

COUNTERNARCOTICS CONTENTS

| | |
|---|-----|
| Key Issues and Events | 185 |
| U.S. Reconstruction Funding for Counternarcotics | 186 |
| Alternative Development/Alternative Livelihood | 193 |
| Interdiction Operations and Results | 200 |

COUNTERNARCOTICS

KEY ISSUES AND EVENTS

The United Nations Office of Drugs and Crime (UNODC) reported that approximately 201,000 hectares of land in Afghanistan were under poppy cultivation in 2016—an increase of 10% over the previous year's total. According to UNODC, poppy eradication results were the lowest this decade at 355 hectares—a 91% decrease from 2015. Though cultivation decreased by 7% in Helmand—the country's main opium poppy-cultivating province—and 3% in Kandahar, it increased significantly in others, notably 184% in Badghis. The number of poppy-free provinces decreased from 14 to 13, with Jowzjan losing the poppy-free status it regained in 2008.⁷⁷⁸ Moreover, final approval of the U.S. government's revised counternarcotics strategy has been postponed until the new Administration endorses the new strategy.

The Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) implemented a new alternative-livelihood program through UNODC and United Nations Development Programme (UNDP). The Community-Based Agriculture and Rural Development (CBARD) project aims to improve household income while reducing dependency on illicit poppy cultivation for selected communities in Badghis and Farah Provinces. The \$61.3 million USAID Commercial Horticulture and Agricultural Marketing (CHAMP) program was extended during the quarter. Under the three-year extension, CHAMP will focus on supply chain marketing and promoting the export of Afghan fresh and dried fruits to international markets. CHAMP was conceived to boost agricultural productivity and food security, provide market opportunities, and decrease poppy production.

Mentoring of the specialized units of the Counternarcotics Police of Afghanistan (CNPA) by a Resolute Support advisory team has produced positive results. The first Afghan operation in more than four years took place in the Sarobi District, a major opium production area in Kabul Province. According to U.S. Forces-Afghanistan (USFOR-A), the CNPA conducted a seizure valued at over \$60 million in October 2016. In addition, this quarter, Afghan law enforcement conducted operations in the capital

and eastern regions. Despite the increased number of interdictions and seizures, the results had little effect on the country's opium production, which increased to 4,800 tons in 2016—a 43% increase from 2015. UNODC estimates its total farmgate value at \$900 million, a 57% increase from the 2015's \$570 million estimate for 3,300 tons.⁷⁷⁹

U.S. RECONSTRUCTION FUNDING FOR COUNTERNARCOTICS

As of December 31, 2016, the United States has provided \$8.5 billion for counternarcotics efforts in Afghanistan since 2002. Nonetheless, Afghanistan remains the world's leading producer of opium, providing 80% of the global output over the past decade, according to the United Nations.⁷⁸⁰

The country also has a growing domestic addiction problem and one of the highest substance abuse-rates in the world. The 2012 National Urban Drug Use Survey and 2014 National Rural Drug Use Survey estimate that 11% of the adult population (2.5–3 million Afghans) use drugs, compared with the 0.3% global average.⁷⁸¹

Congress appropriated most counternarcotics (CN) funds for Afghanistan through the DOD Drug Interdiction and Counter-Drug Activities (DOD CN) Fund (\$3 billion), the Afghan Security Forces Fund (ASFF) (\$1.3 billion), the Economic Support Fund (ESF) (\$1.6 billion), and a portion of the State Department's International Narcotics Control and Law Enforcement (INCLE) account (\$2.2 billion). ASFF is primarily used to develop the Afghan National Army and Police, including the Counternarcotics Police and Special Mission Wing who support the efforts of the Ministries of Defense (MOD) and Interior (MOI) to address the narcotics trade.⁷⁸²

USAID's alternative-development programs are intended to support U.S. counternarcotics objectives by helping countries develop economic alternatives to narcotics production. In addition to reconstruction funding, the DEA receives funds through direct appropriations to operate in Afghanistan. See Appendix B for additional funding information.⁷⁸³

SIGAR will issue a Lessons Learned Program report later this year that will examine counternarcotics efforts since the U.S. reconstruction began. This comprehensive review will incorporate satellite-imagery data analysis and provide recommendations to policymakers to improve future strategies and programs.

Opium Cultivation on the Rise, Eradication Results Negligible

UNODC issued its latest opium survey on cultivation and production in December 2016. The survey said the area of Afghanistan under

opium-poppy cultivation increased 10% from 2015, to 201,000 hectares (nearly half a million acres).

The southern region, which includes Daykundi, Helmand, Kandahar, Uruzgan, and Zabul Provinces, accounted for 59% of total cultivation. Helmand remained the country's largest poppy-cultivating province, followed by Badghis and Kandahar.⁷⁸⁴ Jowzjan lost the poppy-free designation it had regained in 2008, reducing the number of poppy-free provinces to 13.⁷⁸⁵

Afghan opium production rose 43% over 2015's levels, to an estimated 4,800 tons. The reported production increase reflected the larger area under cultivation, higher yields, and lower eradication results.⁷⁸⁶ The opium produced is exported as either raw opium or heroin/morphine, consumed domestically in different forms, seized, stored, or lost.⁷⁸⁷

However, UNODC suggests it may have underestimated national opium production in 2016.⁷⁸⁸ Although UNODC conducted yield surveys, they were not implemented in all provinces for security reasons. Regional averages were used in those instances, but they may not represent an accurate picture. For example, no field measurement took place in Badghis, the second largest opium-cultivating province in 2016, but satellite imagery indicated a higher potential yield than in the other western provinces used to calculate the regional average.⁷⁸⁹

According to UNODC, opium yield was the most important driver in opium production in 2016. The largest increase in yield per hectare took place in the western region (which covers Badghis, Farah, Ghor, Herat, and Nimroz Provinces). Potential production is the total production if all the cultivated opium in Afghanistan were transformed into products in the same year. It is not an estimate of actual opium or morphine/heroin production.⁷⁹⁰

