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SECURITY

As of June 30, 2013, the U.S. Congress had appropriated more than \$54 billion to support the Afghan National Security Forces (ANSF). Most of these funds (\$52.8 billion) were appropriated through the Afghanistan Security Forces Fund (ASFF) and provided to the Combined Security Transition Command-Afghanistan (CSTC-A). Its purpose is to build, equip, train, and sustain the ANSF, which comprises the Afghan National Army (ANA) and the Afghan National Police (ANP). Of the \$52.8 billion appropriated for the ASFF, approximately \$45.3 billion had been obligated and \$41.5 billion disbursed as of May 31, 2013.⁸⁴

This section discusses assessments of the ANSF and the Ministries of Defense and Interior; gives an overview of U.S. funds used to build, equip, train, and sustain the ANSF; and provides an update on efforts to combat the cultivation of and commerce in illicit narcotics in Afghanistan. This section also discusses the challenges to transitioning to Afghan-led security by the end of 2014.

KEY EVENTS

Key events this quarter include a proposed increase in funding in the Department of Defense's (DOD) FY 2014 ASFF budget request, the status of the FY 2014 National Defense Authorization Act (NDAA), the status of U.S.-Afghan negotiations on a bilateral security agreement, the increasing number of ANSF casualties, and the progress toward transition to ANSF-led security in Afghanistan.

FY 2014 ASFF Budget Request

This quarter, DOD released its budget request for the FY 2014 ASFF. The request is broken into two parts: a core request for \$5.11 billion and an “enabler” request for \$2.62 billion.⁸⁵ According to DOD, the funding listed under the enabler request is conditional. It “shall not be available for obligation until the Department of Defense, with approval from the Office of Management and Budget, notifies the congressional defense committees that such amount, or a portion thereof, is necessary to further develop the capabilities of the Afghanistan Security Forces.”⁸⁶

SECURITY

At its current level, the total request of \$7.73 billion is \$1.98 billion more than the FY 2013 ASFF budget request and \$2.60 billion more than the final amount appropriated for FY 2013. The FY 2014 request would increase funding for ANA equipment by 803% and for infrastructure by 210% above what Congress provided for these categories in FY 2013, as shown in Table 3.2. DOD is requesting \$2.18 billion for ANA equipment (up from \$242 million in FY 2013) to purchase equipment and weapons. Notably, new equipment requested includes the following items aimed at bolstering the ANSF's enabler, or combat support, capabilities:⁸⁷

- Mobile Strike Force Vehicles (\$886.9 million)
- 4 medium airlift aircraft to replace the Afghan Air Force's fleet of G-222s (\$250 million)
- Replacement helicopters (\$345 million)
- 10 C-208 fixed-wing training aircraft (\$28.6 million)
- 20 light air support fixed-wing aircraft for air-to-ground missions (\$416.8 million)
- 8 MD-530 helicopters for special operations and quick-reaction forces (\$28 million)
- NATO Standard 155mm howitzers (\$163.4 million)

TABLE 3.2

AFGHANISTAN SECURITY FORCES FUND			
	Consolidated Appropriations Act, 2013 (P.L. 113-6)	FY 2014 Overseas Contingency Operations (OCO) Request	Change
MOD/ANA			
Infrastructure	90,000,000	278,650,000	+210%
Equipment and Transportation	241,521,000	2,180,382,000	+803%
Training and Operations	758,380,000	626,550,000	-17%
Sustainment	2,523,825,000	2,735,603,000	+8%
MOI/ANP			
Infrastructure	50,000,000	0	-100%
Equipment and Transportation	84,859,000	54,696,000	-36%
Training and Operations	569,868,000	626,119,000	+10%
Sustainment	1,305,950,000	1,214,995,000	-7%
Related Activities			
Infrastructure	1,200,000	0	-100%
Equipment and Transportation	1,239,000	0	-100%
Training and Operations	4,000,000	2,500,000	-38%
Sustainment	18,325,000	7,225,000	-61%
Reductions			
General Reduction	-525,000,000		NA
TOTAL	5,124,167,000	7,726,720,000	+51%

Notes: Numbers have been rounded. MOD = Ministry of Defense. MOI = Ministry of Interior.

Sources: DOD, "Justification for FY 2014 Overseas Contingency Operations, Afghanistan Security Forces Fund (ASFF)," 5/2013, p. 2; DOD, "Justification for FY 2013 Overseas Contingency Operations, Afghanistan Security Forces Fund (ASFF)," 2/2012, p. 44; Congressional Record, House, 3/6/2013, p. H1013; Congressional Record, Senate, 3/11/2013, p. S1531; GPO, H.R. 933, 3/26/2013, p. H.R. 933-136.

Although DOD has asked for funds, CSTC-A said no Afghan authority had asked for MD-530s. Further there were no authorized positions for MD-530 pilots or maintainers.⁸⁸ The additional “enabler” request for ANA infrastructure (\$278.7 million) includes funding for facilities to house the new aircraft, ammunition bunkers for the new howitzers, and a new regional hospital. DOD is also requesting \$192.4 million for Afghan Air Force training.⁸⁹

Despite the increase in the request for ANA equipment and infrastructure, the amounts requested in eight of the 12 ASFF funding categories were less than the amounts appropriated for FY 2013, as shown in Table 3.2.

National Defense Authorization Act for FY 2014

As of July 8, 2013, the House of Representatives had passed its version (H.R. 1960) of the NDAA for FY 2014; the Senate is now considering the bill.⁹⁰ The current version of the bill withholds \$2.6 billion of ASFF funding until the Secretary of Defense certifies to Congress that the United States and Afghanistan have signed a bilateral security agreement that ensures:⁹¹

- protection for DOD and its contractors from taxes or charges for efforts to carry out missions in Afghanistan that had been agreed to by both the United States and Afghanistan
- exclusive U.S. jurisdiction over U.S. forces in Afghanistan
- no infringement of the U.S. military and its personnel’s self-defense rights
- ability of the U.S. military to protect U.S. government offices and personnel in Afghanistan as needed
- U.S. military access to bases as needed to carry out its mission
- U.S. freedom of movement necessary to defeat al-Qaeda and its associates

H.R. 1960 withholds the same \$2.6 billion until the Secretary of Defense submits to Congress a report on certain equipment (helicopters, systems for close air support, air-mobility systems, and armored vehicles) to be purchased with ASFF funds authorized by the Act that includes:⁹²

- lists of all equipment
- the expected date such equipment would be delivered and operable in Afghanistan
- full requirements for operating such equipment
- the plan for maintaining such equipment and estimated costs by year through 2020
- the expected date that ANSF personnel would be fully capable of operating and maintaining such equipment without U.S. support
- an explanation of the extent to which the acquisition of such equipment will impact longer-term U.S. costs of supporting the ANSF

H.R. 1960 also includes limitations on use of FY 2013 and later DOD funding for purchasing equipment from Rosoboronexport, the Russian



Seth Jones of the RAND Corporation shared his views with SIGAR staff on the U.S. effort to secure and stabilize Afghanistan. SIGAR periodically invites subject matter experts to speak with staff. (SIGAR photo)

agency that sells military equipment, until the Secretary of Defense certifies that Rosoboronexport is cooperating with the Defense Contract Audit Agency, has not provided anti-aircraft missiles to Syria, and has not signed any new contracts with President Bashar al Assad's regime. The Secretary of Defense may waive the limitation by certifying that the purchase is in the national security interests of the United States.⁹³

Since 2005, DOD has been procuring Russian-made Mi-17 helicopters for the ANSF. In 2011, the Army contracted Rosoboronexport to purchase 21 Mi-17 military helicopters with the option to buy another 12.⁹⁴

H.R. 1960 also requires that no less than \$47.3 million be used to recruit and retain women in the ANSF.⁹⁵ Recruitment of women has been a challenge: currently only 0.2% of ANA personnel and 1% of ANP personnel are women.⁹⁶

Bilateral Security Agreement

Since November 15, 2012, the United States and Afghanistan have been negotiating a Bilateral Security Agreement (BSA) to determine the status and role of U.S. forces post-2014.⁹⁷ The top U.S. and NATO commander in Afghanistan, General Joseph F. Dunford Jr., told Congress on April 17 that the BSA was needed to show our commitment to both Afghanistan and to Coalition partners and to counter the Taliban message that Afghanistan will be abandoned.⁹⁸ On June 19, 2013, President Karzai suspended talks with the United States on the BSA due to disagreements over the peace process.⁹⁹

The United States has yet to determine the number of troops that will remain in Afghanistan after 2014. Last quarter, U.S. Central Command (CENTCOM) commander General James Mattis recommended a post-2014 force of 20,000 Coalition troops, 13,600 of them American. NATO defense ministers have discussed leaving a force of 9,500 U.S. and 6,000 Coalition troops.¹⁰⁰ As of July 9, 2013, the United States had not ruled out a "zero option" whereby all U.S. troops would exit Afghanistan post-2014.¹⁰¹

Security Environment and ANSF Casualties

In testimony before the Senate Foreign Relations Committee on July 11, a senior DOD official noted that close to 400 Afghan army and police personnel are being killed in action every month.¹⁰²

From February 16 to May 15, 2013, the number of security incidents in Afghanistan had increased by 10% over the same period in 2012, according to the UN Secretary-General.¹⁰³

Transition Progress

This quarter, all five tranches of geographic areas were transitioning to ANSF-led security. President Karzai's June 18 announcement of the start of the transition process for the fifth and final tranche means 100% of the Afghan population now lives in areas under transition to ANSF security lead. The announcement also coincided with the "Milestone 2013"

ceremony which marked the International Security Assistance Force’s (ISAF) shift in focus from combat to supporting the ANSF through a train-advise-assist mission.

