

# COUNTERNARCOTICS CONTENTS

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## COUNTERNARCOTICS

### KEY ISSUES AND EVENTS

A United Nations opium-cultivation report released this quarter found that the estimated value of opiates produced in Afghanistan nearly doubled from \$1.56 billion in 2015 to \$3.02 billion in 2016. The increase is a result of a higher level of opium production—43% more than in 2015—and higher heroin prices in neighboring countries. The current value of the opiates is worth more than two-thirds of the output of the country's entire agricultural sector.<sup>769</sup>

Despite a U.S. investment of \$8.6 billion to counter Afghanistan's illicit-narcotics economy, Afghanistan remains the world's largest opium producer and exporter—producing an estimated 80% of the world's opium. The narcotics industry—coupled with rampant corruption and fraud—is a major source of illicit revenue for the country.<sup>770</sup>

In 2017, Afghan authorities reported having eradicated 685 hectares in Balkh, Badghis, Herat, Kunar, Kabul, Kandahar, Laghman, Nangarhar, and Nimroz Provinces, as of May 2017. This represents a marked increase over 2016, when only 355 hectares were eradicated.<sup>771</sup> (One hectare is roughly 2.5 acres.) However, the 685 hectares eradicated amount to less than 0.35% of the estimated 201,000 hectares under cultivation in 2016 for opium poppy.<sup>772</sup> The Ministry of Counter Narcotics (MCN) reported 750 hectares eradicated as of September 1. However, these results are not yet verified by UNODC and remain subject to change until MCN and UNODC release an agreed-upon figure. INL anticipates that the UNODC Opium Survey, to be released mid-November, will contain final figures.<sup>773</sup>

Media reports and MCN officials indicate 2017 totals for cultivation will likely exceed last year's totals. Opium is even grown on government-controlled land or in the vicinity of security check points in some provinces.<sup>774</sup> In May 2017, the MCN deputy minister was quoted as saying, "Unfortunately, the narcotics production is on the rise this year. ... We are concerned that narcotics would increase this year, including in areas and provinces where previously we had zero opium production."<sup>775</sup>

Following President Donald Trump's announcement of a new strategy for South Asia in August, State informed SIGAR that the responsible U.S. departments and agencies are coordinating to finalize an updated U.S. counternarcotics strategy for the country.<sup>776</sup> A new counternarcotics strategy for Afghanistan has been on hold since 2015.<sup>777</sup>

The Afghan government launched the Kabul Compact with the United States in August 2017. Working groups developed benchmarks that focus on governance, economic development, peace and reconciliation, and security.<sup>778</sup> Counternarcotics efforts do not figure prominently in the compact, with only three benchmarks included.<sup>779</sup>

- double the number of interdiction operations conducted in 2016 by April 2018
- reduce opium cultivation by half in at least five provinces by December 2018
- hold quarterly meetings of the Counter Narcotics High Commission by October 2017

More information regarding the Kabul Compact is available on pages 150–151 of this report.

A Department of Defense Inspector General report released this quarter on Drug Enforcement Administration (DEA) operations in Afghanistan found that the DOD/DEA Global Discovery counternarcotics program that ran between 2009 and 2016 was mismanaged. The program was designed for DEA to conduct aviation operations in Afghanistan with surveillance equipment and other capabilities. DEA personnel never used the aircraft for counternarcotics operations, and DOD potentially wasted \$64.8 million.<sup>780</sup>

Between July and September 18, 2017, Afghan law-enforcement personnel conducted 16 interdiction operations. Seizures included over 300 kilograms (kg) of opium, 7,100 kg of morphine, 150 kg of heroin, nearly 1,300 kg of hashish, and 15,595 kg of precursor chemicals.<sup>781</sup> A kilogram is about 2.2 pounds.

In addition to exporting opiates, Afghanistan suffers from widespread illegal drug use. A 2015 Afghanistan National Drug Use Survey estimated that roughly 11% of the population would test positive for one or more drugs, including 5.3% of the urban population and 13% of the rural population. Drug use among men, women and children is among the highest documented worldwide, and 30.6% of rural households tested positive for some form of illicit drug.<sup>782</sup> Afghans' illicit drug use spawns other crimes, funds the insurgency, and costs the Afghan government hundreds of millions of dollars in health care costs, crime prevention, and lost economic productivity.<sup>783</sup>

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

Source: UNODC, *Multilingual Dictionary of Precursors and Chemicals*, 2008, viii.

