

COUNTERNARCOTICS CONTENTS

Key Issues and Events	179
U.S. Reconstruction Funding for Counternarcotics	180
Interdiction and Eradication	186
U.S.-Funded Drug Demand Reduction	192
Alternative Development	193

COUNTERNARCOTICS

KEY ISSUES AND EVENTS

Afghanistan's Ministry of Counter Narcotics (MCN) will likely be disbanded, according to the State Department. President Ashraf Ghani announced his intention in November 2018 to consolidate several ministries. State predicted that consolidating MCN's responsibilities into the other ministries should have minimal effect on programs.⁷⁷⁶

After years developing a stand-alone counternarcotics strategy, the U.S. government has abandoned that endeavor. State informed SIGAR last quarter that U.S. counternarcotics efforts are now interwoven into the Administration's South Asia strategy.⁷⁷⁷ SIGAR is concerned about the impact of MCN's dissolution on counternarcotics programs and the lack of a stand-alone U.S. government counternarcotics strategy.

The United Nations Office on Drugs and Crime (UNODC) released its annual Afghanistan opium survey in November 2018. The area under poppy cultivation decreased 20% from 2017 levels to 263,000 hectares due to a prolonged drought and significantly lower market prices following 2017's record crop. The 2018 result was still the second-highest measurement since UNODC began monitoring the country's opium poppy in 1994. Potential opium production decreased 29% in 2018 to 6,400 tons as a result of decreases in area under poppy cultivation and opium yield per hectare.⁷⁷⁸

Opium-poppy cultivation and production decreases do not stem from law-enforcement activity. Despite interdictions, arrests, prosecutions and narcotic seizures, the cumulative opium seizures for the past decade are equivalent to merely 7.5% of 2018's total opium production as reported by UNODC.⁷⁷⁹ While the Counter Narcotics Justice Center (CNJC)'s conviction rate exceeds 90%, the CNJC has not prosecuted high-level individuals; the majority of its cases focus on poor, low-level offenders who are caught transporting drugs.⁷⁸⁰

Between October 1 and December 20, 2018, DOD reported seizures of 626 kilograms (kg) of opium, 7 kg of morphine, 1,442 kg of heroin, 2,742 kg of hashish, and 1,040 kg of **precursor chemicals**. A kilogram is about 2.2 pounds. Afghan specialized units conducted 20 operations, compared to 24 operations reported last quarter.⁷⁸¹

USFOR-A carries out interdiction missions against drug-trade-related targets as part of a broader counterthreat finance (CTF) campaign targeting

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.

insurgents' revenue generation.⁷⁸² DOD does not consider its CTF campaign part of the counternarcotics mission in the country.⁷⁸³ Between July 1 and September 30, Coalition forces struck 62 targets, including 34 narcotics production facilities. The bombing campaign against those revenue streams seems to have abated this quarter. Only two targets were struck by Coalition forces between October 1 and December 20.⁷⁸⁴ According to USFOR-A, the campaign remains effective at destroying the enemy's resources, causing it to make tactical changes to avoid strikes.⁷⁸⁵

According to DOD, operations targeting narcotics have denied an estimated \$200 million to those involved in the illegal drug trade in Afghanistan, including more than \$42 million to the Taliban specifically.⁷⁸⁶ DOD uses estimated amounts because, as DOD officials have stated in multiple press briefings, no ground verification takes place to weigh and assess the amounts of the precursors or products actually destroyed by a strike. According to DOD, the numbers represent a sufficient and consistent measure of performance (not effect, which is measured in intelligence reports).⁷⁸⁷ Prior quarterly reports have raised SIGAR's concerns about DOD's methodology regarding the campaign's financial impact on drug trafficking organizations resources and the potential risk to civilian populations.⁷⁸⁸

U.S. RECONSTRUCTION FUNDING FOR COUNTERNARCOTICS

As of December 31, 2018, the United States has provided \$8.87 billion for counternarcotics (CN) efforts in Afghanistan since 2002. Congress appropriated most CN funds for Afghanistan through the Department of Defense Drug Interdiction and Counter-Drug Activities (DICDA) Fund (\$3.25 billion), the Afghan Security Forces Fund (ASFF) (\$1.31 billion), the Economic Support Fund (\$1.45 billion), and a portion of the State Department's International Narcotics Control and Law Enforcement (INCLE) account (\$2.31 billion).⁷⁸⁹

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).⁷⁹⁰

The End of the Ministry of Counter Narcotics?

In November, President Ghani announced his intention to dissolve the Ministry of Counter Narcotics (MCN) as part of a plan to consolidate several ministries. According to State, the dissolution of the MCN would have no significant impact on programs if care is taken not to disrupt counternarcotics policies.⁷⁹¹

SIGAR AUDIT

An ongoing financial audit is examining a \$68.2 million contract for law-enforcement program operations and support services in Kabul by Pacific Architects and Engineers Inc. The audit is examining \$32.4 million in costs incurred over the period 3/7/2016 to 3/18/2017. The INL contract provides support services to specialized narcotics law-enforcement units within the CNPA, and support to the CNJC, including operations, maintenance, and life and mission support to seven international zone locations in Kabul. More information is available in Appendix C of this report.

Previous SIGAR quarterly reports have addressed institutional challenges at the Ministry of Counter Narcotics. For instance, State's Bureau of International Narcotics and Law Enforcement Affairs (INL) implemented financial-remediation services in 2016 to address the ministry's financial-management deficiencies identified by a public financial-management risk assessment.⁷⁹² INL also ended the Good Performers Initiative program in 2016 because of the ministry's inadequate technical capacity.⁷⁹³

Other SIGAR work has highlighted the varying success of prior counternarcotics efforts that have been hampered by security challenges and a poor economy. Afghanistan remains the global leader in opium cultivation and production. However, the fight against illicit narcotics does not appear to be a consistent priority either for the international community or the Afghan government. U.S. funding for CN efforts has decreased in recent years: the interdiction budget, for instance, fell from a peak of \$627 million in 2010 to approximately \$138 million in 2017.⁷⁹⁴ Additionally, counternarcotics scarcely featured among the goals at the Geneva Ministerial Conference on Afghanistan in November 2018 and is absent from the resulting Geneva Mutual Accountability Framework (GMAF): no deliverables relate to counternarcotics efforts or opium-poppy cultivation.⁷⁹⁵

Last quarter, the U.S. government reported its decision to forego a stand-alone counternarcotics strategy for the country. According to the State Department, U.S. counternarcotics efforts are interwoven into the Administration's South Asia strategy. That strategy grants the U.S. military new authorities to target insurgent financial networks, including narcotics production facilities. The bombing campaign against those revenue streams seems to have abated this quarter. Between July 1 and September 30, 2018, Coalition forces bombed 62 targets during the air campaign, including 34 narcotics facilities. Between October 1 and December 20, Coalition forces struck only two targets.⁷⁹⁶

One of the recommendations in SIGAR's 2018 lessons-learned report on counternarcotics efforts in Afghanistan is to develop a counternarcotics strategy whose goals are aligned with and integrated into the larger security, development, and governance objectives of the United States and Afghanistan. A counternarcotics strategy, the report said, should be coordinated between various U.S. agencies and Afghan ministries. SIGAR's report found that counternarcotics efforts lacked sufficient coordination and consistent implementation.⁷⁹⁷

Certain Afghan ministries with counternarcotics responsibilities still exhibit institutional weaknesses and vulnerabilities. According to DOD, the Ministry of Interior's institutional capabilities remain underdeveloped, while SIGAR found the Ministry of Counter Narcotics lacked the political influence, financial resources, and implementing capacity to fight the burgeoning drug trade.⁷⁹⁸ The Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) in its seventh *Quarterly*

Monitoring Report on recommendations for the Ministry of Public Health (MOPH), released this year, noted improvement in several areas identified in its 2016 analysis of corruption and vulnerabilities. However, the MEC expressed concern about five pending recommendations during the monitoring period; all five concern human-resource management and four are reversals from a previous study.⁷⁹⁹ Nonetheless, the State Department maintains that abolishing the MCN and absorbing its responsibilities into other ministries will have no significant impact on current counternarcotics programs.⁸⁰⁰

INL told SIGAR that staffing departures at the MCN are apparent with the Deputy Minister of Policy and Planning and the Provincial Director being the most high profile. INL is working with the MCN and other ministries, and its implementing partners, to prepare for a possible reassignment of CN duties.⁸⁰¹