According to DOD, ISAF will continue to engage in combat operations, as needed, until the end of 2014, and remain committed to helping the ANSF by providing enablers such as air, aviation, medical support, intelligence, counter-IED, signals, and logistics. However, ANSF will be responsible for day-to-day execution of security operations. Afghanistan’s Ground Forces Command, a new Ministry of Defense (MOD) operational headquarters, will oversee security in the country.¹⁰⁴

To ensure proper security in transitioning areas, ISAF will continue to provide the ANSF with training, advising, and assistance support using the Security Force Assistance Brigades, according to DOD. Through this transition process, the level of ISAF support can be adjusted as the ANSF demonstrate improved capabilities. During this shift, the Coalition forces will realign their posture, setting the conditions for the ANSF to assume full security responsibility and authority in late 2014.¹⁰⁵

U.S. FORCES IN AFGHANISTAN

According to CENTCOM, 70,100 U.S. forces were serving in Afghanistan as of June 30, 2013. Of those, approximately 51,000 were assigned to ISAF and 1,700 to the NATO Training Mission-Afghanistan (NTM-A)/CSTC-A. Of the remaining U.S. personnel, 7,200 were assigned to the U.S. Forces-Afghanistan and 10,200 were designated “other military personnel.”¹⁰⁶ As of July 15, 2013, a total of 2,115 U.S. military personnel have died in Afghanistan—83% of whom were killed in action—and 18,957 were wounded as part of Operation Enduring Freedom since it began on October 7, 2001.¹⁰⁷

ANSF STRENGTH

This quarter, ANSF’s assigned force strength was 337,111 (185,287 assigned to the ANA and Afghan Air Force, and 151,824 assigned to the ANP), according to data provided by CSTC-A.¹⁰⁸ This is 14,889 less than the end-strength goal, as shown in Table 3.3.

TABLE 3.3

ANSF ASSIGNED STRENGTH, MAY 20, 2013			
ANSF Component	Current Target	Status as of 5/2013	Difference Between Current Strength and Target End-Strength Goals
Afghan National Army	187,000 personnel by December 2012	178,826	-8,174
Afghan National Police	157,000 personnel by February 2013	151,824	-5,176
Afghan Air Force	8,000 personnel by December 2014	6,461	-1,539
ANSF Total	352,000	337,111	-14,889

Sources: DOD, “Report on Progress Toward Security and Stability in Afghanistan,” 12/2012, p. 56; CSTC-A, response to SIGAR data calls, 7/2/2013.

SIGAR AUDIT

In an ongoing audit, SIGAR is assessing the reliability and usefulness of data for the number of ANSF personnel authorized, assigned, and trained. In the same audit, SIGAR is examining the methods and tools used to measure and evaluate the ANSF’s operational effectiveness, including the extent to which these methods and tools are consistently applied, reliable, and validated.

AFGHAN LOCAL POLICE

This quarter, the number of trained and equipped Afghan Local Police (ALP) personnel was 23,551. The current goal is for the ALP to reach 30,000 personnel. According to the Special Operations Joint Task Force, the ALP are operational at 115 sites. The United States has obligated \$151 million to support the ALP as of June 30, 2013.¹⁰⁹ ALP numbers are not counted as ANSF.

SIGAR AUDIT

Last quarter, SIGAR initiated a follow-on audit to the agency's March 2012 testimony and its June 2012 report that assessed the potential effects of USAID's transfer of security functions for its projects from PSCs to the APPF.

AFGHAN PUBLIC PROTECTION FORCE

As of June 30, 2013, the number of personnel assigned to the APPF was 18,821, according to CSTC-A. Of these, 1,352 were officers, 1,336 were non-commissioned officers (NCOs), and 16,133 were guards.¹¹⁰ APPF numbers are not counted as ANSF.

ANSF ASSESSMENTS

Assessments of the ANA and ANP are indicators of the effectiveness of U.S. and Coalition efforts to build, train, equip, and sustain the ANSF. These assessments also provide both U.S. and Afghan stakeholders with updates on the status of these forces as transition continues and Afghanistan assumes responsibility for its own security.

In assessing the capability of ANA and ANP units, ISAF uses the Commander's Unit Assessment Tool (CUAT), which has five rating levels:¹¹¹

- **Independent with Advisors:** The unit is able to plan and execute its missions, maintain command and control of subordinates, call on and coordinate quick-reaction forces and medical evacuations, exploit intelligence, and operate within a wider intelligence system.
- **Effective with Advisors:** The unit conducts effective planning, synchronizing, directing, and reporting of operations and status. Leaders, staff, and unit adhere to a code of conduct and are loyal to the Afghan government. Coalition forces provide only limited, occasional guidance to unit personnel and may provide **enablers** as needed. Coalition forces augment support only on occasion.
- **Effective with Partners:** The unit requires routine mentoring for planning, synchronizing, directing, and reporting of operations and status; coordinating and communicating with other units; and maintaining effective readiness reports. Leaders, staff, and most of the unit adhere to a code of conduct and are loyal to the Afghan government. ANSF enablers provide support to the unit; however, coalition forces may provide enablers to augment that support.
- **Developing with Partners:** The unit requires partnering and assistance for planning, synchronizing, directing, and reporting of operations and status; coordinating and communicating with other units; and maintaining effective readiness reports. Leaders and most of the

Enablers: specialized units that support combat units, such as engineering, civil affairs, military intelligence, helicopter, military police, and intelligence, surveillance, and reconnaissance assets.

Source: DOD, "Mullen Tours Forward Outposts in Afghanistan," 4/22/2009, accessed 1/4/2012.

staff usually adhere to a code of conduct and are loyal to the Afghan government. Some enablers are present and effective, providing some of the support. Coalition forces provide enablers and most of the support.

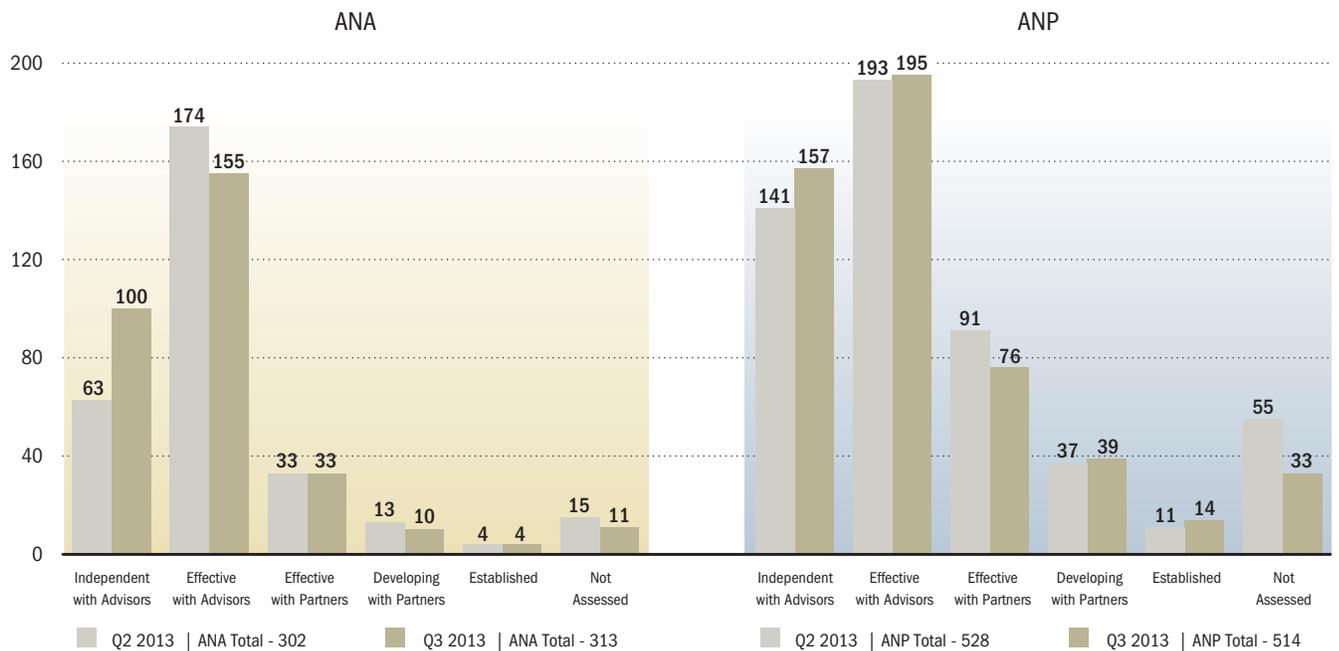
- Established:** The unit is beginning to organize but is barely capable of planning, synchronizing, directing, or reporting operations and status, even with the presence and assistance of a partner unit. The unit is barely able to coordinate and communicate with other units. Leadership and staff may not adhere to a code of conduct or may not be loyal to the Afghan government. Most of the unit's enablers are not present or are barely effective. Those enablers provide little or no support to the unit. Coalition forces provide most of the support.