## U.S. RECONSTRUCTION FUNDING FOR COUNTERNARCOTICS

As of September 30, 2017, the United States has provided \$8.6 billion for counternarcotics (CN) efforts in Afghanistan since 2002. Congress appropriated most CN funds for Afghanistan through the DOD Drug Interdiction and Counter-Drug Activities (DOD CN) Fund (\$3.1 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).<sup>784</sup>

ASFF is primarily used to develop the Afghan National Army and Police, including the Counter Narcotics Police of Afghanistan (CNPA) and the Special Mission Wing (SMW), which support the counternarcotics efforts of the Ministries of Defense (MOD) and Interior (MOI).<sup>785</sup>

USAID's ESF-funded 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 Drug Enforcement Administration (DEA) receives funds through direct appropriations to operate in Afghanistan.<sup>786</sup>

SIGAR is preparing a Lessons Learned Program report that will examine U.S. counternarcotics efforts from 2002 through 2016. This comprehensive review will incorporate satellite-imagery data analysis and provide recommendations to policymakers to improve future strategies and programs.

## INTERDICTION AND ERADICATION

The U.S. and Afghan governments use both interdiction and eradication to counter the cultivation and production of illicit narcotics in Afghanistan. According to the Department of State:<sup>787</sup>

Drug interdiction—or preventing illicit drugs from reaching their destination—is important in stemming the flow of illegal drugs and countering the negative effects of organized criminal groups. INL supports interdiction efforts through training, equipping, and providing technical assistance to partner nation law enforcement agencies. Such efforts increase the capacity to detect, investigate, disrupt, and seize shipments of illicit drugs and the chemicals (known as precursors) needed to process and produce drugs.

Eradication—or the physical destruction—of illicit crops remains an important tool for decreasing the production of illegal drugs and preventing them from entering the United States, or other drug markets. INL provides training, equipment, and technical assistance to foreign governments to support their own eradication programs, and address related counternarcotics and law enforcement challenges.

The CNPA, comprising regular narcotics police and specialized units, leads counternarcotics efforts among Afghan security forces.<sup>788</sup> Afghan Uniform Police and Afghan Border Police also participate in counternarcotic activities.<sup>789</sup> The specialized units include the Sensitive Investigative Unit (SIU), National Interdiction Unit (NIU), and the Intelligence Investigation Unit. The CNPA has approximately 2,000 assigned personnel; roughly half of them are based in Kabul.<sup>790</sup> The NIU maintains forward-based personnel in Kandahar, Kunduz, and Herat Provinces.<sup>805</sup>

## MAJOR AFGHAN DRUG TRAFFICKING ROUTES

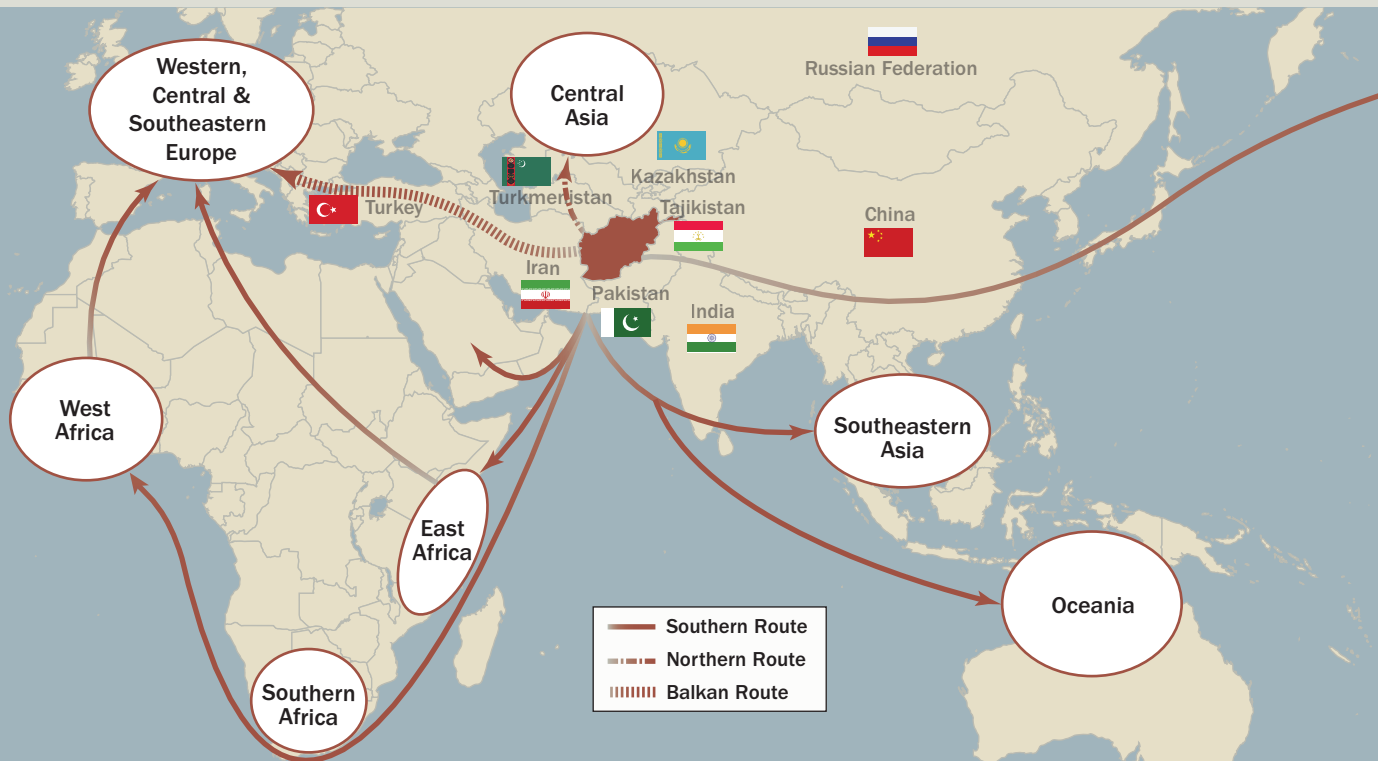
According to UNODC, Afghanistan accounts for nearly two-thirds of the world's areas under illicit opium poppy cultivation.<sup>791</sup> The opiates produced in Afghanistan reach their primary markets in Europe, Asia, and Africa through several routes. The Balkan route supplies western and central Europe, through Iran and Turkey via southeastern Europe. In 2014, the largest aggregate opiate seizures worldwide were reported by Iran.<sup>792</sup> Based on data reported during 2009–2012, UNODC estimates the value of opiates trafficked on the Balkan route at \$28 billion per year. Profit by Iranian traffickers is higher than any other country on the Balkan route: \$7.5 billion or 27% of the total value of drug traffic.<sup>793</sup> Heroin flows into Europe along three branches of the Balkan route:

- one branch from the Turkish border through the eastern Balkans, by way of Bulgaria and Romania to western and central Europe,
- another branch from Turkey across Greece by way of Italy, and
- one branch passing through the western Balkans by land and sea into Europe

Trafficking routes may change over time.<sup>794</sup>

The southern route serves many destinations, including Asia, Africa, and Western and Central Europe.<sup>795</sup> Drugs are shipped by sea from Pakistan, Iran, Asia, and the Middle East; air shipments are made from Pakistan to Bangkok, and via circuitous courier attempts to the Middle East, Europe, Southeast Asia, and Australia.

### DRUG TRAFFICKING ROUTES FROM AFGHANISTAN



## QUARTERLY HIGHLIGHT

Drugs also travel by land through Pakistan's Balochistan Province and Iran's southeastern provinces.<sup>796</sup> The main destination for Afghan heroin smuggled via the southern route appears to be India. Since the 2000s, Afghan heroin has become more prominent in China, but remains a minority share of that market. Myanmar is China's dominant heroin supplier.<sup>797</sup> Smuggling of Afghan opiates via the southern route has increased in recent years.<sup>798</sup> Between 2009 and 2012, the total gross profit averaged \$357 million per year in Afghanistan, compared with \$28 billion along the rest of the Balkan route.<sup>799</sup>

The northern route, delivers opiates to neighboring Central Asian states, Russia, and other countries of the Commonwealth of Independent States.<sup>800</sup> Traffickers choose Tajikistan, Uzbekistan, and Turkmenistan—mainly Tajikistan—to transport drugs mostly in private and commercial vehicles, along established trade and transit routes. Once in Tajikistan, loads are separated into smaller quantities for shipment across the border by

land, rail, and air. When heroin reaches Kazakhstan, the largest portion passes through the northwestern borders into southwestern Russia and western Siberia.<sup>801</sup> Most Central Asian heroin is processed in and trafficked from southern Afghanistan.<sup>802</sup>

Seizure data suggest that the Balkan route remains the world's most significant opiate trafficking route. Profit tends to be the highest at the final stage of the drug production and distribution chain. A UNODC study estimated that nearly half of the profit made along the major heroin trafficking routes from Afghanistan to Europe was made in the four largest European consumer markets: France, Germany, Italy, and the United Kingdom.<sup>803</sup>

In North America, 90% of the heroin seized in Canada originates in Afghanistan. The southern route is the main conduit for the Canadian shipments by way of India, Iran, and Pakistan. The majority of heroin reaching the United States comes from Latin America.<sup>804</sup>



Note: Afghanistan is the world's leading producer of opium. The Balkan route supplies western and central Europe with opiates from Afghanistan. The southern route funnels opiates through Pakistan or Iran by sea to the Gulf region, Africa, and South Asia. The northern route runs through neighboring Central Asian states, Russia, and countries of the Commonwealth of Independent States. Ninety percent of the heroin in Canada originates in Afghanistan. Latin America is the primary supplier of heroin to the United States.

Source: UNODC, *World Drug Report 2016*, 6/2016, xii-xiv; UNODC, *World Drug Report 2015*, 5/2015, xiii-xiv, p. 47; DOJ/DEA, *2016 National Drug Threat Assessment Summary*, 11/2016, p. 54.

Conflict, criminality, and narcotics continue to be critical threats to personal safety, public service delivery, and private investment.

DOD, *Enhancing Security and Stability in Afghanistan*, 6/2017, p. 27.

