

COUNTERNARCOTICS CONTENTS

Key Issues and Events	161
U.S. Reconstruction Funding for Counternarcotics	162
Institutional Development	164
Treatment and Prevention	169
Alternative Development	170

COUNTERNARCOTICS

KEY ISSUES AND EVENTS

Poppy cultivation for 2018 decreased 33% to 221,000 hectares from 2017's level of 329,000 hectares, "but remained a near record high," according to a U.S. government estimate released in April 2019. Potential opium production decreased 42% from 9,140 metric tons in 2017 to 5,330 metric tons in 2018. The decline in cultivation and production are attributed to large areas of drought and low opium prices stemming from 2017's record crop.⁶⁸¹

U.S. government estimates are lower than the United Nations Office on Drugs and Crime (UNODC)'s estimates for 2018. UNODC reported 263,000 hectares and 6,400 metric tons for 2018 in its latest opium survey (released November 2018).⁶⁸² The U.S. government and UNODC frequently differ in their estimates; however, the differences in recent years are not as significant as in the early years of the reconstruction period.⁶⁸³

INL released its annual narcotics-control strategy report in March 2019. Afghanistan remains the world's foremost supplier of illicit opiates. According to INL, the country's illicit drug trafficking does not just benefit the insurgency, nor is it limited to insurgent-controlled areas. It is a main driver of corruption throughout the country, undermining governance and rule of law. Illicit drug use is widespread in Afghanistan, resulting in a considerable health crisis.⁶⁸⁴

The fiscal year (FY) 2020 budget released by the Trump Administration in March 2019 proposes \$963 million for the Department of Defense (DOD)'s global drug-interdiction and counterdrug activities, a \$72 million decrease from FY 2019 approved levels, and \$945 million for the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL), a \$424 million decrease from the previous year.⁶⁸⁵

Between January 1 and March 21, 2019, DOD reported seizures of 1,327 kilograms (kg) (2,925.5 lbs) of heroin, 18,808 kg (41,465 lbs) of hashish, and 14.68 kg (32.4 lbs) of methamphetamine.⁶⁸⁶ A kilogram is about 2.2 pounds.⁶⁸⁷ DOD did not provide SIGAR with opium-seizure data or cumulative interdiction results for various illicit narcotics this quarter. According to the Drug Enforcement Administration (DEA), Afghan specialized units conducted 36 operations, compared to 53 operations reported last quarter. No high-value targets were apprehended during the quarter. DEA said the

COUNTERNARCOTICS

After reviewing SIGAR's June 2018 counternarcotics findings and ongoing U.S. government counterthreat finance (CTF) efforts, the Senate Caucus on International Narcotics Control requested that SIGAR evaluate the effectiveness of U.S. CTF efforts against Afghan terrorist and insurgent narcotics trade in Afghanistan. In response, SIGAR began an audit in February 2019 that is reviewing the Departments of Defense, Justice, State, and Treasury's CTF efforts and funding in Afghanistan since 2017. Specifically, the audit will: (1) identify the strategies and policies that guide the U.S. government's counternarcotics efforts, including efforts to counter Afghan terrorists and insurgents' drug trade-related sources of funding; (2) identify the activities and funding U.S. agencies have directed to counter Afghan terrorists and insurgents' drug trade-related sources of funding; (3) determine the extent to which U.S. agencies measure and evaluate the effectiveness of their efforts to counter Afghan terrorists and insurgents' drug-trade-related sources of funding; and (4) identify the challenges, if any, that affect these efforts and how the agencies are addressing these challenges.

Inspector General John Sopko testified on April 3 before the House Committee on Oversight and Reform, Subcommittee on National Security. The hearing examined U.S. reconstruction activities in Afghanistan, including the progress of U.S. efforts to build, equip, train, and sustain the Afghan National Defense and Security Forces, as well as high-risk U.S. reconstruction program areas, including counternarcotics efforts, that are particularly vulnerable to waste, fraud, and abuse.

challenging security situation in Afghanistan's drug-producing and drug-refining areas "has impacted every aspect of interdiction activities" and "constrains virtually every aspect of drug enforcement."⁶⁸⁸

In February 2019, DOD ceased its counterthreat finance (CTF) campaign targeting insurgents' revenue generation at the end of 2018. The campaign sought to disrupt and degrade Taliban resources through air strikes and raids targeting narcotics production, processing, trading, and transportation.⁶⁸⁹ DOD reported to its Inspector General in April that the NATO Resolute Support (RS) commander ended the CTF campaign because military operations strategy had changed to maximize impact on the Taliban and bring them to the negotiating table.⁶⁹⁰ DOD reported to SIGAR that the Afghan Air Force (AAF) did not destroy any labs outside of the CTF campaign between October 2018 and March 21, 2019, which they said may indicate a deprioritization of the counternarcotics mission at the senior levels of the Afghan government.⁶⁹¹ The AAF had destroyed 10 narcotics facilities during October 2017 to September 2018 outside the CTF campaign.⁶⁹²

