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COUNTERNARCOTICS

KEY ISSUES AND EVENTS

The Fiscal Year (FY) 2019 Defense Appropriations Bill provides \$153 million for drug interdiction and counterdrug activities associated with the Global War on Terror under the Overseas Contingency Operations title, a decrease of \$43 million from FY 2018 enacted levels.⁶⁶⁸ It was signed into law on September 28, 2018.⁶⁶⁹

The Afghan government, backed by the United Nations Office on Drugs and Crime (UNODC), is working on a new regional drugs strategy to address the country's dramatic rise in opium cultivation and production.⁶⁷⁰

According to the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL), the United States will not issue a separate counternarcotics strategy that had been under review since 2014. Instead, INL said counternarcotics is interwoven throughout the U.S. Administration's comprehensive South Asia strategy. The goal of the South Asia strategy is to create conditions for a political process to achieve a lasting, Afghan-led peace. INL programs address the problems created by cultivation, trafficking, and use of Afghan opiates. INL will support the published Afghan counternarcotics strategy (the 2015 *National Drug Action Plan*).⁶⁷¹

As of August 2018, counterthreat-finance operations targeting the Taliban's revenue streams have destroyed 200 drug-related targets and denied the Taliban approximately \$46 million in revenue, according to Department of Defense (DOD) statements to the *Wall Street Journal*.⁶⁷² More information is available on pages 86–87 of this report.

During the quarter, DOD reported seizures of 257 kilograms (kg) of opium, 918 kg of morphine, 1,404 kg of heroin, 7,210 kg of hashish, and 7,000 kg of **precursor chemicals**. A kilogram is about 2.2 pounds. Afghan specialized units conducted 24 operations, compared to 17 operations reported last quarter.⁶⁷³ According to the Afghan Counter Narcotics Justice Center (CNJC), Kabul and Nangarhar Provinces had the most "high-level" cases of smuggling and drug-trafficking between July 22 and August 22, 2018. The CNJC sentenced 79 individuals during that one-month period on drug trafficking cases, with sentences ranging from one to 20 years.⁶⁷⁴ Two Afghan heroin traffickers arrested in Thailand and extradited were convicted in U.S. federal court and sentenced to 15 years and 10.9 years,

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.

respectively, for conspiring to import large quantities of heroin into the United States.⁶⁷⁵

To encourage farmers to cultivate licit crops and promote the export of Afghan goods, USAID helped facilitate the second annual “Passage to Prosperity” trade show in Mumbai, India, in September. About 200 Afghan businesses and industry leaders, including women entrepreneurs, participated in the four-day event. This year, at least 166 confirmed deals and more than 600 memoranda of understanding were signed. Last year, the event resulted in \$27 million dollars in contracts between Afghan and Indian businesses.⁶⁷⁶

U.S. RECONSTRUCTION FUNDING FOR COUNTERNARCOTICS

As of September 30, 2018, the United States has provided \$8.88 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 (DOD CN) Fund (\$3.25 billion), the Afghan Security Forces Fund (ASFF) (\$1.31 billion), the Economic Support Fund (\$1.44 billion), and a portion of the State Department’s International Narcotics Control and Law Enforcement (INCLE) account (\$2.33 billion).⁶⁷⁷

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).⁶⁷⁸

INTERDICTION AND ERADICATION

The seriousness of Afghanistan’s narcotics problem is underscored by its prohibition in the country’s Constitution under Article 7: “The state shall prevent all kinds of terrorist activities, cultivation and smuggling of narcotics, and production and use of intoxicants.”⁶⁷⁹ The Afghan government’s goals in its national drug action plan are to:

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

To achieve these goals, the Afghan government uses law-enforcement entities to disrupt and dismantle drug production and trafficking organizations. Eradication campaigns are enacted to discourage poppy cultivation. Alternative-livelihood options are also explored and strengthened to decrease poppy cultivation.⁶⁸⁰

SIGAR AUDIT

An ongoing financial audit is examining the Pacific Architects and Engineers Inc. (PAE) \$68.2 million contract for law-enforcement program operations and support services in Kabul. The audit is examining \$32.4 million in costs incurred over the period of March 7, 2016, to March 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.