The Technical Investigative Unit (TIU), a group within the SIU, operates the Judicial Wire Intercept Program (JWIP).<sup>806</sup> To date, DOD has obligated \$3.5 million for security for the CNPA's training facility in Kabul. DOD has also obligated \$1.4 million for linguistic support for the TIU, as well as \$1 million for its training.<sup>807</sup>

INL estimates that its total funding for operations and maintenance for the NIU and SIU is approximately \$26 million per year. Costs directly attributable to NIU and SIU include \$2.47 million in support of the JWIP program under an interagency agreement with DEA and \$425,000 per year for NIU salary supplements. SIU supplements are funded by DEA.<sup>808</sup> Salary supplements are used to attract and retain the most qualified and highly trained officers to the specialized units. Supplements are provided to all NIU officers, from the police officer to the unit commander; the amount of the supplement is based on the individual's rank.<sup>809</sup>

## Interdiction Results

In Afghanistan, INL partners with DEA and DOD to build the capacity of the CNPA, with particular focus on support for two specialized units mentored by DEA: the SIU and the NIU.<sup>810</sup> During the fourth quarter of FY 2017, most interdiction activities occurred in the capital and the eastern and southwest regions. These events included routine patrols, cordon-and-search operations, vehicle interdictions, and detention operations. Between July and September 18, 2017, Afghan combined operations resulted in the following seizures and destruction of multiple labs: over 300 kg of opium, 7,100 kg of morphine, 150 kg of heroin, nearly 1,300 kg of hashish, and 15,595 kg of precursor chemicals.<sup>811</sup>

Afghan law-enforcement personnel in the specialized units conducted 16 interdiction operations during the quarter.<sup>812</sup> According to DOD, the poor security situation in Afghanistan makes conducting interdiction activities a challenge.<sup>813</sup> Regional cooperation continued with a meeting on precursor cases held August 30 in Kazakhstan. Four cases were reviewed and regional backtracking investigations were launched.<sup>814</sup>

Afghanistan's main opium-producing regions are also major opiate-processing locations. According to CNPA data, nearly two-thirds of the heroin-processing laboratories are located in the south with other major sites in western provinces as well as Nangarhar in the east and Badakhshan in the north.<sup>815</sup>

As shown in Table 3.22, from 2008 through September 18, 2017, over 3,400 interdiction operations have resulted in the seizure of 455,376 kg of opium. However, over a nearly 10-year period, these seizures would account for less than one-tenth of 1% of the opium produced in Afghanistan in 2016 alone. According to the 2016 Opium Survey by the UN Office on Drugs and Crime (UNODC), Afghanistan's potential opium production in 2016 was approximately 4,800 metric tons (or 4.8 million kg).<sup>816</sup>



**Afghan forces prepare to destroy** lab materials and narcotics after they seized about \$19 million worth of drugs, equipment, vehicles, weapons and communication gear in Nad Ali District, Helmand Province in August. (DVIDS photo by Lieutenant Junior Grade Egdanis Torres Sierra)



INTERDICTION RESULTS, FISCAL YEARS 2008–2017											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*	TOTAL
Number of Operations	136	282	263	624	669	518	333	270	190	134	3,419
Detainees	49	190	484	862	535	386	442	394	301	131	3,774
Hashish seized (kg)	241,353	58,677	25,044	182,213	183,776	37,826	19,088	24,785	123,063	227,320	1,123,145
Heroin seized (kg)	277	576	8,392	10,982	3,441	2,489	3,056	2,859	3,532	1,974	37,578
Morphine seized (kg)	409	5,195	2,279	18,040	10,042	11,067	5,925	505	13,041	105,667	172,170
Opium seized (kg)	15,361	79,110	49,750	98,327	70,814	41,350	38,379	27,600	10,487	24,198	455,376
Precursor chemicals seized (kg)	4,709	93,031	20,397	122,150	30,846	36,250	53,184	234,981	42,314	89,828	827,690

Source: DOD, response to SIGAR data call, 7/29/2015, 7/20/2017, and 9/28/2017.

DOD created, equipped, and continues to provide training and maintenance support to the Special Mission Wing (SMW) to support CN and counter-terrorism (CT) operations.<sup>818</sup> The SMW is the only ANDSF organization with night-vision, rotary-wing air assault, and fixed-wing intelligence, surveillance, and reconnaissance capabilities.<sup>819</sup> According to DOD, the SMW will expand to include additional helicopter crews, consolidate the fixed-wing PC-12 aircraft into a new fixed-wing *kandak* (battalion), and create an aviation-support *kandak*.<sup>820</sup> The SMW is essential to expanding the reach and range of the CN/CT units to engage high-value targets. CN units have become increasingly reliant on aviation support as the areas under the control of the Afghan government diminish. The high demand on the SMW from units across the ANDSF, and the limited number of aircraft and aircrews, has sometimes resulted in SMW being unable to support counternarcotics missions.<sup>821</sup> The SMW is used by the Afghan Special Security Forces to conduct helicopter assault raids throughout the country.<sup>822</sup> More information on the SMW is available on pages 135–136 of this report.

