

DEPARTMENT OF STATE



DEPARTMENT OF STATE
Bureau of International Narcotics and Law Enforcement Affairs

Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2007 Final	FY 2008 Enacted	FY 2009 Request
Drug Resources by Function			
Interdiction	26.566	23.031	462.830
International	984.015	617.725	710.380
Total Drug Resources by Function	\$1,010.581	\$640.756	\$1,173.210
Drug Resources by Decision Unit			
Andean Counterdrug Programs	721.500	319.808	406.757
INCLE	289.081	320.948	766.453
<i>Afghanistan (non-add)</i>	<i>[169.740]</i>	<i>[206.800]</i>	<i>[216.000]</i>
Total Drug Resources by Decision Unit	\$1,010.581	\$640.756	\$1,173.210
Drug Resources Personnel Summary			
Total FTEs (direct only)	246	254	264
Drug Resources as a Percent of Budget			
Total Agency Budget	\$1,446.116	\$876.234	\$1,608.818
Drug Resources Percentage	69.88%	73.13%	72.92%

Program Summary

Mission

The narcotics trade in foreign nations imposes a very high cost on ordinary citizens in addition to being the source of drugs trafficked to the United States. Through eradication, interdiction, and alternative development the United States supports the fight against narcoterrorists and helps secure democracy, extend security, and restore economic prosperity in the region. To meet this charge, the State Department's Bureau of International Narcotics and Law Enforcement (INL) programs support two important goals: (1) to reduce the entry of illegal drugs into the United States; and (2) to minimize the impact of international crime on the United States and its citizens.

Budget

In FY 2009, the Department of State requests \$1,173.2 million for counternarcotics activities, which is an in-

crease of \$532.5 million from the FY 2008 enacted level. The FY 2008 enacted level does not include the pending \$385.1 million in supplemental funding for counternarcotics support to the Merida Initiative. The FY 2009 request, does account for the Merida Initiative supplemental funding in base resources. As such, the overall change from FY 2008 to FY 2009 is considerably higher.

Andean Counterdrug Programs (ACP)

Total FY 2009 Request: \$406.8 million for Counternarcotics Programs (Includes +\$86.9 million in program changes)

ACP provides support to the Andean Region including the countries of Bolivia, Colombia, Peru, Ecuador, Brazil and Panama. Resources support projects, including security elements for project implementation, for law enforcement, border control, crop reduction, institution building, administration of justice, and human rights programs in the region. As the source of more than 90 percent of cocaine and a significant portion of the heroin entering

the U.S, Colombia remains the focus of ACP's efforts. ACP programs in Peru and Bolivia have minimized spillover of trafficking activities from neighboring Colombia. In Ecuador, Brazil, and Panama, INL's programs work to prevent spillover cultivation from producing countries, prevent the transshipment of illicit drugs, develop law enforcement organizations, promote the rule of law, and foster bilateral law enforcement cooperation.

The FY 2009 request of \$406.8 million will continue the counterdrug programs (ACP) that aim to reduce the flow of drugs to the United States and prevent instability in the Andean region. It will also advance the President's goal of strengthening democracy, regional stability, and economic development throughout the hemisphere. Funding will attack the organizational sources of 100 percent of the cocaine and most of the heroin entering the United States; continue progress in reducing illegal drug production and drug trafficking in the seven-country Andean region to a manageable problem for host nation police forces; extend state authority and services to remote or previously contested areas; make legal systems more transparent and effective; and address critical flight safety concerns in our aging Air Wing Fleet, a critical element in eradication and interdiction programs. Specific programs in each source country and their program changes are described below:

Bolivia

FY 2009 Request: \$31.0 million
(Includes +\$1.2 million in program changes)

The FY 2008 resources of \$29.8 million will support Bolivian efforts to eliminate excess coca cultivation in and around the Chapare and Yungas regions, and eradicate illegal coca in national parks. Funds will also support efforts to enhance interdiction of cocaine, cocaine derivatives, other drugs, and precursor chemicals. Support will enable the Government of Bolivia (GOB) to improve efficiency in the prosecution of drug cases as well as its efforts to make the criminal justice system more transparent and accessible and address official corruption. Funds will also support demand reduction efforts by the GOB. A portion of the funds will support operations in the border regions, including trafficking in persons and human rights programs; and enhance the professionalism and capacity of the National Police by replacing obsolete or aging law enforcement equipment used by counternarcotics units.

