

SIGAR

Special Inspector General for
Afghanistan Reconstruction

OCT 30
2018

— QUARTERLY REPORT TO THE UNITED STATES CONGRESS —





The National Defense Authorization Act for FY 2008 (Pub. L. No. 110-181) established the Special Inspector General for Afghanistan Reconstruction (SIGAR).

SIGAR's oversight mission, as defined by the legislation, is to provide for the independent and objective

- conduct and supervision of audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.
- leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of the programs and operations, and to prevent and detect waste, fraud, and abuse in such programs and operations.
- means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operation and the necessity for and progress on corrective action.

Afghanistan reconstruction includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the U.S. government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

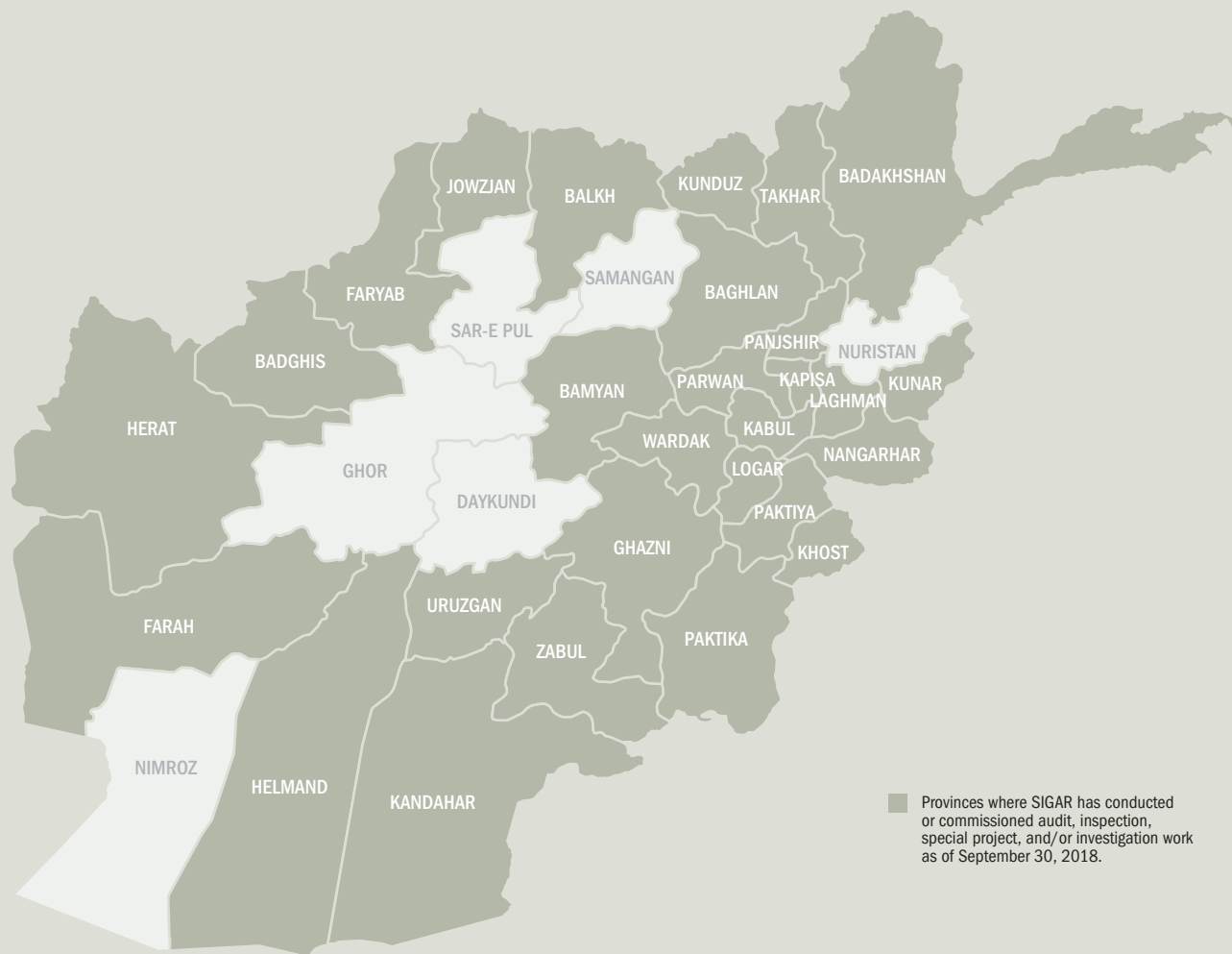
As required by the National Defense Authorization Act for FY 2018 (Pub. L. No. 115-91), this quarterly report has been prepared in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Source: Pub.L. No. 110-181, "National Defense Authorization Act for FY 2008," 1/28/2008, Pub. L. No. 115-91, "National Defense Authorization Act for FY 2018," 12/12/2017.

(For a list of the congressionally mandated contents of this report, see Appendix A.)

Cover photo:

An Afghan boy plays in the ruins of a 13th century house on the outskirts of Mazar-e Sharif.
(AFP photo by Farshad Usyan)





SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION

I am pleased to submit to Congress and the Secretaries of State and Defense, SIGAR's 41st quarterly report on the status of reconstruction in Afghanistan.

As this report was going to press, U.S. Army General Austin Scott Miller, commander of the NATO-led Resolute Support mission and of United States Forces-Afghanistan, escaped unharmed from an October 18, 2018, attack that killed Kandahar's police and intelligence chiefs and gravely wounded its provincial governor. The attack came two days before parliamentary elections were held in all provinces except for Ghazni and Kandahar. It was a reminder of the violence that continues to torment Afghanistan and the difficulty of imposing security anywhere in that long-troubled country. SIGAR will be monitoring the situation.