During this reporting cycle, the total number of ANA units rose from 302 to 312. According to ISAF Joint Command (IJC), this increase is the result of new units being fielded in the 111th Capital Division, the Mobile Strike Brigades, and the 201st, 203rd, and 215th Corps.¹¹² For the ANP, the total number of units fell from 528 to 514.¹¹³

Because not every unit is reported in every CUAT cycle, the IJC uses the most recent assessment (within the last 18 months) to “enable cycle to cycle

FIGURE 3.23

CUAT RATINGS OF ANSF UNITS, QUARTERLY CHANGE



Sources: DOD, responses to SIGAR data call, 4/17/2013 and 7/9/2013.

comparisons.”¹¹⁴ When compared this way, 37 more ANA units and 16 more ANP units were rated “independent with advisors,” as shown in Figure 3.23 on the previous page. According to the most recent assessments, more than 81% of all ANA units were rated at the two highest levels: 32% were “independent with advisors” and 50% were “effective with advisors.” For the ANP, more than 68% of units were rated at the two highest levels: 31% were “independent with advisors” and 38% were “effective with advisors.”¹¹⁵

MINISTRY OF DEFENSE AND MINISTRY OF INTERIOR ASSESSMENTS

Assessments of the MOD and the MOI continued to show progress this quarter. To rate the operational capability of these ministries, NTM-A uses the Capability Milestone (CM) rating system. This system assesses staff sections (such as the offices headed by assistant or deputy ministers) and cross-functional areas (such as general staff offices) using four primary and two secondary ratings:¹¹⁶

- CM-1A: capable of autonomous operations
- CM-1B: capable of executing functions with coalition oversight only
- CM-2A: capable of executing functions with minimal coalition assistance
- CM-2B: can accomplish its mission but requires some coalition assistance
- CM-3: cannot accomplish its mission without significant coalition assistance
- CM-4: exists but cannot accomplish its mission

At the MOD, all 46 staff sections and cross-functional areas were assessed this quarter. Of those, nine progressed and two regressed. Notably, the Logistics Command became the first MOD office to achieve the highest rating of CM-1A (capable of autonomous operations).

The other offices that received a higher rating this quarter were:¹¹⁷

- General Staff Policy and Planning (CM-1B)
- First Deputy Minister of Defense (CM-1B)
- Assistant Minister of Defense for Reserve Affairs (CM-2B)
- Afghan Air Force Command (CM-2B)
- Assistant Minister of Defense for Education (CM-2B)
- General Staff Logistics (CM-2B)
- Vice Chief of General Staff - Air (CM-2B)
- Assistant Minister of Defense for Intel Policy (CM-3)

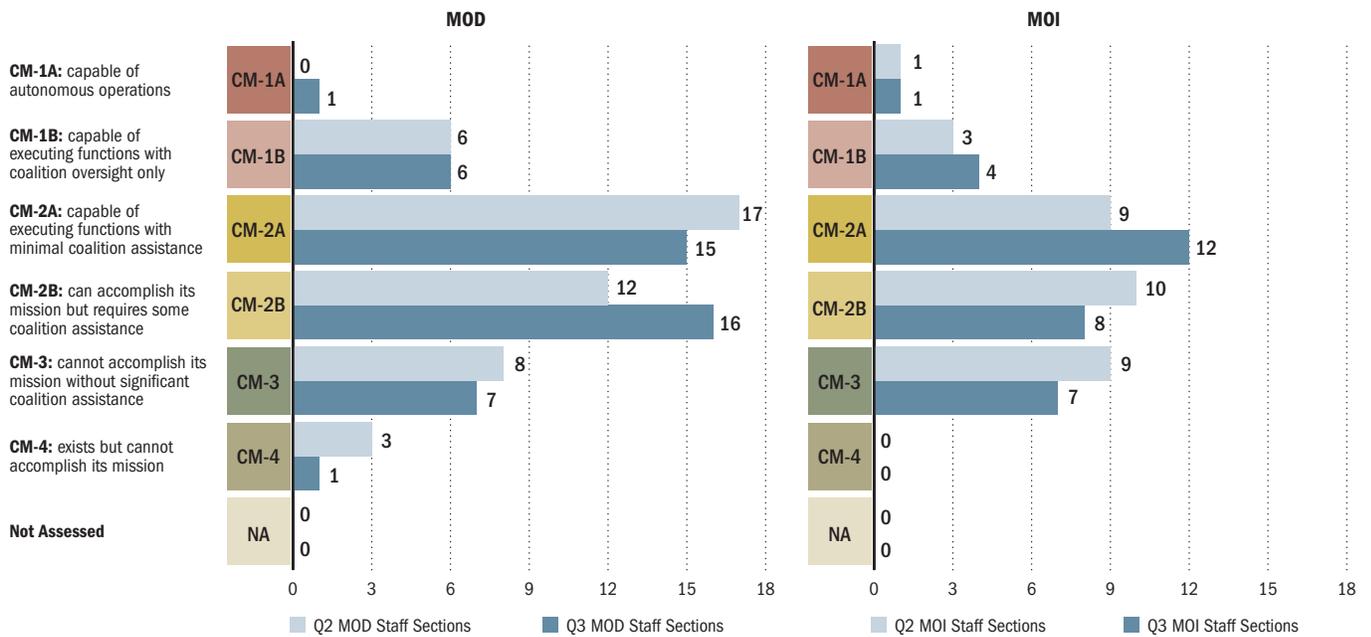
The two MOD offices that regressed were the MOD Chief of the Legal Department (fell to CM-3) and the MOD Chief of Finance (fell to CM-2B).¹¹⁸ One MOD office—Gender Integration—was rated CM-4 (down from 3 last quarter), meaning that it cannot accomplish its mission, as shown in Figure 3.24.¹¹⁹

SIGAR SPECIAL PROJECT

In an ongoing special project, SIGAR is reviewing assessments of the MOD and MOI to determine those ministries' capacity to manage and account for U.S. direct assistance funds. For more information, see SIGAR's April 2013 Quarterly Report to Congress.

FIGURE 3.24

CAPABILITY MILESTONE RATINGS OF MOD AND MOI, QUARTERLY CHANGE



Sources: CSTC-A, responses to SIGAR data call, 4/1/2013, 7/2/2013, and 7/15/2013.

All 32 staff sections at the MOI were assessed; nine progressed and two regressed—the Recruiting Command and the Inspector General—since last quarter. No MOI sections were rated CM-4. Those whose ratings increased this quarter were:¹²⁰

- Force Management (CM-1B)
- Legal Affairs (CM-2A)
- Intelligence (CM-2A)
- Civil Service (CM-2A)
- Afghan Border Police (CM-2A)
- Anti-Crime Police (CM-2A)
- Information, Communications, and Technology (CM-2B)
- Training Management (CM-2B)
- Counter-IED (CM-2B)

AFGHAN NATIONAL ARMY

As of May 31, 2013, the United States had a obligated \$29.9 billion, and disbursed \$27.4 billion of ASFF funds to build, train, and sustain the ANA.¹²¹

ANA Strength

As of May 21, 2013, the overall strength of the ANA was 185,287 personnel (178,826 Army and 6,461 Air Force), according to CSTC-A. This is an increase of 3,453 since last quarter, as shown in Table 3.4. The total includes 18,033 trainees, students, and those awaiting assignment, as well as 4,667 cadets. According to CSTC-A, the ANA includes 7,806 civilians (both ANA and Air Force personnel) in determining its end strength. CSTC-A noted that it worked with the ANA to identify and separate civilians from military personnel.¹²² SIGAR’s reporting of ANA’s end strength does not include these civilians, but does count unassigned military personnel and cadets.

CSTC-A stated that 52,650 ANA and Afghan Air Force personnel were in the field or actively engaged in combat operations. Another 69,707 were “present for duty” which meant that they were “in [their] barracks.” Personnel both present for duty and in the field did not include “Echelon Above Corps” personnel—those assigned to the MOD, General Staff, or the Intermediate Commands.¹²³

Determining accurate ANA strength is challenging. The ANA often collects data by hand, on paper. CSTC-A has said “there is no 100% viable method of validating ANA personnel numbers,” although it does

TABLE 3.4

ANA Component	Authorized			Assigned		
	Q1 2013	Q2 2013	Quarterly Change	Q1 2013	Q2 2013	Quarterly Change
	201st Corps	17,821	17,638	-183	17,427	18,116
203rd Corps	20,022	20,002	-20	19,095	20,288	+1,193
205th Corps	18,476	18,287	-189	18,982	19,351	+369
207th Corps	14,313	14,097	-216	12,803	14,279	+1,476
209th Corps	14,458	14,236	-222	13,065	13,371	+306
215th Corps	16,933	16,733	-200	17,307	17,447	+140
111th Capital Division	9,273	9,174	-99	8,654	8,619	-35
Special Operations Force	12,261	12,238	-23	10,366	10,970	+604
Echelons Above Corps ^a	37,592	38,773	+1,181	37,837	33,685	-4,152
TTHS ^b	-	-	-	19,905 ^c	22,700 ^d	+2,795
ANA Total	161,149	161,218^e	+69	175,441	178,826	+3,385
Afghan Air Force (AAF)	7,639	7,097	-542	6,393	6,461	+68
ANA + AAF Total	168,788	168,315	-473	181,834	185,287	+3,453

Notes: Q1 data is as of 2/18/2013. Q2 data is as of 5/21/2013.

