A Partnership for Effective Implementation:

- Ministry of Counter Narcotics
- Ministry of Agriculture, Irrigation and Livestock
- Ministry of Rural Rehabilitation and Development
- Ministry of Energy and Water
- National Environmental Protection Agency
- ANDS Secretariat, Ministry of Finance

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Endorsement of the
National Alternative Livelihood Policy
A Joint Initiative of the
Agriculture and Rural Development (ARD) Cluster

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Executive Summary:

The opium poppy economy is considered the single greatest challenge to the long-term security, development, and effective governance of Afghanistan. Opium cultivation, production and trafficking undermine the rule of law through increased corruption, insecurity, insurgency, and vulnerability of farmers and laborers. The illicit economy has also established traditional and rival power structures and led to instability which has hampered reconstruction and development efforts, thus affecting long term economic growth. The increasing number of drug users (opiates and Cannabis) in Afghanistan drains the resources for health care and social services for the rest of the population and undermines the government’s capacity and credibility in the eyes of the Afghan public. Despite the efforts of Government of the Islamic Republic of Afghanistan (GIRoA) and the international community over the last decade, the narcotics problem remains a serious challenge (131,000 ha in 2011, corresponding to 63% of global cultivation, amounting to 5800 MT or 82% of global production of raw opium) for Afghanistan in achieving its development goals.

The sources of authority for this policy is the “Economic and Social Development Pillar” of Afghanistan National Development Strategy (ANDS)\(^1\) and the “Alternative Livelihood Pillar” of the revised National Drug Control Strategy (NDCS)\(^2\). The ANDS has defined Counter Narcotics (CN) as a cross-cutting issue. Thus, all Ministries and all levels of the government are held accountable for incorporating CN objectives into their legislation, strategies, policies, as well as in planning, design, and delivery of the National Priority Programs (NPP)\(^3\) following the Kabul Conference (July 2010)\(^4\). The NPPs, although broad in scope, largely overlooked CN as a cross cutting issue within the context of ANDS.

An analysis of the NPPs was undertaken by Ministry of Counter Narcotics (MCN) in order to retroactively incorporate CN into each one of the NPPs. Guidelines are being developed under this Policy to assist each Line Ministry in the mainstreaming of CN in their respective NPPs. To begin with, MCN will start the review of the four NPPs developed by Ministry of Agriculture, Irrigation and Livestock (MAIL) under the National Agriculture Development Framework (NADF)\(^5\) for alternative livelihood (AL) content, as part of this Policy. The CN mainstreaming activities will continue during the field monitoring and post-impact assessment of the NPPs over the next 5 years. This will require joint M&E field missions by members of the Agriculture and Rural Development (ARD) Ministerial Cluster.\(^6\) Successful incorporation of CN into the Cluster process will be a continuous process negotiated by MCN.

Although vast amount of funds have been spent by GIRoA and the international community on AL programs (provincial, zonal or national in scope) and projects since 2003 and several AL plans and strategies have been prepared by MCN and MAIL, the programs and projects implemented so far by GIRoA, donors, international development agencies and the NGOs have not really had the desired and long-lasting impact on livelihoods in alleviating poverty and food insecurity, and in diversifying licit sources of rural income. Lack of coordination between GIRoA on one side and funding institutions, international development agencies and NGO partners on the other side, and off-budget funding have been cited as the key factors for ineffectiveness of the AL programs and projects implemented to-date. MCN and the ARD Cluster as a whole believe that there is a need for developing a national alternative livelihood policy, at this juncture in time, when GIRoA is

about to embark on the implementation of 24 NPPs by the six Ministerial Clusters and plans are underway for the Transition in 2014.

Whereas the mandate of MCN is one of countering narcotics and assisting those whose livelihoods (248,700 households in 2010\(^8\), 191,500 in 2011) have been affected by cultivation and production of narcotics, economically, socially and environmentally, the mandate of MCN’s ARD Cluster Partners (MAIL, MRRD, MEW, NEPA), while inclusive of this sub-population, is broader than just countering narcotics. The AL, in turn, constitutes one component of MAIL’s, MRRD’s and MEW’s and its respective programs’ conceptual and strategic framework for **Sustainable Livelihoods (SL)**. Interventions introduced under the banner of AL by MCN or its national and international partners, however, may have far reaching impact, if planned and executed in accordance with this Policy, and benefit farmers, laborers and communities who are engaged as well as those who have never engaged in the cultivation and production of narcotic crops.

Whereas enhancing the overall livelihood of Afghans through investments in infrastructure, natural resource management, economic growth, creation of employment, increasing agricultural production and productivity and diversification of licit sources of income is the broad national mandate of the ARD Cluster, the focus of this Policy is the subset of livelihoods, partially or totally, dependent (currently or in the past) upon the illicit narco-economy, or vulnerable to predation by narco-entrepreneurs, now or in the future because of poverty and food insecurity, as indicated in the illustration in Annex 1. This Policy embraces a broad definition of AL acceptable to the ARD and other five Ministerial Clusters and takes into considerations the current social, political and economic realities of the Afghan society, in an equitable manner, across the country.

This Policy has a 12-year horizon (2012-2024), ending with the commitment of the international community in 2024, as decided at International Afghanistan Conference in Bonn (2011)\(^9\), and is subject to review every 3-years. Whereas the key long-term deliverables under this Policy will be achieved through Mainstreaming of CN/AL in the 24 NPPs of GIRoA, the immediate, short-term and medium-term deliverables will be achieved through “**Targeted Interventions**” under existing programs such as GPI\(^10\), CARD-F\(^11\), Food-Zone\(^12\) and new research and analysis initiatives to be undertaken by MCN in collaboration with UNODC.

Support for socio-economic research and analysis on the drivers of opium poppy cultivation and factors that influence households’ decision in their shift from illicit to licit livelihoods will be a component of this Policy. Understanding the contribution of the different socioeconomic groups involved in the opium poppy value chain and the multiple benefits (i.e., social, economic, political) they derive from their involvement in the Opium Poppy Economy (OPE) are critical for identifying the “**entry points**” for effective development strategies to counterbalance the advantages of the OPE. Impact assessment will be measured in both human and economic development terms as well as drug control indicators such as area planted. In order to counterbalance the advantages of opium cultivation for the rural economy, appropriate development responses under this Policy will focus on equitable access to key resources such as land, water, credit and creation of durable employment on a massive and unprecedented scale through the public and private sectors.

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Lessons learned from past and ongoing agricultural, rural development and rural enterprise projects and programs and locally-adapted agricultural innovations and technologies must be taken into consideration when designing and implementing new AL projects and programs or when finalizing the NPPs. Based on the lessons learned from a decade of the international community’s involvement in Afghanistan as well other narcotics-plagued countries in Indochina and Latin America, the AL objectives set out under this Policy will only be realized if there are significant improvements in security, good governance and overall economic development.

The implementation of this Policy is not expected to have an impact on cultivation of illicit crops by large landholders/land mafia and narco-entrepreneurs who have opted to be engaged in this activity not out of need but greed. This Policy is based on the assumption that any approach to CN has to be comprehensive, creating the correct balance between law enforcement, sustainable alternative livelihood and demand reduction interventions.

Introduction: Ministry of Counter Narcotics and the CN Mandate

The counter narcotics efforts of GiRoA are inspired by the Afghanistan Counter Narcotics Drug Law and guided by the NDCS drafted in 2003 and updated in 2006 and 2012. The NDCS aims to secure a sustainable decrease in cultivation, production, trafficking and consumption of the illicit drugs. MCN was established in 2005 in order to lead the counter narcotic efforts of GIROA which is one of the national priorities under ANDS, with the mandate to develop policies, provide strategic oversight and coordinate CN activities with other government departments and external partners such as UNODC, NGOs and the international community. However, ANDS recognized in subsequent years, the immense challenges posed by the drug problem in realizing the national goals under development, security and governance, and defined CN as a cross-cutting issue. CN as a cross-cutting issue holds all levels of government accountable for incorporating CN objectives into the planning, design, and delivery of their development programs. Thus, it is the responsibility of each line Ministry, in partnership with MCN, to address CN as a critical program component. The key functions of MCN are as follows (Chart 1):

(a) **Formulating Policy** (including Advocacy and Reporting)
(b) **Coordination** (including Facilitation of CN Mainstreaming in all NPPs of the Ministerial Clusters and Partnership with the ARD Cluster)
(c) **Monitoring and Evaluation** (including Survey, Research and Analysis).

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MCN also has an **information management** function in the sense that it collects, maintains, analyses and disseminates accurate and up-to-date data on CN in Afghanistan. UNODC is a key partner of the Ministry in conducting surveys, conducting socio-economic research and developing the required databases. Policy formulation is the most important function and mandate of the Ministry. The MCN uses a policy development process made up of four distinct phases: agenda setting, policy formulation, policy implementation and policy review.

1.0 **Goal and Objectives:**

1.1 **Overall Goal**
To strengthen and diversify legal rural livelihoods by tackling the root causes and drivers of dependency, on the part of subsistence and marginal farmers and laborers, on cultivation of narcotic crops including chronic unemployment, poverty, food insecurity, indebtedness to narco-entrepreneurs, and inequities in access to natural resources and funding opportunities.

1.2 **Objectives:**

1.2.1 To **assist** farmers, laborers and rural communities affected by GfRoA’s counter narcotics campaigns (Public Awareness, Law Enforcement, Eradication) with a package of comprehensive, locally-adapted and practical interventions which could alleviate poverty, food insecurity and have a lasting impact on livelihoods.

1.2.2 To **assist** farmers, laborers and rural communities who have **consciously decided** not to engage in the production of narcotics, through direct cultivation or through supply of labor, with a package of comprehensive, practical and sustainable interventions in an equitable manner, regardless of geographic location?

1.2.3 To **maintain the “poppy-free” status** (i.e., prevent the resurgence of poppy cultivation) in communities which have consciously opted not to engage in, or have strived to abandon, illicit cultivation and production of narcotics (i.e., through Social Contracts) by addressing the key drivers of opium poppy cultivation?

1.2.4 To **keep the pace** of further reductions in cultivation of opium poppies and production of narcotics through effecting lasting change on livelihoods of currently subsistence households?

1.2.5 To **prevent the spread of cultivation** to areas hitherto unaffected by narcotics by embedding CN measures, realizing the mobility of the narco-entrepreneurs who are ready to exploit vulnerabilities.

1.2.6 To achieve a steady reduction (25% reduction after 6-years, or 5500 ha/year) of opium poppy cultivation, through alleviation of poverty and food insecurity, coupled with significant improvements in security, good governance and overall economic development, after the start of implementation of the Policy.

(Note: The implementation of this Policy alone may never result in complete elimination. Therefore, it would not be realistic to set a target and fix a date for complete elimination)
1.3 **Expectations:**

Recognizing that there are no short-cuts to phasing out opium in Afghanistan, there should be no illusion that implementation of this Policy alone will lead to the national goal of complete elimination. According to UNODC (Afghanistan Opium Survey, 2011), any approach to CN should be comprehensive, creating the correct balance between law enforcement, AL and demand reduction. AL alone will not address all the drivers that contribute to cultivation of illicit crops. Secondly, any CN policy including this AL Policy must be clear on the differences inherent in the OPE in the sense that **poppy growers are diverse and their motivations for engaging in poppy cultivation varies.** In many of the major production centers, there are some large landholders whose livelihood is not economically dependent on opium or Cannabis cultivation but chose to grow it because of greed, money and power. This category of people, often coercing others in the production, processing and trafficking of narcotics, already possess diversified sources of income and may not even reside in the area under cultivation. Then, there are the **subsistence and marginal farmers** (as defined in Asian Development Bank Country Partnership Strategy) who grow (or, are coerced into growing) narcotic crops for sheer survival. Thus, the level of dependency of farmers on illicit crops varies and CN policies must account for and reflect these differences.

The fact that the number of households dependent upon OPE fell sharply (from 248,700 to 191,000, UNODC 2011 Survey) by 22.14% while cultivation went up by 7%, indicates that narco-entrepreneurs, cultivating larger fields, are now playing a bigger role than in the past and this trend may continue. Whereas political will, governance, and interdiction are required to break the vicious cycle of forced-dependency induced by affluent landowners, money lenders and narco-entrepreneurs, it is the vulnerable groups of subsistence farmers, marginal farmers and itinerant laborers that warrant a focus on grievances and subsequent AL interventions under this Policy. Given the increasingly apparent links and synergy between opium poppy and insecurity, there should be no illusion about the prospects for quick success against opium, particularly if conflict and insecurity continue in many parts of the country. Security, application of the rule of law, good governance and political leadership as well as continued international support under ANDS and this Policy are required to achieve a significant and sustainable reduction in poppy cultivation over the long term.