Compared to the previous year, the total area under poppy cultivation in 2016 increased 10% from 183,000 to 201,000 hectares. Opium





**Provincial council administrative** building completed under GPI in Panjshir Province, August 2017. (MCN Photo)

production was estimated at 4,800 tons—a 43% increase from its 2015 level. Afghanistan’s increased poppy yield was largely responsible for the worldwide opium production increase between 2015 and 2016, in which global opium production increased by a third, to 6,380 tons, compared to the previous year.<sup>823</sup> The value of the illicit opiate economy nearly doubled from \$1.56 billion in 2015 to \$3.02 billion in 2016. The increase is a result of the higher level of opium production—43% more than in 2015—and higher heroin prices in neighboring countries.<sup>824</sup>

## Governor-Led Eradication

Under the Governor-Led Eradication (GLE) program, INL reimburses provincial governors \$250 for every UNODC-verified hectare of eradicated poppy.<sup>825</sup> INL has obligated \$6.8 million to date on GLE.<sup>826</sup> A total of 750 hectares were eradicated nationwide this year, according to the MCN. However, that result remains subject to change until MCN and UNODC release an agreed-upon figure. One hectare is roughly 2.5 acres.<sup>827</sup> GLE is the only eradication program supported by the U.S. government and annually accounts for less than 2% of INL’s Afghanistan counternarcotics budget.<sup>828</sup> The 2017 UNODC opium survey is scheduled to be released in November.<sup>829</sup>

## Good Performers Initiative

The INL-funded Good Performers Initiative (GPI) sought to incentivize provincial governors’ counternarcotics and supply-reduction activities by supporting sustainable, community-led development projects in provinces that significantly reduced or eliminated poppy cultivation. However, GPI is no longer taking on new projects.

From June 2012 to April 2016, INL funded GPI projects on-budget through the Afghan Ministry of Finance. However, INL phased out GPI due to MCN’s inability to adequately manage the program, approving no new GPI projects after April 30, 2016. INL performed a risk assessment of MCN’s financial risk-management system in 2015 and found 24 internal-control deficiencies that increased the potential for a material misstatement in financial reporting, ineffective operations, and noncompliance with Afghan laws and regulations.<sup>830</sup> According to GPI’s 2014 annual report, procurement was slow and the ministry assigned unprofessional staff. Insufficient coordination and lengthy processing of on-budget payments caused the slow implementation of projects.<sup>831</sup>

As of September 1, 2017, INL reported that 286 projects valued at \$126.4 million had been contracted. Of those, 255 projects have been completed; 31 are still in progress and will continue to receive INL funding until their completion.<sup>832</sup> INL is also working on an alternative-development project called Boost Alternative Development Intervention through Licit Livelihoods (BADILL), formerly known as Strengthen and Diversify Licit Livelihoods through Alternative Development Interventions. BADILL is

expected to follow through on INL's commitments to those provinces most affected by the GPI cancellation.<sup>833</sup>

## Ministry of Counter Narcotics Capacity-Building

Since 2008, INL has obligated \$35.2 million and expended \$27.4 million to build capacity at the Ministry of Counter Narcotics (MCN).<sup>834</sup> During the third quarter of FY 2015, INL conducted an independent risk assessment of the MCN's public financial-management system. The report identified significant deficiencies that increased the potential for inaccurate financial reporting, inefficiency, ineffective operations, and noncompliance with laws and regulations. Areas of particular concern were internal controls, program management and monitoring, and facility management.<sup>835</sup>

Based on recommendations in the risk assessment, in mid-2016 INL solicited and awarded a contract for a financial-remediation plan that was expected to be completed in 2016.<sup>836</sup> However, that original schedule changed following delays in solicitation. According to INL, the financial-remediation plan was still on schedule to be completed in October 2017.<sup>837</sup> The contractor, the Afghanistan Holding Group, has developed standard operating procedures, databases, and training manuals for implementing effective financial controls.<sup>838</sup>

INL has another capacity-building program under the **Colombo Plan** where Asian University for Women (AUW) fellows are assigned to the ministry.<sup>839</sup> The Colombo Plan selected the 10 AUW fellows and recruited the first MCN advisor who will assist in revising the National Drug Action Plan.<sup>840</sup> The MCN led the list of top Afghan institutions performing badly according to a report released by the Independent Administration Reform and Civil Service Commission on October 3. The report found that reforms and recruitment have been "delicate" and many institutions have not met their recruitment targets during the first six months of the 1396 Afghan solar year (approximately March 21, 2017, to March 20, 2018).<sup>841</sup>

**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](http://www.colombo-plan.org), accessed 7/1/2017; INL, *International Narcotics Control Strategy Report: Volume I, Drug and Chemical Control*, 3/2017, p. 26.