Section 1 discusses SIGAR's recently released Lessons Learned Program report entitled *Counternarcotics: Lessons from the U.S. Experience in Afghanistan*, which this quarter prompted the U.S. Senate Caucus on International Narcotics Control to request that SIGAR "conduct a thorough review of the U.S. government's current counternarcotics efforts in Afghanistan." Those efforts have cost U.S. taxpayers more than \$8 billion since 2002, yet Afghanistan's opium crisis is worse than ever. The country remains the world's leading producer of opium, with production hitting an all-time high last year. In addition to increasing the human misery associated with drug abuse, Afghanistan's narcotics industry helps finance the insurgency, supports criminal networks, fosters public corruption, and undermines the Afghan state. Although this poison contributes a minimal amount to the narcotics epidemic in the United States, Afghanistan's deadly crop is the largest source of street heroin in Europe and Canada.

Despite its importance, and with an international ministerial conference set to meet in Switzerland in November to advance Afghanistan's reform and development, counternarcotics seems to have fallen completely off the U.S. agenda. While the Afghan government is working on a new regional drug strategy, the United States is not. The State Department's new "Integrated Country Strategy" for Afghanistan no longer includes counternarcotics as a priority, but instead apparently subsumes the issue into general operations there. Meanwhile, the U.S. military says it has no counternarcotics mission in Afghanistan, and the United States Agency for International Development (USAID) says it will not plan, design, or implement new programs to address opium-poppy cultivation. The consequences of these decisions will be part of the scope of the new, Senate-requested review of U.S. counternarcotics efforts that SIGAR has agreed to perform.

As I reported last quarter, in the Joint Explanatory Statement from the Conference Report (H. Rept. 115-863) to accompany H.R. 5515, the John S. McCain National Defense Authorization Act for Fiscal Year 2019, conferees noted that they are disappointed by DOD's lack of transparency about its efforts in Afghanistan. Despite that Congressional concern, DOD this quarter classified even more data for this quarterly report concerning the Afghan National Defense and Security Forces (ANDSF), including the number of women in the forces.

SIGAR published two performance audit reports this quarter. These audits examined USAID's \$216 million Promoting Gender Equity in National Priority Programs (Promote) and DOD's ability to assess, monitor, and evaluate advisors assigned to the Ministries of Defense and Interior.

According to USAID, Promote is the largest program the United States has ever undertaken to advance women. Yet, SIGAR found that after three years and \$89.7 million spent, USAID has not fully assessed the extent to which Promote has improved the status of women in Afghanistan.

SIGAR completed eight financial audits of U.S.-funded contracts to rebuild Afghanistan covering a range of topics, including the Department of the Army's Afghanistan-Wide Mine, Battle Area, and Range Clearance Operation; USAID's Initiative to Strengthen Local Administrations Project; and the Department of

the Air Force's construction of the Afghan Ministry of Defense headquarters facility. These financial audits identified \$3 million in questioned costs as a result of internal-control deficiencies and noncompliance issues. To date, SIGAR's financial audits have identified more than \$414.6 million in questioned costs.

SIGAR also published two inspection reports. These reports examined the construction, use, and maintenance of the Marshal Fahim National Defense University and the Afghan National Police women's compound at the Ministry of Interior headquarters.

This quarter, SIGAR's Office of Special Projects issued three products, on USAID-funded education facilities in Parwan Province, on DOD Commander's Emergency Response Program-funded bridges in Baghlan Province, and on State-funded Good Performers Initiative Program operations in Takhar Province.

During the reporting period, SIGAR investigations resulted in one arrest, five convictions, four sentencing, a civil settlement of nearly \$295,000, and \$2,000 in criminal fines. To date, SIGAR investigations have resulted in a cumulative total of 132 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries total approximately \$1.5 billion.

Of special significance, on September 24, 2018, Adam Doost, the former owner of a now-defunct marble mining company in Afghanistan, was found guilty after a seven-day trial by a federal jury for his role in defrauding the Overseas Private Investment Corporation (OPIC), a U.S. government agency, and defaulting on a \$15.8 million loan. SIGAR led the four-year investigation of this case with assistance from the FBI.

This quarter, SIGAR's suspension and debarment program referred three individuals and two entities for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 905, encompassing 505 individuals and 400 companies to date.

My staff and I look forward to working together with Congress and other stakeholders to make reconstruction more efficient and effective, and to continue to save U.S. taxpayer dollars in Afghanistan.

Respectfully,

A handwritten signature in black ink, appearing to read 'John F. Sopko', with a long horizontal flourish extending to the right.

John F. Sopko
Special Inspector General for Afghanistan Reconstruction

EXECUTIVE SUMMARY

This report summarizes SIGAR’s oversight work and updates developments in the four major sectors of reconstruction efforts in Afghanistan from July 1 to September 30, 2018.* It also includes an essay on the ongoing counternarcotics fight in Afghanistan. During this reporting period, SIGAR published 15 audits, inspections, reviews, and other products assessing U.S. efforts to build the Afghan security forces, improve governance, facilitate economic and social development, and combat the production and sale of narcotics. During the reporting period, SIGAR criminal investigations resulted in one arrest, five convictions, four sentencing, a civil settlement of nearly \$295,000, and \$2,000 in criminal fines.

SIGAR OVERVIEW

AUDITS AND INSPECTIONS

This quarter, SIGAR published two performance audits, eight financial audits, and two inspection reports.

The **performance audit reports** examined:

- The performance and sustainment of USAID’s \$216 million Promoting Gender Equity in National Priority Programs (Promote)
- DOD’s ability to assess, monitor, and evaluate advisors assigned to the Ministries of Defense and Interior

The **financial audit reports** identified more than \$3 million in questioned costs as a result of internal-control deficiencies and noncompliance issues.

The **inspection reports** found:

- Phase I construction of the Marshal Fahim National Defense University generally met contract requirements, but

noncompliant fire doors and inadequate maintenance place building occupants at risk.