2.0 **Problem Description:**

2.1 **Historical Perspective:**

Opium poppy (*Papaver somniferum*), locally known as “Khash-Khash” or “Koknar” has been found as a wild and cultivated plant in Afghanistan for centuries and locals believe that the plant was first introduced in Khash District, in southwestern corner of Badakhshan Province, during Genghis Khan’s incursions into Afghanistan in the 13th Century AD. The exudates harvested from the flowering head (balls) had been used for medicinal purposes while the poppy seeds were used as seasoning on bread in bakeries in Afghanistan throughout the centuries without misuse of the plant’s properties as a narcotic. The valley in that part of Badakhshan where this plant flourished is called Khash, hence the name for the plant, Khash-Khash. It was not until late-1970s, the breakout of the war of resistance against the Pro-Soviet government, fueled by a new Cold War fought by proxies, that cultivation of Khash-Khash increased in Badakhshan for narcotic and illegal export purposes, spread to other provinces and won a notoriety for Afghanistan in 1991 when it replaced Myanmar as the number one country in the world in terms of total production per year. The destabilization of Afghanistan, disintegration of state institutions during the reign of the Taliban in the late 1990s and the resulting poverty paved the way for opium poppy cultivation to take root in the country on un-precedent scale.

2.2 National and Global Context

Afghanistan has been the world’s major supplier of illicit opium for the last 15 years (peaking at 6900 MT in 2009, corresponding to 89% of global production). The narcotics problem is critical in Afghanistan, in terms of the illicit drug cultivation, production and its adverse social, economic and political impact on society. The cultivation (131,000 hectares in 2011), production and processing of narcotic drugs grossly distort the economy and jeopardize the security and stability of the region as well as the development of Afghanistan. Only 2% of the illicit drugs are intercepted by law enforcement authorities while the unimpeded movement of the drugs, precursor chemicals, money, explosives, weapons and insurgents across the Durand Line and the international borders destabilize the country. Proceeds from the illegal drug trade falling in the hands of the insurgents and warlords are estimated at USD 200-400 million. Moreover, the country has to cope with the serious issue of over 900,000 problem drug users and little capacity for treatment and rehabilitation.

GIRoA adopted the NDCS in 2003 and the revised version in 2006 with objectives of reducing poppy cultivation by 70% in five years and complete elimination in ten years. Nine years after adoption of the NDCS, although there have been modest achievements in the form of reduction in area under cultivation and in total production, with periodic fluctuations in production responding to global supply and demand price fluctuations (down to 3600 MT in 2010, back up to 5800 MT in 2011), we are no near the national target of complete elimination.

Since opiates is central to the macro-economy, contributing one-fifth of the GDP (Gross Export Value of $2.6 billion in 2011 or 16% of the GDP according to UNODC Opium Survey of 2011) and the livelihoods of a quarter million rural households (249,000 in 2010, 191,500 in 2011), mostly poor, currently depend on growing opium poppy and to a lesser extent on Cannabis, if the security, governance, development and CN objectives of GIRoA are to be achieved, sustainable alternative livelihoods must be identified for those who are currently (or have been) engaged in illicit cultivation and production of narcotics, as well for those who are vulnerable to predation by narco-entrepreneurs because of poverty, food insecurity (i.e., drought-induced migration of households from Ghor to southern provinces in 2011) and chronic unemployment. Without such support, there would be a substantial increase in poverty and insurgency resulting from unbalanced eradication campaigns. A sustainable reduction in poverty depends on building the “enabling environment” and institutional base from which licit livelihoods can develop.

Three decades of conflict and neglect have left Afghanistan’s infrastructure, state-owned industrial facilities as well as agricultural research and extension devastated. Although there have been modest achievements on the part of key institutions such as MAIL and MRRD in recent years, the capacity and facilities currently available in Afghanistan are still inadequate to respond to the challenge of finding viable alternatives to an entrenched opium economy.

3.0 Problem Analysis

3.1 Why is the Opium Poppy Economy so Entrenched in Afghanistan?

The opium market has a number of unique features for the Afghan farmer which make him very competitive in the region and in many respects set the standard for successful, market-driven agriculture, even if our perception of this success is a negative one because of the miseries that it has inflicted upon Afghanistan and millions of people around the globe. That is because a

15. UNODC and MCN. “Afghanistan Opium Survey” (Vienna and Kabul: UNODC, 2010).
agricultural inputs and services (including a contract, credit and protection) needed from planting to marketing. In contrast, the subsistence Afghan farmer engaged in traditional agriculture stand at a distinct disadvantage in this respect. According to the ADB Country Partnership Strategy for Afghanistan\(^\text{17}\), there are many advantages to cultivating poppy in the current economic and political climate of Afghanistan. “It is a high-value, low-weight, durable commodity, for which there is strong demand. There are sufficient returns at each stage of the value chain and well-developed market linkages in terms of credit, purchase, transport, and processing, all of which function well and flexibly despite Afghanistan’s fractured infrastructure. Traders are willing to purchase at farm gate for cash, often in advance of market”. The ADB report elaborates “Opium poppy can be planted almost anywhere in the country, although it grows best in free draining sandy loam soils. It is so well suited to Afghanistan’s agro-climatic conditions that it produces higher than the global average yields of raw opium and morphine and maximizes to scarce irrigation water. This latter attribute and its marketability have proven crucial to farmers with small land holdings and large families, particularly in remote areas where opium poppy cultivation is becoming increasingly concentrated.”

Aside from cotton, medicinal plants (i.e., licorice, hing, cumin) and fruit crops (pomegranates and grapes), there are few other crops where the country has a competitive advantage, even in regional markets. Even almonds and pistachios originating from other countries now compete with Afghan produce. Relatively low levels of productivity, poor quality of agricultural inputs such as seeds and fertilizers, significant post-harvest losses, high costs of production, poor quality and variable volumes of annual production all serve to limit the competitiveness of Afghanistan’s agricultural products. For remoter, agro-ecologically disadvantaged and more marginal parts of the country such as Sari-Pul, Bamiyan, Ghor, Dikundi and Paktika, or for poor households with limited land or access to water, opportunities for diversifying licit sources of income from agriculture are quite limited. The pattern of growth in the urban centers is such that hardly any industries (the likes of Jangalak industries, Bagrami and Gulbahar textile plants, the woolen products industry in Daman District of Kandahar or the natural gas and fertilizer manufacturing complex in Balkh, each of which once employed thousands of men and women) have emerged over the last decade which could provide opportunities for employment for young men who would otherwise be preyed upon by the narco-entrepreneurs, the insurgency, or take the grave risk of illegal migration to Iran, Australia and far away destinations in search of work and the illusion of a better future.

Review of the extensive literature on opium poppy cultivation in Afghanistan shows that there are two schools of thought\(^\text{18}\). First, there is the body of literature including UNODC reports and GIRoA’s existing strategy (NDCS) that look at opium economy largely as a menace or national affliction to be dealt with. Here, the OPE is seen as a challenge to security, governance and reconstruction and advocates counter-narcotics policy, eradication, interdiction and rewards (GPI, CARD-F and Food Zone) to move farmers, laborers, communities and whole provinces out of the opium economy. The second school of thought, based on socio-economic research in Afghanistan and other regions by Afghanistan Research and Evaluation Unit (AREU) treats OPE "not as a phenomenon to be judged and condemned, but rather one that needs to be understood, a lens through which to view rural economies, political context and what state-building actually looks like in practice”. Research by AREU\(^\text{19}\) indicates that “elimination of opium production in Afghanistan is dependent on more than encouraging licit on-farm, off-farm and non-farm income opportunities. Critical to the realization of counter narcotics objectives is the


19. Afghanistan Research and Evaluation Unit (AREU) [www.areu.org.af](http://www.areu.org.af)
achievement of broader development goals, including establishment of those institutions required for formal governance, promotion of a strong civil society and strengthening of social protection mechanisms. The multi-sectoral nature of the task, targeted more at nation-building and reconstruction than solely drug control, points to the need for broad ownership of the drug control agenda by the full range of national, bilateral, multilateral and non-government development actors”. Taking the above research findings into consideration, the ARD initiative to develop this Policy will follow a “whole of government” approach while coordinating the efforts of the international community in building sustainable legal livelihoods, during the course of implementation of the Policy over a 12-year period, ending with the current comment of the international community in 2024, as agreed upon at Bonn-II International Conference on Afghanistan.

3.2 Has our Understanding of the OPE Changed since NCDS was Adopted in 2003?

Our understanding of the complex and entrenched nature of the OPE in Afghanistan has changed since NDCS was first adopted in 2003 and revised in 2006. When the strategy was first conceived in 2003, the thinking and the expectation of the international community in Afghanistan were such that implementation of the NCDS would lead to a gradual reduction of opium poppy cultivation and that within a decade, a total elimination of the poppy cultivation would be achieved. As the lessons learned emerged from key AL programs (RAMP®, RALF®, ASMED®, ASAP®, IALP®, AIRP®, CNTF®, HLP®, AVIPA Plus®, etc.) over the years 2004-2011, our understanding of the root causes and compulsions of the opium poppy cultivation and the dynamics of the OPE also changed. According to AREU®, “decisions by farmers to cultivate opium are made within the context of the broader farm and household economy. Consequently, different communities engage with the opium economy in different ways and for different reasons, reflecting local capacity, available resources and other local opportunities. Changes in local conditions alter the context in which farmers make decisions on whether to cultivate opium. This helps explain the divergent trends in poppy cultivation between provinces, neighboring districts and communities, and even within communities on the basis of individual household circumstances. It also explains why simplistic explanations have previously failed to account for the complex dynamics of opium cultivation in Afghanistan”. Even after a decade of interventions by GIRoA and the international community, there are still strong incentives for households to engage in opium poppy cultivation where government control is tenuous or lacking (i.e., southern provinces) as it still remains a low-risk crop in a high-risk environment for both farmers and narco-entrepreneurs.

20. Afghanistan Research and Evaluation Unit (AREU) www.areu.org.af
25. Accelerating Sustainable Agriculture Program (ASAP), http://afghanistan.usaid.gov/en/USAID/Activity/1/Accelerating_Sustainable_Agriculture_Project_ASP
27. Arghandab Irrigation Rehabilitation Project (AIRP), www.acdi_cida.gc.ca
Finally, there is a real need to recognize opium poppy cultivation as contextual. It is a symptom of poor governance, lack of security and the absence of viable economic opportunities, rather than the cause of these problems.30

3.3 Economic versus Geopolitical Dimension of Poppy Cultivation?

Opium has long been at stake in armed conflicts as its trade has allowed these conflicts to be prolonged. As the complex history of opium in Asia demonstrates, opium production and trade have been central to world politics and geopolitics for centuries and the role of opium in Afghanistan does not represent a new trend. In many ways, history repeats itself. Afghanistan’s opium production today is the direct outcome of the Cold War rivalries and conflicts waged by proxies who helped develop a thriving narcotics industry.31 The analysis of Afghanistan’s narcotics issue would be incomplete without dwelling on the political dimension of the issue. Many Afghans believe that it was no accident that poppy cultivation migrated from the Golden Triangle to Afghanistan via Pakistan. The preconditions for opium cultivation to take root in Afghanistan had to be created first and that was the destabilization of Afghanistan, uprooting of its population, destruction of its economy, state institutions, national defense and security organizations and the ensuing civil conflict of the 1980’s and 1990s. Vested interests on the part of some countries of the region trying to keep Afghanistan destabilized have prolonged the war against narcotics. There is no doubt that the Afghan drug issue is linked to the international drug mafia. The land mafia in Afghanistan also contributes to the drug issue in the sense that thousands of hectares of government land has come under poppy production in the southern provinces. The MCN policy document on Law Enforcement deals with this issue in great detail.

3.4 Are the Recent Reductions in Cultivation (Poppy-Free Status) Sustainable?

Recent trends in production such as a reduction in 2010 compared to 2008-09 indicate that the occasional reductions may have more to do with a market correction in response to low global prices for opium and heroin, than a permanent or sustainable departure from opium-poppy cultivation. The risk of a comeback of poppy cultivation in poppy-free provinces is real, as witnessed in 2011 (7% increase in planted area), because many of the underlying drivers (such as price fluctuations affecting demand and supply, security, economic activity and prospects for employment, incentives or coercion through Law Enforcement activities) that contributed to significant reductions in the area under poppy cultivation have not proved durable, making provincial “poppy-free” status vulnerable to reversal. The decline in production of raw opium in 2010, partly due to a disease infestation in Helmand, lead to a price rise and subsequently to an alarming increase of 97% in Badakhshan and 145% in Nangarhar where proper eradication did not take place (UNODC Survey of 2010). A resurgence of poppy cultivation was also recorded in Balkh in 2011. Other factors which contribute to the vulnerability of the poppy-free provinces is the rampant unemployment and the fact that the rural economy in resource-poor areas and those distant from markets has suffered, forcing young men to migrate to Iran, the Gulf countries or Australia, even if risking their lives.