No Separate U.S. Government Counternarcotics Strategy, but Interagency Efforts Continue

The State Department said a stand-alone strategy would not necessarily improve coordination. Though the Counter Narcotics Working Group has not met since September 2017, according to State, coordination of U.S. government counternarcotics efforts in Afghanistan continues. INL hosts an annual counternarcotics workshop in Kabul. Counter Narcotics Justice Center prosecutors, and Ministry of Interior narcotics investigators participate in recurring anti-money laundering training. The U.S. Embassy in Kabul and USFOR-A conduct monthly counter-threat finance group meetings. Multiple U.S. agencies regularly participate in other counternarcotics and counterthreat working groups in Washington and Kabul.⁶⁸¹

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).⁶⁸² A U.S. special forces team mentors the Afghan specialized units.⁶⁸³ The IIU was supported and mentored by the United Kingdom until 2016.⁶⁸⁴

The Afghan Ministry of Interior and the NATO Combined Security Transition Command-Afghanistan agreed to increase the authorized staffing level of the NIU by 250 personnel this quarter; the total NIU force ceiling is now 786.⁶⁸⁵ The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.⁶⁸⁶ 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.⁶⁸⁷ 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.⁶⁸⁸

In addition, the General Command of Police Special Units conducts high-risk operations against terrorism, narcotics, and organized crime.⁶⁸⁹ The NIU and SIU conduct interdiction operations that target senior narcotics traffickers. The NIU maintains forward-based personnel in Kandahar, Kunduz, and Herat Provinces.⁶⁹⁰ 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.⁶⁹¹

U.S. Funding for Afghan Counternarcotics Elements

INL estimates that it funds approximately \$26 million per year for operations and maintenance for the NIU and SIU. Costs directly attributable to NIU and SIU include \$2.47 million in support of the Joint Wire Intercept Platform program under an interagency agreement with the U.S. Drug Enforcement Administration (DEA) and \$425,000 per year for NIU salary supplements. SIU supplements are funded by DEA.⁶⁹² 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. Supplement amounts are based on rank.⁶⁹³

DOD provided \$675,000 for equipment to the NIU for 2017 and \$1 million for equipment to be delivered in 2019.⁶⁹⁴

Interdiction Results

INL reported that between April 1 and June 30, 2018, the National Interdiction Unit (NIU) and Sensitive Investigation Unit (SIU) seized 12,708 kilograms (kg) of morphine, 5,129 kg of opium, 677 kg of heroin, as well as 5,504 liters of chemicals and 16,100 kg of chemicals. NIU and SIU conducted 15 operations during the period and detained 47 people.⁶⁹⁵ Separately, DOD reported this quarter that most interdiction activities occurred in the south and southwest regions of the country. Interdiction activities include routine patrols and searches of vehicles and individuals. Afghan operations between July 1 and September 17, 2018, resulted in 58 detentions and the following seizures:⁶⁹⁶

- 257 kg of opium
- 918 kg of morphine
- 1,404 kg of heroin
- 7,210 kg of hashish
- 7,000 kg of chemicals

Between July and September, the U.S. special forces unit assigned to mentor the NIU was reassigned to counterterrorism operations and no anti-money laundering or counternarcotics financing operations occurred during that time period. A new unit was assigned to the NIU in September 2018.⁶⁹⁷

Since 2016, INL has funded capacity building for the CNPA's Precursor Control Unit (PCU) staff through a UNODC training program. The PCU is a specialized unit devoted to combating the burgeoning precursor problem.⁶⁹⁸ Though precursor chemical seizures were declining for several years, they increased significantly in 2016, which the UN said indicated a potential increase of in-country drug production.⁶⁹⁹ Cooperation between the PCU and UNODC's Container Control Programme resulted in the August 2018 seizure of seven metric tons of acetic anhydride, a main precursor chemical used to produce heroin from opium.⁷⁰⁰

COUNTERNARCOTICS

TABLE 3.32

INTERDICTION RESULTS, FISCAL YEARS 2009–2018											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ¹	Total ²
Number of Operations	282	263	624	669	518	333	270	190	156	141	3,582
Detainees	190	484	862	535	386	442	394	301	152	197	3,992
Hashish seized (kg)	58,677	25,044	182,213	183,776	37,826	19,088	24,785	123,063	227,327	42,017	1,165,169
Heroin seized (kg)	576	8,392	10,982	3,441	2,489	3,056	2,859	3,532	1,975	2,397	39,976
Morphine seized (kg)	5,195	2,279	18,040	10,042	11,067	5,925	505	13,041	106,369	10,127	182,999
Opium seized (kg)	79,110	49,750	98,327	70,814	41,350	38,379	27,600	10,487	24,263	15,991	471,432
Precursor chemicals seized (kg)	93,031	20,397	122,150	130,846	36,250	53,184	234,981	42,314	89,878	22,663	850,403

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 10/1/2017–9/17/2018.