- U.S. Army Corps of Engineers-contracted construction of the Afghan National Police women’s compound at the Ministry of Interior headquarters generally met contract requirements, but use and maintenance remain concerns.

SPECIAL PROJECTS

This quarter, SIGAR’s Office of Special Projects wrote three reviews expressing concern on a range of issues including:

- USAID-supported schools in Parwan Province
- CERP-funded bridges in Baghlan Province
- Six Good Performers Initiative projects in Takhar Province

* As provided in its authorizing statute, SIGAR may also report on products and events occurring after September 30, 2018, up to the publication date of this report. Unless otherwise noted, all afghani-to-U.S. dollar conversions used in this report are derived by averaging the last three months of exchange-rate data available through Da Afghanistan Bank (www.dab.gov.af). Data as of September 26, 2018.

EXECUTIVE SUMMARY



A DOD-funded pedestrian bridge crosses a river in Baghlan Province. (SIGAR photo)

LESSONS LEARNED

SIGAR's Lessons Learned Program has four projects in development, three of which were initiated this quarter: U.S. and coalition responsibilities for security-sector assistance, U.S. government support to elections, monitoring and evaluation of reconstruction contracting, and reintegration of ex-combatants.

INVESTIGATIONS

During the reporting period, SIGAR investigations resulted in one arrest, five convictions, four sentencing, a civil settlement of nearly \$295,000, and \$2,000 in criminal fines. SIGAR initiated 11 new cases and closed 14, bringing the total number of ongoing investigations to 177. SIGAR's suspension and debarment program referred three individuals and two entities for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States.

Investigations highlights include:

- A former owner of a marble mining company was convicted for defrauding the U.S. and defaulting on a \$15.8 million loan.
- Three high-ranking Ministry of Interior officials were convicted and sentenced for embezzlement.
- A U.S. contractor was sentenced for conspiracy to defraud the U.S.
- A U.S. contractor employee was convicted for theft and sale of U.S. government property.
- A SIGAR investigation resulted in the arrest of a French citizen in Afghanistan.
- A SIGAR investigation resulted in a \$294,800 civil settlement.

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“No counterdrug program undertaken
[2002–2017] by the United States,
its coalition partners, or the Afghan
government resulted in lasting reductions
in poppy cultivation or opium production.”

—*SIGAR Lessons Learned Program*

1 HIGH COST, LOW RETURN ON KEY NARCOTICS FIGHT



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Afghan farmers tend poppy plants in Nangarhar Province.
(AFP photo by Noorullah Shirzada)

HIGH COST, LOW RETURN ON KEY NARCOTICS FIGHT

From 2002 through September 2018, the United States has committed an average of more than \$1.5 million a day to help the Afghan government combat narcotics.¹ As of September 30, 2018, U.S. counternarcotics-related appropriations for that purpose had reached \$8.88 billion.²

The United States has compelling reasons to engage in this costly effort, as the U.S. Senate's Caucus on International Narcotics Control has explained:

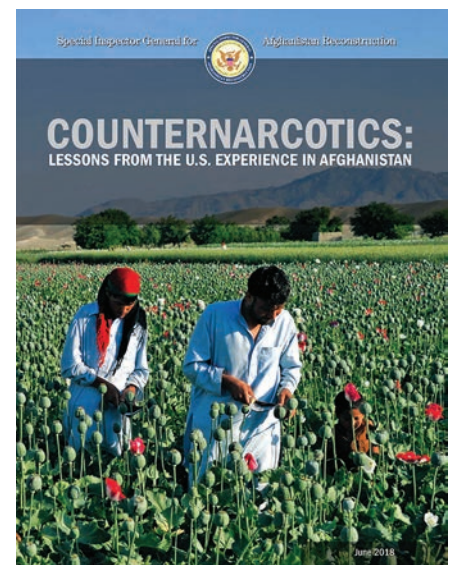
The illegal drug trade contributes to nearly every major challenge Afghanistan faces. It funds the insurgency, fuels corruption, and poses a serious public health challenge in Afghanistan and beyond . . . The Afghan drug trade is a cross-cutting problem that impacts all U.S. efforts in Afghanistan.³

Despite the importance of the threat narcotics pose to reconstruction and despite massive expenditures for programs including poppy-crop eradication, drug seizures and interdictions, alternative-livelihood support, aviation support, and incentives for provincial governments, the drug trade remains entrenched in Afghanistan, and is growing.

The United Nations Office on Drugs and Crime (UNODC) has reported that Afghan opium poppy cultivation “increased sharply to an unprecedented record high of 328,000 hectares from an estimated 201,000 hectares in 2016.”⁴ A hectare is about 2.5 acres. The 328,000-hectare opium cultivation area is equivalent to 1,266 square miles, or 20 times the land area of Washington, DC.

Likewise, the 2017 poppy cultivation level is more than *four times* the 74,000 hectares reported by the UNODC for 2002, the first full year of the U.S. intervention in Afghanistan.⁵

