welcomes the opportunity to comment on the SIGAR draft Special Report titled, "Poppy Cultivation in Afghanistan: Despite Over \$7 Billion in Counternarcotics Efforts, Poppy Cultivation Levels Are At An All-Time High."

This letter conveys U.S. Embassy's consolidated comments, incorporating input from the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) and from the U.S. Agency for International Development (USAID). The Embassy concurs with your recommendation that U.S. Government departments consider trends in opium cultivation and the effectiveness of past counternarcotics efforts when planning future endeavors in this sector.

As your draft report indicates, Afghan poppy cultivation increased significantly in 2013. While cultivation is only one indicator of counternarcotics progress, it was disappointing news, as was the decline in poppy eradication by provincial authorities this year.

We have seen marked changes this year and in the recent past in distribution of poppy cultivation across the country. Essentially, poppy cultivation has shifted from areas where government presence is broadly supported and security has improved, toward more remote and isolated areas where governance is weak and security is inadequate.

Afghanistan today produces well over 80 percent of the world's illicit opium, undermining good governance and public health, subverting the legal economy, and fueling corruption and insecurity. The narcotics trade has also been a windfall for the insurgency, which profits from the drug trade at almost every level. As SIGAR demonstrates in its report, only consistent and long-term application of a broad spectrum of programs, addressing both supply and demand, are likely to result in counternarcotics successes in Afghanistan. We agree that we need to regularly evaluate the efficacy of our counternarcotics efforts and adjust them to meet on-the-ground realities as necessary and appropriate. Improvements in security and governance and broad-based economic development in the country as a whole also must accompany the reduction and elimination of illicit poppy cultivation in Afghanistan.

We are making good progress in building the capacity of our Afghan partners to design, lead, manage, and sustain over the long term strategic and tactical counternarcotics efforts addressing all stages of the drug trade, including cultivation, production, trafficking, and use; to better protect vulnerable populations from the dangers of drugs; and to bring major traffickers to justice. These programs are works in progress but we are seeing results; for example, the increasingly successful development of specialized interdiction units and the implementation of a network of drug treatment programs, including specialized treatment options for women, children, and patients living in rural areas. There is no silver bullet to eliminate drug cultivation or production in Afghanistan or to address the epidemic of substance abuse disorders that plagues too many Afghans. We are, however, successfully building Afghan capacity to implement and lead counternarcotics efforts. Our counternarcotics goals can be accomplished only when these are also Afghan counternarcotics goals. We look forward to the new Afghan government assuming a leadership role in this regard.

USAID is reviewing its alternative development efforts and will make appropriate adjustments to its ongoing programs. That said, USAID alternative development efforts are but one element of efforts to bring about reductions in poppy cultivation in Afghanistan.

Regarding the attachments to the report, Attachment I appears factually incorrect. It portrays the cultivation in Helmand Province as falling to near zero during 2010-2011, the implication being that the Helmand Food Zone effort eliminated poppy cultivation in the province. According to UN Office of Drug on Drugs and Crime (UNODC) figures, however, there were over 65,000 hectares of

poppy cultivation in 2010 and 63,000 in 2011 (down from 103,500 hectares in 2008).

In Attachments II and III, the titles of the maps “Afghanistan Opium Poppy Cultivation Potential” in 2012 and 2013, respectively, are potentially misleading. Virtually all of the arable land in Afghanistan has the potential to grow poppy. Although there are footnotes that explain the nuances surrounding the term “opium poppy cultivation potential,” many readers may not see them.

Also, the map in Attachment IV is potentially misleading. It leads the reader to conclude there are massive increases in poppy cultivation in areas where there were marginal increases between 2012 and 2013. For example, the provinces of Badakhshan, Takhar, Faryab, and Badghis are virtually indistinguishable in Attachments II and III – all with very low poppy production. Yet, these regions are bright red in Attachment IV. The table could lead the reader to believe that Faryab, for example, was as important as Helmand in terms of poppy cultivation. Yet, according to the UNODC estimates, Faryab’s production was 145 hectares in 2011, 46 hectares in 2012, and 158 hectares in 2013. For its part, Takhar was poppy-free in both 2012 and 2013.

We appreciate your advice on the challenge of counternarcotics in Afghanistan and your consideration of these comments from the Embassy.

Sincerely,



Charles Randolph
Program Coordinator
Coordination Directorate



SPECIAL OPERATIONS/
LOW-INTENSITY CONFLICT

ASSISTANT SECRETARY OF DEFENSE

2500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2500

OCT -7 2014

John F. Sopko
Special Inspector General for Afghanistan Reconstruction
2530 Crystal Drive
Arlington, VA 22202

Dear Mr. Sopko:

Thank you for the opportunity to comment on your draft report "Poppy Cultivation in Afghanistan: Despite Over \$7 Billion in Counternarcotics Efforts, Poppy Cultivation Levels Are at an All-Time High." The report's focus is poppy cultivation and eradication and indeed, based on the United Nations Office of Drugs and Crime (UNODC) reporting, poppy production is on the increase and is a significant threat to U.S. and international efforts in Afghanistan. While DoD is not the U.S. government agency (USG) responsible for managing eradication activities in Afghanistan, we closely follow the UNODC and other USG reporting on poppy cultivation so we might anticipate other agencies' requests for future DoD counterdrug support.

Your report briefly mentions other counternarcotics (CN) efforts in Afghanistan that DoD supports, including the institutional development of Afghan government CN capacity, operational support for Afghan CN forces, and support for CN operations conducted by U.S. law enforcement entities in coordination with their Afghan counterparts. DoD partnered with the U.S. Drug Enforcement Administration, Customs and Border Protection, Homeland Security Investigations, and the U.S. Embassy Kabul's Border Management Task Force for the past decade to build a reliable Afghan counterdrug partner and enduring Afghan CN capacity.

In our opinion, the failure to reduce poppy cultivation and increase eradication is due to the lack of Afghan government support for the effort. Poverty, corruption, the terrorism nexus to the narcotics trade, and access to alternative livelihood opportunities that provide an equal or greater profit than poppy cultivation are all contributors to the Afghan drug problem. The report also suggests that our Department consider the trends in opium cultivation and the effectiveness of past counternarcotics efforts when planning future endeavors. DoD always attempts to apply lessons learned and is also conscious that future endeavors in this sector will be partially driven by USG capacity within the U.S. Embassy Kabul and by the security situation in Afghanistan.

Since DoD does not conduct eradication activities in Afghanistan and the report provides no new information related to our Department, we respectfully request you remove Secretary Hagel as an addressee. We appreciate the opportunity to comment on the draft report.

Sincerely,



Michael D. Lumpkin

SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

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