The U.S. government's updated integrated country strategy does not discuss efforts to reduce Afghanistan's illicit narcotics trade and its expanding opium-poppy cultivation.⁶⁹³ USAID no longer includes counternarcotics indicators in its alternative-development or agriculture programs, focusing instead on achieving private-sector-driven and export-led economic growth.⁶⁹⁴ DOD has informed SIGAR that it does not have a counternarcotics mission in Afghanistan and DEA has reduced its personnel in country.⁶⁹⁵ Consequently, INL remains the U.S. government agency responsible for implementing counternarcotics activities. According to the State Department, counternarcotics is interwoven into the U.S. Administration's South Asia strategy.⁶⁹⁶

U.S. RECONSTRUCTION FUNDING FOR COUNTERNARCOTICS

As of March 31, 2019, the United States has appropriated \$9.01 billion for counternarcotics (CN) efforts in Afghanistan since FY 2002. Congress appropriated most CN funds for Afghanistan through the Department of Defense Drug Interdiction and Counter-Drug Activities (DICDA) Fund (\$3.38 billion), the Afghan Security Forces Fund (ASFF) (\$1.31 billion), the Economic Support Fund (\$1.42 billion), and a portion of the State Department's International Narcotics Control and Law Enforcement (INCLE) account (\$2.31 billion).⁶⁹⁷

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).⁶⁹⁸ As shown in

Figure 3.46, DOD is the largest contributor, followed by INL, in support of CN efforts.

Dissolution of the Ministry of Counter Narcotics

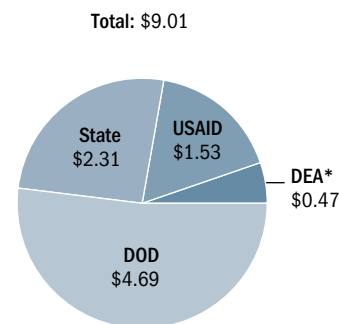
In January 2019, Afghan President Ashraf Ghani issued a decree dissolving the Ministry of Counter Narcotics (MCN) and merging some of its responsibilities with the Ministry of Interior (MOI). A committee is to present a plan for the new counternarcotics structure within three months.⁶⁹⁹ The decree established a ministerial committee, led by the MOI minister, and includes staff members from the MCN, MOI, Ministry of Public Health (MOPH), Ministry of Agriculture, Irrigation and Livestock (MAIL), and Administrative Office of the President. There is also a national committee overseeing the transition composed of officials from the President's Office, MCN, MAIL, National Security Council, Ministry of Finance, Attorney General's Office, Civil Service Commission, and Civil Statistics Office.⁷⁰⁰

This quarter, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) reported serious deficiencies in the MOI's procurement process which rendered it extremely vulnerable to corruption. Issues such as poor record-keeping and lack of transparency hampered inventory management and the flow of goods and services from providers, to warehouses, to the end user.⁷⁰¹ According to State, the dissolution of the MCN will have no significant impact on current counternarcotics programs when the MCN's responsibilities are absorbed into other ministries.⁷⁰² The MOPH is currently responsible for implementing drug-demand-reduction policy, so the MCN's abolition would have no significant impact on drug-demand-reduction responsibilities, according to INL.⁷⁰³ The Afghan government is updating its own counternarcotics strategy, the National Drug Action Plan (NDAP), and INL has provided an advisor to assist. The advisor's findings and recommendations are still going through the Afghan intergovernmental clearance process. INL will continue to assist in updating the government's strategy once the MCN dissolution is complete.⁷⁰⁴

INL is evaluating all its advisory contracts with the MCN given its dissolution and has not reassigned advisors/mentors to other ministries.⁷⁰⁵ The Afghan press has reported that since the announcement of the dissolution, MCN employees have been receiving salaries without having any work to do. According to INL, no staff terminations have occurred, though some have found other employment. The MOI has denied recent INL requests to visit it, though INL local Afghan staff have visited. INL is unable to provide the precise number of staff still on the MCN's payroll, but the MCN is currently funded for 549 staff until September.⁷⁰⁶

FIGURE 3.46

U.S. FEDERAL AGENCY SPENDING ON COUNTERNARCOTICS, AS OF MARCH 31, 2019 (\$ BILLIONS)



Note: *DEA funds the salary supplements of the specialized units annually.

Source: SIGAR, *Quarterly Report to the United States Congress*, 4/30/2019, Appendix B.