UNODC delivers estimates for only a single harvest, yet credible reports indicate that Afghan farmers have been reaping multiple harvests in recent years. In Helmand, for instance, farmers had two additional harvests in 2016. David Mansfield, an expert on Afghanistan opium, estimates the second crop to be less than 10,000 hectares (24,710 acres) and reports that little information is available on the third Helmand crop.⁷⁹¹ Moreover, farmers in Nangarhar have used technological improvements such as solar-powered **tube wells** to irrigate a second opium crop.⁷⁹² UNODC's cultivation totals also are probably undervalued. In response to SIGAR's query on the impact of the multiple harvests on the implementation of alternative livelihood programs, INL stated that alternative-development efforts focus on developing perennial and high-value crops and off-farm employment opportunities. These interventions reduce the attractiveness of engaging in opium production and provide viable alternatives to illicit cultivation year-round.⁷⁹³

Eradication decreased 91% to 355 hectares (877 acres).⁷⁹⁴ No eradication took place in the biggest opium-growing provinces because of the grave



A tube well: is a pipe with a solid steel point and lateral perforations near the end that is driven into the earth until water is reached. A suction pump is applied to the upper end, and it can be solar- or diesel-powered.

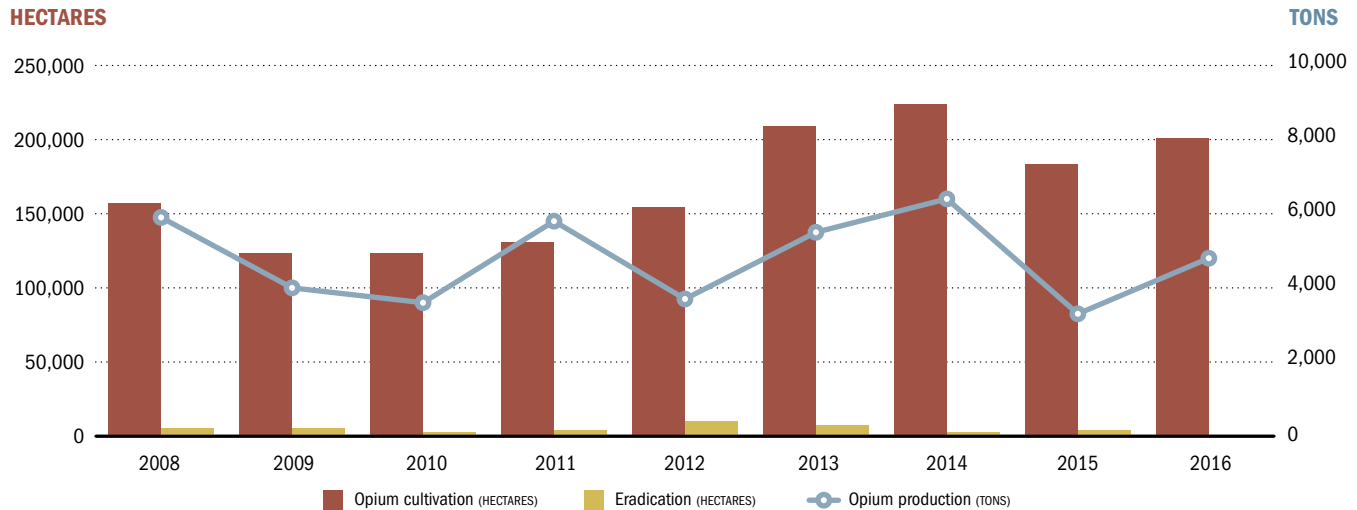
(U.S. Geological Survey Image)

Source: *English Oxford Dictionary Website*, en.oxforddictionaries.com/definition/tube_well, accessed 1/5/2017; David Mansfield, Paul Fishstein and OSDR, "Time to Move on: Developing an Informed Development Response to Opium Cultivation in Afghanistan," *Afghanistan Research Evaluation Unit*, 10/2016, p. 38.

COUNTERNARCOTICS

FIGURE 3.31

AFGHAN OPIUM CULTIVATION, ERADICATION, AND PRODUCTION SINCE 2008



Source: UNODC, *World Drug Report 2016, Annex, 6/2016, vii, ix, xii*; UNODC, *Afghanistan Opium Survey 2016: Cultivation and Production, 12/2016, p. 6*.

“Drugs have direct links with corruption, terrorism and development. Without tackling [the] drug problem and illicit economy, in general, it will not be possible to solve other problems facing Afghanistan.”

—*Andrey Avetisyan, Regional Representative of the United Nations Office on Drugs and Crime*

Source: Andrey Avetisyan, regional representative of the United Nations Office on Drugs and Crime, speaking at a joint press conference in Kabul, 10/23/2016.

security situation.⁷⁹⁵ Production and cultivation results had been rising for the past decade, as illustrated in Figure 3.31. Eradication efforts have had minimal impact on the rise in illicit opium cultivation.⁷⁹⁶

Revised U.S. Counternarcotics Strategy Postponed

The Afghan government rolled out its national counternarcotics strategy, the National Drug Action Plan (NDAP), in 2015.⁷⁹⁷ The Afghan government completed its first annual review of its counternarcotics strategy this quarter; however, an English translation of the review was not available for this report.⁷⁹⁸

The U.S. government had planned to support the Afghan strategy with its own strategy. Last quarter, INL informed SIGAR that the new strategy—completed in late 2016 in coordination with other U.S. agencies—was making its way through the approval process and that the November U.S. elections would not impact its rollout.⁷⁹⁹ However, this quarter INL informed SIGAR that at State’s direction, final approval was postponed until the new U.S. administration endorses the new strategy.⁸⁰⁰

INL notes that the United States continues to implement comprehensive counternarcotics programming within the framework of the U.S. government counternarcotics strategy approved in 2012, taking into account the current operating environment in Afghanistan and the United States’ support of Afghanistan’s 2015 NDAP.⁸⁰¹

UNODC estimates that Afghanistan accounts for two-thirds of the global area under illicit opium cultivation.⁸⁰² SIGAR noted in its October 2014 report that counternarcotics has largely fallen off the Afghan agenda of both the U.S. government and the international community. At the Brussels Conference in October, counternarcotics was barely addressed, though it is mentioned near the end of the Joint Communiqué where the international community reaffirms its commitment to reducing illegal production and trafficking of narcotics. The topic did not feature prominently in conference events, though it was a topic of the National Peace and Development Framework presented there.⁸⁰³