^a Includes MOD, General Staff, and Intermediate Commands

^b Trainee, Transient, Holdee, and Student; these are not included in counts of authorized personnel

^c Includes 3,802 cadets

^d Includes 4,667 cadets

^e CSTC-A provided total; actual sum of ANA components was 161,178

Sources: CSTC-A, responses to SIGAR data calls, 4/1/2013, 4/16/2013, and 7/2/2013.

cross-reference reported numbers with pay records and personnel status reports. In addition, CSTC-A cross-references ANA reporting of new recruits with ANA training-center strength reports. While these efforts leave room for error, CSTC-A reported that discrepancies are relatively minor and acceptable considering “the potential for over/under reporting in a still largely paper-based system.” CSTC-A noted that the use of the Afghan Human Resources Information System will provide a more reliable platform for reporting and validating ANA strength numbers.¹²⁴ That automated system is still in development, however, and its launch date is not yet set.

ANA Sustainment

As of May 31, 2013, the United States had obligated \$9.8 billion and disbursed \$9.5 billion of ASFF funds for ANA sustainment.¹²⁵

As part of sustainment funding, the United States has provided the ANA with ammunition at a cost of approximately \$1.03 billion, according to CSTC-A.¹²⁶

ANA Salaries, Food, and Incentives

As of June 30, 2013, the United States had provided nearly \$1.8 billion through the ASFF to pay for ANA salaries, food, and incentives since FY 2008. This includes \$51 million provided this quarter. Since FY 2009, the United States contribution to ANA salaries alone (not including food and incentives) was \$1.2 billion. The estimated annual amount of funding required for the base salaries, bonuses, and incentives of a 195,000-person ANA is \$686.1 million.¹²⁷

ANA Equipment and Transportation

While the U.S. effort to equip the ANA has at times appeared to be ending, new requirements for additional equipment are resulting in new procurements. These new requirements are evident in quarterly changes to equipment cost totals, as well as in DOD’s FY 2014 ASFF budget request for approximately \$2 billion in new equipment.¹²⁸

As of May 31, 2013, the United States had obligated and disbursed \$11.1 billion of the ASFF for ANA equipment and transportation.¹²⁹ Most of these funds were used to purchase weapons and related equipment, vehicles, communications equipment, and aircraft and aviation-related equipment.¹³⁰ Nearly 82% of U.S. funding in this category was for vehicles and transportation-related equipment, as shown in Table 3.5 on the following page. The United States has also procured more than \$768 million in other equipment such as clothing and personal gear.¹³¹

Last quarter, CSTC-A stated that the United States had procured \$878 million of weapons for the ANA. However, this quarter, CSTC-A stated that the total cost was actually \$623 million due to a \$153 million correction in the total cost of some equipment and accounting for nearly \$102 million in donated equipment that was not U.S.-funded (but still tracked as part

SIGAR AUDIT

This quarter, SIGAR announced an audit to evaluate the effectiveness of U.S. government oversight of contracts to procure, operate, and maintain Mobile Strike Force Vehicles (MSFV) for the ANA. The audit will also determine the extent to which the ANA has the capacity to operate and maintain its current and planned MSFVs. For more information, see Section 2, page 40.

SIGAR AUDIT

SIGAR completed a financial audit of a contract to support the ANA’s Technical Equipment Maintenance Program. The audit found four internal control deficiencies and five instances of non-compliance, which brought into question \$2.8 million in costs. For more information, see Section 2, page 46.

TABLE 3.5

COST OF U.S.-FUNDED ANA EQUIPMENT		
Type of Equipment	Procured	Remaining to be Procured
Weapons	\$622,775,356	\$226,000
Vehicles	\$5,558,632,248	\$0
Communications Equipment	\$599,498,880	\$0
Total	\$6,780,906,484	\$226,000

Source: CSTC-A, response to SIGAR data call, 7/2/2012.

of the ANA's equipment inventory).¹³² The updated equipment cost total is reflected in Table 3.5.

CSTC-A also stated last quarter that no new vehicles or communications equipment remained to be procured for the ANA. However, this quarter, CSCT-A's latest cost totals had increased for vehicles (by more than \$2 million) and communications equipment (by nearly \$19 million).¹³³ According to CSTC-A, this is due, in part, to new requirements to support APPF convoy-security operations and the General Directorate of Police Special Units.¹³⁴

This quarter, the Afghan Air Force inventory consisted of 108 aircraft, according to CSTC-A.¹³⁵

- 48 Mi-17s (transport helicopters)
- 6 Mi-35s (attack helicopters)
- 16 C-27As (cargo planes)
- 26 C-208s (light transport planes)
- 6 C-182s (four-person trainers)
- 6 MD-530Fs (light helicopters)

Still to be procured are 20 light support aircraft, 12 Mi-17 helicopters, and four C-130H cargo planes.¹³⁶ Last February, the U.S. Air Force awarded a U.S. company a \$427 million contract to deliver the 20 light support aircraft; the contract is capped at \$950 million through February 2019.¹³⁷

Ten of the Afghan Air Force's 48 Mi-17s are loaned to the Special Mission Wing (SMW).¹³⁸ The SMW is a unit that provides air support for Afghan Special Forces executing counternarcotics and counterterrorism missions.¹³⁹ This quarter, the SMW inventory consisted of 30 Mi-17 helicopters: 13 from DOD, 10 on loan from the Afghan Air Force, five from the United Kingdom, and two from Germany.¹⁴⁰

ANA Infrastructure

As of May 31, 2013, the United States had obligated \$6.2 billion and disbursed \$4.1 billion of the ASFF for ANA infrastructure.¹⁴¹ At that time, the United States had completed 227 infrastructure projects (valued at \$2.65 billion), with another 124 projects ongoing (\$2.93 billion) and eight planned

SIGAR AUDIT

A SIGAR audit released this quarter found that DOD is moving forward with a \$771.8 million purchase of aircraft for the SMW despite the SMW having less than one-quarter of the personnel needed, facing steep recruitment and training challenges, and lacking the ability to maintain its current aircraft fleet. For more information, see Section 2, page 30.

(\$180 million), according to CSTC-A. Of the ongoing projects, five new contracts (valued at more than \$58 million) were awarded this quarter.¹⁴²

While the number of completed projects is increasing (227 this quarter compared to 213 last quarter), the total number of projects—ongoing and planned—is decreasing. According to CSTC-A, the overall decrease is due, in part, to project completions and to a reduction in planned projects because transfers of Coalition bases are reducing ANSF facility requirements.¹⁴³

This quarter, the largest ongoing ANA infrastructure projects were a brigade garrison for the 201st Corps in Kunar (at a cost of \$115.8 million), phase one of the MOD's headquarters in Kabul (\$108 million), and a brigade garrison for the 205th Corps in Kandahar (\$89.1 million).¹⁴⁴

DOD's FY 2014 ASFF budget request of nearly \$279 million for ANA infrastructure was 210% more than the amount appropriated (\$90 million) for FY 2013. FY 2013 ASFF funding was not for construction projects, but for upgrades and modernizations of garrisons and force-protection systems, and to prepare Coalition facilities for handover to the ANSF as U.S. forces are drawn down. The FY 2014 ASFF budget request is mostly for the construction of facilities for the planned increase of ANA equipment, including bunkers for howitzers and additional facilities for new Afghan Air Force aircraft.¹⁴⁵

ANA and MOD Training and Operations

As of May 31, 2013, the United States had obligated \$2.8 billion and disbursed \$2.7 billion of the ASFF for ANA and MOD operations and training.¹⁴⁶ This quarter, 58,828 ANA personnel were enrolled in some type of training, with 42,500 enrolled in literacy training, according to CSTC-A. In addition, 7,770 enlisted personnel were enrolled in basic warrior-training courses, 2,781 were training to become commissioned officers, and 1,371 were training to become NCOs. Other training programs include combat specialty courses such as infantry training; combat-support courses such as engineering, signals, and logistics; and courses to operate the high-mobility multipurpose wheeled vehicles known as "Humvees."¹⁴⁷

According to CSTC-A, the United States funds a variety of contracts to train the MOD and the ANA. The largest of these are a \$256 million contract for advising, training, and supporting the MOD; a \$76.3 million contract to train elements of the ANA Special Operations Command; and a \$65.4 million contract to train ANA specialized personnel to respond to improvised explosive devices (IEDs) and other explosive ordnance.¹⁴⁸

ANA Literacy

Since its start in 2009, NTM-A/CSTC-A's literacy program has sought to achieve greater literacy rates within the ANA. The program is based on a 312-hour curriculum. According to CSTC-A, in order to progress from illiteracy to functional literacy, a student may take as many as seven tests. The student's performance determines if he or she progresses to the next training level.¹⁴⁹

SIGAR AUDIT

An ongoing SIGAR audit will examine CSTC-A's justification and support for the ANSF infrastructure project requirements. The audit will also assess: (1) the extent to which U.S. and Coalition basing plans for the ANSF reflect ANSF force-strength projections; (2) whether CSTC-A fully considered alternatives to new construction; (3) whether CSTC-A developed and used appropriate criteria to ensure that current and proposed construction projects for the ANSF are necessary, achievable, and sustainable by the Afghan government.