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; and 4,709 kg of precursor chemicals.

Source: DOD(CN), response to SIGAR data call, 7/29/2015, 7/20/2017, and 9/24/2018.

SIGAR has repeatedly written about the billions of dollars spent on counternarcotics efforts and the modest or limited impact of U.S. government programs aimed at addressing expanding opium cultivation in Afghanistan and the illicit opium trade. Though seizures for certain narcotics and chemicals have risen this quarter, they had a negligible impact on the country's overall potential opium production as shown in Table 3.32. For instance, aggregate opium seizures for the past 10 years accounted for about 5% of Afghanistan's opium production in 2017 (9,000 tons as reported by UNODC in 2017).⁷⁰¹

New Penal Code Enforcement of Counternarcotics Provisions

The Counter Narcotics Justice Center (CNJC) prosecuted 186 cases between July and September 2018 under Afghanistan's new penal code provisions. Most of the cases adjudicated this year were for the sale and distribution of narcotics and psychotropic drugs to addicts (356 cases), followed by trafficking heroin, morphine, and cocaine (150 cases).⁷⁰²

The provinces with the highest number of high-level drug smuggling and trafficking cases in August and September were Kabul and Nangarhar.⁷⁰³

DEA told SIGAR that no high-value targets were apprehended during the quarter. DOD informed SIGAR that those apprehensions do not lead to measurable reductions in the amount of illicit finances. Rather, they increase friction and pressure on revenue streams and connected networks to prompt the enemy towards negotiations with the Afghan government.⁷⁰⁴

Information about counterthreat-finance operations is available in the Security section of this report beginning on page 86.

Opium's Economic Value

As reported in the Economic and Social Development section on p. 36, organizations such as the World Bank exclude opium production from their estimate of Afghanistan's GDP. According to data reported by the Ministry of Agriculture, Irrigation, and Livestock, when the farm-gate value of opium production (which does not include proceeds from in-country processing and marketing) is factored into the economy, it accounts for more than four percentage points of the reported 7.2% growth rate for 2017-2018. The Afghan National Statistics and Information Authority reports GDP growth as 2.9% excluding poppy production.

Source: GIROA National Statistics and Information Authority, *Afghanistan Statistical Yearbook 2017-18*, 8/2018, p. 110.

Eradication Results

Governor-Led Eradication

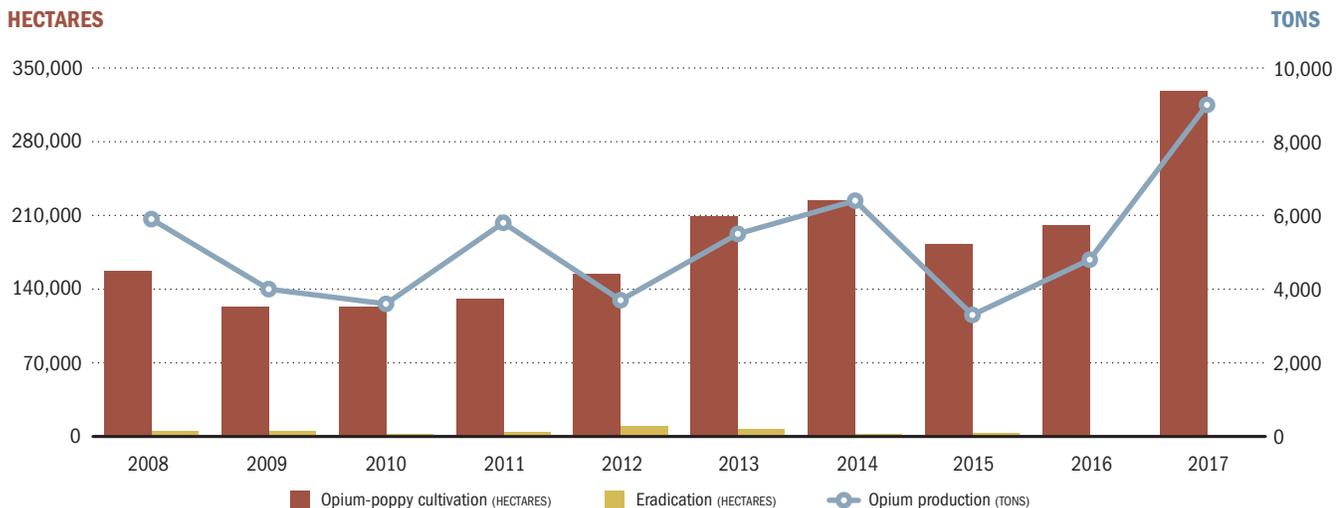
Under the Governor-Led Eradication (GLE) program, INL reimburses provincial governors \$250 toward the eradication costs of every UNODC-verified hectare of eradicated poppy.⁷⁰⁵ This quarter, INL provided \$75,000 in advance payments to the Ministry of Counter Narcotics (MCN) in support of eradication activities next year in the following provinces: Badakhshan, Kabul, Kapisa, Kunar, Laghman, Nangarhar, Balkh, Jowzjan, Samangan, Sar-e Pul, Herat, and Badghis.⁷⁰⁶

