

GDPO Situation Analysis

November 2013

Afghanistan's Bumper Opium Harvest

The year before US and International Security Assistance Force (ISAF) troops are scheduled to withdraw from Afghanistan and as security arrangements going forward remain unclear, opium poppy cultivation has reached an all-time high, rising an estimated 36% between 2012 and 2013 to over 200,000 hectares. Opium production has doubled to an estimated 5,500 tons.

Impact

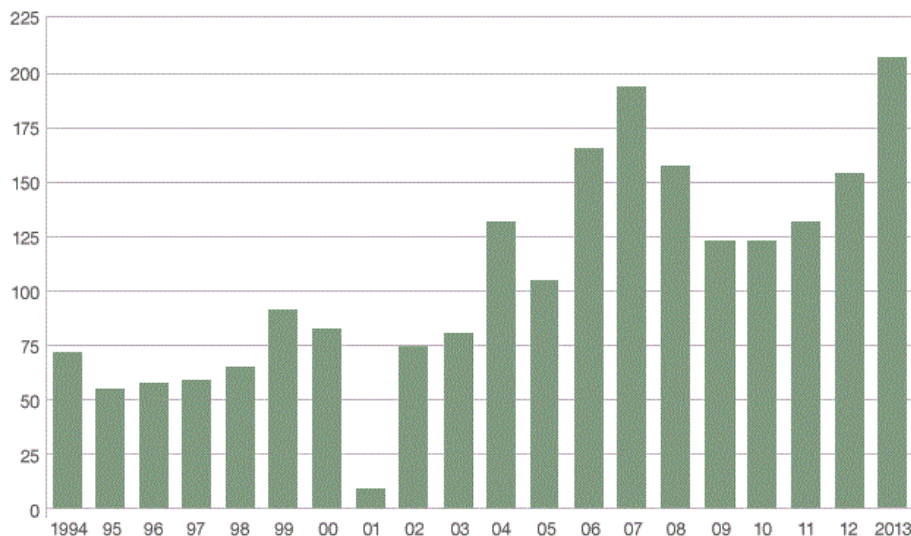
- Due to the expected deterioration of the security situation as foreign troops draw down, the hardship caused by a fall-off in foreign assistance and the prioritisation of the 2014 election process, it should be expected that opium cultivation will expand significantly across all regions of Afghanistan
- Cultivation can be expected to resume in areas where it has previously declined or been disrupted, such as in the North and West of the country.
- International funding for the Afghan government's National Drug Control Strategy, and the associated National Drug Demand Reduction Policy for the period 2012-2016, National Alternative Livelihood Policy and Anti-Drug Trafficking Policy - all of which set ambitious targets for improving treatment, formal economic opportunities and interdiction - is unlikely to meet the levels required for effective implementation.
- It remains unclear how, if at all, the bumper harvest will impact heroin consumer markets

Analysis

The US led invasion of Afghanistan in 2001 was justified through reference to regime change and counter terrorism. Although former British Prime Minister Tony Blair cited Afghanistan's role in the drug trade as a factor influencing his decision to support the invasion, there was no explicit strategy for narcotic drugs, despite opium's complex, historical inter-relationship with conflict and development in the country.

Further relegating consideration of the drug dimension down the list of priorities and objectives was the collapse of opium poppy cultivation in 2001 following an effective campaign decreed by Taliban leader Mullah Mohammed Omar and which was conducted with some collaboration with the UN drug control apparatus. While producing a range of negative consequences in terms of economic wellbeing of rural communities, this reduced the total area under opium poppy cultivation to below 8,000 hectares.

From 2002, opium poppy cultivation and opium and heroin production resumed an upward trend. Since that date it has continued to increase beyond pre-invasion levels (see Graph 1), culminating in the ‘bumper’ opium poppy harvest of 2013. According to the United Nations Office on Drugs and Crime (UNODC), figures for 2013 marked a 36% increase on 2012 cultivation levels.

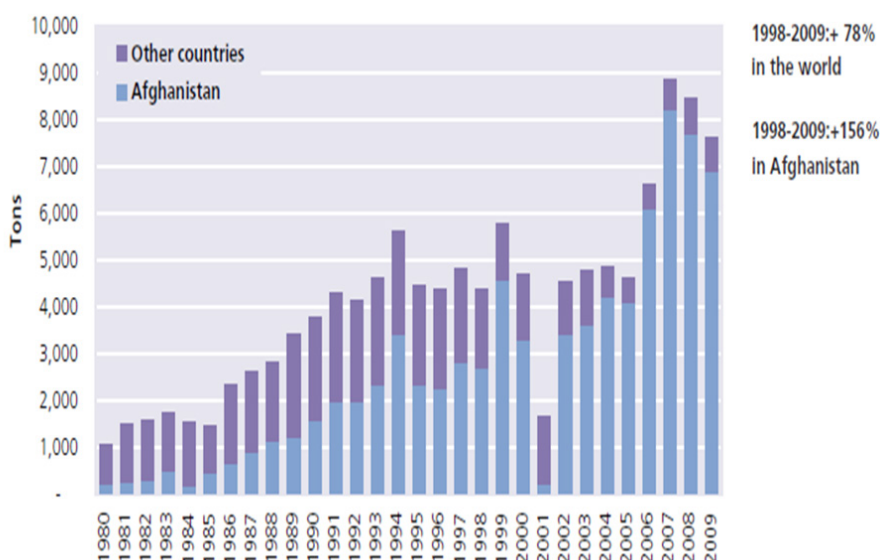


Graph 1: Opium Cultivation in Afghanistan 1994–2013 (UNODC Afghanistan Opium Survey 2013 / BBC News)