Level 1 literacy is the ability to read and write single words, count up to 1,000, and add and subtract whole numbers. At Level 2, an individual can read and write sentences, carry out basic multiplication and division, and identify units of measurement. At Level 3, an individual has achieved functional literacy and can “identify, understand, interpret, create, communicate, compute and use printed and written materials.”¹⁵⁰

As of June 13, 2013, ANA personnel who have completed a literacy program include:¹⁵¹

- 128,370 Level 1 graduates
- 37,404 Level 2 graduates
- 31,977 Level 3 graduates

According to CSTC-A, the goal is to achieve 100% Level 1 literacy and 50% Level 3 (or functional) literacy by the time the program ends.¹⁵² However, CSTC-A stated that it does not know how many literacy program graduates are still in the ANA.¹⁵³

Since 2010, the United States has funded three literacy contracts for the ANSF. Each has a base year and a five-year limit—one-year options may be exercised in August of each year—and a maximum cost of \$200 million. According to CSTC-A, these contractors were providing 684 literacy trainers to the ANA:¹⁵⁴

- OT Training Solutions, a U.S. company, was providing 254 trainers.
- Insight Group, an Afghan company, was providing 180 trainers.
- The Higher Education Institute of Karwan, an Afghan company, was providing 250 trainers.

CSTC-A said responsibility for literacy training for ANA personnel in the field will transition to the ANA between October 1, 2013, and October 1, 2014.¹⁵⁵

Although a deputy to the commander of the NATO Training Mission and CSTC-A said in May 2011, “We know that we will improve the literacy rate in Afghanistan in the Afghanistan national security forces to over 50 percent by January 2012,” the current literacy rate has not been reported.¹⁵⁶

Women in the ANA

The number of women in the ANA is increasing, but the goal for women to make up 10% of the ANA and Afghan Air Force remains distant. At a Senate hearing on July 11, a senior DOD official called the statistics of over 400 women in the ANA “impressive” and a “very significant [increase] from zero.”¹⁵⁷ Despite an increase this quarter, however, women make up only 0.2% of the force.¹⁵⁸ This is the same percentage as three years ago, when 301 women were serving.¹⁵⁹

According to CSTC-A, institutional barriers stemming from traditional and cultural biases have impeded progress in women’s integration. Moreover, many families do not want their daughters to join because of



ANA Officer adjusts the sights on her weapon. Women currently make up 0.2% of the ANA. (ISAF photo)

concerns for their security. Nonetheless, more women are showing an interest in joining the military. But the MOD has not capitalized on this interest and “has not organized necessary initial training” for women.¹⁶⁰ U.S. and Coalition personnel continue to work closely with the MOD and the ANA to address gender integration issues.¹⁶¹

This quarter, 426 women were serving in the ANA—255 officers, 89 NCOs, 53 enlisted personnel, and 29 cadets—according to CSTC-A. This is a 14% increase over the number of women serving last quarter. In the Afghan Air Force, 34 women were serving—22 officers and 12 NCOs.¹⁶²

AFGHAN NATIONAL POLICE

As of May 31, 2013, the United States had obligated \$15 billion, and disbursed \$13.7 billion of ASFF funds to build, train, and sustain the ANP.¹⁶³

ANP Strength

As of May 20, 2013, the overall strength of the ANP was 151,824 personnel, including 108,128 Afghan Uniform Police (AUP), 21,422 Afghan Border Police (ABP), 14,515 Afghan National Civil Order Police (ANCOP), 3,059 in the Counter Narcotics Police of Afghanistan (CNPA), and 3,779 students in training—according to CSTC-A.¹⁶⁴ The total is an increase of 905 since last quarter, as shown in Table 3.6.

SIGAR AUDIT

In an ongoing audit, SIGAR will assess the ANP’s logistics capacity for petroleum, oil, and lubricants. The audit focuses on two main issues: accuracy of fuel requirements, and accountability for fuel purchases.

TABLE 3.6

ANP Component	Authorized			Assigned		
	Q1 2013	Q2 2013	Quarterly Change	Q1 2013	Q2 2013	Quarterly Change
AUP	108,122	108,122	None	103,851	108,128	+4,277
ABP	23,090	23,090	None	22,029	21,422	-607
ANCOP	14,541	14,541	None	14,592	14,515	-77
NISTA ^a	9,000	9,000	None	7,388	3,779	-3,609
Other	-	-	-	-	-	-
ANP Total	154,753	154,753	None	147,860	147,844	-16
CNPA	2,247	2,247	None	3,059	3,059	None
ANP + CNPA Total	157,000	157,000	None	150,919	151,824^b	+905

Notes: Q1 data is as of 2/18/2013. Q2 data is as of 5/20/2013; NR = Not reported

^a Personnel in training

^b CSTC-A provided total; actual sum of all ANP components and the personnel in the NISTA account was 150,903

Sources: CSTC-A, responses to SIGAR data calls, 4/1/2013 and 7/2/2013.

ANP Sustainment

As of May 31, 2013, the United States had obligated \$4.9 billion, and disbursed \$4.8 billion of ASFF funds for ANP sustainment.¹⁶⁵

As part of sustainment funding, the United States has provided the ANP with ammunition at a cost of approximately \$246 million, according to CSTC-A.¹⁶⁶

ANP Salaries

From 2008 through June 30, 2013, the U.S. government had provided \$818 million through the ASFF to pay ANP salaries, incentives (extra pay for personnel engaged in combat or employed in specialty fields), and food, CSTC-A reported. However, that number does not include non-ASFF funds. As of June 30, 2013, the United States had provided approximately \$1.01 billion through the UN-administered Law and Order Trust Fund-Afghanistan (LOTFA) to support the ANP. The United States also provided more than \$73 million outside of LOTFA for salaries and incentives.¹⁶⁷

According to CSTC-A, when the ANP reaches its final strength of 157,000 personnel, it will require an estimated \$628.1 million per year to fund salaries (\$265.7 million), incentives (\$224.2 million), and food (\$138.2 million).¹⁶⁸

ANP Equipment and Transportation

As of May 31, 2013, the United States had obligated and disbursed \$3.5 billion of ASFF funds for ANP equipment and transportation.¹⁶⁹ Most of these funds were used to purchase weapons and related equipment, vehicles, and communications equipment.¹⁷⁰ More than 82% of U.S. funding in this category was for vehicles and vehicle-related equipment, as shown in Table 3.7.

TABLE 3.7

COST OF U.S.-FUNDED ANP EQUIPMENT		
Type of Equipment	Procured	Remaining to be Procured
Weapons	\$368,722,984	\$273,538
Vehicles	\$2,646,263,422	\$5,519,620
Communications Equipment	\$201,958,600	\$42,500
Total	\$3,216,995,006	\$5,835,658

Source: CSTC-A, response to SIGAR data call, 7/2/2013.

ANP Infrastructure

As of May 31, 2013, the United States had obligated \$3.5 billion and disbursed \$2.4 billion of ASFF funds for ANP infrastructure.¹⁷¹ As of June 30, 2013, the United States had completed 538 infrastructure projects (valued at \$1.74 billion), with another 199 projects ongoing (\$1.13 billion) and 29 planned (\$245 million), according to CSTC-A.¹⁷²

This quarter, the largest ongoing ANP infrastructure projects were a regional police-training center in Herat (\$62.2 million), administrative facilities at the MOI Headquarters (\$59.5 million), and an ANCOP training center

SIGAR AUDIT

In an ongoing audit, SIGAR will assess the process CSTC-A uses to determine requirements and to acquire, manage, store, and distribute repair parts for the ANSF, and evaluate internal controls to determine if they are sufficient to account for these parts and to prevent fraud, waste, and abuse.

in Jowzjan (\$35.8 million).¹⁷³ The contract for the regional police-training center in Kandahar (reported as a \$62.3 million ongoing project in prior SIGAR quarterly reports) was terminated last quarter, according to CSTC-A. At the time of its termination, \$34 million worth of work had been completed. An additional contract is scheduled to be awarded for the remaining work required to make the center operational.¹⁷⁴

ANP Training and Operations

As of May 31, 2013, the United States had obligated and disbursed \$3.1 billion of ASFF funds for ANP and MOI training and operations.¹⁷⁵ This quarter, 6,596 ANP personnel were enrolled in some type of training, according to CSTC-A. Of those, 1,175 were training to become officers and 1,304 were training to become NCOs.¹⁷⁶

The total number of students has decreased this quarter. According to CSTC-A, this decrease is due, in part, to a yearly trend whereby enrollment steadily decreases through the third quarter. CSTC-A stated that the ANP is taking a more proactive role in training by reviewing their requirements and realigning courses and enrollment numbers to better meet their fielded-force and professionalization needs.¹⁷⁷

NTM-A/CSTC-A contracts with DynCorp International to provide training, mentoring, and support services at multiple training sites around the country. The ASFF-funded contract provides 458 mentors and trainers as well as approximately 2,500 support personnel at regional training centers and in mobile support teams. The contract value is \$1.18 billion.¹⁷⁸

ANP Literacy

NTM-A/CSTC-A's literacy program for the ANP follows the same curriculum and uses the same standards as the ANA's literacy program previously mentioned in this section. The program is based on moving students through three levels of literacy training.¹⁷⁹

As of June 13, 2013, ANP personnel who have completed a literacy program include:¹⁸⁰

- 76,337 Level 1 graduates
- 48,304 Level 2 graduates
- 30,944 Level 3 graduates

According to CSTC-A, the goal is to achieve 100% Level 1 literacy and 50% Level 3 (or functional) literacy by the time the program ends.¹⁸¹ However, CSTC-A stated that it does not know how many literacy program graduates are still in the ANP.¹⁸² The current literacy level of the force has not been reported.