Annual Opium-Poppy Cultivation Results Decrease

UNODC's Afghanistan opium survey for 2018 estimates that the total area under poppy cultivation decreased to 263,000 hectares from 328,000 hectares in 2017 due to a prolonged drought and significantly lower market prices following 2017's record crop. The 2018 figure represents a 20% decrease from 2017 levels but remains the second-highest amount since UNODC began recording levels in 1994. Southern Afghanistan accounts for the largest share of opium-poppy cultivation, with Helmand remaining the leading poppy-cultivating province at 136,798 hectares. Kandahar Province ranked second at 23,410 hectares and Uruzgan third at 18,662 hectares. These three provinces account for 68% of the national cultivation total.⁸⁰²

Some provinces in the northern region of the country had the highest decreases compared to 2017: Jowzjan at 338 hectares and Sar-e Pul at 660 hectares experienced a 90% and 81% decrease respectively from their 2017 results. Reductions in the north stem from the drought.⁸⁰³

The western region ranked second in terms of opium-poppy cultivation totals—the same as last year. Western provinces also experienced cultivation decreases caused by the drought: the two top cultivation provinces of Farah (10,916 hectares) and Nimroz (9,115 hectares) had 15% and 21% decreases from 2017 totals. Levels in Badghis decreased 72% to 6,973 hectares from 2017.⁸⁰⁴

The number of poppy-free provinces remained unchanged from 2017 at 10: Nuristan Province regained its poppy-free status, but Takhar Province, declared poppy-free since 2008, lost it.⁸⁰⁵

Potential opium production decreased 29% in 2018 to 6,400 tons from 9,000 tons the previous year. The opium yield, estimated at 24.4 kg per hectare in 2018, decreased 11% from 27.3 kg per hectare in 2017. According to UNODC, an estimated 5,000–5,300 tons of opium poppy were potentially available for domestic and foreign heroin production in 2018.⁸⁰⁶

The significant decrease of the **farm-gate price** of dry opium (a 39% decrease to \$94 per kg from the 2017 price of \$155 per kg) had a significant impact on farmers' earned income from opium cultivation. According to UNODC, the estimated farm-gate value for 2018 at \$604 million—equivalent to approximately 3% of the country's estimated licit GDP—decreased 57% compared to 2017's estimated value of \$1.4 billion.⁸⁰⁷

Insurgent Districts Account for 48% of Opium-Poppy Cultivation Compared to 26% for Government Districts

This quarter, for the first time, SIGAR analyzed district-level opium poppy cultivation across the 7.3 million hectares of agricultural land devoted to annual crops in Afghanistan using the most recent UNODC data. SIGAR found that while insurgent activity or high-activity areas are far more likely to grow poppy, significant amounts are also grown in government-controlled or -influenced areas.

In 2018, the Afghan government-controlled or -influenced 52% of agricultural land devoted to annual crops. Some 26% of the country's total opium-poppy cultivation takes place within this government-controlled or -influenced agricultural land.⁸⁰⁸

In contrast, districts with insurgent activity and high-insurgent activity encompassed only 18% of agricultural land, yet accounted for 47% of opium poppy cultivation. SIGAR's analysis showed that opium-poppy cultivation is more intense in districts under insurgent activity or high-activity. Whereas only 3% of the available agricultural land in government-controlled or -influenced districts is planted with opium poppy, that figure rises to 12% of available agricultural land in insurgent activity or high-insurgent activity districts.⁸⁰⁹

The difference becomes even more apparent when comparing strictly government-controlled districts to high insurgent activity districts—government-controlled districts plant only 1% of their agricultural area with opium poppy compared to at least 21% for high insurgent activity districts.⁸¹⁰

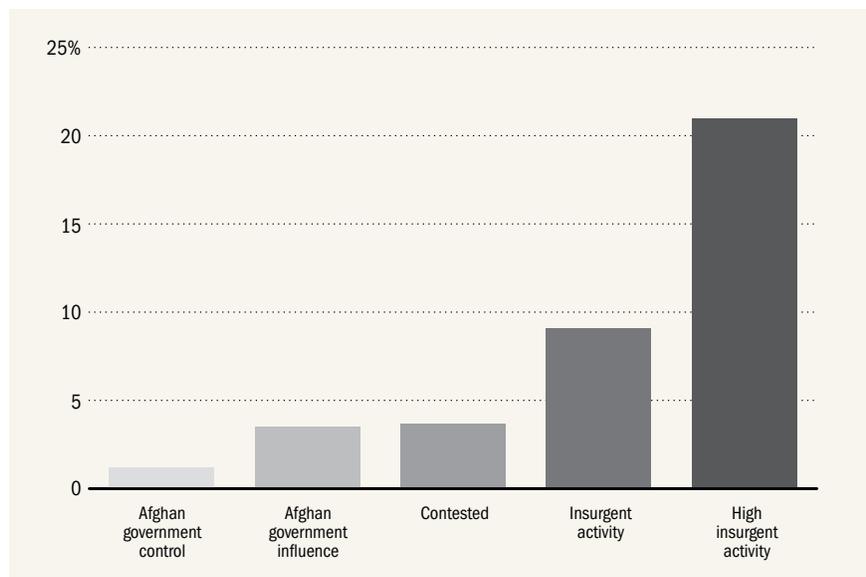
For at least a decade, the common wisdom has been that the insurgency controls the vast majority of opium-poppy cultivation land areas. For example, the 2008 UNODC *Afghanistan Opium Survey* stated that “Afghan opium is grown exclusively (98%) in seven south-west provinces, where insurgents control the territory and organized crime groups benefit from their protection.”⁸¹¹ This statistic was subsequently picked up by journalist and *Seeds of Terror* author Gretchen Peters, who later became an advisor to various U.S. government agencies and service members working on counternarcotics in Afghanistan.⁸¹² More recently, the UN's January 2018 International Narcotics Control Board report stated that up to 90% of drug production falls within Taliban-controlled areas.⁸¹³ This quarter, DOJ also reported that enforcing the law in Afghanistan is complicated because “over 85% of poppy cultivation occurs in areas currently controlled or contested by the Taliban.”⁸¹⁴

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

Source: OECD, *Glossary of Statistical Terms*, “Farm Gate Price,” 7/8/2005, <https://stats.oecd.org/glossary/detail.asp?ID=940>, accessed 1/25/2019.

FIGURE 3.48

PERCENTAGE OF AGRICULTURE DEVOTED TO OPIUM-POPPY CULTIVATION BY RS-DEFINED DISTRICT CONTROL



Note: Percentages are unweighted averages.

Source: UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, 11/2018, pp. 61–68; FAO, *2010 Land Cover Database of the Islamic Republic of Afghanistan* (www.fao.org/geonetwork); RS, response to SIGAR data call, 12/20/2018.

SIGAR analysis shows these claims to be more nuanced.

While insurgent activity and high-activity districts account for the majority of opium-poppy cultivation, SIGAR found that only 40% of opium poppy was cultivated in insurgent activity or high-insurgent-districts in 2017; this rose to 48% of opium-poppy cultivation in 2018.⁸¹⁵

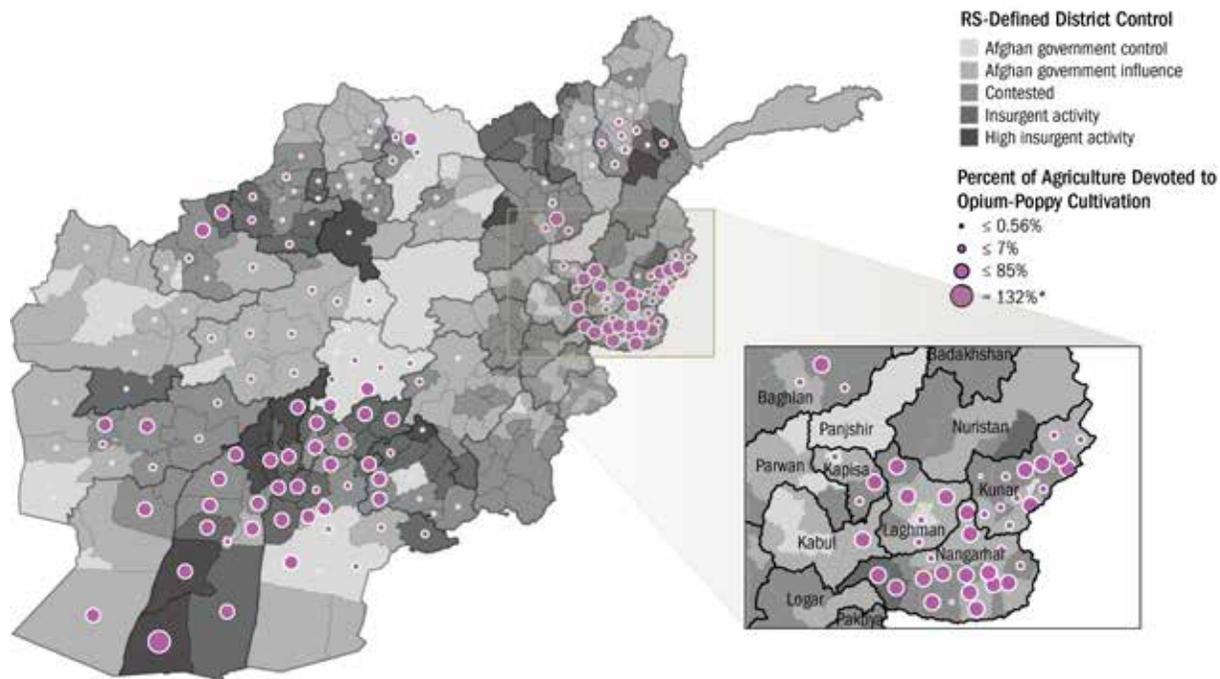
According to the UN Food and Agricultural Organization, Afghanistan has approximately 7.3 million hectares of irrigated or rain-fed agricultural land suitable for cultivating annual crops such as wheat or opium poppy, among others.⁸¹⁶ RS-defined district control data from October 2018 indicates that most agricultural land is in government-influenced districts (145 districts, 2.66 million hectares), followed by contested (138 districts, 2.20 million hectares), government-controlled (74 districts, 1.14 million hectares), insurgent activity (38 districts, 960 thousand hectares), and high insurgent activity districts (12 districts, 374 thousand hectares).⁸¹⁷