In a recent study published in August 2011, Mansfield, Alcis Ltd and OSDR explored the

underlying factors for the recent reductions in Central Helmand and the sustainability of these reductions. They found out that “while household concerns about food security because of high wheat prices were key in driving down poppy cultivation between 2008 and 2009, the coercive power of the Afghan state and international military forces has been significant in determining levels of cultivation in Central Helmand in 2010 and 2011. Sustainability of these effects will vary among different communities”. Mansfield et. al., point out that reductions in poppy cultivation are:

- “most sustainable among communities close to urban centres with access to diverse income opportunities, government support programmes and better security;
- least sustainable among communities that have responded to the government’s poppy ban but lack viable alternatives and remain exposed to violence and intimidation by both sides of the conflict;
- and non-existent among a growing number of communities in the desert north of the Boghra canal where opium production has provided the means to own and cultivate land, and the insurgents are increasingly seen to provide a relatively secure environment for households to secure income and accumulate assets”

- Mansfield et.al. urge the policy makers to give serious thought to “the impact of opium bans on communities that are exposed to repeated and concurrent shocks and lack access to viable alternatives and government-supported economic development

It is important not to lose sight of the poppy-free provinces under this Policy because there are indications that the opium trade can still persist even if there is no cultivation taking place in a particular province (i.e., the outflow of narcotics across the Amu River through the northern provinces and the Afghan-Turkmen borders) and contribute to illicit incomes, impacting security, governance and fostering corruption in the poppy-free provinces. Support for continued socio-economic research would be an important aspect of this Policy as it is critical to identify the conditions needed to support a permanent shift out of poppy cultivation, and thus establish whether the design of existing interventions under national programs (NSP, NABDP, AREDP, MISFA, HLP, PHDP), NPPs, CARD-F, GPI and Food Zone is providing them. There is a need to maintain vigilance, on the part of the ARD Cluster and GIRoA as a whole, and watch/monitor how the potential drivers of a return to poppy cultivation are changing and how does this vary between households, districts and provinces.

The lessons learned based on recent cultivation trends and socio-economic research and analysis (AREU, UNODC) warrant that GIRoA and the international community should not take the poppy-free status of the provinces (20 in 2010, 17 in 2011) for granted and should not spend all their efforts and resources in the south in a disproportionate and inequitable manner. We need to establish the conditions under which more durable shifts out of opium can be achieved and that progress in both rural development and CN should be assessed based on evidence of households gaining social protection, basic security, incomes and employment, rather than simply levels of opium poppy cultivation within a given area

3.5 Should the Notion of “Poppy-Free” Distinct Geographic Areas Continue to be an Indicator of Success?

The comeback of cultivation in provinces such as Balkh, Badakhshan, Baghlan, Nangarhar and Kapisa raises a number of troubling questions. First of all, it casts doubt on the long-term “success” of the CN practices in reducing or “freeing” provinces from opium poppy cultivation, thus making the effectiveness of our CN strategy questionable. Secondly, did GIRoA and the

international community’s efforts to eradicate opium deal with the “symptom”—the crop’s cultivation—or with its underlying “causes”—poverty, food insecurity and the epidemic of unemployment for the millions? Another lesson learned from this comeback of cultivation is the supply-demand equation in the sense that if production falls in one area, cultivation will pick up in another part of the country where the right conditions exit as drivers of the OPE.

In general, the persistence of chronic poverty and food insecurity, the lack of opportunities for employment, inequities in access to natural resources, the declining health of the rural economy, agro-ecology and location, local power relations and security appear to be major factors driving the return to opium cultivation in parts of the country and making this crop an attractive choice for many farmers. Pain’s recent study based on interviews in Balkh and Badakhshan argues that CN policies and development interventions under “alternative livelihood” programs “are yet to produce the conditions required for a durable shift out of opium.” The report also indicates that “there is some resentment, especially in Badakhshan, that southern provinces are being rewarded with greater levels of development funding despite their failure to give up the crop.” The author maintains that “CN policies and support to rural development do not appear to have generated the conditions that might encourage households to move permanently away from opium poppy cultivation. The real indicator of effective counter-narcotics strategies is to make farmers relatively insensitive to opium prices. The recent trend in resurgence may indicate that supply reductions in one geographic area (i.e., the south) can have price effects that shift production elsewhere (i.e., the north or east)”.

### 3.6 The Inter-relationships of Other Pillars of NDCS (in particular, Law Enforcement) with AL?

The migration of poppy cultivation from the rest of the country to the southern provinces and its comeback in isolated pockets of the northern provinces show that there is a strong link between insecurity and cultivation. Because of the illicit nature of the opium economy, increasing insecurity contributes to increasing levels of opium production as: (a) it limits the ability of the government to address opium drivers by reducing access to areas where opium poppy is grown, thus reducing opportunities for investment in the licit economy; (b) it limits farmers’ ability to access non-opium farm inputs, including credit; and (c) it enables narco-entrepreneurs and insurgents to coerce farmers into growing opium poppy.

### 3.7 The Various Interpretations of AL?

Is AL an “End-State”? There are unrealistic expectations of how and when alternative livelihoods can be developed, and the concept remains a virtual one as the results of this approach are yet to be seen. AREU’s research suggest that “a counter-narcotics policy focused on suppressing the areal extent of poppy cultivation (which has been adopted as a key measure of success in the war against drugs) risks targeting the symptoms of the opium economy, rather than its root causes, and is unlikely to facilitate a sustainable transition away from the crop. Whether farmers can respond to government incentives or law enforcement actions to reduce poppy cultivation depends on their ability to construct a livelihood outside of the opium economy (i.e., whether or not they have a choice to grow poppy). A prerequisite for this to happen is often the need to address inequities in access to natural resources such as land and water.”

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Is AL a “Bridge” between “OPE” and a diversified and legal economy? According to a UNODC depiction, there is a bridge or a continuum to cross between a state with income levels dependent upon opium poppy economy and the end-state with income levels with sustainable alternative development. According to this interpretation, AL interventions are “quick fix” whereas Alternative Development interventions are multi-faceted, integrated, synergistic and of longer duration.

3.7.1 Alternative Development versus Alternative Livelihood?

“Alternative development” is based on discrete area-based projects implemented in the 1980s and 1990s in other regions such Latin America and Indo-China, beset with drug problem. These localized projects were not effective in addressing the different motivations and factors that influence households in their decision to plant opium poppy, nor could they deal with the extent of its cultivation. Attempts to replace on-farm income generated by coca and opium poppy were not effective as they were addressing the symptom—the hectares under cultivation, instead of the cause. Impact assessment was measured in terms of reduction of hectares of illicit drug crop cultivation.

Realizing the failures of the “alternative development” model in other narcotic hot spots of the world, the alternative livelihood was designed in early years of this decade as a critical component of the current CN strategy designed to eliminate opium poppy cultivation in Afghanistan. The concept of “alternative livelihood”, which at present is still an ideal rather than representative of actual practice, emerged from an analysis of the weaknesses of the “alternative development” projects of the past in Latin America and Indo-China, a recognition of the magnitude of the opium problem and the amount of funds allocated to reconstruction and development by the international community. The emergence of an “alternative livelihoods” approach which seeks to mainstream CN objectives into national development strategies and programs was first adopted in 2003, in order to create links with the wider state-building agenda under ANDS.

3.7.2 The ARD Cluster’s Definition of AL under this Policy?

AL is the term given to rural development activities that provide licit economic alternatives to farmers and other rural workers currently dependent on or vulnerable to opium production. The key aim of the AL Pillar of the latest version of NDCS (2011) is to strengthen and diversify alternative livelihoods that free farmers and other rural workers from dependence on poppy cultivation. Experience since 2006 dictates that programs and projects under the AL Pillar should be required to contribute to the NDCS priority objective “strengthening and diversifying legal rural livelihoods” by tackling the root causes and compulsions such as poverty, food insecurity, massive unemployment, inequities in access to natural resources (land and water), indebtedness to narco-entrepreneurs, and inequities in the level of national and international developmental assistance to a distinct geographic area.

This broad definition of AL acceptable to ARD Cluster is taking into consideration the social, political and economic realities of the society in an equitable manner across the country, regardless of whether narcotic crops are grown or processed in a particular province and district. Recent resurgence in Balkh, Badakhshan, Baghlan and Kapisa

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indicates that we are dealing with a moving target as factors such as supply-demand dynamics in one part of the country can affect cultivation in another part of the country.

AL under this Policy has a wider state-building agenda and development agenda as it intends to address the causes of cultivation. It recognizes the overlap between development and drug control agendas under the priorities of ANDS. This Policy will not have the desired outcomes if reduced to alternative income generating projects and the broader institutional issues are ignored.

3.8 Duplication of AL Roles and Responsibilities in Line Departments

Currently, MAIL and MCN each have their own AL Departments with similar mandates. MCN, however, has no implementation role and no funds to implement a national program aside from GPI because it did not develop an NPP for consideration at the Kabul Conference. The public at large has high expectations that MCN deliver AL interventions in all provinces. The AL Department at MAIL is not integrated with CARD-F which has emerged as the first true example of collaboration among MCN, MAIL and MRRD.

At MRRD, there is no specific departmental Tashkeel dealing with AL. However, given the cross-cutting nature of the MRRD mandated portfolio in terms of public policies, national priorities, and social and economic sectors, the definition of alternative livelihoods as employed by the Ministry is broader than just countering narcotics. The AL, in turn, constitutes one component of the MRRD’s and its respective programs’ conceptual and strategic framework for Sustainable Livelihoods (SL). As such, it encompasses all three dimensions of SL- i.e. environmental, social, and economic—and brings into bear, along with sustainability, such notions as change, effectiveness, efficiency, relevance to local context, and impact. The Ministry makes sure that participatory and thoughtful process takes place when devising its SL/AL related strategic interventions, both at policy and program/project levels.

3.9 Funding Allocated to AL by the International Community To-date: Absence of Comprehensive and up-to-date Database

There is no central and reliable database inclusive of all expenditures by GIRoA and the international community on AL or general development projects. Thus, it is a challenge to gauge the amount of funding allocated to AL since 2002. UNODC established the first Database on AL in 2005. The Donor Assistance Database (DAD) is maintained by MoF and the Management Information System (MIS) is run by MRRD. In addition to the GIRoA databases maintained by MCN, MoF and MRRD, donors such as USAID and DFID have established their own databases.

According to UNODC, data collection in an environment like Afghanistan and, in addition, on a sensitive topic like alternative livelihoods is complicated. In compiling the data, one difficulty encountered by UNODC was the diversity and incompatibility of data, which is often scattered among various stakeholders. Each donor, for example, has several implementing partners and there are often several levels of overheads from the donor to the field, resulting in information differences and losses. In addition, among the different stakeholders of one given project, there are differences in data. Further, the level of detail available vary greatly depending on the stakeholders. Thus, in many cases, dealing with the donor itself is not enough and it is necessary to collect information from the implementing partners (sometimes, two levels down from the

Another challenge encountered by UNODC is the regular updating of information, as many of the existing barriers (variety of stakeholders, number of levels from donors to field, information loss, and sensitivity of topic) will remain. In addition to these difficulties, there is a problem of definition. Alternative livelihoods topic has varying definitions, based on a series of criteria and on agendas that differ by stakeholder.

According to a UNODC AL Database Annual Report(2008) the total funding commitments to AL amounted to $1,819,000,000 over a 6-year period between 2002-2007. There is no information on actual expenditure, let alone information on what is actually spent in rural areas, allowing for such overhead items as management and security costs, expatriate salaries, consultancy fees and material purchased abroad. “Donors in general and the largest donor USAID in particular are frequently reluctant to reveal budget information with the result that many figures are derived from secondary sources such as the Donor Assistance Database in the Ministry of Finance”. A key point is that since 2002, the AL investment funds available have increased every year. However, the problem appears to be that, because of a lack of conducive environment, including security and effective governance, in many areas of the country, this investment has not always contributed to a reduction in cultivation.

Among the key donors supporting governance and overall economic development in Afghanistan is CIDA which invested CAD 1.9 billion in Afghanistan between 2001 and 2011. Other key donors in this area are WB, ADB, JICA, EU, Germany and Australia. According to a French source, the international community mobilized some $50 billion, half for reconstructing security forces and the other half for development aid during the period 2002-07, plus another $20-30 billion of commitments at the Paris Conference (2008) and the Kabul Conference (2010).

Reliable data on the percentage of Off-Budget and On-Budget is not available for the overall investments of the international community in Afghanistan but a rough figure is 20%. The “Aid Effectiveness” (as defined in the Accra Accord) of the Off-Budget AL expenditures of the international community will be addressed under this Policy.

### 3.10 Disproportionate Investments in AL

Cumulative AL investments, at the national level, is not correlated with opium poppy cultivation but rather reflects ease of access, political considerations and donor-specific factor (UNODC AL Database Annual Report 2008). Although regions with relative underinvestment in AL have shown substantial increases in poppy cultivation, these areas tend to be insecure with the result that government penetration and NGO access is limited, the licit rural economy is weak and those involved in driving the illicit opium economy have extensive control over farmers decisions and options in rural areas. All these factors combine to hinder or, at worst, prevent the implementation of development activities in these areas.