## ALTERNATIVE DEVELOPMENT

USAID's alternative-development (AD) programs support U.S. counternarcotics objectives by helping host countries develop economically viable alternatives to narcotics production. INL funding supports supply-reduction and alternative-development programs. INL holds biweekly meetings with USAID to coordinate their AD efforts and ensure that INL AD efforts complement and leverage ongoing USAID activities.<sup>842</sup> According to USAID, both agencies also jointly attend AD program meetings with UNODC, the UN Development Programme (UNDP), the MCN, and the Ministry of Agriculture, Irrigation, and Livestock.<sup>843</sup>

INL has been implementing AD programming in Afghanistan since 2007 through GPI and a series of grants with the Aga Khan Foundation to

strengthen subnational governance and alternative livelihoods. INL AD programs target high poppy-cultivating areas, in line with Afghan government priorities laid out in Afghanistan's National Drug Action Plan.<sup>844</sup>

## Boost Alternative Development Intervention Through Licit Livelihoods

INL chose UNODC as the BADILL project's implementer because of its global expertise in alternative development. According to INL, UNODC has technically qualified and experienced staff at the provincial level, including strong working relations with Afghan government counterparts and other stakeholders.<sup>845</sup>

UNODC's plan for large- and small-scale projects in various provinces in its project proposal for BADILL runs counter to recommendations of its own internal evaluation. The evaluation said it should not be involved in delivering construction or equipment.<sup>846</sup> However, the proposal calls for a rose-oil processing facility to be built in Nangarhar; and dams and terraces to be built to protect agricultural land for watershed management and rehabilitation projects.<sup>847</sup>

INL has obligated \$20 million for BADILL and informed SIGAR in January 2017 that it had transferred all funds to UNODC. INL says that the performance-monitoring plan has not yet been drafted.<sup>848</sup> Between April and June of this year, some of UNODC's highlights were:<sup>849</sup>

- procurement of two large projects for Helmand and Uruzgan Provinces
- ongoing procurement of a large project in Nimroz Province
- recruitment of national staff, including program associates and coordinators, liaison officers, and a monitoring and evaluation officer
- holding coordination meetings with ministerial and donor representatives

## Community-Based Agriculture and Rural Development

INL has obligated and disbursed \$17.8 million for its Community-Based Agriculture and Rural Development (CBARD) project: \$2.8 million to UNODC and \$15 million to UNDP, its two implementing partners. The program aims to improve household income while reducing dependency on illicit poppy cultivation for selected communities in Farah and Badghis Provinces, the second and sixth highest poppy-cultivating provinces in 2016, respectively, according to UNODC.<sup>850</sup>

According to INL, CBARD will improve the local production and marketing of high-value crops. The high-value crops proposed are grapes and jojoba in Farah, apples and pistachio nuts in Badghis, oranges and grapes in Nangarhar, with greenhouse products, such as cucumber and tomatoes. The project will also develop and strengthen community-based business infrastructure, such as irrigation, transportation, and facilities. The project is scheduled to end in 2020.<sup>851</sup>

From April to June 2017, UNODC conducted security assessments in Farah, Badghis, and Nangarhar Provinces. The team identified nearly 200 communities for project implementation and met with community leaders, elders, farmers, and community development councils. The team also selected lead farmers and common interest groups to establish farmer field schools. The project prepared a counternarcotics campaign for farmers using multi-media techniques. The campaign introduces gender-sensitive messages through events, mobile drama shows, and printed material.<sup>852</sup>

## Commercial Horticulture and Agricultural Marketing Program

The Commercial Horticulture and Agricultural Marketing (CHAMP) program is a USAID-funded \$61.3 million program designed to boost agricultural productivity and food security, provide market opportunities, and decrease poppy production. The program started in 2010 and is scheduled to end in December 2019.<sup>853</sup>

According to USAID, the program has helped export 52,000 tons of produce valued at \$57 million to markets in Pakistan, Canada, India, the United Arab Emirates (UAE), and Russia. In addition, USAID said the program created more than 7,840 agribusiness jobs, trained 112,500 farmers, and benefitted 38,400 households.<sup>854</sup> Under the current extension, CHAMP is focusing on supply chain, marketing, and export promotion of Afghan fresh and dry fruits and nuts. It continues to support traders through trade offices in India and the UAE.<sup>855</sup> Between April and June 2017, CHAMP finalized the Afghan Export Management Information System (MIS) which will capture export data from various government sources.<sup>856</sup>

This quarter, CHAMP conducted training and business-to-business meetings for 80 commercial apricot and cherry farmers. It also reported the export of 19.8 metric tons of fruit valued at \$31,804 to Indonesia. CHAMP collaborated with USAID's Afghanistan Trade and Revenue (ATAR) project in organizing the India Expo and Investment Summit that took place in Delhi from September 27–29. CHAMP also partnered with USAID's Agricultural Credit Enhancement-II Project (ACE-II) and Agricultural Development Fund (ADF) to hold a Women's Agricultural Credit Shura in May for about 75 women.<sup>857</sup> As of September 30, 2017, approximately \$50.4 million have been disbursed.<sup>858</sup>

## Kandahar Food Zone

The Kandahar Food Zone (KFZ) is a \$45.4 million, USAID-funded project implemented by International Relief and Development (IRD). KFZ addresses the drivers of poppy cultivation in Kandahar Province by rehabilitating irrigation infrastructure, expanding alternative-livelihood opportunities, supporting small businesses, and building the capacity of

### SIGAR SPECIAL PROJECT

SIGAR's Special Projects Directorate issued an inquiry letter in September on the Kandahar Food Zone requesting detailed information such as status, cost, and location of infrastructure projects.