FY 2009 Program Changes (+\$1.2 million)

An increase of \$1.2 million will improve border security efforts through an innovative program to enhance cooperation among Bolivian customs, immigration, military and counternarcotics units. The goal of this initiative is to increase interdiction of illegal drugs, decrease the importation of precursor chemicals, and improve efforts to combat trafficking-in-persons. A portion of the funding will be used to absorb GOB mandatory salary increases for locally employed program staff and establish infrastructure to support eradication efforts in the Yungas region.

Colombia and the Critical Flight Safety Program

FY 2009 Request: \$329.6 million
(Includes +\$85.0 million in program changes)

The FY 2008 resources of \$244.6 million fund coca eradication, support for the Colombian military and police, and interdiction. The State Department will accelerate the transition of counternarcotics programs to the Government of Colombia and reduce interdiction and eradication programs.

The multi-year Critical Flight Safety Program (CFSP) is well underway. The program is designed to ensure aircrew and aircraft safety while maximizing the cost effectiveness of INL's aging Air Wing fleet. By upgrading these aircraft the Department will avoid future costly maintenance and ensure safe aircraft operations.

FY 2009 Program Changes (+\$85.0 million)

The Colombia request for FY 2009 represents a 35% increase over FY 2008, primarily due to the baseline decrease in eradication and interdiction programs and the shift of funding of Rule of Law, Human Rights, and Judicial programs from the ACP account to the INCLE account for Colombia in FY 2008. The FY 2009 request represents a \$37.4 million decrease from the Administration's initial FY 2008 request based on a sustainable transition to Colombian control and operation of counternarcotics programs. Resources will maintain a minimal level of coca eradication programs to deter coca expansion and re-planting during the transition.

Peru

FY 2009 Request: \$37.0 million

(Includes +\$0.5 million in program changes)

The FY 2008 resources of \$36.5 million will assist the Government of Peru (GOP) to establish security and state presence east of the Andes by providing secure basing and training for counternarcotics police. Funding will also advance GOP capacity to carry out counternarcotics eradication and interdiction operations on multiple fronts, particularly in entrenched coca growing areas and areas of coca expansion.

FY 2009 Program Changes (+0.5 million)

The modest increase in funding will advance Peru's demand reduction efforts.

Ecuador

FY 2009 Request: \$7.2 million

(Includes +\$0.3 million in program changes)

The FY 2008 resources of \$6.9 million will support enhanced presence of Ecuadorian security forces at land and seas ports and on the northern border to deter spillover of narco-terrorist violence and drug production from Colombia. Interdiction will also be improved with support for stationing counternarcotics police along frequently used or emergent trafficking routes and the northern border. Funding will also provide canine and law enforcement skills training, operational support for the money laundering unit, and strengthening of administration of justice programs.

FY 2009 Program Changes (+\$0.3 million)

The small funding increase will support anti-money laundering operations and training for the Ecuador Financial Intelligence Unit.

Brazil and Panama

FY 2009 Request: \$2.0 million

(Includes no program changes)

The FY 2008 resources of \$2.0 million will support narcotics interdiction programs along Brazil's borders, to enhance law-enforcement efforts at the state level, for intellectual property rights enforcement, and to support Brazil's highly successful drug demand reduction programs. In Panama, funding will be used for maritime border controls and maritime interdiction.

FY 2009 Program Changes (none)

Panama will maintain the same funding levels for FY 2009, which reflects an overall trend of reductions in funding for Panama beginning in FY 2007. All program funds will be used for interdiction operations. In Brazil, the straight-line funding level will sustain ongoing projects.