At a local level, provinces where opium poppy cultivation has been substantially reduced do rarely receive sufficient follow up investment to provide licit livelihoods options to farmers who have ceased or reduced poppy cultivation.

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Long lead-in times for donors, as well as the often cumbersome government procurement procedures, have precluded a rapid response to opportunities to focus investment in areas where poppy cultivation has been reduced or eliminated by a combination of investment and other factors (including political pressure, eradication and promises of investment)’.

According to UNODC 2011 Survey, “the concentration of aid in areas plagued by insurgency, such as the Helmand Food Zone programme, resulted in an increase of opium cultivation in districts and provinces surrounding Helmand and in other parts of Afghanistan, illustrating the mobility of the narco-entrepreneurs and highlighting the fact that CN measures are as yet insufficiently embedded in many other parts of the country”.

Development assistance should not be seen as compensation but a means by which to promote equitable growth and empower the poor. The failure to address the root causes of opium cultivation, and in particular, to meet the needs of the resource poor, means that relocation of opium cultivation to neighboring areas is an inevitable consequence of such practices.

3.11 Poor Coordination on AL Activities
Lack of coordination or weak coordination at best at various levels of the government and between the government and the international community has been cited as one of the key factors for unsustainability of AL interventions in Afghanistan

3.11.1 Within and Between Government Institutions

3.11.2 Between GiRoA and the Donor Community
In addition to the Joint Coordination and Monitoring Board (JCMB), coordination and communication can be improved through frequent briefings of the Ministerial Clusters. In the case of the ARD Cluster, there should be periodic updating of the donor community through the ARD Cluster Ministerial-Level Forum and ARD Cluster TWG.

3.11.3 Among the Donor Community: It is important that the “Country Strategy” or “National Priorities” of the donor country, formulated in foreign capitals is compatible with GiRoA’s priorities and is coordinated among the donor community. Greater coordination among key donors involved in rebuilding Afghanistan would minimize duplication of efforts and improve aid effectiveness. Ear-marking funds for a particular priority of the donor country which matches the priority of GiRoA is acceptable but dictating a province or a district within a province without coordination with GiRoA is not acceptable. At the provincial level, greater coordination of efforts is needed between the PRTs and the PDCs.

The donors are often under undue and self-imposed pressure to spend the committed funds by a certain deadline and thus the implementing partners (contractors and subcontractors) are under pressure to deliver by a certain date. Expatriate staff of donors arriving in Afghanistan often do not have the time to reflect on the recent facts and figures of the AL projects. The on-time delivery of projects is also affected by the expatriate staff turnover and R&R schedules. Uncoordinated activities of the contractors and implementing partners of donors have at times undermined GiRoA’s efforts and credibility in the eyes of the public. The PRT’s and ISAF have been too pre-occupied at “winning hearts and minds” and have by-passed

51 From Compact to Impact: Defining a Joint Donor Response to the 2008 Paris Conference on Afghanistan. www.geopolicihy.com
provincial governments when implementing quick-impact projects such as distribution of agricultural inputs.

3.12 Lack of Consultation with Farmers and Farmer Cooperatives

The rights of the farmers have been ignored and agricultural cooperatives have been bypassed. There should be an end to the imposition of projects designed in the offices of political elites and the international aid community that ignore local knowledge and needs. Programs have been typically designed by the expatriate staff of implementing partners of donors who are quite often oblivious of what has worked and what has not worked in Afghanistan in the last decade. Based on the lessons learned from past AL interventions in Afghanistan and Columbia\(^{52}\), when designing new AL projects, (a) the farmers need to have permanent access to the state institutions that would allow them to fully develop their rights as citizens in areas of rural and environmental development, road infrastructure, education, and health, (b) the government must be consistent in its implementation of rural development programs that cover the whole country, and must stop giving paternalistic handouts, and (c) the call for effective and real participation by farming communities must be taken into account in the drawing up of rural development projects. In this way the communities will be empowered and will be able to carry out projects that have a positive impact.

3.13 Analysis of Existing Strategies and Plans

3.13.1 The Alternative Livelihood Implementation Plan (2006)\(^{53}\):

This is an excellent Plan as the Stakeholders are well defined and the key benchmarks of the AL Pillar as defined are still relevant six years later. When re-examining this Plan, there is nothing wrong with it, and in fact what was planned at the time was applicable until early 2010 when preparations for the Kabul Conference began, Ministries were grouped into Clusters and the Clusters started developing NPPs. However, not much was accomplished under the Plan for the following reasons:

- Lack of coordination among the implementing partners. MCN is the lead agency for this coordination at the national level;
- Fragmented planning;
- AL funds diverted to other needs. A larger percentage of AL budget should have been diverted to agriculture but instead what was devoted to agriculture was spent and implemented by agencies/organizations which had no business in agriculture. Funds spent on quick impact projects such as cash for work, cleaning canals and graveling the dirt roads did not have sustainable outcomes.
- Agricultural inputs and technology were distributed without consultation with farmers, farmer cooperatives, provincial MAIL authorities and quite often to the wrong beneficiaries.
- Lack of strong international commitment to support CN/AL in Afghanistan
- Lack of sufficient resources (qualified personnel and funds) for AL at MCN to implement the Plan
- Lack of implementation role at MCN


3.13.2 MCN’s Strategic Plan (2010):

This Plan receives its inspiration and mandate from ANDS and NDCS. The document was compiled by the Counter Narcotics Advisory Board (CNAB) and provides a revised vision, mission statement and goals for the Ministry and describes its functions in practical terms. The Plan underscores the close working relationship between MCN, other Line Ministries (i.e., ARD, EID and HRD Clusters) and external partners, and MCN’s leadership role in facilitating the delivery of CN outcomes. Based on this plan, MCN is developing effective CN policies (i.e., National Alternative Livelihood Policy, Law Enforcement Policy, etc.), support the development of strong partnerships (i.e., ARD Cluster, UNODC) and provide data on the illicit drug use. Under this Plan, MCN intends to establish effective processes and mechanisms to ensure a sustainable reduction in cultivation, production, and trafficking of, and addiction to narcotics.


MCN and the international community have now realized that the NDCS objectives set out in 2003 and revised in 2006 could not be realized within the set time frames. Reflecting upon NDCS, it is now apparent that it was unrealistic to have set a lofty goal that GIRoA with the support of the international community would achieve a 70% reduction in opium poppy cultivation in Afghanistan in 5-years, implying 2009. We now know that this is a complex issue and is influenced by many factors which are beyond the scope, capabilities and resources of ministries such as MCN, MAIL, MRRD and MEW, each acting alone. It took Thailand three decades to replace opium with licit sources of income. However, what has been achieved during this period in Afghanistan despite many constraints (security, limited budget, lack of a binding coordination mechanism, etc.) is still remarkable in the sense that there are now 17 poppy-free provinces, only 191,000 households are dependent upon opium and that OPE accounts for a smaller percentage of Afghanistan’s GDP, even if there is periodic and serious risk of reversal of these indicators, as witnessed in 2011 (UNODC Opium Survey of 2011).

The quantitative criteria (metrics) used to monitor the success of the NDCS by simply documenting reductions in the area under poppy cultivation in a given district or province has come under question in the sense that GIRoA and the international community have been focusing on the “symptom”, rather than the “cause” of the problem. A socio-economic study of the OPE in nine different provinces (including Helmand, Kandahar, Nangarhar, Badakhshan) in 2006/07 by AREU indicated that “performance measures for drug control can not simply be seen in terms of reductions in open poppy cultivation and that there is a need to understand the qualitative nature of any change in cropping patterns and livelihood strategies before labeling changes in any given area a success”. AREU’s field work in these provinces suggests that in some districts of the poppy-free provinces that have a well-functioning market, “both crop and income diversification is taking place “. That is an encouraging development. Therefore, qualitative and quantitative measures which could gauge household income levels and diversity and food security should be developed under this policy.

The 2012 version of the NDCS strategy calls for the following policy priorities:

**Policy Priority 1:** Disrupting the drugs trade by targeting (a) Major Drug Traffickers and Their Networks, (b) Eradication, (c) Precursor Control, and (d) Strategic Information Exchange (Internal, Regional and International)

**Policy Priority 2:** Strengthen and

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54 Ministry of Counter Narcotics, CN Strategic Plan, Counter Narcotics Advisory Board, June 2010
diversify legal rural livelihoods through (a) Policy Formulation, (b) Assistance to farmers, laborers and rural communities, (c) Maintaining “Poppy-Free” Status, (d) Economic Development, (e) Infrastructure and Value Chain Development

**Policy Priority 3: Reduce Demand for Illicit Drugs**

**Policy Priority 4: Cross-cutting Issues**

It is the policy of GIRoA that all its ministries shall develop a CN component to their missions (Annex 2 Mainstreaming Document). The following cross-cutting issues are fundamental to the three policy priorities above and shall be national priorities: (a) Improved Governance, (b) Institution Building, (c) Public Awareness and (d) Regional Cooperation

3.14 Lessons Learned:

3.14.1 Successes and Failures

Some of the quick-impact and cash-for work projects such as karez cleaning, canal cleaning and gravelling dirt roads have in general been a waste of resources and in some instances have perverted communities and undermined centuries-old tradition of “Hushar” or annual mobilization of community resources to clean the karez system. Similarly, experience has shown that spending funds on short-term class-room type of training courses and workshops have largely been unproductive.

The following interventions have worked in Afghanistan and merit up-scaling and out-scaling, based on the successful outcomes of past AL programs:

- Milk collection schemes and dairy value addition in major urban centers (i.e., FAO Plants in Kabul, Kunduz and Mazan)\(^57\)
- Community-based Seed Enterprises (Outcome of RAMP implemented by ICARDA\(^58\), FAO and other NGOs)
- Conservation agriculture (direct-seeding of wheat by machinery)
- Organic export of dried fruits\(^59\)
- Protected agriculture (with Drip Irrigation Technology)
- Production, processing and marketing of saffron\(^60\), \(61\), \(62\)
- Production of electricity as an enterprise\(^63\)

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57 Food and Agriculture Organization (FAO), www.fao.org/countries/55528/en/afg
58 International Centre for Agricultural research in the Dry Areas, www.icarda.org
www.icarda.cgiar.org/Publications/AnnualReport/ICARDA
63 Malik, N. CNTF Field Monitoring Mission to Northeastern Provinces. January 2009
3.14.2 Experiences of Other Regions (Indo-China, Latin America)
Evidence from other regions of the world indicates that supply reductions in one place, whether induced by CN efforts or otherwise, have price effects that shift production elsewhere, reflecting the irrepressible market for opium that continues to exist. As the long history of counter-narcotics efforts indicates, coercive measures most frequently act to push opium poppy cultivation into different countries or between locations within a country as long as a demand exists. In Mynamar and Laos, a significant decline in opium production which had been heralded in 2008 as a major success for international drug control policy, had a devastating effect on farmers and triggered worrying consequences for drug users. The lesson learned is that harm reduction and alternative livelihood policies must be in place before any opium reduction if negative health and development impacts are to be avoided. The rapid decline in poppy cultivation caused major suffering among former poppy growing communities in these countries, making it difficult to characterize it as a "success story".

According to the research and analysis reported by Pain and Mansfield and CARE, the following efforts have not worked in Afghanistan and other regions plagued by narcotics:

- Linking alternative livelihoods directly to law enforcement measures
- Imposing "conditions" when disbursing funding
- Isolating AL programs and projects from broader development planning (i.e., NPPs)

3.15 Lack of Implementation Role for MCN
Lack of an implementation role for MCN in itself is an issue. MCN did not take advantage of the opportunity presented at the Kabul Conference to develop an NPP.

4.0 Issue Identification: “Issues” that Impact Sustainable Licit Livelihoods

In developing appropriate development responses under this Policy, it is important to remember that poppy cultivating households are diverse and dynamic (WB/ADB Report), and that their decision as to how much land to allocate to opium is influenced by a range of different factors—not just price. Therefore, this Policy does not treat all opium poppy growers as homogeneous. There are (a) the subsistence farmers with little or no access to land who work as sharecroppers and whose livelihoods are highly dependent on poppy cultivation. Then, (b) there are the marginal farmers with modest land holdings and some degree of dependence on poppy cultivation, and (c) there are the large and well-to-do farmers (Farah, Helmand, Kandahar) engaged in poppy cultivation with more diversified livelihood strategies. They reside in close proximity to markets, have better access to land and water, and cultivate a variety of crops including high-value horticultural crops. Some of the large land-holders may not even live in the area where poppy cultivation takes but contract other to grow poppies.

There is a firm belief on part of the ARD Cluster that whereas we can help those marginal and subsistence farmers and laborers who have been sucked in the vicious circle of indebtedness to narco-entrepreneurs and the international drug mafia out of poverty with the implementation of this Policy, only the Rule of Law will bend the opportunistic individuals who have consciously

opted to be in the narco-enterprise for money, power and greed or because of ties to the insurgency. Thus, the realization that other Pillars of NDCS such as Eradication, Interdiction and Regional Cooperation must complement the AL Pillar when it comes to dealing with large contract farmers hardcore narco-entrepreneurs in the southern provinces.