**Intercropping:** the cultivation of two or more crops at the same time in the same field. The most common goal of intercropping is to produce greater yield on a given piece of land.

Source: *Agriculture and Biology Journal of North America*, George Ouma and P. Jeruto, "Sustainable horticultural crop production through intercropping: The case of fruits and vegetable crops: A review," 2010, pp. 1098, 1100.

the MCN to develop effective alternative-development policies. The project started in 2013 and is scheduled to end in August 2018.<sup>859</sup> The target for the next two years is to renovate an additional 127 kilometers of 14 irrigation canals, continue vineyard trellising, **intercropping**, planting new orchards, and agribusiness development to increase international sales.<sup>860</sup>

During the third quarter of FY 2017, KFZ rehabilitated 11 canals and is awaiting approval on rehabilitating three more canals. The program repaired 41 damaged greenhouses, provided on-farm technical assistance to 38 greenhouse farmers and 100 women in maintenance and production of off-season vegetables. KFZ also provided on-the-job business skills training. The Afghan Red Pomegranate Company sold over 33 tons of apple and pomegranate juice in national markets with KFZ assistance. KFZ launched a radio drama to promote alternative crops and the importance of women's roles in rural households.<sup>861</sup> As of September 30, 2017, approximately \$38.2 million has been disbursed.<sup>862</sup>

## Regional Agricultural Development Program

USAID's Regional Agricultural Development Program (RADP) is intended to help Afghan farmers achieve more inclusive and sustainable economic growth. RADP projects are under way in Afghanistan's southern, eastern, and northern regions. The project focuses on strengthening the capacity of farmers to improve the productivity of wheat, 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.<sup>863</sup>

RADP-East (RADP-E) is a USAID-funded, \$28.1 million program designed to expand sustainable agriculture-led economic growth in the Ghazni, Kapisa, Laghman, Logar, Nangarhar, Parwan, Wardak, and Kabul Provinces. RADP-E works with the private sector to identify constraints to business and value-chain performance, and implement market-based solutions. RADP-E aims to increase sales of agricultural goods and services by \$57 million by the final year of the program. RADP-E started in 2016 and is expected to end in 2021.<sup>864</sup> As of September 30, 2017, approximately \$4.6 million have been disbursed.<sup>865</sup>

Between April 1 and June 30, 2017, RADP-E completed and received approval for its activity monitoring and evaluation plan, the baseline data report and other studies and surveys. RADP-E awarded two grants, one to the Afghanistan Institute of Banking and Finance and another to the Kia Research and Development Company.<sup>866</sup> The program sponsored business-to-business events to strengthen linkages between suppliers, farmers, and food processors.<sup>867</sup>

RADP-North (RADP-N) is a USAID-funded \$78.4 million program that started in 2014 and is scheduled to end in May 2019. RADP-N invests in increased sustainability and profitability of select value chains—wheat,

**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, transportation, and wholesale and retail sales.

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



high-value crops, and livestock—in rural areas of Badakhshan, Baghlan, Balkh, Jowzjan, Kunduz, and Samangan Provinces.<sup>868</sup> Between April 1 and June 30, 2017, RADP-N conducted numerous trainings, implemented 22 activities and issued six grants valued at nearly \$76,000. RADP-N held demonstration field days for approximately 1,800 farmers which resulted in contracts for 18 farmers, generating AFN 297,150 (approximately \$4,338) in revenue. RADP-N continued its market linkage activities between seed companies, mills and processors of Afghan wheat. RADP-N supported the participation of 14 agribusinesses to the Second Balkh International Agricultural Fair held in April 2017 in Mazar-e Sharif. The fair generated over \$11,000 in direct sales and about \$10,000 in sales contracts.<sup>869</sup> As of September 30, 2017, approximately \$42 million has been disbursed.<sup>870</sup>

RADP-South (RADP-S) is a USAID-funded, \$125 million program that started in 2013 and is scheduled to end in October 2018.<sup>871</sup> The purpose of RADP-S is to improve food and economic security for rural Afghans in Kandahar, Helmand, Uruzgan, and Zabul Provinces. The program supports farmers and micro, small, medium, and large agribusinesses to improve production, processing, and commodity sales. RADP-S strengthens market systems by using local agricultural firms to champion reform. RADP-S is working to increase the incomes of farmers, agribusinesses, and veterinary professionals, while raising awareness among farming families of proper nutrition and balanced diets.<sup>872</sup> Some key accomplishments during the April 1 to June 30, 2017 period, are:<sup>873</sup>