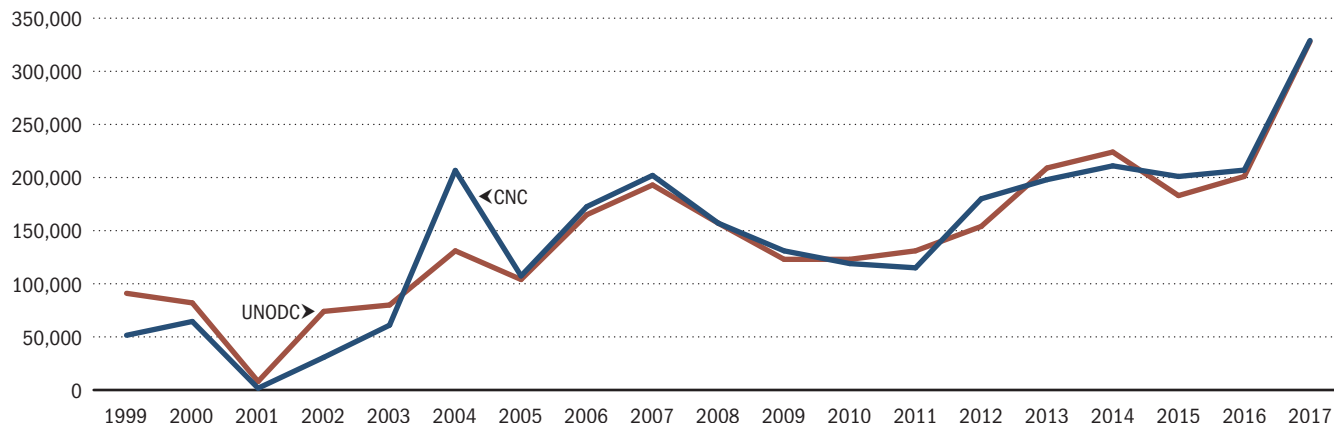
Opium's economic impact in Afghanistan has also ballooned. The UNODC estimates that in 2017 alone, the poppy crop generated approximately \$1.4 billion for Afghan farmers, plus billions more for refiners and traffickers within the country, making the total value of the 2017 opium production at \$4.1 billion to \$6.6 billion.⁶ While there is “great uncertainty” about the estimates, the UNODC reckons that opium accounts for the equivalent of 19% to 32% of Afghanistan's gross domestic product.⁷



Cover of the SIGAR Lessons Learned Program report on counternarcotics. (SIGAR photo)

HIGH COST, LOW RETURN

AFGHANISTAN TOTAL POPPY CULTIVATION ESTIMATES, 1999–2017 (HECTARES)



Note: UNODC = UN Office on Drugs and Crime, CNC = Crime and Narcotics Center

Source: UNODC, *Afghanistan Opium Survey 2017: Cultivation and Production*, 11/2017, p. 13; CIA, Crime and Narcotics Center, data provided to SIGAR, 10/2015, 3/2017, and 3/2018.

Tragically, opium cultivation alone—i.e., not counting processing, transporting, or marketing it—may provide the equivalent of up to 590,000 full-time jobs.⁸ That number greatly exceeds the 352,000 target strength of Afghanistan’s army and police forces.

The monetary proceeds of the Afghan opium sector are a major source of income to farmers in the desperately poor country, but the cash flow also fills the purses of the Taliban insurgents who continue in their efforts to topple the internationally recognized government based in Kabul. In February of this year, Deputy Secretary of State John Sullivan told the Senate Foreign Relations Committee that some 65% of Taliban revenues are derived from narcotics.⁹ The Department of Defense (DOD) noted this year that “it’s plausible the Taliban now place greater emphasis on narcotics as a primary source of revenue” than previously, but opinions vary on the extent of narcotics revenue flowing to the insurgency.¹⁰

What does all of this signify? “To put it bluntly,” as SIGAR has repeatedly stressed, “these numbers spell failure.”¹¹

Failure in the counternarcotics effort in Afghanistan entails more than a waste of U.S. taxpayers’ money. As UNODC noted earlier this year, “The illicit economy discourages private and public investment by fueling insecurity, violence and insurgency—all factors that create a conducive environment for illicit drug cultivation and production. The illegal economy thus creates a vicious cycle that is hard to break.”¹² In addition, as SIGAR has explained in congressional testimony, “The narcotics trade is poisoning the Afghan financial sector and fueling a growing illicit economy. This,



Children weeding a poppy field. (OSDR photo)

in turn, is undermining the Afghan state's legitimacy by stoking corruption [and] nourishing criminal networks."¹³

The failure also flouts a mandate of the Afghan constitution, which provides that "The state shall prevent . . . cultivation and smuggling of narcotics."¹⁴

SIGAR has repeatedly cited the narcotics economy—along with pervasive corruption and persistent insurgency—as an existential threat to the Afghan state, and to the U.S. mission in the country. But State's 2018 Integrated Country Strategy for Afghanistan does not list counternarcotics as a mission objective or a priority.¹⁵ The U.S. Agency for International Development (USAID), the chief conduit for nonsecurity-related programming in Afghanistan, informed SIGAR in spring 2018 that it would not plan, design, or implement any new programs addressing opium-poppy cultivation, but would instead focus on helping licit Afghan enterprises link to domestic and international markets, and would coordinate with State's Bureau of International Narcotics and Law Enforcement (INL) on alternative-development programs.¹⁶ State has indicated that counternarcotics is now being integrated throughout the components of the current South Asia strategy. And while the U.S. military conducts air strikes against opium-processing labs in Afghanistan, DOD characterizes these strikes as "counter-threat revenue" rather than counternarcotics operations.¹⁷

The long record of failure in counternarcotics programs and the grave risks that drug-related threats pose to the Afghan state created the need for



Farmers in a blooming poppy field. (David Mansfield photo)

a deep review and a systematic harvesting of lessons for improved efforts in Afghanistan and elsewhere.

Responding to that need for answers and best practices, SIGAR recently published another in its series of lessons-learned reports, *Counternarcotics: Lessons from the U.S. Experience in Afghanistan*, to this critical topic.¹⁸

WHAT'S SIGNIFICANT ABOUT THIS REPORT?

The Lessons Learned Program (LLP) report was released during its debut event at the New America policy and research institution in Washington, DC, in June.

Inspector General John F. Sopko's remarks at the event described the 223-page report as "the most comprehensive, independent government assessment of counternarcotics programs in Afghanistan."¹⁹ More than two and a half years of work went into it, including interviews with more than 80 current and former officials, academics, and researchers with many years of on-the-ground experience in Afghanistan. The report also reflects LLP staff's review of previously unpublished official documents and the use of geospatial imagery to provide visual evidence of the extent and impact of hundreds of counternarcotics projects in Afghanistan.