Since 2010, the United States has funded three literacy contracts for the ANSF. Each has a base year and a five-year limit—one-year options may be exercised in August of each year—and a maximum cost of \$200 million.

SIGAR AUDIT

In an ongoing audit, SIGAR will examine CSTC-A's justification and support for the ANSF infrastructure project requirements. The audit will also assess: the extent to which U.S. and Coalition basing plans for the ANSF reflect ANSF force-strength projections; whether CSTC-A fully considered alternatives to new construction; and whether CSTC-A developed and used appropriate criteria to ensure that current and proposed construction projects for the ANSF are necessary, achievable, and sustainable by the Afghan government.

SIGAR AUDIT

In an ongoing audit, SIGAR is evaluating the implementation and oversight of the three ANSF literacy training program contracts. SIGAR will also assess whether the contractors provide qualified instructors and services; the extent to which CSTC-A monitored the contractors' performance and training outcomes; and the extent to which the contracts are meeting the goal of providing basic, sustainable levels of literacy for the ANSF.

According to CSTC-A, these contractors were providing 700 literacy trainers to the ANP.¹⁸³

- OT Training Solutions, a U.S. company, was providing 274 trainers.
- Insight Group, an Afghan company, was providing 152 trainers.
- The Higher Education Institute of Karwan, an Afghan company, was providing 274 trainers.

CSTC-A said responsibility for literacy training for ANP personnel in the field will transition to the ANP between October 1, 2013, and October 1, 2014.¹⁸⁴

Women in the ANP

As of May 20, 2013, ANP personnel included 1,489 women—226 officers, 605 NCOs, and 658 enlisted personnel—according to CSTC-A.¹⁸⁵ This is the exact same number of women as reported last quarter. At this level, women make up 1% of the ANP. This is the same percentage as three years ago, when 1,100 women were serving.¹⁸⁶

The ANP has a total of 2,995 authorized positions for women, but some are currently occupied by men. According to CSTC-A, the MOI is considering moving some of these men into positions authorized for males.¹⁸⁷

ANSF MEDICAL/HEALTH CARE

As of June 30, 2013, the United States has funded construction of 174 ANSF medical facilities valued at \$134 million, and has funded \$11 million in contracts to provide the ANSF with medical training, according to CSTC-A. The United States is also funding ongoing construction of 10 additional medical facilities valued at \$33 million. Moreover, since 2006, Coalition forces have procured and fielded \$25 million in ANSF medical equipment. Coalition partners have also funded service, supply, and equipment contracts at a cost of \$561,924.¹⁸⁸

This quarter, the ANSF health care system had 775 physicians—a decrease of 140 since last quarter—out of 944 authorized. Of these, 566 were assigned to the ANA and 209 were assigned to the ANP. The ANSF had 6,860 other medical personnel (including nurses and medics)—an increase of 39 since last quarter—out of 10,284 needed.¹⁸⁹ In June 2013, the ANSF took full control of three of four major regional military hospitals.¹⁹⁰

The shortage of medical personnel is becoming a larger concern as the ANSF takes on more security responsibility. According to CSTC-A, progress is being made in recruiting physicians; although the Afghan Office of the Surgeon General has found it difficult to recruit physicians to serve in “less desirable areas.”¹⁹¹

TABLE 3.8

CONVENTIONAL WEAPONS DESTRUCTION PROGRAM METRICS, APRIL 1, 2012–MARCH 31, 2013						
Date Range	AT/AP Destroyed	UXO Destroyed	SAA Destroyed	Fragments Cleared	Minefields Cleared (m²)	Estimated Contaminated Area Remaining (m²)
4/1–6/30/2012	1,559	28,222	20,580	3,601,378	7,251,257	563,000,000
7/1–9/30/2012	5,542	165,100	121,520	2,569,701	11,830,335	550,000,000
10/1–12/31/2012	2,146	62,449	22,373	3,672,661	7,265,741	570,000,000
1/1–3/31/2013	1,984	100,648	105,553	3,722,289	7,978,836	552,000,000
Total	11,231	356,419	270,026	3,722,289	34,326,169	552,000,000

Notes: AT/AP = anti-tank/anti-personnel ordnance. UXO = unexploded ordnance. SAA = small-arms ammunition. Fragments are reported because their clearance requires the same care as for other objects until their nature is determined.

Source: DOS, PM/WRA, response to SIGAR data call, 6/27/2013.

REMOVING UNEXPLODED ORDNANCE

From 2002 through 2012, the U.S. Department of State has provided nearly \$260 million in funding for weapons destruction and de-mining assistance to Afghanistan, according to its Political-Military Affairs’ Office of Weapons Removal and Abatement (PM/WRA). Through its Conventional Weapons Destruction program, the Department of State funds five Afghan nongovernmental organizations (NGOs), five international NGOs, the United Nations Mine Action Service, and a U.S. government contractor. These funds enable clearance of areas contaminated by explosive remnants of war, support removal and destruction of abandoned weapons that insurgents might use to construct improvised explosive devices, and provide mentoring to the Afghan government’s Department of Mine Clearance.¹⁹²

From April 1, 2012, through March 31, 2013, Department of State-funded implementing partners cleared over 34 million square meters (about 13 square miles) of minefields, according to the most recent data from the PM/WRA.¹⁹³ An estimated 552 million square meters (more than 200 square miles) of contaminated areas remain to be cleared, as shown in Table 3.8. The PM/WRA defines a “minefield” as an area contaminated by landmines, and a “contaminated area” as an area contaminated with both landmines and explosive remnants of war.¹⁹⁴

COUNTERNARCOTICS

The Afghan opium economy undermines U.S. reconstruction efforts by financing the insurgency and fueling corruption. Despite efforts to reduce poppy cultivation and illicit drug trafficking, Afghanistan is expected to produce 90% of the world’s opium this year, as it has in the past.¹⁹⁵ Moreover, the illicit trade continues to generate substantial revenue: a 2012 report from the Asian Development Bank said opium exports are equivalent to 13% of Afghan GDP.¹⁹⁶

The U.S. counternarcotics strategy focuses primarily on combating the narco-insurgency nexus.¹⁹⁷ The main components of the strategy include U.S.-sponsored eradication, alternative livelihoods and public-awareness initiatives, and interdiction operations. As of July 1, 2013, the United States has appropriated \$4.42 billion for counternarcotics initiatives in Afghanistan since efforts began in 2002. Most of these funds were appropriated through two channels: the State Department’s International Narcotics Control and Law Enforcement (INCLE) account (\$1.78 billion), and the DOD Drug Interdiction and Counter-Drug Activities (DOD CN) fund (\$2.64 billion).¹⁹⁸

State’s Bureau of International Narcotics and Law Enforcement Affairs (INL) is the primary U.S. entity charged with funding Afghan-led eradication, alternative livelihoods, and public awareness programs. DOD and INL coordinate to support the counternarcotics efforts of the Ministry of Counternarcotics (MCN), MOI, and MOD.¹⁹⁹

The Narco-Insurgency Nexus

In 2009, President Obama stated that Afghanistan’s “economy is undercut by a booming narcotics trade that encourages criminality and funds the insurgency.”²⁰⁰ According to the Congressional Research Service, narco-trafficking generates \$70–100 million per year for insurgents.²⁰¹ However, the benefit to insurgents may be greater than previously thought. In June 2013, Afghanistan’s Minister of Counternarcotics said that insurgents receive \$155–400 million per year.²⁰² In insurgent-controlled territory, insurgents collect this income by taxing poppy farmers, running protection rackets, operating heroin labs, and conducting kidnappings and other smuggling schemes.²⁰³ Insurgents also win political support by protecting farmers from eradication or interdiction efforts.²⁰⁴ Since 2001, insurgent territorial control has centered in the south and southwest. Today, Helmand, Kandahar, and Farah account for over 80% of Afghanistan’s poppy cultivation per year, according to the U.S. Institute of Peace.²⁰⁵

The Narco-Corruption Nexus

The narcotics trade is also linked to corruption by both high- and low-level officials in the Afghan government. “High-level corruption” occurs when Afghan officials collude in the opium economy to gain the financial and/or political support of local power brokers.²⁰⁶ On the other end of the corruption spectrum, low-level or “need-driven” corruption occurs, for example, when low-paid law enforcement officials supplement their income with bribes that enable narco-trafficking.²⁰⁷ Both types of corruption erode public faith in government and indirectly enrich insurgents.²⁰⁸ Moreover, the participation of officials in narco-trafficking distorts eradication and alternative livelihood initiatives, obstructs interdictions, and shields offenders from punishment.