If opium-poppy cultivation were spread evenly across agricultural areas, one would expect that the amount of opium poppy cultivated should be highest in government-influenced districts and lowest in high insurgent activity districts because of the disparity in their respective land areas. However, SIGAR found that most opium poppy is cultivated in contested

COUNTERNARCOTICS

FIGURE 3.49

DISTRICT OPIUM-POPPY CULTIVATION RESULTS AND AFGHANISTAN'S DISTRICT STABILITY



Note: The district map was adapted from the 2012 Afghan Geodesy and Cartography Head Office (AGCHO) shapefile that included 399 districts. Adjustments, some approximate, were made to data for districts that were whole in AGCHO's 399-district set but that were split in RS's 407-district set. See R.L. Helms, District Lookup Tool, <https://arcgis.com/arcgis/rest/services/1b0jGv> accessed 10/14/2018, for differences amongst district sets. This year, UNODC recognized a total of 406 districts in comparison to RS's 407 districts. Efforts were made to fit UNODC districts and cultivation data into RS's districts in the following manner: UNODC recognizes but RS does not recognize Baghlan and Baghlan-i-Jadeed (RS includes Baghlan in Baghlan-i-Jadeed), Ghormach in Faryab (RS recognizes Ghormach in Badghis), Kohistan in Kapisa (unable to locate Kohistan; district ignored because it had no opium-poppy cultivation), Ali Kahil and Shamul in Paktiya (ignored due to zero opium-poppy cultivation in Paktiya), and Hissa-i-Duwumi in Panjshir (ignored due to zero opium-poppy cultivation in Panjshir). UNODC does not recognize but RS does recognize Marjah in Helmand (UNODC opium-poppy cultivation data split evenly between RS's Nad Ali and Marjah), Dand in Kandahar (all UNODC opium-poppy cultivation data accounted for in RS's Dand instead of Kandahar District), Bad Pash in Laghman (ignored due to zero opium-poppy cultivation in Mehtar Lam from which Bad Pash was separated in 2011), Delaram in Nimroz (a municipality formerly recognized as part of Khash Rod, ignored due to its urban environment), Mirzakah in Paktiya (ignored due to zero opium-poppy cultivation in Paktiya), Abshar in Panjshir (ignored due to zero opium-poppy cultivation in Panjshir), Chinantu in Uruzgan Province (broken off of Tarin Kot, due to the prevalence of agriculture in RS's Tarin Kot, all UNODC opium-poppy cultivation estimates remained in RS's Tarin Kot). In addition to UNODC opium-poppy cultivation estimates and RS-defined district control data, the UN Food and Agricultural Organization's (FAO) 2010 Land Cover Database of the Islamic Republic of Afghanistan was used to determine total district-level irrigated and rainfed agricultural area. To produce the map, SIGAR used ArcGIS Pro 2.2, all layers were projected to UTM 42N, and hectares of opium-poppy cultivation were divided by total district agricultural area to derive a percent of district agriculture devoted to opium-poppy cultivation. The percent of opium-poppy cultivation was then symbolized using the quantile method which produces an approximately equal number of observations per class to facilitate comparative analysis, but the interval of the class must therefore be variable.

*Dishu District in the south of Helmand Province registered a seemingly impossible 132% of agriculture devoted to opium-poppy cultivation. This anomaly is most likely due to a rapid increase in total agricultural area between 2010, when FAO collected its land cover data, and 2018 when UNODC recorded their most recent opium-poppy cultivation estimates. Because the percentage of agriculture devoted to opium-poppy in Dishu was approximately 47% higher than the next highest intensity district, Dishu District was excluded from averages, but Dishu opium-poppy and agricultural land area were included in total area calculations.

Source: USFORA, data call response as of 12/20/2018; UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, pp. 64–70.

districts (71,973 hectares), followed by insurgent activity (64,481 hectares), high insurgent activity (59,449 hectares), and at the bottom, government-influenced (54,557 hectares), and government-controlled districts (12,130 hectares).⁸¹⁸

The mismatch between expected opium-poppy cultivation and measured opium-poppy cultivation can be explained by the intensity in which high insurgent activity districts cultivate opium poppy. Figure 3.48 on shows that at least 21% of the agricultural area in high insurgent activity districts was

planted with opium poppy during the 2018 opium-poppy season. In contrast, only about 1% of the agricultural area in government-controlled districts was sown with opium poppy during the same time period. The remaining control types (insurgent activity, 9%; contested, 4%; and government-influenced, 4%) fall between these two extremes.⁸¹⁹

In short, the agricultural economy in high insurgent activity districts is about 21 times more specialized in opium-poppy cultivation than in government-controlled districts. The cause of this difference is unknown, but likely factors may include security or governance tactics used on all sides, the more rural character of insurgent districts, and varying types of control along the opium-supply chain (opium-poppy cultivation versus opium export).⁸²⁰

The map in Figure 3.49 on page 185, illustrates the intensity of opium-poppy cultivation overlaid on RS's district control assessment as of October 22, 2018. Among the 60 districts in the highest-intensity category, 21 are assessed as being under government control or influence (for instance Chahar Burjak, Tirin Kot, Zharey, Darah-ye-Nur, and Shinwar), 21 are contested districts, and 17 are under insurgent activity or high-activity (for instance Dishu, Musa Qalah, Kajaki, Sangin, and Now Zad).⁸²¹

The medium-intensity category includes 59 districts with 32 under government control or influence, 20 contested, and seven under insurgent activity or high-activity. Districts in the low-intensity grouping include 33 under government control or influence, 19 contested, and seven under insurgent activity or high-activity. The final category of poppy-free districts includes 230 districts, of which 133 are under government control or influence, 19 under insurgent activity or high-activity, and 78 are contested.⁸²²

INTERDICTION AND ERADICATION

The seriousness of Afghanistan's narcotics problem is underscored by its prohibition in the country's constitution: "The state shall prevent all kinds of terrorist activities, cultivation and smuggling of narcotics, and production and use of intoxicants."⁸²³ The Afghan government's goals in its national drug action plan are to:

- decrease opium poppy cultivation
- decrease production and trafficking of opiates
- reduce domestic demand for narcotics while increasing treatment for users

To achieve these goals, the Afghan government uses law-enforcement entities in attempting to disrupt and dismantle drug production and trafficking organizations. Eradication campaigns aim to discourage poppy cultivation. Alternative-livelihood options are also explored and strengthened to decrease poppy cultivation.⁸²⁴

Composition of the Afghan Counter Narcotics Police

The Counter Narcotics Police of Afghanistan (CNPA), comprising regular narcotics police and specialized units, leads counternarcotics efforts by Afghan law-enforcement personnel. The CNPA, authorized at 2,596 personnel, are located in all 34 provinces. Specialized units include the Sensitive Investigation Unit (SIU), the National Interdiction Unit (NIU), and the Intelligence and Investigation Unit (IIU).⁸²⁵ The NIU conducts interdiction operations and seizures, serves arrest warrants, and executes search warrants in high-threat environments. The NIU receives mentoring from the U.S. Drug Enforcement Administration (DEA) and U.S. Special Operations Forces. In 2018, the NIU's tashkil was increased by 250 personnel to 783.⁸²⁶