INSTITUTIONAL DEVELOPMENT

Developing Afghan institutions that can effectively fight the narcotics trade remains a challenge. INL supports several Afghan government institutions to combat the illicit drug trade, strengthen law enforcement, and combat domestic substance abuse.⁷⁰⁷ According to INL, the MCN worked at mainstreaming drug control activities throughout the entire government. However, high-level Afghan government support at countering illicit drugs through other ministries has historically been lacking.⁷⁰⁸ Moreover, DOJ reported that the Counter Narcotics Justice Center (CNJC), the unit created to prosecute high level narcotics cases, is totally dependent on donor support. There is no evidence that the Afghan government will support the Center should INL funding end. The UK government also disburses salary supplements to employees, an additional handicap to CNJC's sustainability if donor funding were to stop.⁷⁰⁹ Since 2008, INL has obligated \$35.8 million and disbursed \$27.7 million to build capacity at the MCN.⁷¹⁰

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 Investigative Unit (SIU), the National Interdiction Unit (NIU), and the Intelligence and Investigation Unit (IIU).⁷¹¹ The NIU conducts interdiction operations and seizures, serves arrest warrants, and executes search warrants in high-threat environments. The NIU receives mentoring from the DEA and U.S. Special Operations Forces.⁷¹² The NIU maintains forward-based personnel in Kandahar, Kunduz, and Herat.⁷¹³ In 2018, the NIU's tashkil was increased by 250 personnel to 783.⁷¹⁴

The SIU's mission is to identify significant drug-trafficking and narcoterrorist organizations operating in Afghanistan and dismantle them through the Afghan criminal justice system.⁷¹⁵ The Technical Investigative Unit (TIU) consists of 100 staff who collect and analyze evidence in support of SIU/NIU investigations.⁷¹⁶ Another SIU component has four officers responsible for administrative management of court orders obtained by SIU investigators to conduct Afghan judicially authorized intercepts.⁷¹⁷

Other Afghan law-enforcement elements such as the General Command of Police Special Units conducts high-risk operations against terrorism, narcotics, and organized crime.⁷¹⁸ The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.⁷¹⁹ 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.⁷²⁰

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 in Kabul, one at Kandahar Airfield, and one at Mazar-e Sharif.⁷²¹

Since its establishment in 2012, the SMW has been used to conduct counterterrorism and counternarcotics missions. In recent years, counterterrorism missions have dominated.⁷²² According to RS, the SMW is misused when officials do not follow the mission approval process or use assets without appropriate execution-planning time, for civilian movements, or to evacuate non-Afghan Special Security Forces. CSTC-A began enforcing penalties for SMW misuse in August 2018. 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, 2018.⁷²³

More information on the SMW is available in the Security section on pp. 98–99.

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 \$6.01 million to support an evidence-gathering platform over two years under an interagency agreement with the DEA, \$9.56 million in other interagency agreement support, and \$825,000 per year for NIU salary supplements. SIU supplements are funded separately by DEA.⁷²⁴ In October, DEA allocated \$40,000 to SIU for FY 2019. As of March 21, DEA has disbursed \$5,250 in interagency agreement operational funds, and \$35,646 for SIU salary stipends.⁷²⁵ 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.⁷²⁶ 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 2019.⁷²⁷

Interdiction Results

Between January 1 and March 21, 2019, DOD reported seizures of 1,327 kilograms (kg) (2,925.5 lbs) of heroin, 18,808 kg (41,465 lbs) of hashish, and 14.68 kg (32.4 lbs) of methamphetamine.⁷²⁸ A kilogram is about 2.2 pounds.⁷²⁹ Unlike prior quarters, DOD did not provide SIGAR with opium-seizure data or cumulative interdiction results for various illicit narcotics. DEA reported that Afghan specialized units conducted 36 operations during the same period, compared to 53 operations reported last quarter, resulting in seizures and arrests. No high-value targets were apprehended during the

COUNTERNARCOTICS

TABLE 3.29

SPECIALIZED UNITS SEIZURE RESULTS FROM FY 2015 TO FY 2019						
Sensitive Investigative Unit and National Interdiction Unit Results	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*	Total
Number of Operations	33	55	85	119	89	381
Arrests	56	105	119	228	136	644
Labs destroyed	5	14	105	131	18	273
Heroin seized (kg)	183	1,404	10,707	3,470	3,488	19,252
Opium seized (kg)	7,682	6,591	33,601	14,661	2,306	64,841
Hashish seized (kg)	1,040	77,377	263,972	31,467	189,681	563,537
Morphine seized (kg)	380	3,650	75,660	15,767	1,857	97,314
Liquid chemicals seized (liters)	234,039	3,185	27,899	93,974	120	359,217
Dry chemicals seized (kg)	1,450	3,250	71,074	18,100	N/A	93,874
Cash seized (USD equivalent)	N/A	N/A	N/A	\$974,049	\$66,870	\$1,040,919

Note: *Results for the first two quarters.