Source: UNODC Afghanistan Opium Survey 2013

Accounting for Failure

Afghanistan produces approximately 90% of global illicit opium stocks. The country’s rise as the world’s most significant production area began in the mid-1990s and it offset declines in other producer countries such as Laos PDR but most significantly Myanmar / Burma (see Graph 2). The trend of rising production during the pre-invasion period has been linked to the use of illicit opium revenues by anti-Taliban groups such as the Northern Alliance to finance conflict against Islamist forces, and due to the importance of cultivation as a livelihoods strategy by Afghan citizens impoverished by decades of instability and violence.



Graph 2: Global Opium Potential Production 1980–2009 (UNODC World Drug Report 2010)

1998-2009: +78%
In the world
1998-2009: +156%
In Afghanistan

Amid indicators of replanting after the steep cultivation drop of 2001, the US led invasion set opium production back on an upward trend, with annual declines in cultivation - as during the period 2008-2010 - proving unsustainable. A number of factors account for the strengthening of opium production in the country:

- There was no coherent US or ISAF approach to the opium economy over the last 12 years, moving from an initially laissez faire approach to poppy cultivation (in order not to alienate farmers), to UK led compensated eradication (2003), targeted interdiction of major traffickers and processing laboratories (2004) and manual eradication supported by the US private defence contractor DynCorp International (2005-09) culminating in a scaling back of eradication efforts under President Obama in 2009 and instructions to troops not to enter or damage poppy fields.
- Alternative livelihood programmes at local, regional and national level that are intended to shift opium farmers into the formal economy including through cash for work programmes, infrastructure development and agricultural credit facilities have been underfunded, poorly co-ordinated and ineffectively sequenced with broader security and stabilisation measures. They have failed to engage with opium cultivation as a livelihood strategy for peasant farmers or address the risks accruing to cultivators of entering the formal economy. Indicative of the incentives for continued cultivation, the UNODC estimates a kilogram of dry opium can fetch \$145. By contrast, the value of wheat stands at 41 cents per kilogram. Programmes have been caught between the need to provide immediate short term opportunities for cultivators (e.g. quick impact projects such as the US Commander's Emergency Response Program) and financing for major long term initiatives that are essential to address the structural causes of cultivation;
- Corruption in the distribution of contracts and financing has impeded effective implementation of alternative livelihoods projects, and resourcing has been heavily concentrated in key cultivation areas, specifically Helmand and Kandahar. This 'targeting' has not delivered cultivation reductions – in Helmand opium production tripled during the period 2006-12. Cultivators located close to urban areas have disproportionately benefited from access to livelihoods projects over those located in insecure and remote rural areas, and funding patterns have been insensitive, exacerbating ethnic and tribal conflict over access to foreign resources;
- Interdiction and eradication campaigns have been skewed by patronage networks and tribal and ethnic loyalties in their execution by Afghan officials and they have typically focused on those at the lower end of the cultivation chain who lack the financial or political capacity to protect their crops. Interdiction has focused on Taliban linked targets even though opium revenues make up only a modest proportion of Taliban funding (an estimated \$150m pa) while ISAF's security priorities have led to alliances with major actors in the drug trade, which has in turn empowered warlords and embedded the opium economy in the post invasion governance configuration.

What Next

Coalition forces preparing to depart Afghanistan leave a profoundly difficult legacy for Afghan authorities. Despite an estimated \$7 billion in counter narcotics funding provided by the US alone, opium is now arguably a more integral element of Afghanistan's economic, security and political matrix than at any previous point, including in relation to problematic drug users within the Afghan population and attendant issues of public health.

- Given the projected increase in cultivation for 2014, and a general unwillingness of coalition partners to engage with the issue during the sensitive process of transition, it can be expected that regional neighbours including Iran, Pakistan and the Central Asian Republics, will be in the front line of interdiction efforts
- Limiting the supply of Afghan opium stocks into the international market will require sustained and improved international support for states bordering Afghanistan, but this must be provided within the context of human rights norms and standards.
- The Russian Federation is likely to become an increasingly significant player in Afghan counter narcotics efforts. Given that country's preference for robust supply-side interventions, this will be to the neglect of addressing domestic demand side issues in the Russian Federation while entrenching the policy mistakes of outgoing coalition forces in Afghanistan.

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