The Technical Investigative Unit (TIU) is an individual component consisting of 100 translators who work within the Joint Wire Intercept Platform in support of SIU/NIU investigations. Another SIU component has four officers responsible for administrative management of court orders obtained by SIU investigators to conduct Afghan judicially authorized intercepts.⁸²⁷

The SIU's mission is to identify significant drug-trafficking organizations (DTOs) operating in Afghanistan and dismantle them through the Afghan criminal justice system. The Judicial Wire Intercept Program maintains real-time coverage of judicially intercepted lines.⁸²⁸

Other Afghan law-enforcement elements such as the General Command of Police Special Units conducts high-risk operations against terrorism, narcotics, and organized crime.⁸²⁹ The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.⁸³⁰ The ABP collaborate closely with the counternarcotics elements of the Anti-Crime Police and Ministry of Finance, national and international intelligence agencies, as well as border police of neighboring states.⁸³¹

In December 2017, a majority of the ABP was transferred from the Ministry of Interior to the Ministry of Defense and renamed the Afghan Border Force (ABF).⁸³² According to United States Forces-Afghanistan (USFOR-A), the reorganization has had no noticeable impact on border security or narcotics smuggling. But mistrust between the Ministries of Interior and Defense has impeded the ABF's integration. Equipment constraints and security threats have also hindered the ABF in conducting its primary mission of border security.⁸³³

The Special Mission Wing (SMW) is a rotary and fixed-wing aircraft force that supports NIU missions as well as counterterrorism missions conducted by Afghan special security forces. The SMW is the only Afghan National Defense and Security Forces (ANDSF) organization with night-vision, rotary-wing air assault, and fixed-wing intelligence-surveillance-reconnaissance capabilities. The SMW structure consists of four squadrons, two located in Kabul, one at Kandahar Airfield, and one in Mazar-e Sharif.⁸³⁴

Since its establishment in 2012, the SMW has been used to conduct counterterrorism (CT) and counternarcotics missions. In recent years,

CT missions have dominated.⁸³⁵ DOD reported last year that the majority of SMW missions were counterterrorism operations between December 1, 2017, and May 31, 2018.⁸³⁶ Of the 1,202 SMW missions flown between June 1 and November 30, 2018, DOD reported that 3.7% supported counternarcotics operations while 77.2% supported CT efforts.⁸³⁷ The reported mismanagement of SMW assets has also been a continuing problem. According to RS' concept of employment, SMW misuse occurs when officials do not follow the approval process or use assets without appropriate execution planning time, use assets for civilian movements, or evacuate other forces than the Afghan special security forces. CSTC-A began enforcing penalties for misuse in August. Fines increased to \$150,000 per Mi-17 flight hour and \$60,000 per PC-12 flight hour in September 2018. According to DOD, the penalties were effective in the near term since SMW misuse decreased in September. CSTC-A fines totaled \$582,306 from June 1 through November 30, 2018.⁸³⁸ More information on the SMW is available in the Security section on page 95.

U.S. Funding for Afghan Counternarcotics Elements

INL estimates that it funds approximately \$21 million per year for NIU and SIU operations and maintenance. Costs directly attributable to NIU and SIU include \$2.47 million to support the Joint Wire Intercept Platform program under an interagency agreement with the DEA and \$425,000 per year for NIU salary supplements. SIU supplements are funded separately by DEA.⁸³⁹ 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 police officers to unit commanders on the basis of rank.⁸⁴⁰

DOD provided \$675,000 for equipment to the NIU for 2017 and \$1 million for equipment such as vehicles and communications gear to be delivered in 2019.⁸⁴¹

Interdiction Results

During the first quarter of FY 2019, most interdiction activities took place in the capital and eastern regions of the country. These activities include routine patrols, vehicle searches, and arrests. Afghan forces performed operations between October 1 and December 20 resulting in 34 detentions and the following seizures:⁸⁴²

- 626 kg of opium
- 7 kg of morphine
- 1,442 kg of heroin
- 2,742 kg of hashish
- 1,040 kg of chemicals

Both INL and DOD said the poor security situation in Afghanistan hinders the access of government forces to extensive areas where opium is

COUNTERNARCOTICS

TABLE 3.31

INTERDICTION RESULTS, FISCAL YEARS 2009–2019												
	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 ¹	Total ²
Number of Operations	282	263	624	669	518	333	270	190	156	195	20	3,656
Detainees	190	484	862	535	386	442	394	301	152	274	34	4,103
Hashish seized (kg)	58,677	25,044	182,213	183,776	37,826	19,088	24,785	123,063	227,327	42,842	2,742	1,168,736
Heroin seized (kg)	576	8,392	10,982	3,441	2,489	3,056	2,859	3,532	1,975	3,242	1,442	42,263
Morphine seized (kg)	5,195	2,279	18,040	10,042	11,067	5,925	505	13,041	106,369	10,127	7	183,006
Opium seized (kg)	79,110	49,750	98,327	70,814	41,350	38,379	27,600	10,487	24,263	23,180	626	479,247
Precursor chemicals seized (kg)	93,031	20,397	122,150	130,846	36,250	53,184	234,981	42,314	89,878	22,863	1,040	851,643

Note: The significant difference in precursor chemicals total seizures between 2014 and 2015 is due to a 12/22/2014 seizure of 135,000 kg of precursor chemicals.

¹ Results for period 10/1/2018–12/20/2018.

² The following FY 2008 results included in the total are not indicated in the table: 136 operations; 49 detainees; 241,353 kg of hash; 277 kg of heroin; 409 kg of morphine; 15,361 kg of opium; 4,709 kg of precursor chemicals.

Source: DOD CD, response to SIGAR data call, 7/29/2015, 7/20/2017, and 12/21/2018.

grown, transported, processed, and sold.⁸⁴³ According to INL, the support of the U.S. Special Forces advisory team to the NIU has helped overcome security challenges and facilitated NIU access to resources such as rotary-wing lift, and has enabled missions in remote areas. The NIU maintains forward-based personnel in Kandahar, Kunduz, and Herat.⁸⁴⁴

DEA did not provide data this quarter due to the partial U.S. federal government shutdown.

Interdiction results have minimal impact on curbing Afghanistan's massive opium production and cultivation. As shown in Table 3.31, the cumulative opium seizures for the approximate past decade is merely 7.5% of this year's total opium production result reported by UNODC.⁸⁴⁵

New Penal Code Enforcement of Counternarcotics Provisions

The Counter Narcotics Justice Center (CNJC) reported that it referred 161 cases to the trial court between July 1 and September 30, 2018, resulting in 228 primary court convictions under Afghanistan's new penal code provisions.⁸⁴⁶

The provinces with the highest number of high-level drug smuggling and trafficking cases in the third quarter of 2018 were Kabul (93 cases) and Nangarhar (25 cases).⁸⁴⁷

While the CNJC's conviction rate exceeds 90%, the CNJC has not prosecuted high-level individuals; the majority of its cases focus on poor, low-level offenders who are caught transporting drugs.⁸⁴⁸ The CNJC receives \$6 million in annual operations and maintenance funding from INL. As noted in SIGAR's lessons-learned report on counternarcotics, the CNJC is an example of a capacity-building success, but not a strategic one. The CNJC has not prosecuted major traffickers, often connected with the

COUNTERNARCOTICS

Afghanistan's political elite.⁸⁴⁹ The CNJC prosecuted no money-laundering cases in 2018.⁸⁵⁰

The CNJC prosecution unit was developed to prosecute the highest-level narcotics cases. However, DOJ reported that since the lowering of narcotic quantity thresholds for cases referred to the CNJC, low-level narcotics prosecutions have increased significantly, adding administrative and detention burdens and impacting the CNJC's ability to investigate and prosecute complex cases. According to DOJ, the CNJC's high conviction rate may underscore the assembly line nature of the cases as well as the targeting of poor, low-level offenders.⁸⁵¹ The CNJC is almost totally dependent on donor support and demonstrates little independent sustainability. There is no evidence that the Afghans will support the program after INL funding ceases.⁸⁵²

DEA informed SIGAR last quarter that no high-value targets were apprehended—the same as the previous two quarters. Only two high-value targets were apprehended during FY 2017.⁸⁵³ SIGAR did not receive updated information on high-value targets from DEA this quarter due to the partial U.S. federal government shutdown.