International Narcotics Control and Law Enforcement (INCLE)

Total FY 2009 Request: \$766.5 million

(Includes +\$443.5 million in baseline program changes)

The FY 2009 request of \$766.5 million will be used for initiatives designed to minimize the impact of international crime and drugs on the United States and its international partners. To support this, INL develops, implements and monitors U.S. Government international counternarcotics control strategies and foreign assistance programs that support the President's National Drug Control Strategy. INL programs are designed to advance international cooperation in order to reduce the foreign production and trafficking of illicit coca, opium poppy, marijuana and other illegal drugs. INL commodity, technical assistance, and capacity building programs improve foreign government institutional capabilities to implement their own comprehensive national drug control plans that will reduce trafficking in illicit drugs and money laundering activities. Training and assistance also supports prevention and treatment programs and projects designed to increase public awareness of the drug threat to strengthen the international coalition against drug trafficking. An interregional aviation program supports drug-crop eradication, surveillance and counterdrug enforcement operations.

Projects funded are directed at improving foreign law enforcement and intelligence gathering capabilities and enhancing the effectiveness of criminal justice sectors to allow foreign governments to increase drug shipment interdictions, effectively investigate, prosecute and convict major narcotics criminals, and break up major drug trafficking organizations. INL also provides technical assistance to U.S. federal law enforcement authorities working overseas in order to enhance their programs. INL is responsible for foreign policy formulation and coordination and for advancing diplomatic initiatives in counternarcotics in the international arena. Specific INCLE programs are described below:

Mexico

FY 2009 Request: \$429.3 million

(Includes +\$416.4 million in program changes)

The FY 2008 resources of \$12.9 million will support continued counternarcotics, law enforcement, and demand reduction programs to advance the shorter-term goal of dismantling drug trafficking and other criminal organizations, and the longer-term goal of strengthening Mexico's law enforcement institutions and expanding their capacity to attack and deter crime affecting the United States.

FY 2009 Program Changes (+\$416.4 million)

Of the total funds provided for support to Mexico in FY 2009, \$410.2 million supports the Merida Initiative. The request shifts funding from the FY 2008 focus on border security to a broader security mission including counternarcotics programs, port security initiatives, a canine training facility, Mexico's integrated law enforcement database (Plataforma Mexico), and combating production of methamphetamine as part of the Merida Initiative. The FY 2009 baseline also includes more funding for demand reduction activities, and less funding for eradication, which is largely executed independently by the Government of Mexico.

A phased implementation plan for the Merida Initiative calls for an increase in counternarcotics programs in FY 2009, including funding to extend aviation assets to the Federal Police, for additional non-intrusive inspection equipment, and for enhanced information technology for border security. In FY 2009, there is a decrease in the funding requested for the secure communications network.

Haiti

FY 2009 Request: \$2.5 million

(Includes +\$0.7 million in program changes)

The FY 2008 resources of \$1.8 million will continue to support training and equipping the Haitian Coast Guard for maritime interdiction operations and, in cooperation with DEA, improving the operational capacity of the police anti-drug unit (BLTS). The Haitian government's newly-restructured Financial Investigative Unit will receive continuing support from Treasury with its investigations into money laundering.

FY 2009 Program Changes (+\$0.7 million)

The small increase in funding in FY 2009 will permit additional training and support for port security and drug interdiction operations by the Haitian Coast Guard in coordination with the establishment of a new UN-funded MINUSTAH maritime and land border control unit.

Central America, the Caribbean, and Southern Cone

FY 2009 Request: \$30.5 million

(Includes +\$21.9 million in program changes)

The FY 2008 resources of \$8.6 million will support the regional anti-gang initiative, improvement in drug interdiction and law enforcement capabilities, and a greater emphasis on the investigation and prosecution of money laundering and drug-related financial crimes.

FY 2009 Program Changes (+\$21.9 million)

Of the total amount requested for support in Central America in FY 2009, \$22.1 million is for the Merida Initiative. The increase in funding will support the regionalization of drug interdiction efforts in Central America. The focus will be on improving the regional coordination of maritime interdiction efforts through the provision of interceptor boats, communications equipment, and specialized training in operations and maintenance.