One of the more striking uses of the geospatial-imagery research was to identify changes in poppy cultivation over successive years in select areas. Some of the sequenced images showed increases in opium-poppy cultivation in the wake of eradication campaigns or rural development initiatives, and of increases in areas ostensibly under Afghan government control.

HIGH COST, LOW RETURN



Farmer displays a poppy seed pod prior to the scarring that releases the narcotic resin. (UNODC photo)

The LLP report includes an extensive narrative of counternarcotics strategies and programs, findings of fact, lessons learned, and recommendations for action by Congress and the Administration.

The single most portentous sentence in the report may be one that occurs on the first page of its introduction:

Our analysis reveals *no counterdrug program* undertaken by the United States, its coalition partners, or the Afghan government resulted in lasting reductions in poppy cultivation or opium production—and, without a stable security environment, there was little possibility of success.²⁰ [Emphasis added.]

The LLP report cautions, however, that the failure to suppress opium production in Afghanistan is not solely a function of flawed counternarcotics efforts, but also stems from lack of security, a poor economy, and deficiencies in the wider reconstruction effort.²¹

Those critical points fueled a vigorous panel discussion at the New America debut venue.²² LLP's project lead for the counternarcotics report, Kate Bateman, said two key features of the document were its use of geo-spatial imagery and the emphasis it places on integrating counternarcotics efforts into broader goals. The narcotics problem “impacts every part of the U.S. reconstruction effort,” Bateman said, “and yet, for years, the issue of counternarcotics has often been . . . relegated as a side project and not well integrated into the United States’ broader security, governance, and development goals.” For example, she said, irrigation projects are good for

HIGH COST, LOW RETURN



Lanced poppy seed capsules showing opium resin. (David Mansfield photo)

agriculture in general, but it's helpful to know whether increased irrigation is bolstering poppy cultivation.

New America Vice President Peter Bergen, who led the session, called the report “a very thorough piece of work.” Former U.S. Ambassador to Afghanistan Ronald Neumann agreed with the report, saying it demonstrates the problem of planning strategies and making decisions with incomplete information, and conducting programs whose planners will no longer be in country to observe and modify them. The need is for “a learning culture” that reacts to failures and adjusts approaches, Neumann said, but “We have a bureaucratic and a political culture that is designed to make that sort of adjustment as difficult as possible.”

Neumann also commended the report for stressing the role of security as part of counternarcotics strategy: “We’re going to have to make enormous progress in security” before real progress against narcotics can be made, as well as cracking down on corruption and providing “certainty of justice” for offenders.

Doug Wankel, a former chief of intelligence and operations with the Drug Enforcement Administration and former director of the U.S. Embassy Kabul’s Counter Narcotics Task Force, said “It’s very valuable to have this report . . . We can learn from it.” Wankel echoed Ambassador Neumann’s comment about the need for security, rule of law, and anticorruption measures, adding that progress against narcotics also requires “a functioning state” committed to change.

“The real tragedy of the last 17 years,” Wankel said, “that may soon become a crisis is that Afghanistan now has become the largest per-capita

user of opiates in the world.” He said he had met with two Afghan ministers who told him there may be four million drug users in Afghanistan, including three million opiate users, perhaps accounting for a quarter of the country’s rural households. (That would be broadly consistent with UN figures indicating that 11% of the Afghan population would test positive from one or more drugs, and that 30.6% of households sampled tested positive for some form of illicit drug.)²³

WHAT DOES THE LLP REPORT COVER?

SIGAR’s LLP report lays the groundwork for its findings, lessons, and recommendations with a narrative that traces U.S. counternarcotics strategies and programs in Afghanistan since 2002. It analyzes programs according to four “strands” of effort: interdiction and counterdrug law enforcement, poppy eradication, alternative development to offer farmers livelihoods not based on illicit drugs, and mobilizing Afghan political and institutional support for counternarcotics activity. The four strands comprised a variety of programs:²⁴

- **Interdiction and Counterdrug Law Enforcement**
 - » Seizure of illegal narcotics
 - » Destruction of drug production facilities
 - » Arrest and prosecution of those who traffic drugs
 - » Intelligence collection and operations to trace, freeze, or confiscate proceeds from the drug trade
 - » Support to Afghan units and institutions that carry out interdiction and counterdrug law enforcement activities
- **Eradication**
 - » Physical destruction of a standing opium crop, done manually or by spraying herbicides
 - » Support to Afghan and contractor eradication forces, as well as payments, reimbursement, and assistance for conducting eradication
- **Alternative Development**
 - » Development assistance intended to reduce dependence on poppy cultivation, contribute to rural economic development, and provide licit alternative livelihood opportunities
- **Mobilization of Afghan Political Support and Institution Building**
 - » Programs to build institutional capacity at the ministerial and provincial levels
 - » Programs to increase political will to reduce opium production, including development assistance as a reward for local reductions in poppy cultivation
 - » Programs to raise public awareness of the costs of involvement in cultivation, production, trade, and consumption of illicit drugs

HIGH COST, LOW RETURN



Workers dry residue from chemically treated opium to make morphine base.
(DEA Museum photo)

The report identifies numerous problems with counternarcotics programs in Afghanistan. Problems included conducting eradication and development in insecure areas, eliciting Afghan government and popular opposition with proposals to eradicate poppy fields by aerial spraying, eradicating crops without providing opportunities for legal income, failure to develop accurate data and comprehensive indicators of progress, and failure to address corruption and poor capacity within the Afghan justice system.²⁵

To cite one example of corruption within Afghan officialdom, a combined DEA and Counter Narcotics Police of Afghanistan raid in 2005 found more than nine metric tons of opium in the offices of the then governor of Helmand Province, Sher Mohammed Akhundzada. “Afghan government actors, including at the highest levels,” the report says, “have played a role in the drug trade, serving as facilitators and collecting payments from traffickers.”²⁶