Eradication Results

Governor-Led Eradication

Under the Governor-Led Eradication (GLE) program, INL reimburses provincial governors \$250 toward the eradication costs of every UNODC-verified hectare of eradicated poppy.⁸⁵⁴ INL has obligated and disbursed \$6.9 million since the program's inception in 2008.⁸⁵⁵

UNODC reported the eradication of 406 hectares during 2018, a 46% decrease from 2017. Eradication took place in Kunar, Nangarhar, Kandahar, and Badakhshan Provinces. No eradication has taken place in Helmand, the highest poppy-cultivating province, since 2016.⁸⁵⁶

INL informed SIGAR last quarter it had provided \$75,000 in advance payments to MCN in support of eradication activities in Kunar, Nangarhar, Laghman, Kabul, Kapisa, Samangan, Balkh, Jowzjan, Sar-e Pul, Badakhshan, Herat, and Badghis Provinces. INL will provide funding for the verified hectares of poppy eradicated in 2018, net of advance payments.

According to INL, the MCN has not produced a final eradication strategy containing provincial targets for 2019.⁸⁵⁷

As Figure 3.50 illustrates, eradication efforts have had minimal impact on curbing opium-poppy cultivation. Since 2008, on average, annual eradication results represent 2% of the total yearly opium-cultivation total.⁸⁵⁸

Good Performers Initiative

The now-ended INL-funded Good Performers Initiative (GPI) sought to incentivize provincial governors' counternarcotics and supply-reduction

COUNTERNARCOTICS

FIGURE 3.50

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



Source: UNODC, *World Drug Report 2016*, 5/2016, Annex, vii, ix, xii; UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, 11/2018, pp. 5, 61–68.

activities by supporting sustainable, community-led development projects in provinces that significantly reduced or eliminated poppy cultivation. According to INL, the program was deemed “ineffectual at curbing opium cultivation” in those provinces receiving awards. MCN’s inability to adequately manage the program was also a factor in INL’s phasing it out.⁸⁵⁹

GPI projects included schools, roads, bridges, irrigation structures, health clinics, and drug treatment centers.⁸⁶⁰ However, no new GPI projects were approved after April 30, 2016, and GPI is not starting new projects.⁸⁶¹

The number of poppy-free provinces increased from six at the beginning of the program in 2007 to 15 in 2013, the last year GPI funds were awarded.⁸⁶²

As of November 2018, INL reported that 286 projects valued at \$126.9 million have been contracted. Of those, 282 projects have been completed and four are still in progress.⁸⁶³

Ministry of Counter Narcotics Capacity Building

The State Department announced that functions performed by the Ministry of Counter Narcotics (MCN) could be transferred to other ministries as part of President Ghani’s fall 2018 announcement of his intention to consolidate several ministries. State predicted that if the merger takes place, it will have little impact on counternarcotics programs.⁸⁶⁴

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. The organization has since expanded to include 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: Colombo Plan Secretariat website, "History," www.colombo-plan.org, accessed 7/1/2017; INL, *International Narcotics Control Strategy Report, Volume I: Drug and Chemical Control*, 3/2018, p. 19.

INL funds capacity-building programs to strengthen law enforcement, drug prevention, treatment, and recovery.⁸⁶⁵ Since 2008, INL has obligated \$35.8 million and disbursed \$27.7 million to build capacity at the MCN.⁸⁶⁶ INL is currently implementing an Asian University for Women (AUW) fellowship, and a **Colombo Plan** advisors program.⁸⁶⁷

There are currently five advisors. In addition, at the 2018 INL-Afghanistan Bilateral Workshop in Jakarta, Indonesia, INL, MCN, and the Ministry of Public Health (MOPH) agreed to create an advisor position to assist with the transition of drug treatment centers to MOPH responsibility. To date, INL has disbursed \$2 million to the Colombo Plan for the AUW fellowship program.⁸⁶⁸

SIGAR questioned INL about the future of capacity-building programs at the ministry and INL informed SIGAR it is evaluating all contracts. If the dissolution of the MCN occurs, INL will work with the Colombo Plan and ministries taking on counternarcotics roles and responsibilities to discuss the placement of advisors and fellows.⁸⁶⁹

U.S.-FUNDED DRUG DEMAND REDUCTION

INL works closely with international partners to coordinate and execute capacity-building and training activities for service providers in drug prevention, treatment, and recovery.⁸⁷⁰ The INL-funded 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 women and children is among the highest documented worldwide, and 30.6% of rural households included at least one member who tested positive for some form of illicit drug.⁸⁷¹

The United States and the Afghan government are finalizing a transition plan for the transfer of U.S.-funded drug-treatment centers to the Afghan government. As mentioned above, at the Jakarta workshop held December 3–6, 2018, INL, MCN, and the MOPH agreed to create a drug-demand-reduction transition plan advisor position. Revisions to the transition plan made at the Jakarta meeting are not yet final as negotiations continue with MOPH.⁸⁷²

According to INL, if the possible dissolution of MCN takes place, the impact on drug-demand-reduction programs would be minimal since MOPH is currently responsible for implementing drug-demand-reduction policy.⁸⁷³

To date, 27 drug-treatment centers have fully transitioned to MOPH control. Twenty-one additional centers are expected to transition in 2021. INL has gradually reduced funding to drug treatment centers since 2015.⁸⁷⁴

Most of the patients at the 86 drug-treatment centers supported by INL are adult males. Of the 86 facilities, 67 are inpatient centers and 19 are outpatient centers; 24 are dedicated to women, adolescents, and

children.⁸⁷⁵ Forty-four of the residential treatment centers also offer home-based services. Six of the 44 home-based programs provide services to adult females.⁸⁷⁶

INL has obligated and disbursed approximately \$156.9 million for the Colombo Plan since 2008 on drug demand reduction programs.⁸⁷⁷ 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 supports UNODC's global child-addiction program to develop protocols for treating opioid-addicted children, training treatment staff, and delivering services through nongovernmental organizations. The United States also funds an antidrug curriculum in Afghan schools that has trained over 1,900 teachers and reached over 600,000 students in 900 schools.⁸⁷⁸

In October, INL and the U.S. Embassy's public affairs section delivered nearly 40 drug-themed talks and speeches at Lincoln Learning Centers reaching over 5,200 people. Lincoln Learning Centers provide information about the United States to the general public through book and digital media at host institutions.⁸⁷⁹

During FY 2018, INL provided the following funds to various Colombo Plan drug-treatment programs:

- \$346,545 to the Outcome Evaluation of the Drug Treatment Programme
- \$4,447,103 to the Assistance to Specialized Substance Use Disorders Treatment Facilities
- \$1,457,948 to the Colombo Plan's Afghanistan Field Office Support program

INL also provided \$355,271 to UNODC's Preventing Illicit Drug Use and Treating Drug Use Disorders for Children and Adolescents program.⁸⁸⁰

INL has developed a software tool to monitor inventory and procurement at INL-funded drug treatment centers (DTC). In September, INL used the tool to monitor DTCs in Kabul. According to INL, no significant issues have been revealed to date.⁸⁸¹

ALTERNATIVE DEVELOPMENT

Afghanistan experienced a nationwide drought which impacted not only opium-cultivation yields but some alternative livelihood programs as well.⁸⁸² According to the UN, the drought affected 229 of 401 districts as of October 31 and displaced over a quarter-million people from rural to urban areas.⁸⁸³ U.S.-funded programs are listed in the following Table 3.32 on page 194.

SIGAR AUDIT

An ongoing SIGAR audit of INL's drug-treatment programs in Afghanistan is examining the extent to which INL and its implementers: (1) developed strategies and assessed program achievements; (2) conducted required oversight, and identified and addressed program challenges; and (3) incorporated sustainment into the programs. More information is found in Appendix C of this report.

COUNTERNARCOTICS

TABLE 3.32

ALTERNATIVE LIVELIHOOD PROGRAMS						
Project Title	U.S. Implementing Agency	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019	
Afghanistan Value Chain-High Value Crops (AVC-HVC)	USAID	8/2/2018	8/1/2023	\$54,958,860	\$867,575	
Afghanistan Value Chain-Livestock (AVC-L)	USAID	6/9/2018	6/8/2021	55,672,170	2,287,598	
Boost Alternative Development Intervention Through Licit Livelihoods (BADILL)	INL	8/12/2016	8/12/2020	20,000,000	20,000,000	
Community-Based Agriculture and Alternative Development-East (CBARD-East)	INL	11/11/2017	11/11/2020	22,128,683	22,128,683	
Community-Based Agriculture and Alternative Development-West (CBARD-West)	INL	9/1/2016	4/18/2020	24,368,607	24,368,607	
Commercial Horticulture and Agricultural Marketing Program (CHAMP)	USAID	2/1/2010	12/31/2019	71,292,850	59,687,955	
Promoting Value Chains-Western Afghanistan (PVC-W)	USAID	9/20/2017	9/19/2020	19,000,000	3,599,769	
Regional Agricultural Development Program-East (RADP-E)	USAID	7/21/2016	7/20/2021	28,126,111	10,428,478	
Regional Agricultural Development Program-North (RADP-N)	USAID	5/21/2014	5/20/2019	78,429,714	61,503,804	
Total				\$373,976,995	\$204,872,468	

Source: USAID, *Quarterly Pipeline Report, as of 1/12/2019*; State, INL, response to SIGAR data call, 12/20/2018; USAID, *Commercial Horticulture and Agricultural Marketing Program (CHAMP), Quarterly Report, January–March 2018*, 2018, p. 1; USAID, *Promoting Value Chains—Western Afghanistan, Semi-Annual Progress Report, September 20, 2017 to March 31, 2018*, 5/29/2018, i; USAID, *Regional Agricultural Development Program—East (RADP-E), Quarterly Report FY 2018, Quarter 3 (April–June, 2018)*, 7/30/2018, p. 3; USAID, *Regional Agricultural Development Program—East (RADP-E), Activity Monitoring and Evaluation Plan, FY 2018, 1/20/2018*, p. 1; USAID, *Regional Agricultural Development Program (RADP)—North, FY 2018, Quarter 3 (April–June, 2018)*, 7/31/2018, p. 8.