- training more than 6,700 new farmers in post-harvesting techniques for wheat, including more than 5,100 women
- training more than 4,100 new farmers in post-harvesting techniques for high-value crops
- benefiting more than 28,000 individuals (6,400 of them women) with program interventions
- benefiting 10,480 households—nearly 6,400 of them in poppy-growing districts—with agriculture and alternative-development interventions

As of September 30, 2017, approximately \$101.1 million has been expended.<sup>874</sup>

## DRUG DEMAND REDUCTION

Based on its survey, the 2015 Afghanistan National Drug Use Survey conservatively estimated that roughly 11% of the population would test positive for one or more drugs, including 5.3% of the urban population and 13% of the rural population. Drug use among men, women and children is among the highest documented worldwide, and 30.6% of rural households tested positive for some form of illicit drug.<sup>875</sup> According to the UN, 0.6% of the global adult population suffer from substance use disorders. Opioids, including heroin, remain the most harmful type of drug used.<sup>876</sup> INL has obligated and

expended \$97.16 million to support drug demand reduction in Afghanistan since 2002.<sup>877</sup>

The United States is helping Afghanistan face this public-health crisis by funding a new rural treatment program to expand substance-abuse treatment to the hardest-hit communities. According to INL, the demand for treatment and prevention services far exceeds the capacity of the centers, most of which have extensive waiting lists for new patients.

The United States also supports UNODC's global child-addiction program to develop protocols for treating opioid-addicted children, training treatment staff, and delivering services through NGOs.<sup>878</sup> It also supports an antidrug curriculum in Afghan schools that has trained over 300 teachers and reached over 30,000 students.<sup>879</sup> INL started a pilot rural treatment program last quarter.<sup>880</sup> The target villages and implementing partners have been selected and the rural curriculum is ready for translation before its dissemination.<sup>881</sup> INL informed SIGAR that the Colombo Plan will roll out the rural treatment pilots in October 2017.<sup>882</sup>

Since 2015, INL has transitioned responsibility for 28 of the 86 U.S.-funded drug treatment centers to the MOPH. Transition of other treatment centers, originally scheduled for January 2017, has been suspended while INL, the MOPH, the MCN, and the NGOs renegotiate the transition plan. The majority of the transition plan has been accepted and INL and MOPH are working out the final details.<sup>883</sup> The remaining treatment centers are to transition by the end of 2019. INL reduced funding to all facilities (including the 28 MOPH centers) by approximately 20% in 2015, another 15% in 2016, and another 25% in 2017.<sup>884</sup> According to INL, with MOPH's collaboration, funding has been decreased to treatment centers to redirect funding to other critical drug demand reduction programs.<sup>885</sup>

Since 2002, INL has obligated the following amounts on drug-treatment centers:<sup>886</sup>

- \$11.4 million to train clinical staff and expended \$10 million to date
- \$18.0 million for all drug-treatment staff (\$12 million for clinical staff and \$6 million for non-clinical staff)
- \$32.3 million to maintain drug treatment clinics, of which \$31 million has been expended

INL has been working with the Afghan government and the Colombo Plan drug advisory program to develop and maintain the country's drug-treatment system since 2003.<sup>887</sup> Most patients at the treatment centers are adult males. Of the 86 facilities, 66 are residential and 20 are outpatient centers. Among the residential treatment centers, 44 also offer home-based services. The residential treatment centers consist of 40 centers for adult males, eight for adult females, eight for children, five for adolescent males and five for adolescent females. Twelve of the 44 home-based programs



provide services to adult females.<sup>888</sup> More than 5,600 clients were treated from April 1 through June 30, 2017.<sup>889</sup>

INL has obligated and spent \$12.5 million in FY 2016 and \$16.1 million in FY 2017.<sup>890</sup> INL estimates that approximately 105,000 patients have been treated to date.<sup>891</sup>

## Counter-Narcotics Community Engagement

INL has obligated \$12.7 million and expended \$11.9 million to fund its Counter-Narcotics Community Engagement (CNCE) program since the program began in April 2013.<sup>892</sup> CNCE funds communication and outreach programs aimed at discouraging poppy cultivation, preventing drug use, and encouraging licit crops. According to INL, surveys indicate that the public messaging campaigns are having a slow but steady impact on Afghan attitudes about illicit narcotics.<sup>893</sup>

CNCE is in its third phase, which began May 2016 and ends November 2017.<sup>894</sup> During the quarter, the implementer, Sayara, held 17 meetings (jirgas) across 12 provinces; 2,100 farmers and village elders participated. Sayara continued to mentor MCN staff on the creation of public-information campaigns.<sup>895</sup>