The key issues affecting sustainability of livelihoods which must be addressed under the AL Policy or other policies are as follows:

4.1 **Insecurity**

4.2 **Poor Governance**
   - 4.2.1 Ineffective and inadequate border control
   - 4.2.1 Ineffective and inadequate law enforcement
   - 4.2.3 Uneven (unfair and selective) application of the law

4.3 **Global Market Demand**
   - 4.3.1 High price of opium
   - 4.3.2 Low prices for licit crops
   - 4.3.3 Ineffective and inadequate regional border control
   - 4.3.4 Coercion of farmers by the drug mafia to engage in cultivation of narcotic crops

4.4 **Inequities in Access to Land and **Unsustainability in Access to Water**

4.5 **Chronic and Endemic Unemployment:** This is a major cause of national dissatisfaction, a key driver of opium poppy cultivation and migration of seasonal workers from the impoverished provinces (i.e., Ghor) to the southern provinces.

4.6 **Food Insecurity**
Under the NPP on “Food for Life”, the ARD Cluster will make a serious effort to enhance food security through increasing productivity/ha, re-introduction of industrial crops, crop diversification and crop intensification.

Referring to the current ARD Cluster emphasis on market-oriented agricultural production, the study by Kantor and Pain\(^69\) indicated that “stabilizing livelihoods and achieving food security would seem to be the first steps before encouraging increased market engagement. This means giving subsistence production equal attention in ARD programs. For families in more remote regions with fewer viable options for market production, improving subsistence production can form part of social protection strategy”

4.7 **Poverty**
About 42% (12 million) of the Afghan population live below the poverty line, with per capita incomes of 45 cents per day or less. A further 20% of the population (5.7 million) are only just above the poverty line and spend the majority of their income on food, indicating a high vulnerability to shocks (Joint FAO/WFP Summary Programme Proposal to the European Commission 2008)\(^70\). Alleviation of poverty has to be addressed through multiple interventions under ANDS which also serves as Afghanistan’s Poverty Reduction Strategy Paper.

4.8 **Lack of Access to Credit for Agricultural and Non-agricultural Enterprises**

4.9 **Uncompetitive Nature of Agricultural Products and Lack of Access to Regional Markets.**

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High prices and low quality of agricultural inputs, land fragmentation, and inadequate research and extension over the last three decades have all contributed to the uncompetitive nature of Afghanistan’s agricultural products.

4.10 Lack of Access to Rural Energy and Value Chain Infrastructure

4.11 Lack of an “Enabling Environment” for Legal Enterprises to Flourish

There is an urgent need for adoption of “Pro-Producer” and “Afghan-First” procurement policies. Reliance on local resources, raw material and labor should be maximized. As indicated at the “Enabling Environment Conference” in Kabul in June 2007, in order for private initiative to play its role in development, it needs an enabling environment, characterized by: political stability; confidence in the future; mutual trust, understanding, dialogue and collaboration amongst stakeholders; rule of law; protection of the rights of citizens; a diversity of stable democratic institutions; and a streamlined legal, fiscal, regulatory and administrative framework governing all spheres of private initiative, which is predictably, consistently and impartially applied.

4.12 Risks, Vulnerability and Social Protection:

Based on socioeconomic research findings (Kantor and Pain), the AL Policy will focus on the following interventions:

- Reducing risks related to the variability of agricultural output
- Improving the quality and quantity of nonfarm employment opportunities
- Expanding the type of financial services provided to include savings and insurance
- Paying attention to the social context and existing inequalities into the design and implementation of AL programs.
- Enhancing employment and entrepreneurial opportunities for women

4.13 Inequities in Funding for Different Regions

According to the most recent report by Pain, “the perceived North-South bias in the distribution of reconstruction funding and perverse incentives of concentrating reconstruction in provinces with high opium poppy area have all contributed to a sense of unfairness and neglect among households in the study area, further stoking farmers’ will to cultivate.” Under this Policy, donors and government agencies are:

- To take greater account of opium poppy cultivation levels when planning programs and making investment decisions in rural areas;
- Ensure continued substantial and long-term rural investment in regions/provinces where poppy cultivation has been reduced or eliminated, in order to ensure the sustainability of the decrease and to facilitate the reestablishment and development of the licit rural economy;
- In areas of the country where access and security are good, invest on long-term rural development programs focusing on the key priorities of the ANDS; emphasizing local participation and capacity building in the development process.


- In areas where access and security are poor and AL options and opportunities are limited, the Provincial Reconstruction Teams, local NGOs and development agencies should be encouraged to invest in productive infrastructure, as opposed to temporary stop-gap measures.

4.14 **Lack of Common Vision and Commitment between Donors and GI RoA**
Lack of common vision between the donors and international development agencies on one side, and governors, district administrators, PDC and DDA leaders on the other side, in planning AL interventions have often resulted in waste of resources. The donors prefer to spend their development budget based on their own set agenda, their own national priorities and “Country Strategy” drafted in foreign capitals.

4.15 **Poor Coordination Between GI RoA and the International Community**

4.16 **Ignoring Farmers Rights**
Farmers and Agricultural Cooperatives are often ignored when designing AL Programs. The AL projects and reward programs are not reaching farmers because funds destined for farmers are diverted to other uses. Agricultural assistance in the form of production inputs which does reach farmers is not delivered in a timely manner.

4.17 **Mainstreaming of CN/AL: Still only a “Vision”, not Action**

4.18 **Lack of a National Oversight on AL Programs**
4.18.1 On Funding of AL Programs
4.18.2 Over Implementation, M&E and Impact Assessment of AL Programs

4.19 **Lack of Implementation Role for MCN as the Lead Ministry for CN/AL**
4.19.1 Capacity Constraints
4.19.2 Urgent Need for Implementing Change Management

4.20 **Manage Expectations on what this Policy can Deliver**

5.0 **Identification of Policy “Options”**

For each issue serving as a driver of opium poppy cultivation or affecting sustainability of licit livelihoods, the key policy options (or opportunities) “Available” and the policy options consistent with our objectives, “Selected” to address them, are as follows:

<table>
<thead>
<tr>
<th>Issues</th>
<th>Policy Options “Available”</th>
<th>Options “Selected”</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Insecurity</td>
<td>Not an option under AL Policy</td>
<td>• To be addressed by Security Cluster</td>
</tr>
<tr>
<td>5.2 Poor Governance</td>
<td>Not an option under AL Policy</td>
<td>• To be addressed by Governance Cluster</td>
</tr>
<tr>
<td>5.3 Global Market Demand</td>
<td>Not an option under AL Policy</td>
<td>• To be addressed by Security Cluster, the INCB, the Quadrilateral and the Trilateral CN initiatives</td>
</tr>
</tbody>
</table>
| 5.4 Inequity in Access to Land | **Provide Equitable Access to Land**  
Irrigation is key to restoring livelihoods and promoting transition to high-value field crops and horticultural crops. Accelerated and scaled up investments in irrigation would have a high impact against the drivers of the opium economy. Irrigation investments have a typical life of 25-50 years (Ward, et. all)\(^7\), thus ensuring sustainability if arrangements for operation and maintenance need to be put in place. | • Reclamation/restoration of uncultivated government-owned land  
• Repossession of government owned-land by the land mafia  
• Distribution to farmers who have little or no land in a fair and equitable manner  
• The only aspect of this issue addressed by the ARD Cluster is the land management and land reform component and covers long-term leases for industrial purposes. *The equitable access aspect is not covered by ARD. This issue should be brought up at the Wolusi Jirgah (National Assembly)* |
| --- | --- | --- |
| 5.5 Inequity in Access to Water | **Provide Equitable and Sustainable Access to Water**  
Beneficiaries in the upper reaches of a canal or karez often make excessive use of the irrigation water, leaving little water for those living downstream  

Water is used in an excessive and wasteful manner for irrigated wheat (Flood Irrigation) and for row crops (Furrow Irrigation)  

Lack of access to water for irrigation often compels subsistence farmers to cultivate poppies which is less demanding than wheat, rice, cotton and sugar beets | • Establish new and develop existing water resources for irrigation purposes across the country  
• Introduce new, efficient and sustainable irrigation systems.  
• Relevant to NPP-1 of the ARD Cluster. **MCN has to review this NPP quickly to determine whether the “equitable” aspect of access to water is taken into consideration or not and if CN is properly mainstreamed or not** |
| 5.6 Massive Unemployment | **Create Employment on a Massive Scale (5 million by 2024) in the following sectors:**  
- In the NRM Sector: Water Resources Development | • Build Water Storage Dams and Water Harvesting Structures (by the thousands to harness the runoff from each valley and side-valley)  
• Watershed Management Systems (for each River Basin System)  
• Reforestation  
• Pasture and rangeland renovation |
### 5.7 Food Insecurity

**Enhance Food Security** Through Multiple Interventions:

- Crop diversification
- Crop intensification
- Increasing productivity/ha
- Re-introduction of Industrial Crops
- Animal Products Value Chain
- Dairy Processing

To be addressed by ARD under NPP-1 and NPP-2, through:

- Adopt Pro-Producer and “Afghan-First” Procurement Policies.
- **GIRoA to press for adherence to “Afghan First” procurement policies by WFP, NATO, ISAF, PRTs and FOBs across the country. The PSD Cluster to follow-up.**

### 5.9 Lack of Access to Finance Services in Rural Areas

**Provide Easy Access to Finance Services in Rural Areas and Promote the Development of Private Enterprise (On-Farm, Off-Farm, Non-Farm)**

- To be covered by ARD under NPP-3
- Service to rural areas to be expanded under MISFA and Agricultural Development Fund

### 5.11 Lack of an Enabling Environment

**Foster an Enabling Environment for Legal Enterprises to Flourish**

Afghanistan’s agricultural economy is still in a comatose stage. The international community should not expect the rural poor to get organized as producers associations overnight and compete against regional economies (i.e., Iran). There is a need to abandon the notion of free market economy and recognize the significant political obstacles that exist to growth. The commodity marketplace in Afghanistan is still

- Adopt Pro-Producer and “Afghan-First” Procurement Policies.
- **GIRoA to press for adherence to “Afghan First” procurement policies by WFP, NATO, ISAF, PRTs and FOBs across the country. The PSD Cluster to follow-up.**

- Make the “Transit and
characterized by non-competitive behavior that will not change overnight.

With the exception of a few crops, opium poppy among them, it is difficult to give Afghanistan’s agricultural economy a competitive edge compared to its more powerful regional neighbors. Thus, pro-producer policies in tariff and trade are needed to protect the domestic market from aggressive competition from outside. A few examples of such interventions which should be discussed with Ministry of Commerce and the Afghan Chamber of Commerce are as follows:

- Trade Agreement” and the “Dubai Process” work so that Afghan fresh and dry agricultural produce can have unmolested access to India across Pakistan
  - Provision of government support for local entrepreneurs against imports
  - Control and quarantine of agricultural inputs (i.e., seeds, corms, nursery stock, livestock breed, pesticides, fertilizers) for quality and quantity
  - Support to Agro-processing Plants at Industrial Parks
  - Facilitate Afghan exports by adopting an Import Substitution Policy, levying taxes on imports of agricultural products which are in direct competition with Afghan produce
  - Build-up of GIRoA “Strategic Grain Reserves” through local procurement
  - Launch aggressive public awareness campaigns of “Afghan First”. Afghans have to trust the quality and integrity of their own produce