Source: DEA, response to SIGAR data call, 4/8/2019; DEA, response to SIGAR vetting, 4/15/2019.

quarter.⁷³⁰ In February 2019, an Afghan man was extradited to New York from Estonia, where he had been arrested last October for attempting to import large quantities of heroin into the United States, funneling the proceeds to the Taliban, and attempting to provide financial assistance to the Haqqani terrorist network.⁷³¹

DEA told SIGAR the challenging security environment in drug-producing and drug-refining areas constrains every aspect of drug enforcement and is the primary reason for the drop in interdiction activities throughout Afghanistan.⁷³² INL reports that members of the CNPA are increasingly able to plan and conduct effective counterdrug operations.⁷³³

Specialized units' seizure results have improved over the past five years, but as shown in Table 3.29, the thousands of kilograms of narcotics seized pale in comparison to yearly opium production. Nearly 65 metric tons of opium were seized between 2015 and 2019, yet Afghanistan's opium production for 2018 alone reached 5,330 metric tons, according to U.S. government estimates.⁷³⁴

Penal Law Enforcement

The CNJC is the central facility for the investigation, prosecution, and trial of major drug and drug-related corruption cases.⁷³⁵ It receives \$6 million annually from INL for operations and maintenance.⁷³⁶ According to DOJ, between October 1 and December 31, 2018, the CNJC investigated 134 cases, arrested 166 individuals in relation to those cases, and referred 302 cases for trial resulting in 129 court convictions.⁷³⁷

COUNTERNARCOTICS



Afghan commandos seized more than \$12 million worth of opium in a night raid on this processing lab in Helmand Province in April 2018. (RS photo by Martha Schaeffer courtesy of ANDSF)

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 investigates and prosecutes several hundred cases annually. Yet, its high conviction rate has not had a noticeable impact on overall levels of drug production and trafficking. The CNJC has not prosecuted major traffickers, who are often connected to Afghanistan's political elite.⁷³⁸

Afghanistan's new penal code, enacted in late 2017, authorizes confiscating assets (including land, structures, and vehicles) used in, or earned through, narcotics production and trafficking. However, according to DOJ, the government does not have procedures in place to distribute the proceeds of seized assets to support law enforcement.⁷³⁹ According to DOJ, the CNJC focuses on low-level offenders at the expense of pursuing high-profile targets. The investigators and prosecutors build solid cases and have a high conviction rate, but they often fail to pursue the next-higher ranking targets. Ringleaders then hire new people to replace the lower-rung suspects targeted by the CNJC and continue operations.⁷⁴⁰

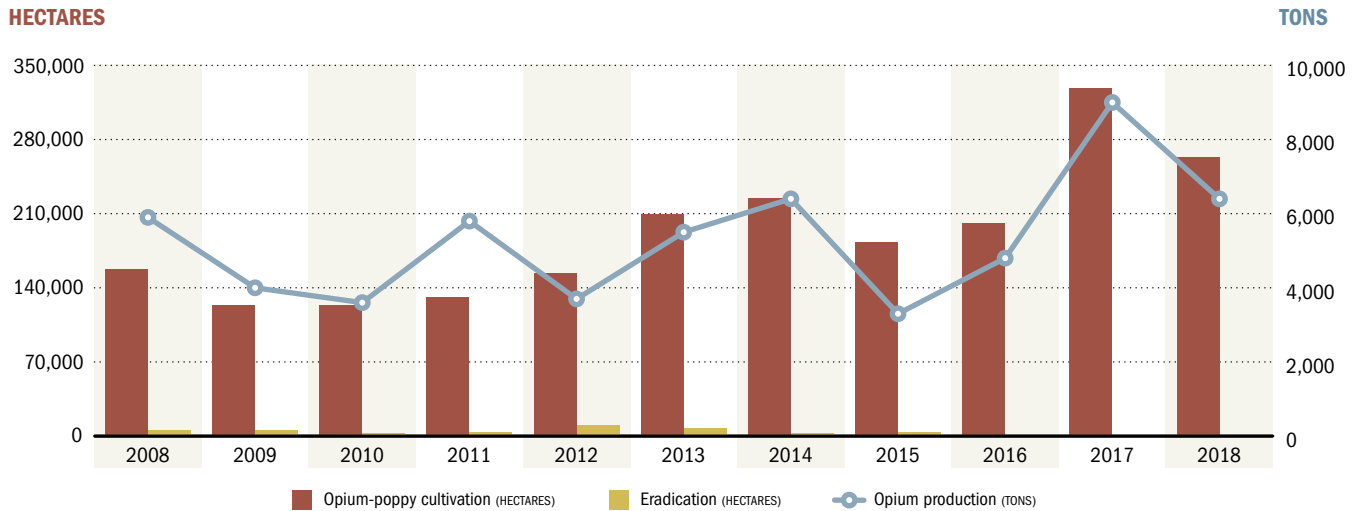
DOJ, INL, and U.S. Embassy officials have attempted to increase the number of kingpin cases pursued, but they said the Afghan criminal-procedure process is incompatible with long-term investigations. Under Afghan law, prosecutors have little discretion in determining or filing charges; an arrest is almost always required.⁷⁴¹