Afghanistan in the Global Opium Economy

Afghanistan has emerged over the past thirty years as the world's leading opium producer. In 1972, Iran, Pakistan, and Turkey began enforcing drug bans, which created an opening for a new opium supplier in Southwest Asia.²⁰⁹ Soon thereafter, the Soviet occupation of Afghanistan destroyed the rural economy there. The repercussions were significant: as opium was both durable and highly valuable, farmers used opium for savings and exchange and mujahedeen used opium to finance weapons procurement.²¹⁰

Opium continued as a source of income for warring factions, including the Taliban, during the Afghan Civil War.²¹¹ Under the Taliban's rule, opium production doubled from 1996–1999.²¹² From 2000–2001, the Taliban enforced a ban on poppy cultivation, creating a humanitarian crisis for farmers left without income and starving during a drought.²¹³

By the end of the 1990s, Afghanistan produced about 70% of the world's opium.²¹⁴ From 2003–2012, Afghanistan produced an average of 85% of the world's opium annually, according to United Nations Office of Drugs and Crimes (UNODC).²¹⁵ However, analysts attribute these decreases more to global market saturation, crop disease, and poor weather than to U.S. counternarcotics efforts.²¹⁶

Between 2005 and 2012, the **farm-gate value** of opium production was equivalent to 8% on average of Afghanistan's total GDP, according to the UNODC. From 2007–2012, the total **export value** of opiates was equivalent to 25% of the country's GDP on average.²¹⁷ Both values have shrunk over time due to the growth of the Afghan economy and lower opium production since 2007, as shown in Figure 3.25 on the following page.

Although the Western European heroin market is shrinking, the global opium market remains stable, according to the UNODC's 2013 World Drug Report.²¹⁸ Canada is the only North American country supplied by heroin produced in Afghanistan.²¹⁹ However, new markets for heroin and other opium-based products are opening in Africa and East Asia, and new trafficking routes are opening, connecting Afghanistan—through Iran and Pakistan—to Iraq and the Middle East.²²⁰

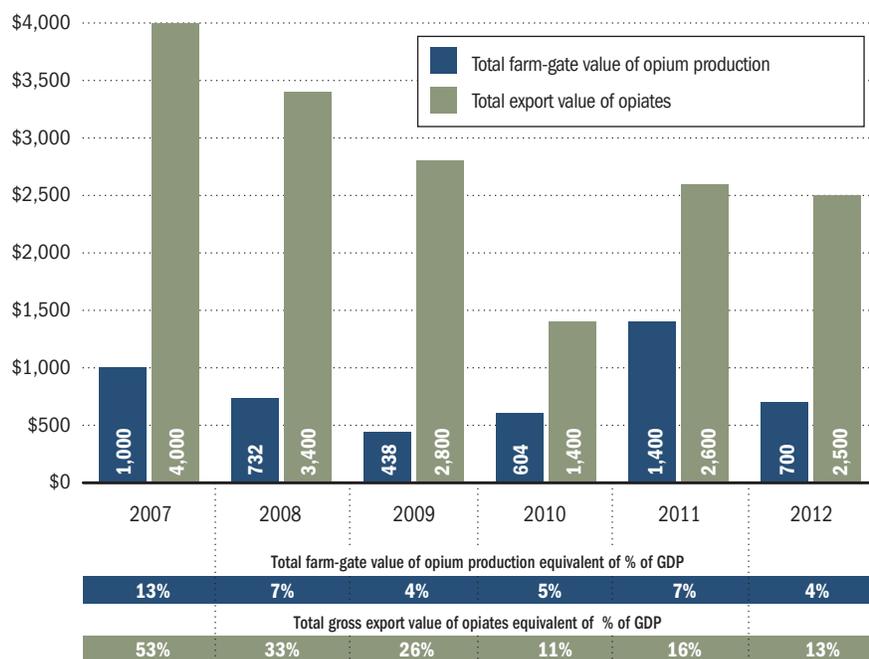
In its 2013 Opium Risk Assessment of Afghanistan, UNODC projects poppy cultivation will increase in most regions and the main poppy-growing provinces. Of the 20 provinces that produce opium, UNODC expects 12 to increase their poppy cultivation, seven to remain unchanged, and one to decrease. Another 14 provinces are expected to maintain their poppy-free status. UNODC warned that some provinces may lose their poppy-free status without timely eradication. UNODC further reported that cultivation is expected to expand in some areas where it had previously existed and also in “new areas or in areas where poppy cultivation was stopped.”²²¹ Increases in Helmand and Kandahar are projected due to the current high price of opium as well as recovery from weather- and crop disease-related low yields in 2012.²²² INL said that increased poppy

Farm Gate Price: the price of the product available at the farm, excluding any separately billed transport or delivery charge.

Export Value: The value of exports at the seaport, airport, or border port of export, based on the transaction price, including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the port of exportation. The value, as defined, excludes the cost of loading the merchandise aboard the exporting carrier and also excludes freight, insurance, and any charges or transportation costs beyond the port of exportation.

Sources: U.S. Census Bureau, “Guide to Foreign Trade Statistics: Description of the Foreign Trade Statistical Program,” 2/16/2012; IMF, “Producer Price Index Manual: Theory and Practice,” 2004, p. 598.

FIGURE 3.25
SIZE OF THE AFGHAN OPIUM ECONOMY (\$ MILLIONS)



Note: 2012 export value computed from UNODC data.

Sources: UNODC, "Afghanistan Opium Survey 2008," 8/2008, p. 1; UNODC, "Afghanistan Opium Survey 2009," 12/2009, Fact Sheet; UNODC, "Afghanistan Opium Survey 2010," 9/2010, Fact Sheet; UNODC, "Afghanistan Opium Survey 2011," 12/2011, p. 3; UNODC, "Afghanistan Opium Survey 2012 Summary Findings," 11/2012, p. 3; Asia Development Bank, "Afghanistan Fact Sheet," 12/2012, p. 1.

cultivation predicted by UNODC for 2013 "should not overshadow the positive counternarcotics gains made since 2007" and "fluctuations in poppy cultivation are expected."²²³

The report identified a strong relationship between security and poppy cultivation, noting that "almost all villages with very poor security and most villages with poor security" cultivated poppy.²²⁴ UNODC observed that villages reached by agricultural assistance and public awareness campaigns were less likely to grow poppy, but also found the correlation was not statistically significant. However, UNODC noted that in some areas, agricultural programs "seemed to have led to comparatively low and possibly declining levels of poppy cultivation."²²⁵

Poppy Eradication

From 2004 to 2008, the U.S. counternarcotics strategy in Afghanistan centered on eradication.²²⁶ In 2009, the United States stopped leading eradication efforts because the strategy was "ineffective and drove farmers to

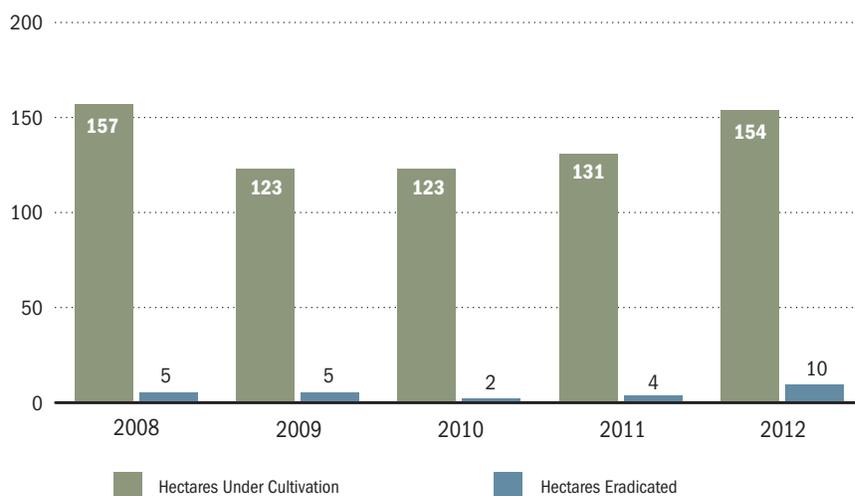
side with the Taliban.”²²⁷ However, the United States continues to support Afghan-led eradication efforts. Since 2010, INL has obligated \$7 million to the Governor-Led Eradication (GLE) program which reimburses governors for the cost of self-initiated eradication efforts.²²⁸ From January 1 through June 24, 2013, GLE eradicated 7,692 hectares, a decrease compared to the 11,032 hectares eradicated by the same point in 2012.²²⁹ (Note: INL’s figure for hectares eradicated in 2012 did not match the UNODC’s data, which shows 9,672 hectares eradicated in all of 2012).²³⁰

Since 2008, eradication efforts have affected on average less than 4% of the annual national poppy crop, as shown in Figure 3.26. Yet GLE may be an effective deterrent: according to UNODC, fear of eradication was a primary driver in many farmers’ decisions not to farm in 2012, unlike in previous years.²³¹ But concerns remain that eradication delegitimizes local authorities and builds support for the Taliban by impoverishing farmers.²³² Reflecting these worries, DOD noted that the MCN “believes that GLE is most effective when paired with an Alternative Livelihood (AL) campaign designed to give subsistence farmers a viable alternative to growing poppy.”²³³

INL has also obligated \$85 million since 2010 to the MCN’s Good Performers’ Initiative (GPI) which provides incentives for governors to reduce poppy cultivation in their provinces.²³⁴ A province becomes eligible for \$1 million in GPI development projects if it is deemed poppy-free, defined as having fewer than 100 hectares (about 247 acres) under

FIGURE 3.26

HECTARES OF POPPY CULTIVATED AND ERADICATED, 2008–2012 (THOUSANDS)



Note: A hectare is 10,000 square meters, or almost 2.5 acres.

Sources: UNODC, “World Drug Report 2012,” 6/2012, pp. 27–28; UNODC, “World Drug Report 2012,” 6/2012 p. 27; UNODC, “Afghanistan Opium Survey 2012: Summary Findings,” 11/2012, p. 3.

cultivation during the year.²³⁵ Since the start of the GPI in 2007, more than 170 development projects are either complete or in progress in all 34 provinces.²³⁶ Nonetheless, national poppy cultivation levels remain high.