Afghanistan

FY 2009 Request: \$216.0 million

(Includes +\$9.2 million in program changes)

The FY 2008 resources of \$206.8 million for counternarcotics programs will continue to support a number of initiatives including a drug enforcement and interdiction program, public diplomacy efforts, drug demand reduction programs, and drug control capacity building. The eradication program has been split between Governor-led Eradication (GLE) and Poppy Eradication Forces (PEF) teams. One of the key innovations introduced by the August 2007 U.S. Counternarcotics Strategy for Afghanistan was an expanded Good Performers' Initiative (GPI), which provides cross-cutting support for the alternative development and eradication/elimination pillars of the USG's five pillar CN strategy. INL will continue Demand Reduction and Public Information programs, which focus on rehabilitation and use prevention,

respectively. The Interdiction program will seek to increase interdiction of drugs and prosecution of target high-value traffickers, and the dismantling of drug trafficking organizations; as well as the support various investigative, interdiction, and technical interception units, and cooperative efforts with the DEA.

FY 2009 Program Changes (+\$9.2 million)

In FY 2009, reprioritization will increase INL's focus on Interdiction and The Good Performer's Initiative, representing our efforts to provide incentives for decreased production and work with the DEA on the expansion of various elements of their interdiction program, including increased air support for interdiction and eradication activities.

Pakistan

FY 2009 Request: \$7.7 million

(Includes +\$1.0 million in program changes)

The \$6.7 million in FY 2008 will continue to support INL's Counternarcotics Program in Pakistan. The Counternarcotics Program is designed to inhibit poppy cultivation throughout Pakistan, to prevent a spillover effect from the poppy growing and opium processing areas currently flourishing in neighboring Afghanistan, reverse its expansion into non-traditional areas, return Pakistan to its zero-poppy status, help Pakistan defend itself against the migration of labs from Afghanistan, prevent criminal syndicates from taking hold of local economies, and controlling drug abuse often seen in drug transit countries. INL will expand training and equipment for the Frontier Corps, border area drug demand reduction programs – specifically focusing on both treatment and rehabilitation of existing addicts and drug awareness prevention. Funds will be used to further the expansion of roads and small schemes, begun in FY 2007, into new areas of drug cultivation and criminal activity. In addition to the Frontier Corps, these funds will also continue to be used to provide training, operational support and small-scale commodities to a range of law enforcement agencies that share border security responsibilities, and to support aggressive opium poppy monitoring and eradication efforts.

FY 2009 Program Changes (+\$1.0 million)

The increase in counternarcotics funding for FY 2009 represents increased focus on Interdiction, including training and support for law enforcement agencies, with a less intense focus on road building and infrastructure in insecure border areas, although this could change with an improved security climate.

Africa and East Asia/Pacific Regional

FY 2008 Request: \$4.5 million

(Includes +\$0.6 million in program changes)

The FY 2008 resources of \$3.9 million will be used to provide training, technical assistance and equipment to strengthen the capacity of law enforcement and judicial institutions to address narcotics trafficking and assist in drug interdiction in Cape Verde, Ghana, Nigeria, Indonesia, Laos, the Philippines, and Turkey.

FY 2009 Program Changes (+\$0.6 million)

Funding will be used to sustain FY 2008 programs and implement additional projects in these regions.

Interregional Aviation Support

FY 2009 Request: \$55.1 million

(Includes +0.4 million in program changes)

The \$54.7 million in FY 2008 funding will provide core-level services necessary to operate, sustain, and maintain a fleet of over 163 fixed and rotary-wing aircraft of ten types. The aircraft support counternarcotics aviation programs in Colombia, Bolivia, Peru, Afghanistan, and border security operations in Pakistan; plus, as required, counterterrorism/drug control programs in other temporary deployment locations. Andean Counterdrug Program, Afghanistan, and Pakistan country program funds augment the Air Wing budget to provide expanded levels of support for country-specific projects.