DOJ said it has a cooperative relationship with the CNJC and its general director, Mohammed Arif Noori, always complies with DOJ requests for information. However, Director Noori has not taken a polygraph,

COUNTERNARCOTICS

FIGURE 3.47

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.

unlike his subordinates, leading the UK government to suspend his salary supplement.⁷⁴²

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.⁷⁴³ INL has disbursed \$6.9 million since the program's inception in 2008.⁷⁴⁴

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 took place in Helmand, the highest poppy-cultivating province, between 2016 and 2018.⁷⁴⁵ Afghan press reported in early April 2019 that the government started poppy-eradication campaigns in Helmand and Nangarhar Provinces.⁷⁴⁶

INL reports that the Afghan government has still not finalized its eradication strategy containing provincial targets for 2019.⁷⁴⁷

As Figure 3.47 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.⁷⁴⁸

Good Performers Initiative

The 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.⁷⁴⁹ GPI projects included schools, roads, bridges, irrigation structures, health clinics, and drug treatment centers.⁷⁵⁰ 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 phasing out the program.⁷⁵¹

As of March 2019, INL reported that 286 projects valued at \$126.9 million have been contracted. Of those, 283 projects have been completed and three are still in progress, though INL provided no update on details.⁷⁵² However, no new GPI projects were approved after April 30, 2016.⁷⁵³

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 awards were granted.⁷⁵⁴

TREATMENT AND PREVENTION

INL works closely with international partners to coordinate and execute capacity building and training activities for service providers in drug prevention, treatment, and recovery.⁷⁵⁵ 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 38.5% of rural households tested positive for some form of illicit drug.⁷⁵⁶

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. INL is finalizing the plan to include the modifications from the December 2018 bilateral workshop with the **Colombo Plan** held in Jakarta.⁷⁵⁷ In December 2018, INL signed an agreement to fund drug-treatment centers in the amount of \$2.8 million. INL will provide additional funds through a future agreement to support the treatment centers until December 31, 2020.⁷⁵⁸ According to INL, MCN's dissolution would have little the impact on drug-demand-reduction programs since MOPH is currently responsible for implementing drug-demand-reduction policy.⁷⁵⁹

Most of the patients at the 86 drug-treatment centers (DTCs) 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.⁷⁶⁰ Forty-four of the residential treatment centers also offer home-based services, with six of them providing services to adult females.⁷⁶¹ INL has developed a software tool to monitor inventory and procurement of

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.

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.

INL-funded drug treatment centers. In September 2018, INL used the tool to monitor DTCs in Kabul. The tool has also been deployed to Nangarhar, Herat, Kandahar, and Balkh Provinces this fiscal year.⁷⁶²

INL has obligated and disbursed approximately \$159.7 million for the Colombo Plan since 2008 on drug demand reduction programs.⁷⁶³ 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.⁷⁶⁴

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 over seven years.⁷⁶⁵

ALTERNATIVE DEVELOPMENT

The United States is currently implementing alternative development initiatives, within the framework of the Afghanistan Integrated Country Strategy, to reduce illicit drug production and promote sustainable agriculture-led economic growth.⁷⁶⁶ The U.S.-funded programs listed in Table 3.30 are discussed in this section of the report:

Boost Alternative Development Intervention Through Licit Livelihoods

The U.S.-funded Boost Alternative Development Interventions through Licit Livelihoods (BADILL) project, implemented by UNODC, aims to strengthen and diversify licit livelihoods of small and marginal farmers through alternative development methods. The project supports and strengthens selected value chains in production, processing, quality control, and market linkages across the following 13 target provinces: Helmand, Uruzgan, Nimroz, Samangan, Jowzjan, Takhar, Bamyan, Wardak, Parwan, Panjshir, Paktiya, Paktika, and Nangarhar.⁷⁶⁷

From January through March 2019, the project established 762 new orchards, provided nearly 55,000 saplings, 3.4 metric tons (MT) of flax, pea seed, and 35 MT of fertilizer to farmers. Additional activities such as sales of backyard poultry and dairy milk brought in approximately \$320,000. According to UNODC, 192.4 hectares of land were brought under licit cultivation. The project also facilitated the participation of female entrepreneurs to several events such as the International Women's Day Jobs and Fair Exhibition, the UNAMA Welfare exhibition, and the National Spring Agriculture Exhibition. The exhibitions provided male and female beneficiaries the opportunity to showcase their products, engage with other producers, meet distributors and wholesalers, and share ideas about