During the quarter, INL participated in three international working group meetings under the **Paris Pact** framework on regional cooperation, drug demand reduction and interdiction of **precursor chemicals**.⁸⁰⁴ During the meetings, Paris Pact partner countries updated the international community on trafficking matters and changes in their domestic drug markets, and discussed a number of challenges and best practices in counternarcotics efforts, particularly in developing and implementing cross-border law enforcement training programs.⁸⁰⁵

Drug-Demand Reduction

U.S.-funded national surveys on urban and rural drug use, conducted in 2012 and 2014 respectively, estimate that 2.5–3 million Afghans—nearly 11% of the country's population—are drug users.⁸⁰⁶ The country lacks sufficient treatment centers to address the growing drug-abuse problem, particularly for women and children. The first drug treatment center in Kabul for women and children opened this quarter and it can house 120 patients. This center is unique in treating women and children with psychologists working alongside doctors. The Ministry of Public Health (MOPH) estimates that of the three million addicts, one million are women and more than 100,000 are children.⁸⁰⁷

Since 2015, INL has transitioned 28 of the 86 U.S.-funded drug treatment centers to the responsibility of the MOPH. Transition of 21 treatment centers for women and children scheduled for January 2017 has been suspended while INL, the MOPH, the Ministry of Counter Narcotics (MCN), and the NGOs renegotiate the transition plan.⁸⁰⁸ INL held meetings with stakeholders in December 2016 to revise the transition plan based on issues raised at the May drug-demand reduction working group meeting. MOPH raised concerns about their ability to contract with the NGOs currently running the centers in the initial timeframe set out in the transition plan. INL also had concerns about the firing of clinical staff from transitioned centers.⁸⁰⁹ The remaining treatment centers will transition by the end of 2019. INL reduced funding to all facilities (including the MOPH portfolio of 28 centers) by approximately 20% in 2015, another 15% in 2016 and another 25% in 2017.⁸¹⁰

The Paris Pact: The partnership of several countries and international organizations to combat illicit opium traffic from Afghanistan. It originated at a ministers' meeting in Paris in 2003 on Central Asian drug routes. The pact aims to reduce opium-poppy cultivation, production and global consumption of heroin and other opiates, and to establish a broad international coalition to combat illicit traffic in opiates.

Precursor chemical: a substance that may be used in the production, manufacture, and/or preparation of narcotic drugs and psychotropic substances.

Source: Paris Pact website, "What is it?" www.paris-pact.net, accessed 7/16/2014; UNODC, "Multilingual Dictionary of Precursors and Chemicals," 2009, viii.

To address the growing drug problem in rural areas, which studies indicate is worse than in urban areas, INL has developed a nearly \$500,000 rural pilot program training curriculum for treatment planned for launch in mid-2017. In addition, the translation of training manuals into Dari and Pashto, which should have been completed in December 2016 but was unconfirmed by INL in time for this report, is expected to enable training of local health-care workers as well as coordination of community preparations.⁸¹¹ INL has also implemented an antidrug curriculum in Afghan schools that has trained more than 1,600 teachers and reached more than 400,000 students.⁸¹² INL is preparing to conduct another drug-use survey in Afghanistan.⁸¹³

INL has been working with the Afghan government and the **Colombo Plan Drug Advisory Programme (DAP)** since 2003 to develop and sustain the country's drug-treatment system. Between October 1, 2015, and June 30, 2016, INL has provided \$5.1 million in funding for operational costs for all 86 facilities.⁸¹⁴

INL contributed \$12.9 million during 2015 for drug-treatment and education programs.⁸¹⁵ It has not yet obligated FY 2016 funds to the Colombo Plan.⁸¹⁶

The joint monitoring visits by MCN, MOPH, UNODC, and DAP officials undertaken in 2016 led to recommendations to implement changes to drug-dependency programs. Those include an increase in available home-based treatment, an adjustment in treatment duration (45 days for women and children and 90 days for men), and an increase in the number of significant therapeutic activities (e.g., group counseling and/or integration of family therapy and psychoeducational sessions).⁸¹⁷

INL and DAP only support treatment with a minimum duration of 90 days. The treatment duration is divided into three phases:

- pre-treatment or motivation
- inpatient/residential or active treatment
- continuum of care/follow-up

For clients who have residential/active treatment phases that are shorter than 90 days, more extensive follow-up care is provided.⁸¹⁸

INL informed SIGAR that the Colombo Plan has different durations for the inpatient/active treatment phase based on gender or age, due to cultural and other factors. These factors were established with INL, UNODC, Colombo Plan, MOPH, and MCN.⁸¹⁹

Counter Narcotics Community Engagement

INL funds the nationwide Counter Narcotics Community Engagement (CNCE) program, which focuses on discouraging poppy cultivation, preventing drug use by raising public awareness, and encouraging licit crop production. Since 2013, INL has obligated \$12.7 million and spent \$9.8 million on the program.⁸²⁰ CNCE is in its third phase, which began May 2016 and ends November 2017.⁸²¹

Colombo Plan: Instituted as a regional intergovernmental organization to further economic and social development, it was conceived at a conference held in Colombo, Sri Lanka (then Ceylon), in 1950 with seven founding-member countries. It has since expanded to 26 member countries. INL supports the Colombo Plan's Universal Treatment Curriculum, a national-level training and certification system for drug-addiction counselors aimed at improving the delivery of drug treatment services in Africa, Asia, and Latin America.

Source: *The Colombo Plan Secretariat Website*, "History," www.colombo-plan.org, accessed 4/7/2014; State, INL, *International Narcotics Control Strategy Report: Volume I, Drug and Chemical Control*, 3/2016, pp. 23–24.