FY 2009 Program Changes (+\$0.4 million)

Funding will sustain core-level services to operate and maintain the Air Wing's fixed and rotary-wing aircraft.

Drug Awareness and Demand Reduction

FY 2009 Request: \$3.5 million

(Includes -\$8.4 million in program changes)

The FY 2008 earmark of \$11.9 million will support the U.S. foreign policy priority of reducing drug use, crime and related violence that threatens our national security and hinders the economic development, political stability, and security in emerging democracies and developing countries. INL demand reduction programs are designed to assist the international community in reducing drug consumption in an effort to deprive illegal drug traffickers of their largest source of revenue – the addicted, frequent, high-volume drug user, thereby reducing the income that criminal and terrorist organizations derive from narcotics-trafficking and reducing threats to the health and welfare of fragile states. These funds are targeted to respond to the most pressing drug-related threats worldwide (e.g., HIV/AIDS due to injecting drug use, drug-related crime and violence of youth gangs, special needs of pregnant and addicted women, ravages of methamphetamine, cocaine and heroin abuse). Funding supports outreach and aftercare centers located in mosques and religious boarding schools (madrassahs) that provide the *prevention component* to the War on Terror in volatile Muslim regions, providing alternatives to radical schools that recruit young terrorists and reducing drug consumption that fuels terrorist financing.

FY 2009 Program Changes (-\$8.4 million)

The Budget proposes sustains funding at the FY 2008 request for Drug Awareness and Demand Reduction programs.

International Organizations

FY 2009 Request: \$3.9 million

(Includes +\$0.9 million in program changes)

The \$3.0 million in FY 2008 will build multilateral support to strengthen efforts against international consumption, production, and trafficking of illegal drugs. Specifically, funding will provide for highly regarded programs that focus on implementation of the three drug-control conventions, including the precursor chemical control efforts of the International Narcotics Control Board (INCB). Through inter-governmental operations and its Pre-Export Notification System, the INCB assists governments – in real time – in preventing diversion of chemicals used in the manufacture of illicit drugs, notably methamphetamine. Funding will also support a senior

counternarcotics policy officer stationed at the US Mission to the European Union.

The Organization of American States/Inter-American Drug Abuse Control Commission (OAS/CICAD) will continue to provide recommendations, technical support and training to OAS Member States to address shortcomings in country anti-drug programs identified by the Multilateral Evaluation Mechanism (MEM), a peer review system created as part of the Summit of the Americas process. Specifically, funding will include continued support for the anti-money laundering mock trial and investigation seminars to equip Member States with appropriate modern legal tools to confront drug-related crime and to share common legal standards to encourage greater collaboration. Funding to CICAD will also support the continued delivery of specialized training seminars in such areas as precursor chemical control and officer safety, Internet investigations, and basic investigation and interdiction techniques throughout Latin America and the Caribbean region.

FY 2009 Program Changes (+\$0.9 million)

Increased funding for UNODC will allow elevated support for its precursor chemical control programs, including expanding the provision of specialized training to law enforcement and chemical regulatory agencies. Additionally, increased funding for OAS/CICAD will allow for the creation of a regional money laundering training center in South America and expand CICAD's demand-side programs to include workplace prevention

Program Development and Support

FY 2009 Request: \$13.2 million

(Includes +\$1.0 million in program changes)

The \$12.2 million in FY 2008 will be used for domestic salaries, administrative costs, and other Washington-based support services costs.

FY 2009 Program Changes (+\$1.0 million)

The increase will cover adjustments for inflation and other modest administrative support cost increases.

Performance

Introduction

This section on the FY 2007 performance of the State INL programs is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary. The table includes conclusions from the PART assessment as well as performance measures, targets and achievements for the latest year for which data are available.

INL's four counternarcotics programs—ACI; INCLE Programs in the Western Hemisphere; INCLE Programs in Africa and Asia; and INCLE Programs in South Asia—have each been rated “Adequate” in PART assessments.