Boost Alternative Development Intervention Through Licit Livelihoods

INL launched the Boost Alternative Development Intervention Through Licit Livelihoods (BADILL) project in August 2016. This alternative-development project is expected to follow through on INL's commitments to those provinces most affected by GPI's cancellation.⁸⁸⁴

According to INL, BADILL offers communities alternatives to poppy cultivation, rather than offering incentives to provinces as with the GPI. The GPI program targeted provincial leadership by providing a political incentive for top-down poppy reduction, and employed a general development approach. BADILL is working directly with small farmers to increase productivity and licit employment opportunities.⁸⁸⁵ INL expects that this approach will render the programs more effective than GPI was.

BADILL is implemented in the following provinces: Helmand, Uruzgan, Nimroz, Samangan, Jowzjan, Takhar, Bamyan, Wardak, Parwan, Panjshir, Paktia, Paktika, and Nangarhar.⁸⁸⁶ In October, small to medium enterprises from various BADILL provinces participated in the Badam Bagh National Agriculture Fair. They sold alternative-development products such as natural soap, mint oil, tea, saffron, and dairy and poultry products worth about AFN 663,000 (\$8,840).⁸⁸⁷ All project components (dairy, poultry, and



Farmer harvesting potatoes in Bamyan Province. (USAID Photo)

vegetable production) showed good returns for beneficiaries in Panjshir. In Helmand and Uruzgan, many of the pistachio saplings supplied perished because of the drought. Replacement saplings will be provided to farmers during the 2019 planting season.⁸⁸⁸

To mitigate effects of the drought, implementers will rehabilitate 336 meters of water canals and retaining walls which would irrigate 10,720 hectares in Faizabad District in Jowzjan rather than establishing the remaining 200 of 300 planned grape orchards in the province. One hundred grape orchards had been built by April 2018 before the drought. Canal construction will begin late February–early March 2019.⁸⁸⁹

Community-Based Agriculture and Rural Development

INL has additional alternative-development projects under the Community-Based Agriculture and Rural Development (CBARD) program. The projects are implemented by UNODC and the United Nations Development Programme (UNDP) and aim to improve household income while reducing dependency on illicit poppy cultivation for selected communities.⁸⁹⁰

Irrigation infrastructure is an important component of the CBARD program. SIGAR's counternarcotics lessons-learned report found evidence, based on Geographic Information System imagery, that some US-funded irrigation improvement projects have inadvertently contributed to greater opium-poppy cultivation. The report concluded that it is important that CBARD projects incorporate risk-mitigation strategies—particularly in areas with a history of opium-poppy cultivation—to ensure that irrigation projects do not lead to more cultivation of poppy, and are instead contributing to licit high-value crops.⁸⁹¹

COUNTERNARCOTICS

TABLE 3.33

COMMUNITY-BASED AGRICULTURE AND RURAL DEVELOPMENT (CBARD)					
Project Title	Start Date	End Date	Implementing Partner	Total Estimated Cost	Cumulative Disbursements, as of 12/31/2018
CBARD-East	11/2017	12/2020	UNDP	\$22,128,683	All funds disbursed
CBARD-West	11/2016	4/2020	UNDP	24,368,607	All funds disbursed
Total				\$46,497,290	\$46,497,290

Source: INL, response to SIGAR vetting, 1/13/2017 and 1/12/2018; State, INL, Letter of Agreement with UNDP, 11/09/2017; INL, response to SIGAR data call, 12/20/2018.

To mitigate the effects of this year's drought, UNDP has prioritized water-conservation trainings and increased projects related to irrigation primarily in drought-affected provinces such as Badghis. CBARD projects will irrigate approximately 4,000 hectares of land.⁸⁹² Table 3.33 provides the funding amounts and project duration dates. All funds have been disbursed.

CBARD-West

CBARD-West introduces and strengthens community-based local production and marketing of traditional high-value crops in 70 communities of Farah and Badghis Provinces. The project aims to directly benefit an estimated 33,240 households. In addition to supporting local farmers with field schools, CBARD-West will develop and strengthen existing public and private agribusiness infrastructure in the areas of irrigation, transportation, and agricultural value-chain facilities.⁸⁹³

As of September 2018, CBARD-West achieved the following in Badghis and Farah Provinces: 20 raisin houses, 165 greenhouses, 110 micro greenhouses, 24 irrigation projects, and 10 cold-storage facilities.⁸⁹⁴

CBARD-East

CBARD-East introduces and strengthens community-based local production and marketing of traditional high-value crops in 100 communities of Nangarhar Province. The program started in January 2018 and will assess alternative livelihoods in communities with high rates of opium cultivation. It aims to directly benefit an estimated 28,500 households. CBARD-East supports local farmers with field schools, and strengthens public and private agribusiness infrastructures such as value-chain facilities, irrigation, and transportation. As of June 2018, CBARD-East has established 46 hectares of orchards, begun construction of 195 greenhouses, trained women in kitchen gardening, and identified 16 additional crop-irrigation projects. An estimated 1,900 hectares will be irrigated; approximately 13,450 households are expected to benefit from these infrastructures.⁸⁹⁵

The program prioritized recruiting female staff and highly encouraged female applicants to apply for positions. However, due to the remoteness

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.

Micro greenhouses: 60 square meters and given primarily to women for income diversification and production at the household level. They are often close to the homes to allow access for women and produce seedlings for commercial greenhouses.

Source: USAID, response to SIGAR vetting, 4/12/2015; State, INL, response to SIGAR vetting, 1/15/2019.

and security status of the project, no female candidates have expressed interest. Currently, two of the 21 recruited staff members are female and five female lead farmers have been identified.⁸⁹⁶ According to UNDP, security, community traditions, and the location of the target provinces present challenges in working with women. CBARD-East will address this challenge by establishing kitchen gardens and home-based greenhouses to ensure women’s involvement in the production of high-value crops.⁸⁹⁷

As of September 2018, CBARD-East has established 200 micro greenhouses since the beginning of the year. CBARD-East has established 230 *jeribs* of orchards (one hectare equals five *jeribs*). The project has provided business-development training to 330 beneficiaries and conducted farmer field schools.⁸⁹⁸

Afghanistan Value Chains Programs

These programs will cover the regions previously targeted by now-inactive Regional Agricultural Development (RADP) programs.⁸⁹⁹ Table 3.34 provides program value, duration, and expenditures to date.

TABLE 3.34

AFGHANISTAN VALUE CHAINS (AVC)					
Project Title	Start Date	End Date	Implementing Partner	Total Estimated Cost (\$)	Cumulative Disbursements, as of 1/12/2019
AVC-Crops	8/2/2018	8/1/2021	DAI	\$33,482,672	\$867,575
AVC-Livestock	6/9/2018	6/8/2021	DAI	34,714,295	2,287,598
Total				\$68,196,967	\$3,155,173

Source: USAID, *Quarterly Pipeline Report*, as of 1/12/2019.