The program pays an Afghan company, Sayara Strategies (Sayara), to place reporters in Afghan provinces, which are ranked in three categories based on MCN's official objectives and the results from the UNODC opium surveys from 2013 to 2015.⁸²² Reporters assess the reach of media campaigns on local audiences (for instance, the number of individuals who heard a particular message). Sayara uses this information to update current media campaigns in order to ensure the highest audience numbers possible.⁸²³ INL provided \$900,866 to Sayara in support of program activities for the coming quarter.⁸²⁴

INL realizes reducing opium poppy cultivation does not merely depend on crop substitution, eradication, or public messaging. Based on UNODC's 2015 Opium Survey Socioeconomic Analysis, farmers' dependence on opium cultivation is not simply income-related, but also due to the lack of reliable and sustainable access to markets for selling alternative products.⁸²⁵

Ministry of Counter Narcotics Capacity Building

INL has obligated \$35.2 million on MCN capacity building and spent \$26 million to date since 2008.⁸²⁶ INL also launched four new programs in October 2016:

- skills-based grant of approximately \$150,000
- financial remediation plan contract worth more than \$400,000
- letter of agreement with the Colombo Plan valued at over \$6 million
- follow-on program to the Asian University for Women (AUW) fellowship⁸²⁷

Six AUW fellows are currently at the MCN for the 2016–2017 academic year. Twenty-five fellows will have gone through the fellowship by its conclusion in April 2017. INL will expand the AUW fellowship under the Colombo Plan to support an additional 25 fellows at the MCN over four years.⁸²⁸ INL has obligated \$1.1 million on the current AUW fellowship, funded from the overall \$35.2 million capacity-building obligations.⁸²⁹

The letter of agreement under the Colombo Plan will support placing subject-matter experts at the MCN to assist with institution and capacity building as well as a follow-on to the AUW fellowship.⁸³⁰ The Colombo Plan will conduct a needs-assessment to target capacity-building needs. Though INL conducts yearly needs-assessments and the MCN has performed one, INL told SIGAR the one conducted by the Colombo Plan will bring all stakeholders into the process and enable the development of specific capacity objectives that will allow each advisor to more accurately measure effectiveness.⁸³¹

INL also said one drug-demand reduction advisor from the Colombo Plan is already in place at the MCN. As an international organization, the Colombo Plan's security protocols allow greater freedom of movement than INL's. Access to the MCN would therefore not be as difficult as for

SIGAR AUDIT

This quarter, SIGAR released a financial audit report on Sayara Media Communications. Financial Audit 17-24-FA: *Department of State's Afghanistan Counternarcotics Program, Audit of Costs Incurred by Sayara Media Communications*, identified three deficiencies in Sayara's internal controls and three instances of noncompliance with the cooperative agreement terms and conditions, as well as applicable regulations. Crowe Horwath LLP performed the audit on the \$12.7 million cooperative agreement and reviewed \$9.7 million in expenditures charged to the agreement between April 2013 and April 2016. See Section 2, p. 29 for more information.

U.S. citizens or third-party contractors. INL expects that the advisors will be recruited from candidates already living in Afghanistan.⁸³²

The financial-remediation plan contract stems from INL's 2015 review of the MCN's public financial-management system which identified certain deficiencies (see SIGAR's July 30, 2015, *Quarterly Report to the United States Congress*). A remediation plan was created and the contract was awarded in September 2016.⁸³³ The contractor, Afghan Holding Group (AHG), signed a memorandum of understanding with the MCN and is developing a training manual of standard operating procedures in consultation with MCN staff.⁸³⁴ AHG will develop databases and training services for the financial management system of the MCN. The databases should be compatible with the Ministry of Finance (MOF)'s Afghanistan financial management information system.⁸³⁵ AHG completed a needs-assessment at the end of December 2016. AHG has also engaged with other implementers to ensure that the financial system installed at the MCN will be compatible with the systems at the MOF and other relevant government agencies.⁸³⁶

INL informed SIGAR it measures the capacity-building program's effectiveness in multiple ways. First, INL conducts biannual program reviews; the most recent one was in June 2016. With the launch of multiple capacity-building programs in October 2016 (the financial remediation plan, the skills-based training grant, the two capacity-building initiatives through the Colombo Plan) INL anticipates receiving quarterly reporting from each program that will be used to analyze each one's effectiveness. These data requirements are outlined in the MCN capacity building program performance-measurement plan, and they include the number of standard operating procedures for administrative and financial systems and processes developed, the number of trainings conducted, and the pre- and post-test scores of trained MCN staff. Lastly, INL believes monitoring by a third-party remote monitoring team will enable its program officers to better assess the implementation and effectiveness of capacity-building efforts at the MCN.⁸³⁷

Governor-Led Eradication Program

INL funds the Governor-Led Eradication (GLE) program, which reimburses provinces for the cost of eradicating poppies. Between 2008 and 2016, INL disbursed \$4.6 million towards the GLE program. Annually, reimbursements account for less than 2% of INL's counternarcotics budget for Afghanistan. Since its inception, INL received a total allotment of \$10.9 million in GLE funds.⁸³⁸

The MCN tracks cumulative results that are verified by UNODC.⁸³⁹ According to UNODC, a total of 355 hectares (1 hectare is slightly less than 2.5 acres) were eradicated in 2016, a 90.6% decrease from 2015. UNODC reports little eradication took place this year due to security and financial challenges in the important poppy-growing areas. Helmand

remained the top opium-cultivating province, followed by Badghis, Kandahar, Uruzgan, and Nangarhar.⁸⁴⁰ The verification process for several years has included comparing satellite imagery against data provided on the ground.

For 2016, UNODC reports that most provinces claimed results greater than the amount of eradicated fields on the ground. Moreover, the majority of fields were poorly eradicated. In Badakhshan Province (where over-reporting was confirmed and the final eradication figure corrected), satellite imagery confirmed that 78% of the fields were less than 20% eradicated, followed by 13% percent of the fields that were less than 30% eradicated. Only 20 fields were more than 80% eradicated.⁸⁴¹

Eradication results for 2016 were the lowest reported in the past decade, and when compared with cultivation and production totals in Table 3.31 on page 188, they illustrate current levels of eradication have not succeeded in discouraging farmers from growing the crop.⁸⁴² UNODC reports that eradication needs to be adequately complemented by programs that provide alternative livelihoods.⁸⁴³

Good Performers Initiative

INL suspended the \$143 million Good Performers Initiative (GPI) last year due to the MCN's inability to implement the program properly. GPI was a program implemented by the MCN that sought to incentivize provincial counternarcotics performance. No new GPI projects have been approved since April 30, 2016, but funding will continue until current projects are completed.