The 2004 PART review for ACI indicated that INL was on track to meet or exceed its goals for reducing cocaine production and interdicting drug shipments from the Andean Region. Although USAID developed a long-term goal in 2005 for its alternative livelihood programs, OMB noted later the need to set baselines and targets to enable greater use of performance information in decision mak-

ing. The 2004 PART review for INCLE Western Hemisphere programs found mixed results in pursuing long-term and annual goals while the 2005 PART review for INCLE Africa and Asia programs highlighted the need to develop a long-term measure of criminal justice capacity-building efforts. The 2006 PART review for INCLE South Asia programs emphasized the need for improved linkages between budget and performance information in the budget request to allow managers to make funding decisions based on program performance.

To address financial management weaknesses identified in all four PART assessments, INL is currently implementing a new financial management system to track and report information needed to inform strategic planning and resource allocation decisions.

Andean Counterdrug Initiative				
Year of Last Review: 2004			Rating Received: Adequate	
Evaluation Area	Score	Review Highlights		
Purpose	100	Develop annual outcome measures for the alternative development component of the program.		
Planning	63			
Management	43			
Results	34			
Selected Measures of Performance			FY 2007 Target	FY 2007 Achieved
» Number of coca cultivated hectares in Bolivia, Colombia, and Peru for calendar year 2007.			138,000	TBR

TBR = To Be Reported (March, 2008.)

INCLE Programs in Africa and Asia				
Year of Last Review: 2005			Rating Received: Adequate	
Evaluation Area	Score	Review Highlights		
Purpose	100	Develop a long-term measure for the criminal justice component and an annual measure or measures to track the progress towards that long-term goal.		
Planning	63			
Management	43			
Results	34			
Selected Measures of Performance			FY 2007 Target	FY 2007 Achieved
» Number of illicit opium poppy cultivated hectares in Laos for calendar year 2007.			2,000	1,100

INCLE Programs in the Western Hemisphere				
Year of Last Review: 2004			Rating Received: Adequate	
Evaluation Area	Score	Review Highlights		
Purpose	100	Conduct evaluation of key assistance activities to investigate mixed results of long-term and annual measures.		
Planning	75			
Management	43			
Results	33			
Selected Measures of Performance			FY 2007 Target	FY 2007 Achieved
» Host nations' progress in implementing effective legal, institutional, and programmatic reforms for the calendar year of 2007.*			35% in progress 55% complete	TBR

* Data collected biennially.

Assistance to Rebuilding Countries

Year of Last Review: 2007

Rating Received: Moderately Effective

Evaluation Area	Score	Review Highlights	
Purpose	100	The program has effectively focused its resources and set ambitious targets for its annual and long-term measures, but still needs to ensure that performance measures are factored into the decision-making process and presentation of future budget requests.	
Planning	100		
Management	100		
Results	47		
Selected Measures of Performance		FY 2007 Target	FY 2007 Achieved
» Reduce cultivation of opium poppy in Afghanistan with the long-term goal of achieving a poppy-free North between 2005 and 2010 (21 out of 34 provinces).		6 poppy-free provinces (PFP) and 6 provinces reducing cultivation (PRC)	13 PFP and 13 PRC

Discussion

In Peru and Bolivia, aerial fumigation is not authorized, severely limiting the amount of coca that can be eradicated, and reducing the impact that either country can achieve in controlling coca and cocaine production. The Government of Bolivia has embraced a policy of allowing increased amounts of legal coca cultivation, which encourages both legal and illegal production. Nonetheless, in Peru, a record level of eradication (12,073 hectares compared to the target of 10,000) was achieved in FY 2007: also, the Peruvian government has publicly endorsed eradication efforts. The Government of Bolivia surpassed its self-imposed coca eradication goal of 5,000 hectares for 2007, having eradicated 6260 hectares. As of September 30th, interdiction of cocaine base and HCI exceeded 13.8 metric tons, compared to 14 metric tons in all of 2006. In Colombia, 219,939 hectares of coca were eradicated in 2007, up from 2006 eradication numbers.