In 2010, the FBI-mentored Major Crimes Task Force of the Afghan government arrested Mohammed Zia Salehi, an aide to then President Hamid Karzai, on corruption charges. The outraged president ordered the seizure of all files related to the arrest and began to dismantle the law-enforcement infrastructure that had been established, including wiretaps, polygraphs, and presence of DOJ personnel mentoring Afghan staff, causing DEA to become increasingly reluctant to invest resources in an environment where its agents could not develop cases.²⁷

The report also describes unintended consequences of U.S.-funded programs. For example, the Helmand Food Zone project involved distributing

wheat seed and fertilizer to persuade farmers to forego growing poppy. But poppy cultivation is seven times more labor intensive than wheat: workers need to scar and collect sap from each poppy bud. As landowners switched from poppy to wheat, they hired fewer laborers and made fewer sharecropping or rental agreements. This deprived many poor, landless people of work and caused many to lose their homes. Some responded by moving into desert areas and growing poppy, expanding cultivation to areas where none had taken place before.²⁸

Problems also manifested at higher levels of our government. The LLP report notes that the U.S. State Department produced four counternarcotics strategies between 2005 and 2012 that presumed coordinated efforts by State, DOD, USAID, and DEA. However, State and its INL branch had no authority to direct other agencies to provide the inputs called for in the strategies. The strategies called for a multi-agency, multi-pronged, coordinated approach that never achieved adequate alignment or coordination.²⁹ Meanwhile, as SIGAR has regularly noted in its quarterly reports, State has no successor plan to the 2012 strategy—a potentially serious weakness given the great reductions in U.S. military and civilian presence in Afghanistan since 2011. As noted, Embassy Kabul’s new Integrated Country Strategy does not explicitly address counternarcotics as a priority.

The many difficulties and disappointments in the U.S. counternarcotics effort were not unique to that activity. The LLP report notes:

Counternarcotics policies and programs suffered from many of the same obstacles that dogged the wider reconstruction effort: persistent insecurity, corruption, and weak rule of law; lack of consensus among senior policymakers; changing strategies and priorities; uneven coordination among U.S. agencies, Afghan stakeholders, and Coalition partners; stove-piping of issues and goals; short-term metrics poorly suited to long-term efforts; unreliable data on funding levels, program outcomes, and conditions on the ground; and a weak understanding of the local Afghan political and socioeconomic context.³⁰

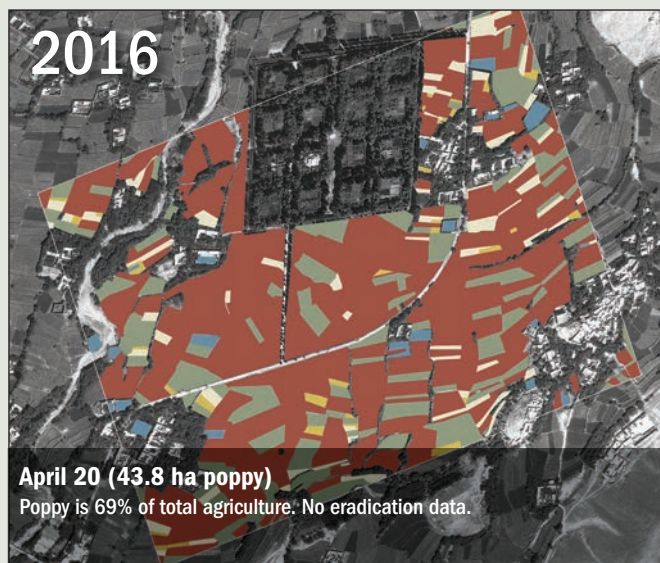
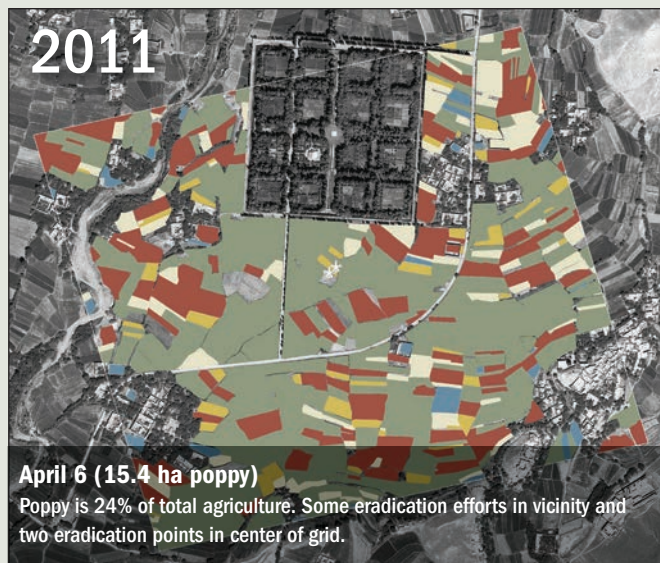
WHAT LESSONS EMERGE FROM THE PAST 16 YEARS?

The LLP report distills 11 lessons from the U.S. experience with counternarcotics programs and policies during the reconstruction effort in Afghanistan to date. A few are Afghanistan-specific. All aim to shape and strengthen U.S. counterdrug policies and programs.³¹ The lead lesson concerns the need for a whole-of-government U.S. counternarcotics strategy to coordinate involved agencies’ activities around shared, long-term goals.

In settings like Afghanistan, illicit drug crops may form a backbone of the economy. U.S. and host-nation efforts to combat the drug trade may risk impoverishing or alienating rural populations. Drug-related corruption may touch many parts of the host-nation government, at all levels. U.S. security,

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CROP MAPPING FOR A DISTRICT IN NANGARHAR PROVINCE



Poppy Wheat Orchard Vineyard Other Crops Prepared Eradication

Note: Crop mapping shows significant growth of poppy in areas that were targeted by eradication, with poppy cultivation rising from less than 1% of the total land in 2006 to 69% in 2016.