INL and UNODC negotiated two new alternative-development programs that launched in October to supplement activities performed under GPI. Moreover, INL is independently developing a post-GPI alternative-development, **food-zone based program**.⁸⁴⁴ The letters of agreement for these programs were signed in August and September 2016.⁸⁴⁵

As of October 31, 2016, there have been 286 GPI projects worth \$126.2 million: 214 projects have been completed; 69 projects are ongoing including three near completion.⁸⁴⁶

ALTERNATIVE DEVELOPMENT/ALTERNATIVE LIVELIHOOD

USAID's alternative-development (AD) programs are intended to support U.S. counternarcotics objectives by helping countries develop economic alternatives to narcotics production. INL funding supports supply-reduction and AD programs. INL told SIGAR it coordinates regularly with USAID to ensure that INL-supported AD efforts complement past and ongoing investments by USAID in licit livelihoods and rural development in Afghanistan.⁸⁴⁷ INL AD programs align with the AD objectives of the U.S. government's counternarcotics strategy, in support of Afghanistan's NDAP goals. INL AD

A food-zone based program: is designed to transition an area dependent on opium agriculture to a licit agricultural economy. Poppy-free zones are created throughout the program's duration. The program strategy involves a public information campaign, alternative livelihood inputs, law enforcement, and a drug demand reduction program. It is based on the Helmand Food Zone program which ran with assistance from the British and Danish governments from 2008 to 2012.

Source: USAID website, "Hilmand Food Zone Project (HFZP) Factsheet," www.usaid.gov/node/51021 accessed 1/5/2017; Ministry of Counter Narcotics website, Food Zone, <http://mcn.gov.af/en/page/5138/5141> accessed 1/7/2017; Victoria A. Greenfield, Keith Crane, et al., *Reducing the Cultivation of Opium Poppies in Southern Afghanistan*, 6/2015, pp. 181–182; SIGAR, *Quarterly Report to the United States Congress*, 10/30/2015, p. 119.

SIGAR AUDIT

This quarter, SIGAR released a financial audit report on the \$11.9 million Aga Khan Foundation grant to support the Strengthening Afghan Governance and Alternative Livelihoods (SAGAL) program. Financial Audit 17-23-FA Department of State's Strengthening Afghan Governance and Alternative Livelihoods Program: Audit of Costs Incurred by the Aga Khan Foundation USA, identified two material weaknesses and one deficiency. Based on the results of the audit performed by Crowe Horwath LLP, over a \$1 million was deemed unsupported. See Section 2; p. 28 for more information.

programs target high poppy-cultivating areas, including Badghis, which experienced a cultivation increase of more than 180% in 2016.⁸⁴⁸

INL has been implementing AD programming in Afghanistan since 2007 through the Good Performers Initiative and a series of grants with the Aga Khan Foundation to strengthen subnational governance and alternative livelihoods. INL alternative-development programs target high poppy-cultivating areas, in line with Afghan government priorities laid out in Afghanistan's National Drug Action Plan.⁸⁴⁹ According to INL, its latest AD programs take a targeted approach that generally supplements USAID's work in AD and agriculture, and combines AD with the core INL competencies of law enforcement, public information, and demand reduction.

INL told SIGAR it can work in more remote areas where USAID does not work, which has an economic growth mandate. USAID is also driven by economic imperatives, and does not make poppy cultivation a primary criterion for intervention. INL has turned to UNODC and UNDP to implement its latest programs.⁸⁵⁰

Opium cultivation may continue to rise because international funding has decreased for certain sectors of the Afghan economy based on commitments announced at the Brussels Conference. According to the last United Nations secretary general report on the situation in Afghanistan, "[t]he agriculture sector was the most affected, with an 85 per cent decline in investments." The World Bank and the Afghan government have announced funding for community-based initiatives to offset the drop in financial support.⁸⁵¹

Strengthen and Diversify Licit Livelihoods Through Alternative Development Interventions

This is one of the two projects designed to supplement activities under the defunct Good Performers Initiative. INL informed SIGAR that UNODC is well-positioned to implement the "Strengthen and Diversify Licit Livelihoods through Alternative Development Interventions" project because of its worldwide alternative-development expertise. In Afghanistan, UNODC says its capacity extends to the provincial level with technically qualified and experienced staff, and it can make use of its strong working relations with Afghan government counterparts and other stakeholders to achieve measurable results.⁸⁵²

The project will support and strengthen selected value chains in production, processing, quality control, and market linkages across 14 target provinces which were most impacted by the loss of GPI award funds or had very high levels of poppy cultivation. The \$20 million program has a 4-year period of performance ending in August 2020. INL is exploring adopting a simpler project name which it believes will facilitate project branding.⁸⁵³ INL has already transferred the \$20 million to UNODC.⁸⁵⁴

Community Based Agriculture and Rural Development

INL's other alternative-livelihood project—the Community-Based Agriculture and Rural Development (CBARD) project—aims to improve household income while reducing dependency on illicit poppy cultivation for selected communities in Farah and Badghis Provinces, the second and third highest poppy-cultivating provinces in western Afghanistan in 2015, according to UNODC.⁸⁵⁵

According to INL, CBARD will improve the local production and marketing of high-value crops. The project will also develop and strengthen community-based business infrastructures, such as irrigation, transportation, and facilities. The \$15.2 million program is implemented by UNDP with additional monitoring and evaluation conducted by UNODC. The project has a 44-month period of performance and is scheduled to end in 2020.⁸⁵⁶ The first six months are defined as the project inception phase, to be followed by three years of project implementation. The inception phase will be dedicated to staff recruiting and building consensus among stakeholders regarding project objectives.⁸⁵⁷

INL informed SIGAR that all project funds have been disbursed: \$14.6 million were transferred to UNDP and \$570,000 to UNODC.⁸⁵⁸

Kandahar Food Zone

Implemented in 2013, the Kandahar Food Zone (KFZ) is a five-year, \$45.4 million USAID project, implemented by International Relief and Development Inc. (IRD) under a joint strategy and in close coordination with INL.⁸⁵⁹ KFZ is designed to identify and address the drivers of poppy cultivation in targeted districts of Kandahar Province through grants for activities that improve community infrastructure, strengthen alternative livelihoods, and support small businesses.