COUNTERNARCOTICS

TABLE 3.30

ALTERNATIVE LIVELIHOOD PROGRAMS					
Project Title	U.S. Implementing Agency	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
Regional Agricultural Development Program-North (RADP-N)	USAID	5/21/2014	5/20/2019	\$78,429,714	\$64,490,651
Commercial Horticulture and Agricultural Marketing Program (CHAMP)	USAID	2/1/2010	12/31/2019	71,292,850	61,532,955
Afghanistan Value Chain-Livestock (AVC-L)	USAID	6/9/2018	6/8/2021	55,672,170	4,233,421
Afghanistan Value Chain-High Value Crops (AVC-HVC)	USAID	8/2/2018	8/1/2023	54,958,860	2,300,878
Regional Agricultural Development Program-East (RADP-E)	USAID	7/21/2016	7/20/2021	28,126,111	11,726,049
Community-Based Agriculture and Alternative Development-West (CBARD-West)*	INL	9/1/2016	4/18/2020	24,368,607	24,368,607
Community-Based Agriculture and Alternative Development-East (CBARD-East)*	INL	11/11/2017	11/11/2020	22,128,683	22,128,683
Boost Alternative Development Intervention Through Licit Livelihoods (BADILL)*	INL	8/12/2016	8/12/2020	20,000,000	20,000,000
Promoting Value Chains-Western Afghanistan (PVC-W)	USAID	9/20/2017	9/19/2020	19,000,000	8,000,000
Total				\$373,976,995	\$218,781,243

Note: * Cumulative disbursements, as of 3/31/2019.

Source: USAID, response to SIGAR data call, 4/11/2019; State, INL, response to SIGAR data call, 3/20/2019; 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.

increasing the quality and reach of their products. During the exhibitions, 21 BADILL beneficiaries realized approximately \$5,900 in sales from their off-farm products (natural soap, mint oil, dry fruit, and mint tea). UNODC reported that one of the events hosted by MAIL Minister Nasir Ahmad Durrani, featured speeches encouraging Afghan farmers to embrace licit agriculture.⁷⁶⁸

Community-Based Agriculture and Rural Development

The U.S.-funded Community-Based Agriculture and Rural Development projects implemented by the United Nations Development Programme (UNDP) work to improve household income while reducing dependency on illicit poppy cultivation for selected communities in 12 high-poppy cultivating districts in Badghis, Farah, and Nangarhar Provinces. The projects will also develop and strengthen community-based agribusiness infrastructure, such as irrigation, transportation, and storage facilities.⁷⁶⁹ Information about the CBARD projects is available in Table 3.31 on the following page.

TABLE 3.31

COMMUNITY-BASED AGRICULTURE AND RURAL DEVELOPMENT (CBARD)					
Project Title	Start Date	End Date	Implementing Partner	Total Estimated Cost	Cumulative Disbursements, as of 3/31/2019
CBARD-West	11/2016	4/2020	UNDP	\$24,368,607	All funds disbursed
CBARD-East	11/2017	12/2020	UNDP	22,128,683	All funds disbursed
Total				\$46,497,290	\$46,497,290

Source: INL, response to SIGAR vetting, 1/13/2017; State, INL, *Letter of Agreement with UNDP*, 11/09/2017; State, INL, response to SIGAR data call, 3/20/2019.

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.

Micro greenhouses: are 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: State, INL, response to SIGAR vetting, 1/15/2019.

Community-Based Agriculture and Rural Development-East

The \$22 million Community-based Agriculture and Rural Development-East (CBARD-E) project strengthens community-based local production and marketing of high-value crops in 100 communities in Nangarhar Province. CBARD-E will assess alternative livelihoods as alternatives to opium cultivation in communities and directly benefit approximately 28,500 households (199,500 individuals). In addition to building capacity in treatment communities, CBARD-E strengthens public and private agribusiness infrastructures such as **value-chain** facilities, irrigation, and transportation.⁷⁷⁰

From October 1 to December 31, 2018, CBARD-E provided training to 840 people (223 women, 617 men) in agribusiness development, as well as training to 359 people (24 women, 335 men) on land layout, orchard plantation, kitchen gardening, and post-harvest processing of citrus and pomegranate. The project's lead farmers (7 women, 28 men) provided technical skills training to 169 farmers on high-value crop cultivation at farmer field schools and distributed 460 horticulture tool packages directly to local beneficiaries.⁷⁷¹