GLE resulted in the eradication of 750 hectares in 2017 in 14 provinces, compared to 355 hectares in seven provinces in 2016.⁷⁰⁷ INL has obligated and disbursed \$6.9 million since the program's inception in 2008.⁷⁰⁸

As SIGAR noted in its lessons-learned report on counternarcotics, GLE used poor data to form policy options and judge the performance of provincial governors. For example, the 2007 UNODC "credible threat doctrine" assumed an annual eradication target of 25% was necessary to discourage future cultivation without any real evidence to back it up. The report also noted that eradication had no lasting impact on the opium-poppy problem. The U.S. government stopped funding large-scale eradication operations in 2010.⁷⁰⁹ As Figure 3.45 illustrates, eradication efforts have had minimal impact on curbing opium-poppy cultivation. The cumulative total hectares eradicated between 2008 and 2017 represent only 13% of the total opium cultivation for 2017.⁷¹⁰

FIGURE 3.45

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 2017: Cultivation and Production*, 11/2017, pp. 5-6, 64-70.

Opium Cultivation and Afghan Agricultural Area

According to Afghan government data, Afghanistan’s total land area is 65,223,000 hectares. The agricultural area is 9,610,000 hectares or 15% of the total land area. Opium cultivation for 2017 at 328,000 hectares represents 3% of the agricultural area and 0.5% of the total land area. By comparison, wheat—the country’s major crop for consumption—occupies 2,104,377 hectares for 2017–2018, or 22% of the agricultural area.⁷¹¹ Though opium cultivation takes place on a modest portion of agricultural land, it has significant economic value. The illicit profits benefit not only drug-trafficking organizations and the insurgency, but possibly representatives of the Afghan government.⁷¹²

Figures 3.46 illustrate opium’s importance in terms of agricultural land and total land area.

Good Performers Initiative

The INL-funded Good Performers Initiative (GPI) sought to incentivize provincial governors’ counternarcotics and supply-reduction activities by supporting sustainable, community-led development projects in provinces that significantly reduced or eliminated poppy cultivation.

GPI projects included schools, roads, bridges, irrigation structures, health clinics, and drug treatment centers.⁷¹³ However, no new GPI projects were approved after April 30, 2016,⁷¹⁴ and GPI is not starting new projects.⁷¹⁵

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.⁷¹⁶

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.⁷¹⁷ UNODC reported that the number of poppy-free provinces decreased from 13 to 10 in 2017.⁷¹⁸