The Ministry of Counter Narcotics' KFZ has four pillars: public outreach, eradication, drug-demand reduction, and alternative livelihoods.⁸⁶⁰ USAID implements the alternative-livelihoods pillar and approved a two-year extension last August, extending the program through the end of August 2018.⁸⁶¹

KFZ expended \$9.7 million between July and October 2016. During the program's second year, KFZ renovated more than 168 kilometers of 12 canals in two districts and implemented alternative-development activities such as vineyard trellising, solar drying, greenhouse installation and management, and vocational training. During its third year, ending on September 30, 2016, KFZ renovated 50.5 kilometers of five canals, trained people responsible for distributing water to farms and canal tributaries in canal maintenance, and introduced vineyard trellising and **intercropping**. KFZ also developed a management-information system that combines a geographic information system (GIS) with field inspection and survey data. Several Afghan ministries want to use this system to monitor field



RADP-South demonstration farm in Qalat, Zabul Province. (USAID photo)

Intercropping: growing two or more crops simultaneously on the same field. Crop intensification is in both time and space dimensions.

Source: Food and Agriculture Organization of the United Nations Website, accessed 1/3/2017.



RADP-South training women to collect cashmere. (USAID Photo)

Value chain: the range of goods and services necessary for an agricultural product to move from the farm to the final customer or consumer. It encompasses the provision of inputs, actual on-farm production, post-harvest storage and processing, marketing and transportation, and wholesale and retail sales.

Source: USAID, response to SIGAR vetting, 4/12/2015.

Cold chain: the supply chain for temperature-sensitive frozen food products like vegetables, fruits, milk products, meat and fish.

Source: Jitendra Rathore, "Cold Chain Management for Perishable Food: Issues and Scope for India," *IUP Journal of Supply Chain Management*, vol. 10 (1), 3/20/13, p. 7.

operations and link data to maps to anticipate crop production, prices, food security conditions and infrastructure requirements.⁸⁶²

According to USAID, the area of poppy cultivation in 2015 decreased by 49% in the two (Zheray and Panjwayi) target districts. Though UNODC reported that opium cultivation increased 10% nationwide in 2016, it declined 3% in Kandahar.⁸⁶³

As of December 31, 2016, USAID has disbursed \$30.5 million since the program's launch.⁸⁶⁴

Regional Agricultural Development Program

The Regional Agricultural Development Program (RADP) is intended to help Afghan farmers achieve more inclusive and sustainable economic growth. RADP projects are under way in the southern, western, and northern regions of Afghanistan. The projects focus on strengthening the capacity of farmers to produce more high-value crops and livestock. Using a **value-chain** approach, these projects work with farmers and agribusinesses to overcome obstacles hindering production, processing, sales, and overall development of agricultural value chains.

The RADP programs represent approximately 57% of USAID's implementing partner level of effort dedicated to alternative development (only KFZ personnel are 100% dedicated to AD). According to USAID, implementing partner staff dedicated only 35% of their effort to AD on other USAID programs.⁸⁶⁵

USAID awarded the \$28.1 million, five-year contract for RADP-East in July 2016. The targeted provinces are Ghazni, Kabul, Kapisa, Laghman, Logar, Nangarhar, Parwan, and Wardak.⁸⁶⁶ RADP-East performed start-up activities and has hired 50% of total project staff. Inaugural meetings were held with the Ministry of Agriculture, Irrigation and Livestock (MAIL) representatives and their provincial and district representatives from all target provinces.⁸⁶⁷ Program expenditures to date total more than \$850,000.⁸⁶⁸

RADPs require a minimum of 15% female beneficiaries in value-chain interventions.⁸⁶⁹ RADP-East considered gender-based constraints to identify important issues, opportunities, strengths, and imbalances in order to fully integrate and empower women into the program's targeted value chains and provinces.⁸⁷⁰

The five-year RADP-North is a \$78.4 million project scheduled to end in May 2019. RADP-North advances food and economic security in rural areas of Badakhshan, Baghlan, Balkh, Jowzjan, Kunduz, and Samangan Provinces. Throughout October 2016, RADP-North facilitated trade relationships between seed companies, mills, and manufacturers, which led to a contract signing and the introduction of improved wheat varieties to 18 agribusinesses. Nearly 1,600 women were trained on kitchen gardening and another 500 on hygiene and nutrition. RADP-North also trained nearly 100 individuals on **cold chain** management and 29 on food safety. Other

COUNTERNARCOTICS

activities included the renovation of 65 out of the 100 selected butcher shops in all six provinces. A hundred female beneficiaries were chosen for a livestock holding-pen project.⁸⁷¹ As of December 31, 2016, USAID has made cumulative disbursements of \$29.1 million.⁸⁷²

The purpose of RADP-South is to improve food and economic security for rural Afghans in Helmand, Kandahar, Uruzgan, and Zabul Provinces. It began in October 2013 and is scheduled to end in October 2018 at an estimated cost of \$125 million.⁸⁷³

In October 2016, RADP-South provided wheat crop nutrition, harvest, and post-harvest management training to 1,190 wheat farmers. Implementation began on wheat model farms in Kandahar and Zabul once the provincial agriculture, irrigation, and livestock agents and governors provided their approval. More than 1,500 farmers, including 55 women, have increased their vegetable, orchard, and vineyard cultivation and nearly 1,660 farmers acquired knowledge on high-value crop harvest and post-harvest techniques. Four Afghan producers exported over 950 metric tons of fresh fruit (pomegranates, grapes, and red apples) to India. RADP-South continued bringing together Afghan producers with Indian buyers and providing export-readiness assistance to producers. More than 350 women began the women's agribusiness empowerment program, which provides courses in entrepreneurship, high-value crop cultivation, basic nutrition, and access to finance and saving.⁸⁷⁴

As of December 31, 2016, USAID has made cumulative disbursements of \$76.3 million for RADP-South.⁸⁷⁵

The \$70 million RADP-West program focused on helping rural Afghans in the western provinces of Herat, Farah, and Badghis to improve food and economic security. The project supported the Ministry of Agriculture, Irrigation, and Livestock in its efforts to enhance the productivity and profitability of wheat, high-value crops, and livestock. It concluded in September 2016.⁸⁷⁶

RADP-West was initially a five-year program, but USAID issued a termination for convenience last May. According to USAID, the termination was for the convenience of the Afghan government so it could better align its remaining resources with the MAIL's new strategic plans for the western region. Given the prolonged startup process and through the end of activities, the active implementation period only lasted approximately 15 months, from April 2015 to July 2016.⁸⁷⁷

Some of RADP-West's major accomplishments include the following:

- Over 12,900 households benefitted from agriculture and alternative-development interventions in the areas of wheat (more than 6,000 households), high-value crop (nearly 5,000 households) and livestock (more than 1,900 households).
- Some 10,460 households benefitted from nutrition-sensitive agricultural activities.