Alternative Livelihoods and Anti-Poppy Awareness

Alternative livelihood (AL) programs aim to end farmers' dependence on illicit narcotics.²³⁷ The United States has funded numerous cash-for-work and short-term crop-substitution programs to provide short-term employment.²³⁸ However, experts contend that these programs often do not create sustainable alternative labor and goods markets.²³⁹ For example, many of the wheat seeds distributed in Helmand in 2008–2009 were sold locally rather than sown because the favorable wheat-to-opium price ratios under which the program took effect were unsustainable.²⁴⁰

A Brookings Institution report argues that sustainable AL initiatives should develop and integrate the whole agricultural production chain.²⁴¹ Among other initiatives, the U.S. Agency for International Development (USAID) has obligated \$131 million to Incentives Driving Economic Alternatives for North, East, and West (IDEA-NEW) which increases farmers' access to agricultural inputs and instruction, processing facilities, markets, and credit.²⁴² But IDEA-NEW has had mixed results due to inadequate planning and oversight, according to the USAID Inspector General.²⁴³ Further, AL affiliates are threatened by insurgents, and as security bubbles shrink, performing oversight will be increasingly difficult.²⁴⁴

INL also funds the Counternarcotics Public Information (CNPI) program to promote continued poppy-free status in provinces through nationwide pre-planting-season public awareness campaigns in poppy-growing areas.²⁴⁵ UNODC said that awareness campaigns like CNPI "seem to have a positive influence on the decision not to grow opium."²⁴⁶ In addition, INL funds a grant to the Aga Khan Foundation, which focuses on helping six key provinces eliminate poppy cultivation by working with communities and local NGOs to increase opportunities for residents to find non-narcotics-related jobs.²⁴⁷

This quarter, INL launched a year-long public opinion survey initiative to track different aspects of the illicit drug trade to guide INL policy and assistance to Afghanistan. The \$729,000 project will be completed in May 2014.²⁴⁸

Counternarcotics Police of Afghanistan

This quarter, 3,059 personnel were assigned to the Counternarcotics Police of Afghanistan (CNPA).²⁴⁹ The CNPA includes the National Interdiction Unit (NIU), Sensitive Investigation Unit (SIU), Technical Investigation Unit (TIU), and other elements.²⁵⁰

Since 2006, INL has obligated \$219.8 million to support the interdiction activities of the NIU and SIU by providing investigative and strategic mentoring, logistics, housing, food and fuel, as well as transportation to and

The Helmand Food Zone is an Afghan-led initiative to reduce poppy cultivation. It includes:

- Distribution of heavily subsidized wheat seeds and fertilizers to farmers who pledge to not grow poppy
- Targeted eradication against crops of farmers who continue growing poppy
- Anti-poppy public-awareness efforts

Source: Civil-Military Fusion Center, "The Food Zone Programme," 5/2012, pp. 1, 3.

from interdiction operation sites. INL also underwrites the NIU's salary supplements, and since 2010, has obligated \$249.8 million for counternarcotics aviation support.²⁵¹

Since 2004, DOD has provided more than \$415 million on CNPA training, equipment, and facilities.²⁵² DOD also funds programs to improve the CNPA's Tactical Operations Center which targets drug trafficking networks. Further, DOD funds the Afghan Special Mission Wing (SMW) which, along with INL helicopters, supports CNPA operations.²⁵³ As detailed in SIGAR's recent audit, DOD is moving forward with a \$771.8 million purchase of aircraft for the SMW although the SMW lacks the absorptive capacity for them.²⁵⁴

NTM-A and the Drug Enforcement Administration (DEA) provide mentors and advisors to the CNPA. According to CSTC-A, NTM-A provides 16 advisors and the DEA provided 33 counternarcotics trainers (of which 20 are in country at a time). Also according to CSTC-A, a U.S. contractor provides 37 staff to assist the CNPA.²⁵⁵

Interdiction Operations

The objectives of U.S. interdiction policy are to decrease drug trafficking and processing through direct action, and "to build the capability of Afghan law enforcement to disrupt and dismantle drug trafficking organizations."²⁵⁶ In 2009, the interdiction policy was refined to target drug lords connected to the insurgency in order to break the narco-insurgency nexus.²⁵⁷

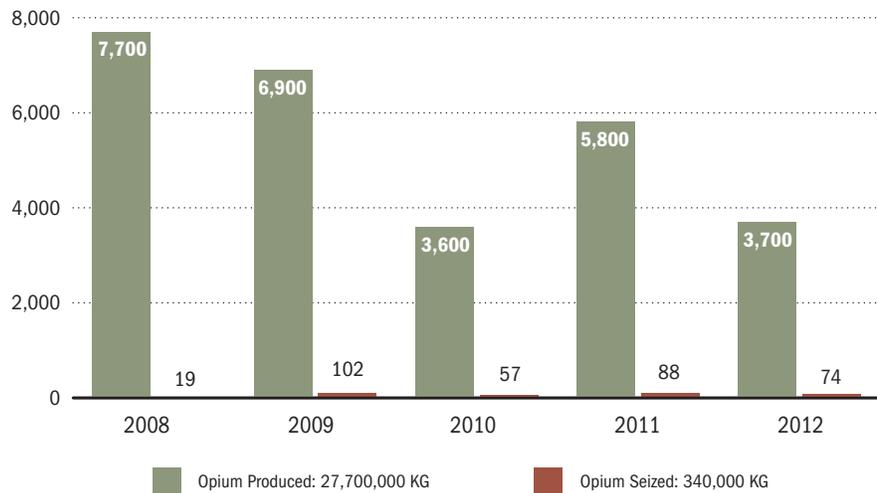
From April 1 through June 30, 2013, Afghan forces conducted 73 unilateral interdiction operations.²⁵⁸ These operations resulted in 73 detentions and the seizure of several thousand kilograms of narcotics and narcotics-related chemicals.²⁵⁹ But as shown in Figure 3.27 on the following page, seizures have affected on average only 1.2% of the total opium produced annually.

Interdiction operations have not significantly decreased Afghan drug trafficking, in part because they increasingly target small-scale poppy farmers, according to a Brookings Institution report.²⁶⁰ In addition, the impact of interdiction may be limited because Afghanistan's judicial system is incapable of bringing high-level narco-traffickers to justice, according to a 2010 U.S. Senate report.²⁶¹ However, the Afghan Minister of Counternarcotics pointed out at a June 2013 event that Afghan authorities have arrested seven of the top 10 traffickers targeted, including individuals with significant political power.²⁶² The State Department also noted the recent conviction of a well-connected "drug kingpin" as an example of how the Afghan judiciary is improving.²⁶³

While interdiction efforts have yielded limited results, U.S. efforts to build Afghan capability to mount counternarcotics operations have shown some progress. Afghan forces are increasingly conducting unilateral operations.²⁶⁴ Moreover, Afghan specialized and conventional units continued to execute operations with support from Afghan interagency elements.

FIGURE 3.27

AFGHAN OPIUM PRODUCED AND SEIZED (2008–2012) (THOUSANDS OF KILOGRAMS)



Note: Numbers have been rounded. A kilogram is about 2.2 pounds.

Sources: UNODC, "World Drug Report 2012," 6/2012, p.28; UNODC, "Afghanistan Opium Survey 2012: Summary Findings," 11/2012, p.3; DOD, response to SIGAR data call, 4/1/2013.

However, all operations continued to be coordinated with and supported by U.S. and Coalition military commanders and the DEA continued to mentor specialized counternarcotics units.²⁶⁵

Challenges to the U.S. Counternarcotics Strategy

The U.S. counternarcotics strategy in Afghanistan faces many short-term challenges, especially high global opium prices and the upcoming Afghan elections.²⁶⁶ Persistent high prices mean that the opium trade will remain lucrative, benefiting corrupt officials, insurgents, and farmers alike.²⁶⁷ The upcoming 2014–2015 election cycle may cause officials to back off from their support for policies like eradication and interdiction that could negatively affect farmers or constituents.²⁶⁸

Corruption, a deteriorating security environment, and decreased aid will make it difficult to achieve U.S. goals in the long-term. The Afghan public loses faith in its government when political elites use eradication to destroy rivals' poppy crops and pay bribes to escape eradication themselves.²⁶⁹ Similarly, public officials' selling of Afghan government-provided AL agricultural inputs—such as the seeds or fertilizer required to cultivate non-poppy crops—in bazaars delegitimizes the government, according to a 2011 European Commission-funded report.²⁷⁰ Finally, according to a Brookings Institution expert, the U.S.-supported interdiction policy's failure

to consistently target powerful traffickers conveyed “the message that government-linked traffickers have little to fear.”²⁷¹

The withdrawal of U.S. forces from the south and southwest—the geographic center of the narco-insurgency nexus—will “reduce the overall security presence” in these areas, according to the U.S. Institute of Peace.²⁷² This reduced presence will likely dampen ongoing counternarcotics efforts. The institute also warned that decreases in counternarcotics aid will undercut AL efforts, potentially leaving eradication as the Afghan authorities’ primary means to control opium production.²⁷³

SIGAR AUDIT

Due to concerns about the effectiveness and sustainability of the U.S. counternarcotics strategy in Afghanistan, SIGAR has a counternarcotics audit scheduled for FY 2014.