<table>
<thead>
<tr>
<th>5.12 Lack of Competitiveness of Agricultural Production and Lack of Access to Markets</th>
<th>Enhance Competitiveness of Agricultural Production in the Regional Markets</th>
<th>To be addressed under NPP-2 “Food for Life” and NPP-3 “Enterprise and Market Development”</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>- Increased Government Investment in Agriculture and Livestock Sectors</td>
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<tr>
<td></td>
<td></td>
<td>- Mechanization of Agriculture to Ensure Efficiency of Agricultural Production</td>
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<tr>
<td></td>
<td></td>
<td>- Research</td>
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</tbody>
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<table>
<thead>
<tr>
<th>5.13 Lack of Access to Rural Energy</th>
<th>Provide Affordable Access to Renewable Sources of Energy for Rural Enterprise to Flourish</th>
<th>To be addressed primarily under EID Cluster NPPs and the ERDA component of NPP-4 by ARD</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>- Addressed to some extent</td>
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</table>
| 5.14 Undeveloped Value Chain | • Develop the Value Chain  
• Develop the Value Chain Infrastructure | • To be addressed under NPP-3 (Enterprise and Market Development)  
• None of the NPPs address this issue directly and completely although NRAP provides access to markets by building secondary and tertiary roads  
• Addressed to some extent by AREDP, CARD-F  
• **ARD Ministers should encourage EID to address this need** |
|---|---|---|
| 5.15 Turn Problem into Opportunity | • Undertake a Pilot on “Poppy for Medicine”, based on lessons learned from India and Turkey  
• Drugs are confiscated at the cost of many lives on the part of Law Enforcement agencies. Divert the confiscated narcotics into Economic Development  
| • Production under license for economic development on a pilot basis  
• Turn confiscated narcotics into medicine for domestic use by Afghan hospitals and export purposes  
• **ARD to discuss the feasibility of above interventions with MoPH and MoI** |
| 5.16 Lack of Recognition of Farmers and Agricultural Cooperatives | • Engage Farmers and Agricultural Cooperatives when designing AL Programs  
• AL Projects and Reward Programs not reaching farmers (funds destined for farmers diverted to other uses)  | • Support and develop Agricultural and Animal Husbandry Cooperatives  
• Support the development of Cooperatives Union at the National Level to Give Farmers a Voice  
• Direct access of farmers to the benefits of reward programs  
• Design the new AL projects and reward programs based on needs assessment and priorities of the communities |
| 5.17 Lack of Economic Opportunities for Women | • Economic Empowerment of Women as a Cross-Cutting Option:  | • Investments in livestock under NPP-3 and NPP-4 is a first-class entry point for economic empowerment of women and diversification of the household income. High-potential mechanisms to improve value include |
| 5.18 Inequities in Funding for Different Regions | Provide Equitable Funding for AL for Different Regions through NPPs | - If the ARD and EID NPPs are funded by donors without imposing geographic restrictions, then GIRoA Ministries will definitely be able to provide developmental assistance in an equitable manner across the country
- Since all ARD NPPs contribute to AL, then funding will be equitable across regions whether farmers are currently engaged in poppy cultivation or not |

| 5.19 Risks, Vulnerability and Lack of Social Protection | Mitigate Against Risks and Vulnerability and Provide Social Protection | - Implement subsidy programs for farmers affected by natural disasters
- ARD Cluster, in particular, MRRD is to mainstream disaster management in the NPPs. MRRD to construct disaster mitigation infrastructure and plan for recovery activities after a disaster.
- MCN to advocate for social protection measures for households who are vulnerable to resurgence of poppy cultivation following disasters such as drought or migrate to the southern provinces in search of seasonal work in the poppy fields |

| 5.20 Inadequate Coordination on AL Activities | Strengthen Coordination Among Various Levels of GIRoA Institutions and Between GIRoA and International Community | - Use the existing structures in place to establish the “AL Forum” for national oversight of all NPPs and the existing National Programs contributing to AL.
  (a) The ARD cluster Ministerial Fora for dairy processing, sheep fattening, cashmere fiber development and skin garments.

- Donors and government agencies to take greater account of opium poppy cultivation levels when planning programs and making investment decisions in rural areas |
- Ensure continued substantial and long-term rural investment in regions / provinces where poppy cultivation has been reduced or eliminated, in order to ensure the sustainability of the decrease and to facilitate the reestablishment and development of the licit rural economy.

- In areas of the country where access and security are good, the ARD Cluster should encourage and facilitate donors to work with the government on long-term rural development programs focusing on the key pillars of the NDCS; emphasizing local participation and capacity building in the development process.

- In areas where access and security are poor and AL options and opportunities are limited, the Provincial Reconstruction Teams, local NGOs and development agencies should be encouraged by the ARD Cluster and supported by donors to invest in productive infrastructure and the licit rural economy whenever security and other conditions are favorable.

<table>
<thead>
<tr>
<th>5.21 Lack of Action on Mainstreaming of CN/AL</th>
<th>Mainstreaming of CN/AL: Move from “Vision” to Action</th>
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<tbody>
<tr>
<td></td>
<td>- Mainstreaming of CN has been talked about since 2007. It is still only a “vision”. It is now time to change that vision into action</td>
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<tr>
<th>5.22 Lack of Recognition of AL as a Global Responsibility</th>
<th>Advocate Global Support for AL</th>
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<tbody>
<tr>
<td></td>
<td>- It is well recognized now that the war on drugs can not be fought by GIRoA alone and that countries of the region and the world at large must assist Afghanistan in this global menace. Since a sustainable reduction in opium poppy cultivation can not be achieved without having the key pre-requisite-AL in place, it is imperative that the international community must continue to support GIRoA’s economic development efforts including alternative livelihoods.</td>
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<tr>
<td></td>
<td>At the recent Quadrilateral CN Conference in Kabul (September, 2011), Russia announced the creation of 2 million jobs under its Rainbow-2 Program. This is an impressive goal and close</td>
</tr>
</tbody>
</table>

|                                                           | Advocacy at JCMB, Quadrilateral and Trilateral CN Initiatives |
|                                                           | - Follow up with Russia on implementation of Rainbow-2 |

| high-level decisions including approvals of funding for new projects and programs (On-Budget or Off-Budget) |
| (b) The ARD Cluster TWG for implementation, Participatory M&E and Post-Impact Assessment of projects |
The collaboration of other key donor countries is required for implementation of the kind of massive public infrastructure projects and extractive industries which would lead to creation of jobs on such a scale. Similarly, sponsorship of the Food Zone Program in Farah by Iran and in Badghis by Turkmenistan should be pursued by MCN.

| 5.23 Lack of Implementation Role for MCN | Revise the MCN Mandate and give it a “Partnership Role”, in lieu of Implementation Role, which will be contentious with other Ministries. (MCN, as the Lead Ministry on CN/AL should have developed its own NPP for funding at the Conference Kabul, but the opportunity has now been lost) | The revised version of NDCS now gives MCN a strong Partnership Role |
| 5.24 Lack of Capacity at MCN to Mainstream CN/AL in NPPs | Urgent need for Change Management at MCN in order to enable it to implement the AL Policy. (The procedures in place date back to 1950s) | MCN should implement a “Change Management” program which was supported for all other Ministries at the Kabul Conference |
| 5.25 Unrealistic Expectations of what this Policy can Deliver | Manage expectation on what this Policy can achieve. No matter how good the Policy is, if MCN as a member of the ARD Cluster does not have the capacity to innovate, to coordinate, to lead and to galvanize others, nothing would be achieved under this Policy |

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75 Rainbow-2 Program (Russia). Trilateral CN Conference, September 2011
78 Rainbow-2 Program. Trilateral CN Conference, September 2011
6.0 Statement of Policy:

6.1 Rationale for the Policy
Since most AL interventions of the last decade have not resulted in creation of sustainable licit livelihoods for various reasons but most importantly because of lack of coordination and common vision, it is time to develop a national policy so that development actors, whether GIRoA, UN organizations, international development agencies, donors and non-governmental organizations alike follow this policy as Afghanistan prepares for Transition and assumes greater accountability in security, governance and overall economic development. The continued commitment of the international community up to 2024 is expected to ensure the success of implementation of this Policy over the next 12 years.

The return to opium poppy cultivation in parts of Nangarhar, Balkh, Baghlan, Badakhshan, Faryab and Kapisa indicates that the conditions needed for households to make a permanent move away from opium are not yet present. With a rise in price, the incentives not to cultivate have proved insufficient, indicating the severe limits of the “good governance” or “alternative development” interventions that claimed to have driven the reduction in the first place. Neither the CN policies nor more general support to rural development so far appear to have done much to generate the conditions for a stronger rural economy that might draw households out of opium cultivation. It is important to note that price has not been the only driver of the return to cultivation. According to AREU’s findings, “other contextual factors such as underlying power structures, security conditions, identity and agro-ecology have played a major role in determining whether opium cultivation has returned, and the pattern of that return.”

6.2 Basis for the Policy:
This Policy is an evidence-based document and was informed by the UNODC surveys, and socio-economic research and impact assessments by AREU, ICARDA\textsuperscript{80} and other research organizations and lessons learned from a decade of interventions under the various AL programs in terms of what has worked and what has not worked in Afghanistan.

- This Policy assumes that opium poppy cultivation has a direct relationship with insecurity and that it is a moving target in the sense that exerting coercive pressure in one area will force the cultivation to move to adjacent areas.
- This Policy assumes that AL is an inseparable part of the ANDS, and that overall economic development, unless coupled with security and good governance will not result in significant reductions in poppy cultivation.
- This Policy assumes that the poppy growers are diverse and that the target beneficiaries are subsistence farmers, marginal farmers and laborers who cultivate poppy for sheer survival, thus excluding large land-holders and narco-entrepreneurs who are in this business, not for survival, but for power and greed.
- This Policy assumes that creating the conditions for sustainable alternative livelihood is a cross-sectoral and multi-leveled issue. It involves stakeholders from various fields, from household to national level. Though agriculture is important because it provides livelihood for the vast majority of the people of Afghanistan, alternative livelihood goes beyond agriculture. Links to other important sectors are being made, and Ministries other than the ARD Cluster need to be involved.

80 International Centre for Agricultural research in the Dry Areas; www.icarda.org
• This Policy is built on (a) existing strategies (ANDS and the 2012 revision of NCDS), (b) the ongoing national programs, (c) the 22 NPPs committed to by the international community at the Kabul Conference, (d) existing oversight structures (i.e., ARD Ministerial-Level and TWG Fora), and (e) framed within the timeline of the Bonn-II International Conference, to the year 2024.

• The design of this Policy has been informed by the use of a “food security and poverty alleviation lens” focusing on subsistence and marginal farmers and the millions of unemployed who have lost their trust in the government and the international community and are vulnerable to the exploitation of the drug mafia across the country whether poppy is grown or not in their province of residence.

• This Policy will establishing AL as a long-term goal and not an instrumental means of achieving a reduction in the area under opium poppy in the short term.

• Specific recommendations giving substance and credibility to this Policy would include:
  - Undertaking robust analysis of the drivers of opium poppy production;
  - Considering the variability in agro-ecological potential, market access and the needs and resources of different socioeconomic actors engaged in production, when designing AL interventions;
  - Following a risk reduction approach to reduce the risk and vulnerability to subsistence farmers;
  - Making reform of governance structures at provincial and district level a necessary condition for building sustainable alternative livelihoods and other elements of the CN strategy.

6.3 Strategic Fields of Action: Core of the Policy

6.3.1 Water Resources Development

Fundamental to the development of agriculture, food security and diversification of licit rural livelihoods is availability accessibility of water.

6.3.2 Agriculture:

Agriculture is in the forefront of this Policy. It is the rural households who cultivate opium poppy and Cannabis, and providing sustainable alternative livelihoods for farmers and labourers will therefore be central in achieving AL which is one of the three pivotal pillars of the NDCS and a key priority of GIRoA under ANDS. For most farmers, this means developing alternative agricultural production, often diversifying crops and livestock, increasing yields and increasing the returns through agro-enterprise and value chain development.

Agriculture (excluding opium) makes up 31.6% of Afghanistan's legal GDP. It therefore dominates the legal Afghan economy, and is likely to continue to do so until manufacturing, mining and service industries develop sufficiently. Therefore agriculture is likely to be the engine driving economic development in other sectors, resulting in poverty reduction and subsequently a reduction in poppy cultivation for some time to come. The four NPPs developed by MAIL as the lead agency of the ARD Cluster sets the framework for development of the agriculture sector.

To achieve the objectives of NDCS, the investment in agriculture needs to be integrated, with inter-related projects (e.g. adaptive research, extension services, training, micro-finance, processing facilities and marketing) complementing each other in meeting local needs for alternatives for farmers. These packages, whether the NPPs, the EDPs of the CARD-F, GPI,

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81. CIA- The world Factbook, Afghanistan Economy. 2012.
82. The Agriculture and Rural Development Cluster Bankable Programs. JCMB and Kabul Conference. June 201
Food Zone or new projects, should be negotiated in a way that builds ownership and capacity among farmers and farmer cooperatives, to ensure program sustainability and financial reliance.

Specific options that could be included in such packages include:

- **All AL partners and international development agencies are to build linkages with MAIL** as the Lead Ministry under ARD Cluster and support MAIL during the course of implementation of the NPPs;

- **Equity in accessing natural resources** such as land and water and establishment of water harvesting and watershed management systems,

- **Provision of agricultural inputs and adapted technology** and working closely with farmers to improve their existing farming systems by ensuring that essential inputs (e.g. improved and locally adapted seed, fertilizer, chemical and bio-pesticides as part of an IPM, tree saplings/nursery stock, protected agriculture, conservation agriculture, veterinary services,) are available ARD Cluster efforts or through private sector;

- **Reform of the cooperatives** or establishment of an appropriate and effective farmer’s association system to support incoming nationally focussed private sector-led initiatives. The farmers’ associations are to better represent their interests, to provide access to credit (together with Agriculture Development Fund, and to play a role in development of markets, seeds and livestock. Also support the establishment of women’s associations and resource centres ;

- **Build strategic reserves** for grain through local procurement which would improve food security and provide incentives for the farmer to grow wheat and other commodities and supply it to MAIL based on contract.