RADP-North Paravet trainees receiving hands-on training in Balkh Province. (USAID photo)

COUNTERNARCOTICS



RADP-South livestock-vaccination training in Kandahar City. (USAID photo)

- Some 9,029 (more than 7,500 male and nearly 1,500 female) farmers were trained on new technologies and management practices for wheat, high-value crops, and livestock.
- The project engaged the private sector by awarding nine grants to private seed enterprises, and reaching more than 4,200 farmers through a seed multiplication program in which 113 metric tons of improved/certified wheat seed and 170 metric tons of fertilizer were distributed. Farmers who received seed harvested and sold over 3,000 metric tons of seed valued at \$882,126 to flour mills and seed companies.
- Some 1,776 hectares of land were cultivated by program beneficiaries, with reported sales of \$2.8 million.
- The project promoted the inclusion of women across all program components (18% of beneficiaries were women), and 53.5% of female trainees reported increased self-sufficiency.⁸⁷⁸

The deteriorating security situation hindered RADP-West's ability to rapidly implement activities notably in Herat, previously considered one of the country's safer cities, and contributed to the prolonged startup period. By March 2015, the security challenges affected several districts in all three provinces, predominantly along the roads. National elections and cabinet vacancies postponed the signature of a memorandum of understanding with MAIL, which contributed to further extend the program's startup period. This also limited the program's ability to collaborate with authorities at the district and village level.⁸⁷⁹

The delay of business and weapons licenses from the Afghanistan Investment Support Agency resulted in the delay of a security contract being signed with the Afghan Public Protection Force (APPF), the Afghan government's security services provider.⁸⁸⁰ Since 2010, the Afghan government requires that the APPF provide security services for reconstruction activities after a presidential decree stopped all domestic and foreign private security companies from operating in Afghanistan.⁸⁸¹ The licenses were eventually issued after involvement of the U.S. Embassy.⁸⁸²

As of December 31, 2016, USAID has disbursed \$27.1 million since the beginning of the program.⁸⁸³

USAID is considering a new agricultural program called "Promoting Value Chains-West" with an estimated budget of \$19 million and a three-year performance period. The program will work in the four western provinces of Herat, Farah, Nimroz, and Badghis; it is currently under procurement.⁸⁸⁴

Commercial Horticulture and Agricultural Marketing Program

The Commercial Horticulture and Agricultural Marketing (CHAMP) program is a \$61.3 million USAID program designed to boost agricultural productivity and food security, provide market opportunities, and decrease poppy production.⁸⁸⁵ USAID extended the program an additional three years

in 2016 at an additional estimated cost of \$16.0 million (included in the total project cost of \$61.3 million). Under this extension, CHAMP will focus on supply chain marketing and export promotion of Afghan fresh and dried fruits to international markets.

The program will continue to support traders and the trade offices in New Delhi, India and Dubai, UAE, as well as marketing of other high-value crops targeted by the RADP programs. Work on the new components of supply-chain improvement, export-market development and gender integration began January 2017.⁸⁸⁶ USAID has disbursed \$46.7 million as of December 31, 2016.⁸⁸⁷

See the October 2016 SIGAR *Quarterly Report to the United States Congress* for more information.

INTERDICTION OPERATIONS AND RESULTS

The Counternarcotics Police of Afghanistan (CNPA) consists of regular narcotics police and specialized units in all 34 provinces. The specialized units include the Sensitive Investigation Unit (SIU), National Interdiction Unit (NIU), and the Intelligence Investigation Unit (IIU). Nearly half of the CNPA's 2,000 personnel are assigned to Kabul. In addition to the CNPA, law-enforcement elements contributing to interdiction activities include members of the Afghan National Police, Afghan Border Police, and Afghan Uniform Police.⁸⁸⁸ INL provides funding for the NIU; DEA funds the SIU.⁸⁸⁹

Since 2004, DOD's counternarcotics (CN) requirements for Afghanistan have been funded mostly through supplemental and Overseas Contingency Operations appropriations. These train-and-equip programs aim to support U.S. regional goals and reduce CN-related terrorism and financing. The majority of funding is for special-purpose vetted units such as the Special Mission Wing (SMW) and the CNPA.⁸⁹⁰

According to DOD, a poor security environment has impeded counternarcotics operations in the south and southwest. Nonetheless, the number of interdiction operations for the first quarter of FY 2017 rose from 21 to 24 due to mentoring from U.S. special forces, access to Resolute Support mission assets and partnership with wider Afghan military operations.⁸⁹¹ Furthermore, the drawdown of Coalition forces has negatively affected the CNPA and other Afghan counternarcotics agencies, particularly in Helmand and Kandahar Provinces, where the Coalition surge and subsequent withdrawal was focused.⁸⁹² Less frequent partnering of Resolute Support mission and Afghan forces has reduced available transportation, particularly helicopters, and the use of some counternarcotics forces for general security in areas where the drug trade and anti-government forces are concentrated in southern, southwestern, and northern Afghanistan has resulted in fewer counterdrug missions.⁸⁹³

“Because they [the Taliban] receive much of their funding from the narcotics trafficking that occurs out of Helmand. As you know, Helmand produces a significant amount of the opium globally that turns into heroin and this provides about 60 percent of the Taliban funding, we believe.”