In CY 2007, thirteen of Afghanistan's 34 provinces were declared poppy-free compared to six in CY 2006. Also, between March 2006 and August 2007, Afghanistan's Criminal Justice Task Force prosecuted 510 mid-level narcotics cases from January to October 2007. Haji Baz Mohammed, a major Afghan trafficker extradited in 2005 to the U.S., was sentenced in October 2007 to more than 15 years in prison for running an international narcotics-trafficking organization that smuggled millions of dollars' worth of illegal drugs into the U.S.

The continuing reduction in opium poppy cultivation in South East Asia, mostly in Burma and Laos, demonstrates the success of the strategy of combating the source of opium poppy in the region once known as the "Golden Triangle"—Burma, Laos and Thailand. Laos, once the world's third-largest producer of illicit opium, stands poised for removal from the list of Major Drug Producing and Drug Transit Nations. Thanks to US assistance and their own government's efforts, poppy cultivation in Laos has decreased considerably to its FY 2007 level of 1,100 hectares.

DEPARTMENT OF STATE
United States Agency for International Development

Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2007 Final	FY 2008 Enacted	FY 2009 Request
Drug Resources by Function			
International	239.000	361.449	315.772
Total Drug Resources by Function	\$239.000	\$361.449	\$315.772
Drug Resources by Decision Unit			
USAID Programs	239.000	361.449	315.772
Total Drug Resources by Decision Unit	\$84.000	\$361.449	\$315.772
Drug Resources Personnel Summary			
Total FTEs (direct only)	27	27	27
Drug Resources as a Percent of Budget			
Total Agency Budget	\$10,573.706	\$10,438.364	\$11,095.499
Drug Resources Percentage	0.79%	3.46%	2.85%

Program Summary

Mission

The United States Agency for International Development (USAID) is the U.S. government organization responsible for most economic and development foreign aid. It receives overall foreign policy guidance from the US Secretary of the Department of State (State). USAID advances US foreign policy objectives by supporting economic growth, agriculture and trade, health, democracy, conflict prevention, and humanitarian assistance. USAID's Alternative Development programs support U.S. counternarcotics objectives by helping countries develop economic alternatives to narcotics production. Specifically, to stop the illegal drug trade, USAID offers incentives to farmers to discontinue planting poppy and other illicit crops. USAID also provides training; demonstration centers and farm related business training to help farmers in drug-producing countries increase their income from legitimate crops.

Budget

In FY 2009, the Department of State requests \$315.8 million in the Economic Support Fund (ESF) account for alternative development programs in the Andean region and in Afghanistan.

Economic Support Funds—Andean Region **FY 2009 Request: \$195.2 million** **(Includes -\$45.7 million in program changes)**

As the source of more than 90 percent of cocaine and about half of the heroin entering the U.S., Colombia and the Andean Region remain the focus of State's efforts to disrupt the market for illegal drugs. USAID administers the Economic Support Fund providing for alternative development projects and aid in the Andean Region countries of Bolivia, Colombia, Peru, Ecuador, Brazil, and Panama. Resources support projects to advance the development of legitimate crops in place of those used to produce illicit drugs.

FY 2009 Program Changes (-\$45.7 million)

This account includes amounts previously requested under the Andean Counterdrug

Program. State requested these amounts as Economic Support Funds in FY 2008 so that the monies could be better aligned with other economic support targeted to the Andean region. While a decrease from FY 2008 enacted levels, the FY 2009 requests is a slight increase above the Administration's FY 2008 request level to align the AD programs along with the CN Strategy in the regional and primarily in Colombia.

Economic Support Funds—Afghanistan

FY 2009 Request: \$120.6 million

(Includes no program changes)

Agriculture is a way of life for seventy percent of Afghanistan's people. However, instability, coupled with the region's four-year drought has devastated the country's farms. In fact, eighty percent of the rural population lives in poverty. With its economic support, USAID is renovating irrigation systems, providing farmers with fertilizer and seeds, and is building roads to market centers. Over the past few years, agricultural production has nearly doubled, increasing farmers' incomes and encouraging them to produce legitimate crops. However, opium cultivation accounts for nearly 60 percent of the country's gross national product.