Source: SIGAR visualization of imagery provided by MDA Information Systems LLC. For the original imagery, see figure A.12 in Appendix A in the LLP report, *Counternarcotics: Lessons from the U.S. Experience in Afghanistan*.

development, and governance efforts must therefore account for how the drug trade can impact their efforts, as well as how those efforts may impact the drug trade, and act in a coordinated way in seeking lasting results.

Another important lesson is the need for overall direction. Unity of effort is critical to prevent duplicative and wasteful programs. SIGAR has concluded from its review of the Afghan experience that only the U.S. ambassador, as chief of mission, has sufficient authority over all agencies in country—generally excluding active military personnel—to direct those agencies toward shared counternarcotics goals.³² Unless the ambassador and U.S. military commander agree on counternarcotics goals, and coordinate efforts and resources to achieve these goals, their efforts are likely to be disjointed and ineffective. A unified effort is also important to enable U.S. agencies to coordinate with the host-nation government and other donors. If the ambassador is unable to dedicate sufficient attention to lead the implementation of a counternarcotics strategy, the United States should reconsider whether it should be funding and administering a large-scale counterdrug effort.

Meanwhile, the goals of a U.S. counternarcotics strategy should be aligned with and integrated into the larger security, development, and governance objectives of the United States and the host nation. In Afghanistan, the counterdrug effort was often justified as a means to weaken insurgent groups and strengthen the Afghan government. However, counternarcotics programs were commonly implemented and assessed independent of these strategic goals. This led to programs that were at times out of sync with U.S. objectives or unrealistic given the security situation in the country.

For example, if applying only a counternarcotics lens (i.e., seeking to stem the drug trade), investigating and arresting any illicit drug trafficker would appear to be as worthwhile as investigating and arresting traffickers connected to an insurgency or corrupt government officials engaged in the drug trade. But if the policy guidance is that counternarcotics activities should support larger U.S. security and governance goals, then the insurgency-connected trafficker and corrupt official become higher-priority targets.

These and other lessons in the LLP report lay the groundwork for recommendations to Congress and the Executive Branch.³³

WHAT OUGHT TO BE DONE?

The 13 recommendations in the SIGAR LLP report begin with three that are specific to Afghanistan.

The first of these is foundational: The U.S. government should finalize a revised counternarcotics strategy for Afghanistan. This strategy should prioritize efforts to disrupt drug-related financial flows to insurgent and

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Afghan police use sticks to eradicate a poppy field near the city of Qalat, Zabul Province. (Resolute Support photo by 1st Lt. Brian Wagner)

terrorist groups, promote licit livelihood options for rural communities, and combat drug-related corruption within the Afghan government.

SIGAR believes the new, revised U.S. counternarcotics strategy should focus on:

- (1) disrupting insurgent and terrorist groups' financing from the drug trade, informed by a robust understanding of how these networks operate at local levels;
- (2) advancing the development of viable alternative livelihoods in more secure rural areas, to include steps to ensure development assistance programs do not inadvertently contribute to drug production; and
- (3) combating drug-related corruption within the Afghan government.

In support of the first and third goals, U.S. agencies should continue to assist and mentor the small, specialized Afghan counterdrug units that are trusted partners. These units are an important starting point for improving Afghan police, investigative, and prosecutorial capacity. All the above measures fit within and advance larger U.S. security, development, and governance goals.

Levels of opium-poppy cultivation remain an important indicator of progress, or lack thereof, against the Afghan drug trade. However, given the current security situation, the entrenched nature of the drug trade, and limited mobility of U.S. and international actors in Afghanistan, it is not realistic to expect U.S. efforts to substantially reduce poppy cultivation.

Furthermore, an overemphasis on cultivation levels skews policymakers' attention toward measures, like eradication, that may produce

short-term results, but do little to address the underlying causes of cultivation and drug production and may even undermine broader U.S. goals. Thus, the United States should not establish a near-term goal to reduce overall levels of poppy cultivation.

The second Afghanistan-specific recommendation is that the U.S. Director of National Intelligence should produce an annual assessment of how much funding the Afghan insurgency obtains from the drug trade and the extent of the insurgency's direct involvement in that trade.

The funding the drug trade provides to insurgent and terrorist groups has been one of the key justifications for the U.S. counternarcotics effort in Afghanistan, yet there is limited consensus on the extent and nature of these financial flows. U.S. government officials publicly cite estimates of how much money insurgent groups obtain from the drug trade, but these estimates differ, and official statements rarely acknowledge the uncertainty around the figures. A better understanding of insurgent financing from the Afghan drug trade is critical to designing effective, sustainable efforts to cut off that financing.

The recommended intelligence assessment should provide a consensus estimate of the amount of money from Afghan drug cultivation, production, and trafficking that is going to insurgent and terrorist groups. The assessment should detail how intelligence agencies calculate the consensus estimate, and how insurgent groups get that money. This assessment should inform and support ongoing U.S. military and civilian efforts to cut off insurgent financing from the drug trade. With this assessment, policymakers and implementers would be better equipped to judge whether counter-threat finance efforts, such as air strikes on drug labs, are likely to impose significant costs on insurgent groups.

The third Afghanistan-specific recommendation, in view of ongoing U.S. military operations and the significant numbers of U.S. forces still in country, is that civilian leaders should coordinate counternarcotics efforts closely with the commander of United States Forces-Afghanistan (USFOR-A).

The State Department, through the U.S. ambassador, should remain the lead coordinator for U.S. counternarcotics efforts in Afghanistan, but those efforts should also be integrated into military campaign and operational plans. Many counterdrug programs in Afghanistan were reliant on the security and support provided by U.S. or international Coalition forces. Until the United States transitions to a more traditional diplomatic and security presence in Afghanistan, the leadership of the U.S.-led, NATO-supported Operation Resolute Support and of USFOR-A will have significant influence over resources and factors that make U.S. counternarcotics efforts possible.