- Encouraging **import substitution** where Afghanistan can competitively produce food products currently being supplied from elsewhere. This would include procurement of wheat by WFP and emergency supplies by OCHA, UNHCR and other UN agencies and procurement of general nature by ISAF/NATO;

- Focusing especially on **high-value crop horticultural crops** that can offer farmers returns comparable with the expected risk-adjusted returns from poppy cultivation;

- **Reintroduction of industrial crops such as cotton, sugar beets, oilseed crops on a vast scale in the northern plains and southern plains.** As cotton and sugar beets require a lot of water, they can be re-introduced along the southern loop of Helmand River Basin and along the Kunduz River where the water could be used for the dual purpose of paddy rice and sugar beets.

- Sustainable and environmentally-sound **utilization of medicinal plants** such as licorice, heng, artemesia and carabia;

- Improving **land tenure** security in order to improve the chances for licit crop production and to allow farmers to justify longer-term investments in new production;

- Establishment of **food security plans, reforestation, rejuvenation of natural pastures and rangeland** and equitable use of these resources (forestry, pastures, water etc).

### 6.3.3 Creation of Employment on a Massive Scale

There is a critical need to create durable employment on a massive scale (5 million over_1_).  

12 years) in the licit sectors of the economy, other than agriculture. With a declining land base under cultivation due to desertification and urban encroachment, the contribution of agriculture has been steadily declining. In a study by Kantor and Pain, the livelihoods of select households were traced in villages in Badakhshan, Sar-i-Pul and Kandahar over the period 2002-09. The authors found out that “virtually all households who were able to maintain or improve their livelihood security did so by diversifying out of agriculture. However, reducing reliance on farming was not a guaranteed strategy. Most declining households diversified away from agriculture into nonfarm work as well, either in Afghanistan or in neighboring countries. However, this was more often a forced response to opium cultivation ban, drought conditions, or a mixture of both”.

In the NRM Sector
- Water Resources Development: Creation of employment through building water harvesting structures (by the thousands)
- Watershed management systems (for each River System in the country)
- Reforestation
- Pasture and rangeland renovation

In the Extractive Industries
- Investments in the mining sector
- Investments in the gas and petroleum exploration, extraction and refining

In the Manufacturing Sector
- In order to create millions of jobs, there is a need for another policy and conducive legal framework to promote industrial development through public and private sectors, at public works (i.e. construction of railways) and in the mining sector
- Vocational training is necessary to provide the skills needed in other sectors such as in the extractive industries, construction, agriculture and so on. Interventions by the HRD Cluster under NPP1 on Vocational Skill Training will pave the way for training of 150,000 unemployed, under-employed and illiterate population for the objective of preparing them for the labor market.

6.3.4 Economic Regeneration (Private Sector Development)
- Meeting the objectives of this Policy requires the creation of sustainable job opportunities, and the private sector will be the major source of those opportunities, in agro-enterprise and other sectors.
- Despite Afghanistan’s high levels of unemployment, it exports raw materials and then import them back in the form of processed products. Thus others reap the benefits of value addition. Many of the imports are smuggled into Afghanistan, given poor border controls, stifling or discouraging local production. The country has the capacity to produce many agricultural-related products and basic commodities that are currently imported from Iran and Pakistan at low cost.
- Afghan industries do exist (e.g. over 200 enterprises established at Herat Industrial Park and Kandahar Industrial Park, through the efforts of Afghanistan Investment Support Agency), but the policy environment is not conducive to their competitiveness and survival, with Government support (including trade policy) neither consistent nor encouraging. Limited job opportunities lead to large scale economic migration to neighbouring and nearby countries such as Iran, Pakistan and UAE further weakening the environment for local industries.

Apart from improvements in security, possible steps to improve the environment for private sector development include:
- Assistance to develop entrepreneurial and other business skills;
• Making secure sites available for industrial development such as **Industrial Parks**

• Improving access to capital, for example for processing plants and small-scale industry, and rural credit schemes based on a revolving fund. The **Agriculture Development Fund** has to play a leading role because the kind of loans offered through MISFA are too small for purchase of machinery for farmers in southern provinces such as Helmand and Kandahar where the land holdings are large;

• Developing the capacity and focus of Government institutions to create the enabling environment for private sector development;

• A national policy to promote Afghan products instead of imported goods, through an aggressive awareness campaign as well as appropriate “national preference” or “Afghan-First” policies (binding on international military and development organizations)

• More broadly, enhancing the policy and planning environment to promote private sector investment.

All these steps have the potential to stimulate not just the rural economy, but the country as a whole. They go well beyond the objectives of the NDCS, but only with an overall growth in the economy will alternative livelihoods be found for the large numbers of farmers and other rural Afghans currently engaged in narcotics. As for the narco-entrepreneurs who are involved in the production, processing and trafficking of narcotics out of choice, and not out of necessity, for greed, money and power, it is only the rule of law that could bend them. No matter, what opportunities become available for alternative livelihood, this category of people will not adopt it.

The NDCS is dependent on progress in implementing the ANDS, especially its security and economic components.

### 6.3.5 Rural Infrastructure

• Adequate infrastructure is a fundamental pre-requisite for developing alternative livelihoods. **Lack of access to sustainable source of water for Irrigation is one of the key reasons why farmers resort to poppy cultivation.** Thus, there is a definite need for improved and efficient irrigation systems and introduction of drought-adapted crops to conserve water.

• **Access to safe and sustainable source of drinking water and infrastructure for water distribution in rural communities.**

• Electricity for alternative production, for example processing of agricultural products, cold storage, value chain development and other industries;

• Access to markets, such as transport links for food products that need to reach consumers in good condition.

Many of these needs will be met through the existing national programs implemented by MRRD such as NABDP and NRAP and the new NPPs, which will deliver visible basic community infrastructure to improve access to markets, access to credit and to increase productivity of legal crops through improved irrigation. NPPs also demonstrate that the Government can deliver benefits and services to the people of Afghanistan, which in turn extends its authority and influence and improves governance, which is essential for alternative livelihoods to develop. Larger scale investment is also needed in the,

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extractive industry, power, telecommunications and transportation. In many cases, however, the infrastructure requirements to improve agriculture production depend on community-scale projects, such as small-scale irrigation systems, small bridges, spring expansion and retaining walls. And improving self-help capacities for rural road maintenance (i.e. community maintenance teams for secondary and tertiary roads) can in some areas improve access to markets and services. Other examples are access roads, maintenance of bridges and culverts, construction or rehabilitation of karezes, sustainable safe drinking water points, hygiene education, sanitation facilities and village electrification.

Construction of social infrastructure such as schools, health clinics and water storage can provide short term employment opportunities, although it is important that such projects are justified on the basis of the social facilities they provide. Rural infrastructure should be prioritized on the basis of community needs, as emphasized above.

Of course, improvements in infrastructure may in some cases encourage or increase poppy production, such as establishment of irrigation, reflecting the importance of integrating a clear understanding of the causes of opium poppy cultivation (and how these differ by socio-economic group) within the design and implementation of program and ensuring activities are properly sequenced and coordinated (i.e. mainstreaming).

6.3.6 Rural Energy

Sustainable sources of energy at district and sub-district level is of paramount importance for value chain development.

- Ensuring reliable, sustainable and low-cost energy supplies for private sector development through rural hydro-power stations;
- Electricity for alternative production, for example processing and packaging of agricultural products, cold storage, value chain development, local manufacturing and other industries.

6.3.7 Value Chain Development

Many components of agricultural value chain are missing and have to be developed to add value and hence increase rural incomes. The most critical missing link is cold storage for high-value horticultural crops and dairy products.

- Infrastructure (i.e., cold storage facilities at the village and district level)
- Grain storage structures. Post-harvest losses in Afghanistan are estimated at 15% which is significant meaning up to 750,000 MT of grain is lost. If post-harvest losses are cut down, the savings could go a long way for attaining food security in the country.
- Promotion of fresh/dry high-value horticultural and medicinal crops as “Organic Produce”
- Access to domestic and international markets (linking small producers to the market)
- Introduction and promotion of “Contract Farming”

The lessons learned from value chain interventions (i.e., export of grain raisins to Singapore through IFC project, organic export of raisins through RALF that investing in upgraded processing capacities should be accompanied by expanded access to end markets with demand for the product. In the case of Afghan export of dry fruits, the higher margins that green raisins or organic raisins can bring make export markets more appealing than local ones. However new markets require higher standards in terms of quality, cleanliness, sorting, packing and delivery. Afghan traders used to shipping dried

fruits to India and Pakistan have to get used to higher standards demanded by Singapore, UAE and Europe. The dividend is that product diversification can mitigate risks associated with price fluctuations. "Through upgraded processing capacity, the farmers’ ability to better diversify their product strengthens their income stability. Rather than being dependent on a sole end product, farmers can allocate their annual harvests according to the prices received for each variation."

6.3.8 Governance and Institution Building

The development of sustainable alternative livelihoods will depend on Government institutions at all levels being capable of formulating policy, strategy, programs and budgets and creating the enabling environment for new legal employment opportunities to emerge. Without good governance, projects cannot be planned or implemented effectively.

Progress has been made already: for example the NSP has already mobilised some 14,000 communities, with registration of about 12,000 CDCs. There is the potential for the Government to use CDCs in delivering messages highlighting the negative consequences and illegality of opium poppy cultivation.

The implementation of development strategies generally, and AL programs in particular, will be accelerated through:

1. Expediting the development of program management capacity in key Ministries;
2. Developing central capacity for project preparation, implementation, monitoring and evaluation levels;
3. Developing and strengthening capacity at provincial, district and municipal levels, including:
   - Support for PDCs that Provincial Development Plans (PDPs) address AL objectives;
   - Strengthening DDAs and development of District Development Plan (DDPs) (most DDAs already consider AL programs as crosscutting issues in their strategic plans);
   - Community mobilization and training of CDCs, to enable them understand and formulate development plans, including AL plans, through community initiatives at village level;
   - Collaborate with other programs to ensure adequate support to provincial authorities, district administration and village shuras;
   - Strengthening the capacity of MCN provincial offices.

6.3.9 Capacity Building (Public and Private Sectors)

Building capacity is absolutely vital, given serious gaps in local capacity in both public and private sectors. Merely creating new institutions would just add numbers to administration. Their effectiveness will depend on the skills of people in key position, whether in law enforcement, agriculture or business enterprises. Understanding of the AL objectives of the NDCS in the public and private sectors is very limited. AL programs will not be planned, implemented and monitored effectively without the required capacity.

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and understanding of AL policy and strategy. It has therefore been proposed that an assessment of capacity building needs be conducted in ARD Cluster ministries and private sector bodies, as well as at the provincial level working in areas that promote the strengthening and diversification of legal rural livelihoods.

Provincial Chambers of Commerce have advised that most managers of new-born Afghan industries have little business experience and badly need advisory services (e.g. business planning, market studies, finance training, etc) in order to prepare and run their businesses successfully. Success of emerging industries in many cases relies on training its managers.

Of course, general needs for capacity building in Afghanistan are so large given its recent history, that there is a risk that scarce funds (committed by the international community at the Kabul Conference) will be spread too thinly or diverted to activities that are not priorities in terms of CN objectives. In the light of this, specific capacity building activities that might be supported include:

- Capacity building directly related to priority AL activities under the NPPs;
- Training local staff on needs assessment and monitoring;
- Training directly aimed at developing the capacity of key civil servants and officials to work effectively with the private sector and to foster private sector growth;
- Establishing a clearing house to sharing and exchange curricula for capacity building aimed at provincial and district levels.

6.3.10 Research

The major task of rebuilding the country and searching for alternative livelihoods needs to be guided by comprehensive research, with reliable data subjected to appropriate analysis. The capability of the Government to undertake or commission applied research needs to be strengthened through active and dynamic partnerships with research centres of the Consultative Group on International Agricultural Research (CGIAR), such as ICARDA, ICRISAT, CYMMIT, AVRDC and ILRI, as well as reputable research institutes and agricultural universities in India, Iran and Turkey. This research needs to be practically oriented, include socio-economic research and take into account the drivers of poppy cultivation in different part of the country.

More specifically, research will help to identify social, economic, and political factors and relationships which lead households to cultivate poppy and otherwise participate in the illicit economy, paying attention to specific context and to structures, institutions, and actors. Research activities will also help to monitor developments and changes in patterns of cultivation and participation in the opium economy. Targeted research can provide information to evaluate policies and programs and their underlying assumptions, and to identify policies and practices that succeed or are likely to succeed.

Many AL projects completed have been “experimental” or pilot and limited in geographic scope, with little assessment of their effectiveness and impact. In the absence of research on the results of current AL programs and projects, the many stakeholders working on AL regularly ‘re-invent the wheel’, at considerable cost, without learning from the successes and failures of others. Many project proposals are developed in a rush,
without previous research (or with insufficient research), with the sad result that such projects have very limited impact. Even large programs of a national scope funded by international development agencies and implemented through third-party contracts by an intermediary are designed in foreign capitals with little prior consultation with the ARD Cluster. A comprehensive research effort conducted with a consistent methodology would bring evidence-based results over time. This would help to focus AL activities, for example on promoting crops which are realistic, profitable, marketable and adapted to the particularities of each region of Afghanistan.