Afghanistan Value Chains-High Value Crops

USAID awarded the \$33.5 million Afghanistan Value Chains-High Value Crops (AVC-HVC) contract in August 2018. USAID retitled the program from Afghanistan Value Chains-Crops to Afghanistan Value Chains-High Value Chains in September 2018. The program’s goals are to reverse market failures, strengthen linkages, spur growth and job creation for men, women, and youth along value chains for fruit, nuts, high-value horticulture, spices, and medicinal crops. Activities are designed around “anchor firms” and important value-chain service providers such as financial institutions, shipping and transport companies, and management consultant firms.⁹⁰⁰ According to USAID, anchor firms have the willingness and potential to create systemic change in their value-chain, with benefits that go beyond the individual firm.⁹⁰¹

The fourth quarter of 2018 was devoted to project startup activities. Recruitment is ongoing; 40% of the local team has been hired. Forty-six anchor firms at various levels of the value chain were assessed and 30

COUNTERNARCOTICS

successfully passed the initial screening process.⁹⁰² As of January 12, 2019, USAID has spent \$867,575.⁹⁰³

Afghanistan Value Chains-Livestock

USAID awarded the three-year \$34.7 million contract in June 2018. Afghanistan Value Chains-Livestock (AVC-L) will work with anchor firms in the poultry, small ruminants, dairy products, and other livestock value-chains.⁹⁰⁴ Between July and September, the implementer continued startup activities, recruited 31 project staff, and identified livestock value chain anchor firms. Project staff also met with stakeholders.⁹⁰⁵ Total disbursements are \$2.3 million, as of January 12, 2019.⁹⁰⁶

Promoting Value Chains-Western Afghanistan

This \$19 million, Promoting Value Chains-Western Afghanistan (PVC-W) program is implemented by the Food and Agriculture Organization (FAO).⁹⁰⁷ PVC-W aims to promote inclusive growth and create jobs in the agriculture sector by strengthening the capabilities of producers and private enterprises by:⁹⁰⁸

- increasing wheat productivity
- improving production and productivity of high-value crops
- enhancing technology utilization in the livestock industry
- building institutional capacity at provincial and district levels

The first year of the project, which launched in January 2018, targeted Herat Province. The project will expand to Badghis, Farah, and Nimroz Provinces in 2019. Sixteen project districts were identified based on the presence of production and processing facilities for targeted crops, accessibility, and security. Nearly 120 beneficiaries such as suppliers, service providers, and associations were selected during the first year.⁹⁰⁹

Private-sector beneficiaries participate in a project innovation fund (PIF). The PIF is a source of co-financing for selected agribusinesses and enterprises. USAID hopes to stimulate investments in private agribusinesses that develop and promote new markets and sales for agricultural inputs, wheat, high-value crops, and dairy products. The PIF intends to improve business performance by addressing some of the key barriers to production and marketing, as well as support farmer and producer groups in adopting and using new technologies and equipment.⁹¹⁰ The initial group of companies were approved for the first round of PIF implementation during the second half of 2018. Proposals from another group were conditionally approved and will likely be accepted for the second round.⁹¹¹

As of January 12, 2019, USAID has disbursed \$3.6 million.⁹¹²

Commercial Horticulture and Agricultural Marketing Program

The Commercial Horticulture and Agricultural Marketing Program (CHAMP) works with leading Afghan processing and export firms to enhance the supply

chain, marketing, and export promotion of Afghan fruits and nuts. CHAMP supports traders through its trade offices in India, United Arab Emirates, and Kazakhstan to boost Afghan agricultural exports.⁹¹³ USAID increased the program's contract from \$56.3 million to \$71.3 million in May 2018.⁹¹⁴

As of September 2018, CHAMP has exported 92,000 tons of produce valued at \$125 million to markets in Pakistan, India, the United Arab Emirates, Canada, and Russia. The program has trained 113,000 farmers, constructed 230 storage facilities, such as cool rooms and raisin drying facilities, and planted 2.85 million saplings. During the last quarter of FY 2018, CHAMP's support of agribusinesses attending the Passage to Prosperity in Mumbai and the Indian Trade Mission event in New Delhi resulted in \$152 million in signed and potential contracts. The Almaty Trade Office facilitated the shipment of fruits to the Kazakh market and hosted the minister of Agriculture, Irrigation, and Livestock, resulting in the permanent lowering of the customs tax from 10–15% to 5%.⁹¹⁵

USAID has disbursed \$59.7 million to date as of January 12, 2019.⁹¹⁶

Regional Agricultural Development Program

USAID's Regional Agricultural Development Program (RADP) intends to help Afghan farmers achieve more inclusive and sustainable economic growth. RADP projects have ended in the western and southern regions, but continue in the eastern and northern regions of Afghanistan. The projects focus on strengthening farmers' productivity in 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.⁹¹⁷

As shown in Table 3.35, USAID funding for all RADP programs, targeting various regions of the country amounts to approximately \$283.6 million and USAID has spent \$206.8 million as of January 12, 2019.⁹¹⁸

TABLE 3.35

USAID REGIONAL AGRICULTURAL DEVELOPMENT PROGRAM (RADP)				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/12/2019
RADP-East	7/21/2016	7/20/2021	\$28,126,111	\$10,428,478
RADP-North	5/21/2014	5/20/2019	78,429,714	61,503,804
RADP-South*	10/7/2013	10/6/2017	111,414,339	108,468,215
RADP-West*	8/10/2014	10/25/2016	65,629,170	26,394,196
Total			\$283,599,335	\$206,794,694

Note: * Denotes inactive programs. Afghanistan Value Chains—Crops and Afghanistan Value Chains—Livestock target the regions previously served by the inactive RADP programs.

Source: USAID, *Quarterly Pipeline Report*, as of 1/12/2019.

RADP-East

The five-year, \$28.1 million RADP-East program seeks to expand sustainable economic growth through the agriculture sector in eight provinces: Ghazni, Kapisa, Laghman, Logar, Nangarhar, Parwan, Wardak, and Kabul. Its goal is to increase the sale of agricultural goods by at least \$57 million by the end of the program in July 2021.⁹¹⁹ Some of the program's achievements to date are:⁹²⁰

- national sales of targeted commodities valued at \$8.5 million
- over 5,600 individuals receiving short-term agriculture sector productivity or food security training
- 232 agro-enterprises and new businesses created and/or benefitting from the project
- 22% of the program participants were female, a result of a U.S. government-assisted program designed to increase access to productive economic resources (assets, credit, income or employment)

USAID has spent \$10.4 million as of January 12, 2019.⁹²¹

RADP-North

RADP-North extends food and economic security for rural Afghans of six provinces: Badakhshan, Baghlan, Balkh, Jowzjan, Kunduz, and Samangan. Activities strengthen farmers' capacity through improved production in the wheat, high-value crop, and livestock value chains.⁹²² The \$78.4 million five-year program is in its final year.⁹²³

In October, laser-land-leveling (LLL) operators conducted 25 demonstration field days to 721 farmers in Balkh and Jowzjan Provinces. Three of the project's LLL operators leveled 69.4 *jeribs* (one hectare equals five *jeribs*) for seven farmers generating AFN 209,500 (\$2,831) in revenue.⁹²⁴

In November, RADP-North cultivated plots in 70 villages and distributed and sold wheat seeds to farmers. The program also conducted hygiene and nutrition training for 500 women in Balkh, Jowzjan, and Samangan. Laser-land-leveling operators levelled 305 *jeribs* of land which generated AFN 847,600 (\$12,465) in revenue. RADP-North supported nine agribusinesses at the WorldFood India trade show. Their attendance generated signed contracts valued at \$1.6 million.⁹²⁵ **Paravets** trained 200 women and 400 men on livestock deworming in five provinces. Additional urea treatment training for 950 beneficiaries (800 men and 150 women) took place in Balkh, Jowzjan, and Samangan.⁹²⁶

At the Kabul Ag-Fair, held October 3–5, 2018, the program supported the participation of 11 agribusinesses. The companies reported confirmed sales of \$8,570, with additional deals for subsequent delivery of \$27,255. The 11 companies also reported potential deals worth \$296,232.

RADP-N provided support to four agribusinesses to participate at the WorldFood Kazakhstan trade show held October 31 through November 2, 2018. The participating companies generated confirmed sales of \$2,963,100

Paraveterinarian or paravet: a community-based animal health worker who provides initial diagnosis and basic treatment of animals.

Source: A. Catley, T. Leyland, et al., "Para-veterinary professionals and the development of quality, self-sustaining community-based services," *Revue scientifique et technique* (International Office of Epizootics), 2004, p. 225.

for dried fruit and nut products. The trade show also helped the agribusinesses establish networks with other international buyers and conduct 28 business-to-business meetings.⁹²⁷

As of January 12, 2019, USAID has disbursed \$61.5 million.⁹²⁸

Kandahar Food Zone

The Kandahar Food Zone (KFZ) concluded August 30, 2018. The five-year, \$45.4 million program sought to address the drivers of poppy cultivation. In the early years of the program, KFZ collaborated closely with the MCN and conducted capacity building trainings for the ministry in its Kabul and Kandahar offices. The program also conducted assessments, planned canal rehabilitations to increase access to affordable irrigation water, and implemented vocational trainings tied to alternative development.