—General John Nicholson,
Commander, Resolute Support and
U.S. Forces Afghanistan

Source: General John Nicholson, Department of Defense Pentagon press briefing, 12/2/2016.

COUNTERNARCOTICS

Since February 2016, Coalition advisors have provided train, advise, and assist support to the CNPA. Recent emphasis has been on improving CNPA coordination with the SMW. The SMW is an aviation wing that enables the ANDSF to conduct counterterrorism and counternarcotics missions and to disrupt insurgent and drug-smuggling networks in Afghanistan. The SMW has night-vision, rotary-wing air assault and fixed-wing intelligence, and surveillance and reconnaissance capabilities.⁸⁹⁴

The Resolute Support mission (RS) advisory team at the NIU compound has facilitated a major increase in NIU access to rotary-wing aircrafts and significantly increased operations with missions in Nangarhar, Helmand, and Farah Provinces.⁸⁹⁵ INL's ability to support tactical operations in the south and southwest regions of the country has been constrained since the June 2015 closure of INL's base at Kandahar Air Field.⁸⁹⁶ INL continues to support NIU troop rotations to Kandahar but has discontinued rotation support for Herat.⁸⁹⁷

During August, the Afghan special narcotics units (NIU/SIU) performed three airmobile operations in Sarobi and Nangarhar, arrested one major heroin trafficker, and seized over three tons of morphine and opium.⁸⁹⁸

The assignment of the Resolute Support advisory team has produced results. After conducting no operations in FY 2015, Afghan counternarcotics forces conducted 15 successful CN missions in FY 2016. The first Afghan operation in over four years took place in the Sarobi District—a major opium production area in Kabul Province—in August 2016. This successful operation with the SMW resulted in the seizure and destruction of opium, poppy seeds, and hashish.

According to USFOR-A, in early October 2016, Afghan counternarcotics forces partnered with the RS advisory team to interdict and destroy drugs and chemicals valued at nearly \$60 million. The net value of narcotics, precursor chemicals, and materials associated with the production of narcotics seized and destroyed during the partnering of the RS advisory team and Afghan counternarcotics forces is \$159 million.⁸⁹⁹ Though remarkable results when compared to past seizures and interdiction results, the UNODC estimates the total (farm gate) value of opium production for 2016 at \$900 million, an increase of 57% from the 2015 estimate of \$0.57 billion.⁹⁰⁰

Between October 1 and December 19, 2016, Afghan security and law-enforcement forces conducted most of their operations in the capital and eastern regions. Those operations included routine patrols, cordon-and-search operations, vehicle interdictions, and arrests. The Afghans' combined operations resulted in the seizures of 2,637 kg of opium, 27,650 kg of morphine, 858 kg of heroin, 218,796 kg of hashish/marijuana, and 26,895 kg of precursor chemicals. The 24 operations led to detaining 30 individuals and destroying multiple labs.⁹⁰¹ The United Nations reports that 16 heroin-processing laboratories were dismantled between August 18 and October 31, 2016.⁹⁰² This quarter's results seem to indicate that interdiction

COUNTERNARCOTICS

TABLE 3.6

| INTERDICTION RESULTS, FISCAL YEARS 2008–2016 | | | | | | | | | | | |
|--|---------|--------|--------|---------|---------|--------|--------|----------------------|---------|---------|-----------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017* | Total |
| Number of Operations | 136 | 282 | 263 | 624 | 669 | 518 | 333 | 270 | 190 | 25 | 3,310 |
| Detainees | 49 | 190 | 484 | 862 | 535 | 386 | 442 | 394 | 301 | 30 | 3,673 |
| Hashish seized (kg) | 241,353 | 58,677 | 25,044 | 182,213 | 183,776 | 37,826 | 19,088 | 24,785 | 123,063 | 218,796 | 1,114,621 |
| Heroin seized (kg) | 277 | 576 | 8,392 | 10,982 | 3,441 | 2,489 | 3,056 | 2,859 | 3,532 | 858 | 36,462 |
| Morphine seized (kg) | 409 | 5,195 | 2,279 | 18,040 | 10,042 | 11,067 | 5,925 | 505 | 13,041 | 27,650 | 94,153 |
| Opium seized (kg) | 15,361 | 79,110 | 49,750 | 98,327 | 70,814 | 41,350 | 38,379 | 27,600 | 10,487 | 2,637 | 433,815 |
| Precursor chemicals seized (kg) | 4,709 | 93,031 | 20,397 | 122,150 | 130,846 | 36,250 | 53,184 | 234,981 ^a | 42,314 | 26,895 | 764,757 |

Note: ^a The significant difference in precursor chemicals total seizures between 2014 and 2015 is due to a 12/22/2015 seizure of 135,000 liters of precursor chemicals.
 * Results for period 10/1/2015–12/19/2016.

Source: DOD, response to SIGAR data calls, 7/29/2015 and 12/23/2016.

results shown in Table 3.6 have ended a decline that began in 2012.⁹⁰³

According to DOD, the partnering of national-level counterdrug units with U.S. special forces has led to an increase in operations and arrests, but long-term mentoring is likely required to maintain these gains.⁹⁰⁴

Given the U.S. military's reduced capabilities in Afghanistan, in 2015 DOD created a regional narcotics interagency fusion cell (RNIFC) to combat the regional drug trade. The RNIFC, located in Bahrain, tracks and interdicts the illicit movement of Afghan heroin on boats destined for the Middle East and East Africa. The RNIFC targets boat trafficking in the Arabian Sea and focuses on key narco-traffickers.⁹⁰⁵

INL supports the majority of NIU, SIU, and judicial wire-intercept program (JWIP) operational costs. It also funds the maintenance and operations of NIU, SIU, and DEA facilities; equipment and sustainment of the JWIP system; and specialized training for NIU and SIU personnel. All of these costs are funded under the INCLE appropriation and total approximately \$30 million per year for all CN compounds; \$437,000 per year for NIU salary supplements; \$3.3 million per year for costs related to the JWIP; and \$380,000 in training funds for NIU and SIU.

DEA funds SIU salary supplements and DOD funds the Afghan linguists monitoring the JWIP lines, the Afghan Special Mission Wing, security for the DEA-leased villas and some training programs. INL bears none of those costs.⁹⁰⁶