CBARD-E established 230 kitchen gardens, created orchards on 20 hectares (ha) of land, rehabilitated orchards on 10 ha of land, and distributed 100 beekeeping packages and 4,600 kg of fertilizer. CBARD-E also completed construction on 30 **micro greenhouses** in six districts of Nangarhar, which are being used for the cultivation of tomato, cucumber, and other vegetables. According to UNDP, micro greenhouses provide farmers with returns of about \$100 annually, which is an initial economic incentive not to cultivate opium. In addition, CBARD-E project staff, collaborating with Afghan government and local organizations, identified 30 new irrigation projects to improve water resource management on an additional 425 ha.⁷⁷²

The micro greenhouses in Nangarhar were specifically planned for female beneficiaries in order to improve household livelihoods and increase food security by providing income through the cultivation of vegetables. Insecurity, cultural traditions, and the remoteness of CBARD-E project sites make it difficult for women to participate. The CBARD-E project is addressing these challenges by prioritizing interventions more accessible

to women, such as kitchen gardens and home-based greenhouses that don't require women to leave the vicinity of their residences.⁷⁷³

Community-Based Agriculture and Rural Development-West

The \$24 million Community-based Agriculture and Rural Development-West (CBARD-W) project strengthens community-based local production and marketing of high-value crops in 63 communities in Farah and Badghis Provinces. CBARD-W will assess alternative livelihoods as alternatives to opium cultivation in communities and directly benefit approximately 33,240 households (232,680 individuals). In addition to building capacity in treatment communities, CBARD-W strengthens public and private agribusiness infrastructures such as value-chain facilities, irrigation, and transportation.⁷⁷⁴

During the final calendar quarter of 2018, CBARD-W trained 853 individuals (617 men, 236 women) on agribusiness development, and 344 people (173 men, 171 women) on land layout, orchard plantation, kitchen gardening, and post-harvest processing techniques. In addition, the CBARD-W project's 45 lead farmers (38 men and 7 women) trained 74 farmers in Badghis on technical skills related to high-value crop cultivation and distributed 110 horticulture tool packages and 164 items of post-harvest value additional equipment directly to beneficiaries. CBARD-W also established 147 kitchen gardens, orchards on 268.4 ha of land, and distributed 80 bee-keeping packages and nearly 19,000 kg of fertilizer.⁷⁷⁵ CBARD-W completed construction on 79 greenhouses and 10 micro greenhouses, which are being used for the cultivation of tomato, cucumber, and other vegetables.⁷⁷⁶

Afghanistan Value Chains Programs

These programs cover the regions previously targeted by now-inactive Regional Agricultural Development programs (RADP).⁷⁷⁷ RADP's objective is to help Afghan farmers achieve more inclusive and sustainable economic growth. RADP 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

TABLE 3.32

AFGHANISTAN VALUE-CHAINS (AVC) PROGRAM				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
AVC-Livestock	6/9/2018	6/8/2021	\$34,714,295	\$4,233,421
AVC-High Value Crops	8/2/2018	8/1/2021	33,482,672	2,300,878
Total			\$68,196,967	\$6,534,299

Source: USAID, response to SIGAR data call, 4/11/2019.

agricultural value chains.⁷⁷⁸ Table 3.32 on the previous page, provides program value, duration, and expenditures to date.

Afghanistan Value Chains - High Value Crops

The \$33.5 million Afghanistan Value Chains-High Value Crops (AVC-HVC) is a five-year project 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.⁷⁷⁹ Activities are designed around “anchor firms” and important value-chain service providers such as financial institutions, shipping and transport companies, and management consultant firms.⁷⁸⁰ 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.⁷⁸¹

The project established regional offices in Jalalabad, Kandahar, Herat, and Mazar-e Sharif during the quarter. AVC-HVC selected 26 anchor firms to enter into partnership agreements. The project will support the participation of anchor firms in trade and promotion events. It selected four firms to participate at the Gulfood 2019 exhibition.⁷⁸² As of April 6, 2019, USAID has disbursed \$2.3 million.⁷⁸³

Afghanistan Value Chains - Livestock

The three-year \$34.7 million Afghanistan Value Chains-Livestock (AVC-L) will work with anchor firms in the poultry, small ruminants, dairy products, and other livestock value-chains.⁷⁸⁴ During the first quarter of FY 2019, AVC-L completed its livestock value-chain analysis and signed eight partnership agreements with livestock agribusinesses. The project also referred several agribusinesses to the Agriculture Development Fund to which a dozen submitted loan applications totaling \$1.6 million.⁷⁸⁵ As of April 6, 2019, USAID has disbursed \$4.2 million.⁷⁸⁶

Promoting Value Chains - Western Afghanistan

The \$19 million Promoting Value Chains-Western Afghanistan (PVC-W) program is implemented by the UN's Food and Agriculture Organization (FAO).⁷⁸⁷ PVC-W aims to promote inclusive growth and create jobs in the agriculture sector by strengthening the capabilities of producers and private enterprises by:⁷⁸⁸