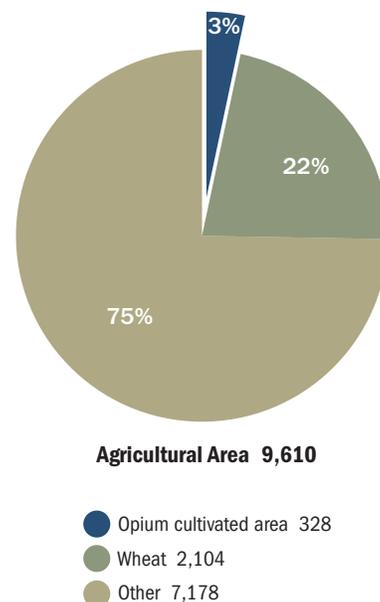
As of August 31, 2018, INL reported that 290 projects valued at \$126.4 million have been contracted. Of those, 281 projects have been completed and eight are still in progress. Four of the GPI projects were recontracted to bring those projects to a safe and usable condition.⁷¹⁹

Ministry of Counter Narcotics Capacity Building

INL funds capacity building programs to strengthen law enforcement, drug prevention, treatment, and recovery.⁷²⁰ Since 2008, INL has obligated \$35.8 million and disbursed \$27.7 million to build capacity at the Ministry of Counter Narcotics (MCN).⁷²¹ INL is currently implementing a skills-based training grant, an Asian University for Women (AUW) fellowship, and a **Colombo Plan** advisors program.⁷²² Under the skills-based training grant, the implementer conducted 33 trainings benefitting 119 MCN employees. Five of the 10 positions under the Colombo Plan advisors program have been filled. According to INL, MCN’s capacity is improving since the arrival

FIGURE 3.46

OPIUM CULTIVATION AND AGRICULTURAL LAND, 2017–2018 (THOUSAND HECTARES)



Note: Agricultural area includes forests and woodlands, irrigated crops, and cultivated rainfed areas

Source: GIROA National Statistics and Information Authority, *Afghanistan Statistical Yearbook 2017–18*, 8/2018, p. 124; UNODC, *Afghanistan Opium Survey 2017: Cultivation and Production*, 11/2017, p. 8.

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

Source: 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 SPECIAL PROJECT

SIGAR issued a report on six GPI projects in Takhar Province. The six projects were completed at a cost of about \$2.7 million. SIGAR found that INL's reported geospatial coordinates for the six projects were each within one kilometer from the actual project location. Additionally, SIGAR found that two hostel building projects had missing and broken furniture, a general lack of facility maintenance and sanitation, and nonoperational dining facilities. SIGAR also found that two of the projects had problems and the other four other projects were functioning and fulfilling their intended purpose, despite minor problems. More information about the report is available in Section 2.

of these advisors this fiscal year. To date, INL has disbursed \$2.1 million to the Colombo Plan for the AUW fellowship program.⁷²³

The MCN works on the policy and planning of alternative-livelihood programs, but not their implementation. The Ministry of Agriculture, Irrigation, and Livestock and the Ministry of Rural Rehabilitation and Development implement these programs, and can also implement MCN policy.⁷²⁴

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.⁷²⁵ 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 households tested positive for some form of illicit drug.⁷²⁶

The United States is helping Afghanistan face this public-health crisis by funding a rural treatment program in Jowzjan Province to expand substance-abuse treatment to the hardest-hit communities.⁷²⁷ INL provides additional assistance for substance-abuse treatment programs through the Colombo Plan Drug Advisory Programme, which includes residential, outpatient, and outreach programs. INL supports the Colombo Plan with training and certification of drug-addiction counselors.⁷²⁸ INL also started another pilot rural treatment program in June 2017 in Jowzjan and Laghman Provinces. Its activities, however, have been delayed due to security and winter weather conditions. INL and the Colombo Plan are reviewing proposals that would combine this pilot program into another rural treatment project.⁷²⁹

Since 2015, INL has transitioned responsibility for 42 of 86 U.S.-funded drug treatment centers in Afghanistan to the Ministry of Public Health (MOPH): 14 of the centers transitioned over to the MOPH in January 2018.⁷³⁰ INL provided the final draft of the transition plan to all stakeholders in September 2018 and announced the budget cuts for 2019 at INL's May 2018 stakeholders meeting in Jakarta, Indonesia.⁷³¹

The remaining treatment centers are scheduled to transition by the end of 2019. INL reduced funding to all facilities by approximately 20% in 2015, another 15% in 2016, and another 25% in 2017.⁷³²