MCN has the lead role in commissioning research on CN objectives, but needs to draw on the research programs of the ARD and EID Clusters and international development agencies (USAID, DFID, CIDA) and research organizations (AREU, CGIAR Centers), especially on technical issues and wider rural development issues. For example it will be important for MCN to work with UNODC and AREU on understanding the resurgence of opium poppy cultivation in some provinces and on developing criteria for mainstreaming of CN/AL in the NPPs.

The priority in technical research should be on adapting the results of research done elsewhere in the world, to see what high value crops and agro-enterprises are likely to work under Afghanistan conditions. Adapted agricultural research introducing promising germplasm of drought-adapted crops in a short period of time has the potential to increase agricultural productivity. Research also has the potential to identify high value alternative crops to poppy and identify markets. Water which is a scarce resource is currently used in a very excessive and wasteful manner in flood-irrigated and furrow-irrigated crops. There is a definite for introduction of water-conserving systems.

Equally important is the dissemination of research results. The broad dissemination of research findings will help to ensure a broad understanding among stakeholders of the complex issues associated with AL. And the development of Agriculture Extension Services are important for raising agriculture productivity by making available to farmers improved technologies and best practice.

Overall, it is important to note that well designed research need not be costly, in comparison with the total expenditure on AL programs. Its cost-effectiveness will depend on whether the research leads to better-targeted activities and more effective use of funds.

Future research for development or AL projects should not be planned/designed by the international NGO’s in isolation. MAIL should be consulted from the very beginning. Projects lead by organizations that do not have an Afghanistan presence will tend to be less successful because their implementation plans and technical backstopping missions are easily upset by the security situation. Thus the need for greater reliance on Afghan professionals.

6.3.11 Social Safety Net

The highest priority is the development of sustainable livelihoods, and all of the previous 10 benchmarks/workstreams are designed to assist in developing ongoing opportunities for farmers and others involved (or potentially involved) in illicit drug production.

However, social safety nets have an important role to play in providing short-term income support for those who may lose their crops from natural disasters such as drought, pest and disease epidemics or from poppy eradication. In poppy growing regions where eradication is taking place safety net programs are often urgently needed. These may
include seed and fertilizer distribution, massive reforestation, nursery establishments, reseeding/rejuvenation of pastures and rangelands, building low-cost and labour-intensive water harvesting, water storage facilities and water management structures providing quick employment and cash income to households, preferably opening a window to work with communities in developing long-term sustainable alternative livelihoods and fostering the “usher” spirit of the communities for communal good.

Cash-for-work projects such as gravelling the dirt roads, cleaning of the canals and karezes have proved to be largely unsustainable. In fact, cash-for-work projects have ruined the centuries-old tradition of “usher” or communal mobilization of resources to undertake volunteer work. Provision of job opportunities for poor and vulnerable households in communal development projects which can have sustainable outcomes such as reforestation or building water harvesting structures, can provide short-term relief and provide viable alternatives for individuals and households which might otherwise participate in the poppy economy at peak production periods.

Social safety net activities should be considered only as a transitional tool, to be overtaken by sustainable development and long-term activities. Over the last decade, a lot of funds have been spent on social safety net activities providing merely short-term solutions but not bringing any sustainable long-term solutions.

The lessons learned from AL projects and programs of the last decade show that there are no easy short-term solutions to the persistence of opium poppy cultivation in Afghanistan. The fragmented CN efforts to-date have not succeeded to pave the ground for a durable shift out of opium production and prevent a return when prices increase.

It is important to coordinate with relevant department of MOLSAMD in order to take advantage of the safety net program of World Bank, which currently implements cash transfer to most vulnerable groups in the rural areas. This program could be modified as conditional cash transfer to compensate those poor farmers who have stopped poppy cultivation as an incentive. Also, under the NPP1 of HRD Cluster, there is provision for conditional cash transfer for most vulnerable people for participation in skills training programs. This could include migrant workers who come to southern provinces in search of work in poppy fields. They could be covered under this scheme and paid conditional cash, if they stop working on the poppy field and instead attended skill training programs.

6.3.12 Enabling Institutional and Legal Environment

Legal Environment: There is a need to review / develop laws that provide incentives for private sector development. A number of legal obstacles were identified by investors at the Enabling Environment Conference in Kabul in 2007 but unfortunately very few steps to remove these obstacles have been taken.

Policy Framework: Should include a policy that consider grants to farmers giving up poppy cultivation, an employment policy promoting afghan-first recruitment in the industry sector, a policy to promote the development of industries (through grants, free land leases)

Partnerships under NPPs: As MCN does not have an Implementation Role and has developed no NPP of its own, thus shortcoming has to be addressed by striking new partnerships such as the one with the ARD Cluster

Coordination: To be acted upon through the Cluster mechanism (for the government) and through the JCMB structure with the donors.

Advocacy: The cross-cutting issues are intended to complement both the long-term interventions under NPPs as well as the short-medium-term targeted interventions. This would be done mostly through lobbying efforts by MCN backed by UNODC.

7.0 Deliverables:

7.1 Long-Term Institutional Interventions through Mainstreaming of NPPs:

The time has come to move from vision to action. Mainstreaming CN/AL in the NPPs of the six Ministerial Clusters (ARD, HRD, ID, PSD, Governance, Security) over the course of one decade (2012-2022) is the long-term aim of this Policy. Each NPP can be implemented in such a way that it could have short-term (6-18 month), medium-term (2-4 years) and long-term (5-10 years) deliverables.

7.2 Ongoing National Programs:

Scale up and complete the existing initiatives underway by MRRD and MAIL so that rural communities would have access to a critical mass of support that would allow them to reorganize production systems along market-driven lines and to develop the physical and institutional infrastructures needed to support the shift from subsistence agriculture to commercial activity. The Ongoing Programs have already been incorporated in the NPPs or will be incorporated in the NPPs which have not been finalized yet.

7.2.1 NRAP and Rural Access
7.2.2 NSP and Community Development
7.2.3 MISFA and Rural Finance
7.2.4 NABDP
7.2.5 AREDP and Rural Enterprise Development
7.2.6 HLP and Development of the Horticulture and Livestock Sectors
7.2.7 Other National Programs (ADF, ACE) under Implementation by MAIL

7.3 “Targeted” AL Interventions:

In order to respond to the pressing needs of the rural communities at village, district and provincial levels in a targeted and focused manner, and to build synergies with the NPPs, the immediate and short-term interventions (6-months to 5-years) under this policy will be implemented over the period 2012-2017 through the following programs:

7.2.1 GPI, at Provincial Level
7.2.2 CARD-F, at District Level
7.2.3 Food Zone at Village Level within Target District
7.2.4 Research and Analysis Programs

7.2.4.1 Key Drivers of Opium Poppy Cultivation
7.2.4.2 Triggers for Resurgence of Cultivation
7.2.4.3 Economic Analysis of OPE at Provincial/District Level (% of GDP)
7.2.4.4 Needs Assessment at Provincial and District Level
7.2.4.5 Map the Profile of the Poppy Growers at the District Level
7.2.4.6 Socio-economic Surveys, Research and Analysis on Household Incomes
7.2.4.7 Mapping of AL Interventions (Investments) at the District-Level

97. MCN. Mainstreaming CN into the GiRoA’s Five Clusters. January 2010.
7.3.4.8 Socio-economic or **Non-Metric Indicators** for Measuring Success of the CN strategy
7.3.4.9 How to Engage the “Development Community” in “CN”
7.3.4.10 Implications of the “Transition” on Poppy Cultivation

## 7.4 Cross-Cutting Policy Issues

### 7.4.1 Increase Afghan ownership and leadership: All programs should be within ANDS strategy, accountable to GIRoA. Improvements in the quality of Afghan leadership and capacity building efforts should be treated as a priority.

### 7.4.2 Enhance aid effectiveness: GIRoA and international partners to finance NPPs and channel aid flow through the national budget. Capacity strengthening for government to steer NPPs and manage budget flows efficiently. Joint-programming, rather than just coordination, should be the rule.

### 7.4.3 Massive increase in local procurement by the international peace keeping forces will have a significant impact on the local economy. According to a worldwide study, only 4-9% of the benefits of the military spending stay in the host country ([Ward et.al.](#))98. Local procurement of bottled water alone would benefit Afghanistan to the tune of $58 million. The multiplier effects in the local economy of billions of dollars of military spending would far outweigh the illicit proceeds from opium poppy economy. Thus, the nations supporting Afghanistan militarily should make a firm commitment to sharply increase their local spending to 50% by 2014. In addition to the “COIN” effects of local spending, trust would be established in terms of winning “hearts and minds”.

### 7.4.4 Pursue long-term commitment rather than short-term and donor-driven expediency: Political expectations for rapid change do not match the 1-2 decades needed before the opium economy dwindles. CN requires a combination of economic development, provision of social services, good governance and rule enforcement. This requires strong immediate interventions but will take considerable time, vision and sustained commitment of resources.

### 7.4.5 Gender mainstreaming through equitable entrepreneurial opportunities for women under all AL interventions in order to strengthen and diversify licit sources of household income.

### 7.4.6 Environmental conservation of natural resources such as water, land, forests, and sustainable utilizations of natural pastures, rangelands and medicinal plants.

## 8 Summary

The National Alternative Livelihood Policy is an evidence-based document taking into consideration the outcomes of the socio-economic research and analysis, as well as the lessons learned from a decade of development interventions in Afghanistan. This Policy is an inseparable part of the ANDS as sustainable alternative livelihoods can not be built in isolation from other priorities of GIRoA, in particular, security, governance and institutional capacity building. This Policy is not an MCN document but an initiative of the ARD Cluster, reflecting a “whole of government” approach and representing the consensus of extensive consultations with key national and international stakeholders. The Policy and

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Implementation Plan are developed in tandem with the Policy which covers a span of 12 years, ending with the commitment of the international community in 2024, as indicated at Bonn-II International Conference.

This Policy will be implemented through an “Alternative Livelihood Forum” which will be set up after the approval of the Policy by the ARD Cluster, ANDS Secretariat, the Parliament and President of GIROA. The Forum will serve like a Steering Committee and have oversight functions on all NPPs of the Ministerial Clusters which contribute wholly or partially to the cause of AL. This Policy calls for strong coordination between the Ministerial Clusters and the international community during the course of implementation of the NPPs and when any new AL program is designed outside of the NPP framework. In fact no AL project/program should be funded by the donors and international development agencies unless the proposal has been reviewed by the relevant Ministerial Cluster and approved by the AL Forum.

This Policy calls upon the international community to channel any funds directed at AL through Ministry of Finance (MoF) so that On-Budget funding reaches the level of 50% by 2014, as agreed upon at the Kabul Conference. This Policy calls upon donors, international development agencies and national and international NGOs to stick to the principles of “Aid Effectiveness”, as agreed upon at the Accra Accord of 2010 (2) and avoid expenditures such as “Cash for Work” and “Cleaning of the Canals”, which have proven to be unsustainable.

This Policy calls upon all the national and international partners to adhere to the procurement policy of “Afghan First” in order to stimulate the local economy through major expenditures by the international military forces (ISAF/NATO) and international development agencies.

The long interventions under this Policy will be delivered through the NPPs of the six Ministerial Clusters, in particular the seven NPPs of the ARD Cluster over the period 2012-2024. The “targeted interventions” which address to the immediate needs of the rural communities at the district and provincial level and are of short to medium-term will be delivered by GPI, CARD-F, Food Zone and research and analysis initiatives.

Agricultural technologies developed and tested through past and ongoing AL projects and programs would be up-scaled and out-scaled. The “Food Zone” Concept (3) tested in Helmand would be further developed and implemented in Kandahar Province, as part of the “Kandahar Action Plan”, endorsed by the ARD Cluster. The lessons learned from Kandahar would then be applied in Farah, Uruzgan, Badghis and Badakhshan and other provinces where opium production poses a significant challenge to GIROA’s development efforts or where there is a risk of resurgence of poppy cultivation. Linkages between the Provincial CN Plans, the Food Zone and the AL Team of the ARD Cluster will be strengthened under this Policy.

The success of the GPI would be tested at the District-level with greater funding from the international community, to start with, in southern provinces. The design and implementation of CARD-F projects in the form of “Economic Development Packages (EDPs)” will continue to uphold the criteria under Mainstreaming of CN/AL and will cover additional provinces regardless of previous history of cultivation of narcotic crops.

We must be realistic in what the implementation of this Policy can achieve, and that is to help the vast majority of subsistence farmers, small landholders, share-croppers and laborers whose livelihoods are (or have been) totally or partially dependent upon income from poppy cultivation. The implementation of this Policy, however, will not have an impact on cultivation of poppy by large landholders who already have diversified sources of income (and hence do not need AL interventions), narco-contractors, processors, narco-traders and traffickers.
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Annexes

Annex-1: The Licit and Illicit Livelihoods Spectrum
Annex-2: Mainstreaming of CN
Annex-3: National Priority Programs of the ARD Cluster

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