- 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.⁷⁸⁹ During the second year, all other activities except for the wheat component will cease in Farah.⁷⁹⁰ Due to security concerns in Farah Province, USAID determined that the financial and security investments required for UN staff to operate in the province outweigh the value-chain development potential that can be realized within the project timeframe. According to USAID, the available funds will be more efficiently utilized in the remaining provinces targeted by the program.⁷⁹¹

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.⁷⁹² The initial group of companies was 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.⁷⁹³ As of April 6, 2019, USAID has disbursed \$8.0 million.⁷⁹⁴

Commercial Horticulture and Agricultural Marketing Program

The \$71.3 million 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.⁷⁹⁵

As of December 2018, CHAMP has exported 100,000 tons of produce valued at \$153 million to markets in Pakistan, India, the United Arab Emirates, Canada, and other nations. The program has trained 113,000 farmers, constructed over 230 storage facilities, such as cool rooms and raisin-drying facilities, and planted 2.85 million saplings.⁷⁹⁶ CHAMP initiated a grants program to finance innovative initiatives that will ultimately promote Afghan goods in international markets. In December, approximately four metric tons of dried fruit, nuts, and other Afghan agricultural goods were shipped to neighboring countries and Europe valued at \$10.6 million.⁷⁹⁷ As of April 6, 2019, USAID has disbursed \$61.5 million.⁷⁹⁸

Regional Agricultural Development Program

USAID's Regional Agricultural Development Program (RADP) intends to help Afghan farmers achieve more inclusive and sustainable economic

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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.⁷⁹⁹

As shown in Table 3.33, USAID funding for all RADP programs, targeting various regions of the country amounts to approximately \$283.6 million and USAID has spent \$211.1 million as of April 6, 2019.⁸⁰⁰

TABLE 3.33

USAID REGIONAL AGRICULTURAL DEVELOPMENT PROGRAM (RADP)				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 4/6/2019
RADP-South*	10/7/2013	11/20/2017	\$111,414,339	\$108,475,771
RADP-North	5/21/2014	5/20/2019	78,429,714	64,490,651
RADP-West*	8/10/2014	10/25/2016	65,629,170	26,394,196
RADP-East	7/21/2016	7/20/2021	28,126,111	11,726,049
Total			\$283,599,335	\$211,086,666

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

Source: USAID, response to SIGAR data call, 4/11/2019.

USAID's midterm performance evaluation revealed mixed results among the RADP key indicators. Though projects sometimes failed to meet their targets, the evaluation team found that participants still benefited from engaging with the program. Significant challenges such as access to finance, water shortages, and access to markets were not always addressed by the RADP projects.⁸⁰¹ GIS analysis showed mixed results regarding opium-poppy cultivation. Poppy production fell in the RADP-East and RADP-West regions. But in RADP-South, total hectares allocated to poppy production increased, although the proportion of total agricultural land allocated to poppy production decreased due to increases in licit agricultural production. In RADP-North, poppy production rose substantially in terms of its absolute land area and its proportion of total agriculture.⁸⁰²

One of the report's recommendations is to support alternative development financing that will connect businesses to sources of finance to improve the program's sustainability.⁸⁰³

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 2021.⁸⁰⁴

For the first quarter of FY 2019, RADP-E realized sales valued at \$4.29 million. The program monitors 32 grants valued at \$1.69 million across its targeted value chains. As part of initiatives to expand export-led economic growth, the program sponsored agribusiness representation to the World Food Kazakhstan event held in late October–early November 2018. The sponsored businesses signed agreements worth \$1.6 million and have potential deals worth \$2.4 million for various dried fruits.⁸⁰⁵ As of April 6, 2019, USAID has disbursed \$11.7 million.⁸⁰⁶

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.⁸⁰⁷ The \$78.4 million five-year program is in its final year.⁸⁰⁸

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.⁸⁰⁹

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 leveled 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.⁸¹⁰ **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.⁸¹¹

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 \$296,232.⁸¹²

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 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.⁸¹³ As of April 6, 2019, USAID has disbursed \$64.5 million.⁸¹⁴

A laser land leveller is a machine equipped with a laser-guided drag bucket and is more effective and quicker in ensuring a flat, table-top like surface. An even land surface means irrigation water reaches every part of the field with minimal waste from runoff or water-logging.

Source: CGIAR, Research Program on Climate Change, Agriculture and Food Security, *Laser land levelling: How it strikes all the right climate-smart chords*, 5/26/2015, <https://ccafs.cgiar.org/research-highlight/laser-land-levelling-how-it-strikes-all-right-climate-smart-chords>, accessed 4/2/2019.

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.