Additionally, U.S. programs to counter the drug trade can have significant effects on the security environment and stabilization goals. So

counternarcotics efforts should be integrated into Resolute Support and USFOR-A plans to more effectively ensure that counternarcotics programming is aligned with broader security goals, and to prevent duplicative or contradictory efforts.

The report's eight general recommendations for Congress and the Executive Branch include strengthening reporting requirements for counterdrug programs, requiring certification that viable alternative-livelihood options are in place for local people before money is obligated for opium-eradication programs, assessing the impact that development programs might have on illicit drug production, and giving USAID primary responsibility for designing development programs in drug-producing countries. These and other recommendations could be expected to improve outcomes both in Afghanistan and in other countries where illicit drugs are a target of governmental concern. Full discussions are presented in the LLP report.

CONCLUSION

SIGAR's Lessons Learned Program report on counternarcotics operations in Afghanistan makes for sobering and frustrating reading. The details of its narrative and findings reveal an array of deficiencies in strategy formulation, program design, coordination of effort, monitoring and evaluation of outcomes, and adjustment to changing conditions.

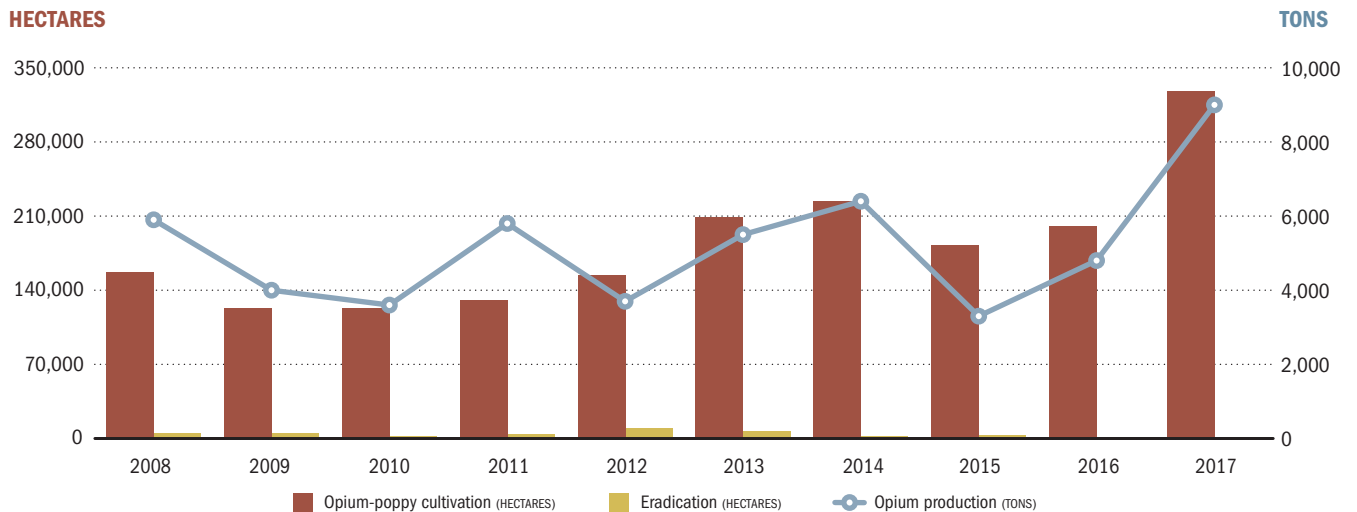
In one sense, this should not be surprising. The United States has been waging a presidentially declared "war on drugs" for almost 50 years: President Richard Nixon announced it in July 1971.³⁴ But commentators and researchers commonly deem that war a failure.³⁵ The Centers for Disease Control reported earlier this year that U.S. deaths from drug overdoses continue to rise, setting an estimated record high of approximately 72,000 overdose deaths in 2017.³⁶ Another indicator of the scope of the domestic challenge is the U.S. Senate's 99–1 vote in September 2018 approving a new, \$8.4 billion package of 70 bills addressing the opioid epidemic in this country.³⁷

The fight against narcotics in Afghanistan presents even greater obstacles than the stateside struggle: entrenched and pervasive corruption within Afghan institutions, the deficiencies of the Afghan security and law-enforcement entities, the general poverty that makes poppy cultivation economically attractive to farmers, and the presence of an active insurgency with powerful incentives to protect its narcotics revenues.³⁸ (Afghan opioids, however, largely flow to markets other than the United States.³⁹)

The LLP report has already drawn a strong response from the U.S. Senate's Caucus on International Narcotics Control. On September 17, 2018, caucus chairman Senator Charles Grassley of Iowa and co-chair Senator Diane Feinstein of California wrote to Inspector General Sopko that they

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AFGHAN OPIUM-POPPY CULTIVATION, ERADICATION, AND PRODUCTION SINCE 2008



Source: UNODC, *World Drug Report 2016*, 5/2016, Annex, vii, ix, xii; UNODC, *Afghanistan Opium Survey 2017: Cultivation and Production*, 11/2017, pp. 5–6, 64–70.

were “especially concerned” about the LLP report’s findings about lack of priority for counternarcotics efforts among U.S. and Afghan officials and the lack of success in reducing opium cultivation and production. The Senators asked SIGAR to “conduct a thorough review of the U.S. government’s current counternarcotics efforts in Afghanistan, including the effectiveness of the current airstrike campaign and the effects of money laundering and corruption on counternarcotics efforts.”⁴⁰

SIGAR is following up on that Senate request, and will also be tracking the status of the recommendations offered in the LLP report.

The United States must learn from its experience over the past 16 years for two key reasons: First, to avoid failure and wasted resources in the fight against narcotics in Afghanistan, which may lead to that country descending into a narco-terrorist state; and second, to help the United States and other donor countries facing drug-related challenges. We hope that SIGAR’s LLP report can help improve the odds of success in both instances.