Most of the patients at the remaining treatment centers are adult males. Of the 86 facilities, 66 are residential and 20 are outpatient centers; 31 are dedicated to female patients. Among the residential treatment centers, 44 also offer home-based services. The residential treatment centers comprise 40 centers for adult males, eight for adult females, eight for children, five for adolescent males, and five for adolescent females. Twelve of the 44 home-based programs provide services to adult females.⁷³³ INL has

obligated and disbursed approximately \$150.6 million for the Colombo Plan since 2008 on drug demand reduction programs.⁷³⁴

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 non-governmental 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.⁷³⁵

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.⁷³⁶

INL has developed a software tool to monitor inventory and procurement of INL-funded drug treatment centers (DTC). In September, INL used the tool to monitor DTCs in Kabul.⁷³⁷

ALTERNATIVE DEVELOPMENT

Boost Alternative Development Intervention Through Licit Livelihoods

INL launched this alternative-development project in August 2016. BADILL is expected to follow through on INL's commitments to those provinces most affected by GPI's cancellation.⁷³⁸

According to INL, BADILL takes a community-based, alternative-development approach, rather than the GPI's incentive-based approach. 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 employment opportunities.⁷³⁹ INL expects that this approach will render the program more effective than GPI.

BADILL is implemented in the following provinces: Helmand, Uruzgan, Nimroz, Samangan, Jowzjan, Takhar, Bamyan, Wardak, Parwan, Panjshir, Paktiya, Paktika, and Nangarhar. The main activities between April and June 2018 were the distribution of agricultural equipment, extension services, trainings, and marketing support in the north to nearly 2,300

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 Section 2 of this report.



Joint MAIL, MCN, and UNODC Monitoring Mission to Sarkhrood District, Nangarhar Province. (INL photo)

beneficiaries. The establishment of new orchards and greenhouses in Helmand, Nimroz, and Uruzgan increased the total area of orchards created under BADILL to 172 hectares and total greenhouses to six. Poultry and dairy inputs, such as wire mesh for windows, feeders and drinkers, butter-churning equipment, and ventilators were distributed to increase poultry and dairy production.⁷⁴⁰

Drought had an acute impact in Bamyan, Helmand, and Uruzgan Provinces, where all or most of the seedlings and saplings died. Unexpected snowfall compounded the damage in Bamyan, as did excessive irrigation in Helmand and Uruzgan. Excessive irrigation occurs when all the stored rain water is used because farmers fear no more rainfall will occur. Training will now be provided explaining the detriment of excessive irrigation and how to store rainwater for proper irrigation. Farmers were supplied with new seedlings and saplings to replace the ones killed by the drought.⁷⁴¹

In Takhar, the drought affected the availability of grazing land, resulting in underweight livestock and low milk production. Agricultural yields were lower than the previous year in Samangan and Jowzjan, and farmers lost their entire first crop in Bamyan.⁷⁴²

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 the United Nations and aim to improve household income while reducing dependency on illicit poppy



A master trainer provides training on quality milk production and processing in Kalfgan District, Takhar Province. (INL photo)

cultivation for selected communities.⁷⁴³ Irrigation infrastructure is an important component of the CBARD program. SIGAR’s counternarcotics lessons learned report found evidence, based on Geographic Information System (GIS) imagery, that some US-funded irrigation improvement projects have inadvertently contributed to greater opium-poppy cultivation. In that light, 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.⁷⁴⁴

Table 3.33 provides the funding amounts and project duration dates. All funds have been disbursed.

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 9/30/2018
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, 9/21/2018.

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.⁷⁴⁵

During the third quarter of FY 2018, the project trained 575 people, including 130 women, on business development, project monitoring and implementation, and the concept of value-chain and agribusiness development. The trainings are expected to increase the local beneficiaries' capacity to establish businesses, monitor projects, and work on high-value crops. Furthermore, 279 households reportedly benefitted from various program-funded infrastructure, including greenhouses, raisin-drying houses, and irrigation.⁷⁴⁶

The infrastructure will increase income and improve accessibility to markets, according to the United Nations Development Programme (UNDP). The irrigation infrastructures help protect 806 hectares and irrigate 2,276 hectares of land which improves access and water management. Approximately 6,500 households are said to benefit from these efforts.⁷⁴⁷

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, strengthens public and private agribusiness infrastructures in 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 and approximately 13,450 households will benefit from these infrastructures.⁷⁴⁸