To stop the illegal drug farming and trade, USAID provides incentives to farmers to discontinue planting poppy. In particular USAID has managed an alternative livelihoods program in the four largest poppy producing provinces - Badakhshan, Nangarhar, Kandahar, and Helmand. This funding supports cash-for-work projects, expands availability of agricultural credit, and provides training and marketing assistance to help farmers increase their income from legitimate crops. USAID also provides training, demonstration centers and farm related business training to farmers to help them increase their income from legitimate crops.

FY 2009 Program Changes (none)

USAID plans to continue programming to a greater number of poppy producing provinces. Funding will continue to support such activities such as: cash-for-work projects, availability of agricultural credit, and training and marketing assistance to help farmers increase their income from legitimate crops.

Performance

Introduction

This section on the FY 2007 performance of the USAID program is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary. The table includes conclusions from the PART assessment as well as performance measures, targets and achievements for the latest year for which data are available. The ACI and INCLE PART assessments included a review of USAID contributions to these programs—no separate PART was undertaken for the drug portions of USAID.

Discussion

The Alternative Development (AD) program in *Colombia* has helped rural families produce more than 158,000 hectares of agricultural crops and has improved sustainable management practices on an additional 197,000 hectares of forest land since 2001. This means that more than 355,000 hectares of land are being used today for licit activities and are no longer available for production of drug crops. The AD program in *Peru* has helped more than 655 private enterprises expand legal employment opportunities in areas that were formerly devoted to the production of drug crops. *Bolivia's* AD exports

of Banana, Palm Hearts and pineapples have increased by more than 500% since 2000 and are providing licit employment today for about 50,000 families in areas that were formerly known only for their production of drug crops. The AD program in *Ecuador* provided assistance to 15 municipalities in 2007, exceeding their 2007 target of 6 municipalities. Most of the AD assistance was used to create more than 2,000 licit jobs and to support the production of legal crops on 33,240 hectares (an increase of 6,597 hectares from the number that the AD program supported in FY2006).

USAID/*Afghanistan's* AD Programs provided assistance to 9 provinces in FY 2007. The AD Program-South provided assistance in Helmand, Kandahar, and Uruzgan provinces; the AD Program-North provided assistance in Badakhshan and Takhar provinces; and the AD Program—East provided assistance in Kunar, Laghman, Nangarhar, and Nuristan provinces. Most of the AD assistance was used to: (1) assist more than 375,000 Afghans (cash for work activities; business skills training; farmers trained in agricultural practices in targeted poppy provinces; and farmers receiving seed and fertilizer); (2) to rehabilitate, repair, and construct 203 kms. of rural roads, and (3) to support licit agricultural production on 124,898 hectares (which exceeded the target of 118,000 hectares).

USAID		
No PART Assessment Made		
Selected Measures of Performance	FY 2007 Target	FY 2007 Achieved
» Number of community, producer groups, or associations that signed agreements to become and/or remain "coca-free" (cumulative)	1275	2336
» Number of USAID-assisted families that have signed or are included under "coca-free" agreements (cumulative)	108,200	179,701
» Hectares of opium poppies eradicated manually or voluntarily by Alt. Devt. partners in USAID target areas	2,294	2,210
» Hectares of licit agricultural crops developed or expanded in areas receiving USAID assistance (cumulative)	428,228	454,836
» Number of new direct jobs created (agric.& non-agric.) in USAID-assisted areas (annual)	63,509	126,509
» Change in sales of licit farm and non-farm products in USAID assisted areas of Afghanistan *	103%	78%
» Number of rural households benefiting directly from USAID interventions in Afghanistan *	1,000,000	374,366

*These targets are preliminary—the methodology for developing them is being refined for use in identifying future target years.