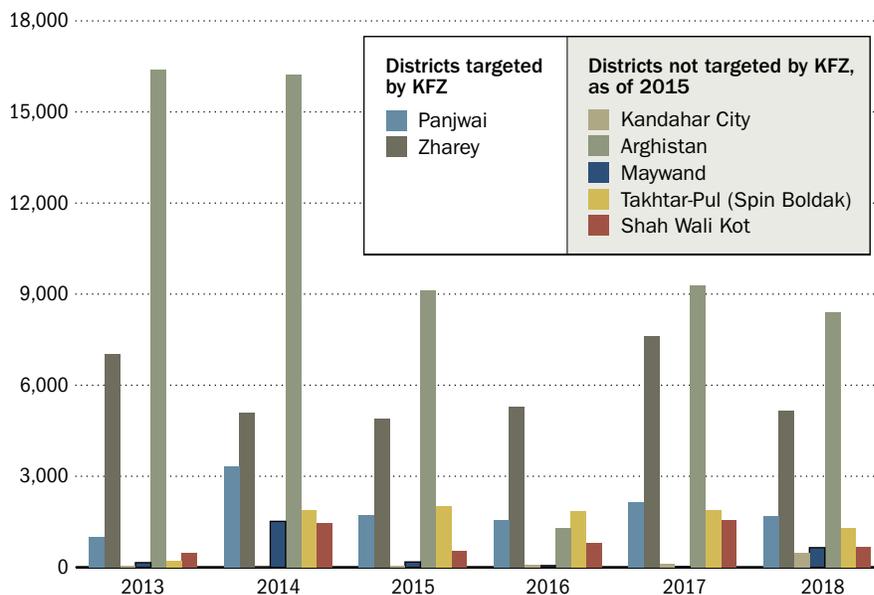
Seven districts were targeted at the start of the program in 2013, but in the final year activities were limited to Panjwai and Zharey Districts.⁹²⁹ A mid-term evaluation of the program recommended changing KFZ's scope, timeframe (it was initially a two-year program), and funding. The evaluation found that KFZ was not adequately funded to address the drivers of poppy cultivation in each district and recommended concentrating on two

SIGAR FINANCIAL AUDIT

SIGAR announced a financial audit of USAID's RADP-South program in October 2018. SIGAR will examine the \$63.2 million-contract with Chemonics International Inc. for costs incurred during the January 1, 2016 to November 20, 2017.

FIGURE 3.51

KANDAHAR FOOD ZONE YEARLY TARGETED-DISTRICT OPIUM-CULTIVATION RESULTS (HECTARES)



Source: USAID, response to SIGAR vetting, 1/12/2019; USAID, *Kandahar Food Zone Mid-term Performance Evaluation*, 3/2015, pp. 1-4; UNODC, *Afghanistan Opium Survey 2018: Cultivation and Production*, 11/2018, Annex I, p. 65.

KANDAHAR FOOD ZONE YEARLY SPENDING (\$ MILLIONS)



COUNTERNARCOTICS

TABLE 3.36

KANDAHAR FOOD ZONE SELECT PERFORMANCE INDICATORS										
Performance Indicator	Year 1 (7/31/13- 7/31/14)	Year 2 (8/1/14- 8/30/15)	Year 3 (8/31/15- 9/30/16)	Year 4 (8/31/16- 9/30/17)	Year 5 (10/1/17- 8/30/18)	Cumulative Results	Cumulative Targets (7/31/13- 8/30/18)			
Capacity Building at MCN										
Number of training person days provided to executive branch personnel with U.S. government assistance	461	1,226	(Program scope funding changed for years 3-5 from seven targeted districts to two districts (Zharey, Panjwai), so comparable cumulative data are not available.)							
Number of Afghans completing U.S. government-led training courses or events. U.S. government officials and Afghan implementing partner employees are not counted by this indicator.	145	331								
Number of Community-Based Planning to Support Alternatives to Poppy Cultivation (CBPSA-PC) sessions conducted for district entities	7	7								
Number of persons who participated in CBPSA-PC Sessions	840	782								
Alternative Livelihood										
Number of activities with community contribution	3	1								
Number of persons employed by stabilization program activities	88	70								
Number of projects completed with community and GIROA involvement	1	20								
Number of activities to increase opportunities for alternative licit livelihoods for women as a result of U.S. government assistance	0	0								
Agriculture Development										
Number of hectares of improved high-value crops			542	349	1.4	893	850			
Number of farmers receiving public/private-sector training			2,583	715	1,585	5,660	4,364			
Number of farmers and others who have applied new technologies or management practices as a result of U.S. government assistance			2,583	1,023	1,988	6,392	5,373			
Number of AD projects designed/implemented for women			2	6	4	19	14			
Number of hectares of perennial crops rehabilitated			542	349	1.4	893	850			
Irrigation System Management										
Number of hectares of agricultural land with new or improved irrigation and drainage services			5,050	8,890	5,456	38,489	34,093			
Number of irrigation canal projects completed			5	11	6	34	31			
Number of kilometers of irrigation canal and drainage ditches rehabilitated			50.2	127.0	79.13	424.6	417.4			
Government Coordination and Capacity Building										
Number of GIROA staff (MCN, MAIL) completing U.S. government-led training courses or events			40	46	91	537	250			
Number of government/organizations/national programs with access to Shamal (management information system)			2	1	5	8	8			
Number of projects completed with community and GIROA involvement			22	14	12	91	89			

Note: The project was initially a two-year program targeting seven districts. The duration and scope were changed after USAID conducted its midterm evaluation in November 2014.

Source: USAID, *KFZ Annual Report—Year 1, 31 July 2013–30 September 2014, 9/30/2014*, pp. 3, 9–10; USAID, *KFZ Annual Report—Year 2, 1 August 2014–31 August 2015, 9/30/2015*, pp. 12–13; USAID, *KFZ Quarterly Progress Report, Q4 FY2017, July 1–September 30, 2017, 10/31/2017*, pp. 10–11; USAID, *KFZ, Annual Report—Year 2, 1 August 2014–31 August 2015, 9/30/2015*; USAID, *KFZ Quarterly Progress Report, Q4 FY 2018, July 1–August 30, 2018, 2018*, pp. 6–8; USAID, *Kandahar Food Zone (KFZ) Program, Year 3 Annual Report (31 August 2015–30 September 2016)*, 10/30/2016, pp. 8–13; USAID, *Kandahar Food Zone Mid-term Performance Evaluation, 3/2015*, pp. 1–3.

districts annually for the KFZ model to produce higher returns.⁹³⁰ According to USAID, canal rehabilitation and improvements had significant impact on the cultivation of previously unproductive farmland in Panjwai. In Zharey, which has more water, the program increased the number of new farm households.⁹³¹

KFZ's office in Kandahar closed on May 30, 2018. During July and August 2018, KFZ conducted the final inspections of the Salihan canal rehabilitation in Panjwai and monitored the rising sales of high-value crops it attributed to its interventions.⁹³²

As of August 30, 2018, KFZ had met, nearly met, or exceeded all but one of available program indicators. Some indicators are shown in Table 3.36. Nearly 6,400 households benefitted from program interventions in the targeted areas, exceeding the 5,373 target. Approximately 900 hectares of perennial crops were rehabilitated and 400 hectares are under cultivation of high-value crops because of U.S. government assistance. KFZ completed 34 irrigation-canal and drainage-ditch rehabilitations. According to USAID, the value of agricultural goods shipped for exports is \$7.4 million, and KFZ enabled the creation of 1,500 full-time jobs.⁹³³

Though all but one of its performance metrics have been met, the five-year program delivered mixed results in curbing opium-poppy cultivation in the targeted districts. As shown in Figure 3.51 on page 201, cultivation levels in Zharey and Panjwai decreased significantly in 2015 from the 2014 levels: Panjwai experienced a 48% decrease from its 2014 total and Zharey a 4% decrease. Poppy cultivation levels continued to fall in 2016 but levels increased once more in 2017—a 37% increase for Panjwai and a 44% rise for Zharey. Levels fell again in 2018. USAID spent more than \$45.2 million for the program. At its conclusion, poppy cultivation levels are 72% higher in 2018 for Panjwai than its initial 2013 benchmark (984 hectares) and 27% higher for Zharey (7,017 hectares).⁹³⁴

KFZ did not meet the \$1.3 million value goal of national sales for targeted commodities: over the life of the program, national sales totaled \$273,972. USAID did not approve a cold-storage promotion program proposed by the implementing partner to help increase sales in national markets.⁹³⁵

As of December 31, 2018, USAID has disbursed \$45.2 million.⁹³⁶