The program prioritized recruitment of female staff and highly encouraged female applicants to apply for project employment openings. However, due to the remoteness and security status of the project, no female candidates have expressed interest. Currently, two out of the 21 recruited staff members are female.⁷⁴⁹ 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.⁷⁵⁰

The 230 greenhouses, constructed in two different sizes for on and off-season vegetable production, are within the home premises or near their homes for cultural reasons. According to INL, the use of greenhouses allows greater participation of women. In greenhouses, women are trained in off-season vegetable cultivation and post-harvest management of fruits and vegetables. Overall, 20% of beneficiaries on CBARD project activities are women. The project aims to empower women to play an important role in all aspects of agricultural production. According to INL, women account for a majority of the workforce in the livestock and poultry sectors, and approximately half of the workforce in the farming and horticulture sectors.⁷⁵¹

Afghanistan Value Chains Programs

These programs will cover the regions previously targeted by now-inactive Regional Agricultural Development (RADP) programs.⁷⁵² 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 9/30/2018
AVC-Livestock	6/9/2018	6/8/2021	DAI	\$34,714,295	\$778,367
AVC-Crops	8/2/2018	8/1/2021	DAI	33,482,672	0
Total				\$68,196,967	\$778,367

Source: USAID, response to SIGAR data call, 10/15/2018.

Afghanistan Value Chains–Crops

USAID awarded the \$33.5 million Afghanistan Value Chains-Crops (AVC-C) contract to DAI Global LLC in August 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.⁷⁵³ 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. USAID has spent no funds as of September 30, 2018.⁷⁵⁴

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.

Afghanistan Value Chains–Livestock

DAI Global LLC is the implementer for Afghanistan Value Chains-Livestock (AVC-L). USAID awarded the three-year \$34.7 million contract in June 2018. AVC-L will work with anchor firms in the poultry, small ruminants,

dairy products, and other livestock value-chains.⁷⁵⁵ USAID defines anchor firms as those with a willingness and potential to create systemic change in their value chain, with benefits that go beyond the individual firm. During the quarter, the implementer performed startup activities, such as recruitment and procurement. Project staff conducted meetings with Ministry of Agriculture, Irrigation, and Livestock staff, other USAID-funded project staff, stakeholders, and other donors.⁷⁵⁶ Total disbursements as of September 30, 2018, are \$778,367.⁷⁵⁷

Promoting Value Chains–Western Afghanistan

The program is implemented by the Food and Agriculture Organization (FAO). The Promoting Value Chains–Western (PVC-W) Afghanistan project aims to promote inclusive growth and create jobs in the agriculture sector by strengthening the capabilities of producers and private enterprises. To achieve this goal, the project aims to:⁷⁵⁸

- increase wheat productivity
- improve production and productivity of high-value crops
- enhance technology utilization in the livestock industry
- build institutional capacity at provincial and district levels

The first year of the project will focus on Herat Province with activities to begin in Badghis, Farah, and Nimroz Provinces in year two. Fifteen project districts were identified based on the presence of production and processing facilities for targeted crops, accessibility, and security.⁷⁵⁹ The rapid value-chain assessment conducted in the fall of 2017 identified constraints and areas where interventions are needed. For example, packaging, quality control, and market linkages were identified as constraints to all value chains and contamination was identified for some high-value crops such as saffron and pistachios.⁷⁶⁰ Private-sector beneficiaries were also selected for 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's intent is 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. The first group of PIF-supported projects has not received final approval, as of October 11.⁷⁶¹ As of September 30, 2018, USAID has disbursed \$1.7 million.⁷⁶²

Afghanistan is experiencing a severe drought—the worst in decades—displacing over 250,000 people in the west, according to the UN Office for Humanitarian Affairs.⁷⁶³ USAID contributed \$43.8 million to support food assistance to drought victims in September.⁷⁶⁴ According to USAID, PVC-W has not experienced any problems because of the drought. USAID reports

that its agricultural activities do not focus on farm-level production, but on the higher levels of value-chains.⁷⁶⁵ More information on the drought is available in the Economic and Social Development section on pages 147–148.

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.⁷⁶⁶ USAID increased the program's contract from \$56.3 million to \$71.3 million in May 2018.⁷⁶⁷

During the April to June months, CHAMP facilitated loans in collaboration with the Agriculture Development Fund totaling \$1.5 million to four Afghan exporters. CHAMP reported the export of 1,335 metric tons of saffron, dried fruits, nuts and seeds valued at \$3.6 million to international markets.⁷⁶⁸

In July, CHAMP facilitated a “Made in Afghanistan: Nature’s Best” event in New Delhi, India. According to USAID, Afghan traders signed \$68 million worth of contracts for high-value agricultural products. Shabana Trading Company, one of five women-owned agribusinesses, signed a \$1.38 million contract for raisins and figs.⁷⁶⁹ As of September 30, 2018, USAID has disbursed \$57.3 million.⁷⁷⁰

Kandahar Food Zone

The Kandahar Food Zone (KFZ) concluded August 30, 2018. The five-year, \$45.4 million program addressed the drivers of poppy cultivation. In its early years, 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. SIGAR will report on KFZ next quarter after submission and approval of the program's final report.⁷⁷¹

As of September 30, 2018, USAID has disbursed \$45.1 million.⁷⁷²

Regional Agricultural Development Program

USAID's Regional Agricultural Development Program (RADP) is intended to help Afghan farmers achieve more inclusive and sustainable economic growth. RADP projects are ongoing in the eastern and northern regions of Afghanistan. The projects focus on strengthening the capacity of farmers to improve the productivity of wheat, high-value crops, and livestock. Using a value-chain approach, these projects work with farmers and agribusinesses to overcome obstacles hindering production, processing, sales, and overall development of agricultural value chains.⁷⁷³

SIGAR 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.

COUNTERNARCOTICS

TABLE 3.35

USAID REGIONAL AGRICULTURAL DEVELOPMENT PROGRAM (RADP)				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 9/30/2018
RADP-South*	10/7/2013	10/6/2017	\$111,414,339	\$108,468,215
RADP-North	5/21/2014	5/20/2019	78,429,714	56,906,996
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	9,022,776
Total			\$283,599,334	\$200,792,183

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

Source: USAID, response to SIGAR data call, 10/15/2018.

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 \$200.8 million as of September 30, 2018.

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.⁷⁷⁴

Between April and June 2018, RADP-E awarded five new grants, facilitated the participation of Afghan agribusinesses to the July Afghanistan-India Trade show in New Delhi and the September “Passage to Prosperity” trade show in Mumbai. The program conducted technical training for 67 poultry farmers, as well as technical working groups and meetings for provincial stakeholders. Besides the security challenge, the program faced some difficulties due to insufficient air-cargo space, a lack of domestic vendors, and a lack of agribusinesses in some of the targeted provinces.⁷⁷⁵ A total of \$178,500 worth of agricultural goods were exported to international markets by two Afghan firms. The program created 700 full-time employment opportunities during the same period.⁷⁷⁶ USAID uses documents from the Afghan Chamber of Commerce and Industry as the source for the sales results it reports. It notes that reported amounts are higher due to the common practice of underinvoicing, in which exporters report lower figures on their invoices to reduce taxes due to the Afghan government. As of September 30, 2018, USAID has disbursed \$9 million for RADP-East.⁷⁷⁷

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.⁷⁷⁸ The \$78.4 million five-year program is in its final year.⁷⁷⁹

During the April to June 2018 period, laser-land-levelling unit operators contracted with approximately 160 farmers to level 914 *jeribs* (a *jerib* is 500 square meters) in Balkh and Jowzjan. One thousand women were trained in hygiene and nutrition in four provinces and agribusinesses that participated in the international trade shows exported more than 339 tons of dried fruit and nuts to countries in Europe and Asia. The program established 20 new veterinary field units staffed by one doctor of veterinary medicine and 19 **paravets** in all provinces.⁷⁸⁰ The program supported female noodle producers who participated in exhibitions held by the Ministry of Agriculture Irrigation and Livestock in Mazar-e Sharif. Samangan women bakers continued production to meet demand for the Eid festival.⁷⁸¹

To adapt to the drought conditions in the north, RADP-N has been conducting additional trainings on animal health and nutrition so that participants in the livestock value-chain can better care for their animals.⁷⁸² As of September 30, 2018, USAID has disbursed \$56.9 million.⁷⁸³

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, pp. 225–226, 229–230.

