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GOVERNANCE

As of June 30, 2014, the United States had provided nearly \$30.6 billion to support governance and economic development in Afghanistan. Most of this funding, more than \$17.5 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department and the United States Agency for International Development (USAID).³²⁶

KEY EVENTS

On June 14, Afghanistan held a second round of presidential elections between Abdullah Abdullah (who received 45% of validated votes in the first round) and Ashraf Ghani (who received 31.6%).³²⁷ Unlike the first round, in which the leading presidential candidates largely accepted the results, the Abdullah campaign contested the reports of voter turnout estimates and accused the Afghan election bodies of massive fraud.³²⁸ The outgoing Special Envoy for Afghanistan and Pakistan, Ambassador James Dobbins, was quoted saying the “election impasse at the moment is serious and could present a real danger of a division in the country.”³²⁹

On July 12, Secretary of State John Kerry, along with candidates Abdullah and Ghani, announced the terms of an agreement to overcome the impasse. The terms included:

- Within 24 hours of the announcement, an audit examining each of the ballots cast in the runoff election would begin;
- The International Security Assistance Force (ISAF) would be responsible for transporting ballot boxes from the provinces to Kabul;
- The ballots would be secured by ISAF and the Afghan National Security Forces (ANSF);
- The auditing process would be internationally supervised in accordance with a proposal from the United Nations Mission in Afghanistan (UNAMA) and with the participation of the two presidential campaigns; and
- Both candidates would commit themselves to abiding by the results and forming a “government of national unity.”³³⁰



Secretary of State Kerry raises hands with Afghan presidential candidates Ghani, center, and Abdullah, right, in Kabul, July 12, 2014, after announcing agreement on a plan to resolve the disputed election outcome. (State Department photo)

Both Abdullah and Ghani stated that they had agreed to a framework for a national unity government.³³¹ The following day, however, each candidate’s campaign offered differing interpretations: Abdullah’s spokesmen proposed a “shared government” with an executive prime minister who would be appointed by presidential decree, while Ghani’s spokesmen stated that the losing candidate can participate in the new government “through legal ways” but that the details would be negotiated after the presidential winner is announced.³³² Abdullah’s first-vice-presidential running mate was quoted saying that the teams had agreed to form a coalition government in which the losing candidate will serve as a chief executive for two years after which a constitutional amendment will change the chief executive to a premier. Ghani’s second-vice-presidential running mate, however, has responded that “the perception that the winner should be the president or the loser chief executive is a wrong and extrajudicial perception.”³³³

The inauguration of the new president was scheduled to take place on August 2, 2014, but due to the comprehensive audit of run-off ballots, UNAMA requested that the inauguration be delayed.³³⁴ A summary of the preliminary results appears in Table 3.19.

Also this quarter, USAID said there will be no new reviews of the Tokyo Mutual Accountability Framework (TMAF) intermediate “hard deliverables” targets for Afghan progress.³³⁵ According to the United Nations Secretary-General, the TMAF serves as the agreed instrument of civilian development assistance to Afghanistan.³³⁶ The United States and international partners are developing a new set of targets for the future implementation of TMAF that will be discussed with the new post-election government. According to USAID, the process of finalizing these new targets will likely continue through the international conference on Afghanistan tentatively planned for November in London and into early 2015.³³⁷

TABLE 3.19

PRELIMINARY RESULTS OF THE JUNE 14 PRESIDENTIAL RUN-OFF ELECTION

Name of Candidate	Number of Votes	Percent
Ashraf Ghani	4,485,888	56.44
Abdullah Abdullah	3,461,639	43.56
Total Votes	7,947,527	

Source: Independent Election Commission, “Runoff Presidential Election Preliminary Results,” 7/7/2014.

ELECTIONS

Afghanistan held its first round of presidential elections on April 5. None of the presidential candidates secured a majority of votes cast, triggering a legal requirement for a second, runoff election.³³⁸

According to the Independent Election Commission (IEC), of the 6,423 planned polling centers for the April 5 round of voting, 6,124 actually opened.³³⁹ The United Nations Secretary-General reported that the Afghan public and media reacted positively to the performance of the national security forces in securing the first round, despite threats from the Taliban. International partners also praised the army and police.³⁴⁰

Afghanistan held the second round of presidential voting on June 14. On election day, the IEC Chairman Yousaf Nuristani announced that approximately seven million Afghans voted in the second round, up from 6.6 million validated votes from the first round.³⁴¹ For the June 14 runoff voting, 6,365

polling centers planned to be open, and 6,223 actually opened.³⁴² According to the National Democratic Institute (NDI), a nongovernmental organization funded by USAID to support the Afghan election process, Afghans came out in large numbers to participate in the country's first presidential runoff election.³⁴³ Members of the Free and Fair Election Forum of Afghanistan (FEFA), the Transparent Election Foundation of Afghanistan (TEFA), the Afghanistan Youth National and Social Organization (AYNSO), the Afghanistan National Participation Organization (ANPO), the New Line Organization (NLO), and domestic monitoring groups were present on June 14 in most polling stations. Collectively, these monitoring groups deployed more than 18,000 observers and covered all 34 provinces with most reporting that their monitors were able to access stations and observe polling activities without hindrance.³⁴⁴

On July 7, the IEC announced that preliminary results showed presidential candidate Ashraf Ghani with 56.4% and Abdullah Abdullah with 43.6% of the vote. According to the IEC, 8.1 million votes were cast—over one million more than the seven million originally estimated. This was an increase of approximately 1.5 million votes over the number of validated votes from the first round.³⁴⁵ Following the announcement, Abdullah's first-vice-presidential candidate described the results as a “coup” against voters and said Abdullah's team had the right to form a government. This was reiterated by the governor of Balkh Province, who said the results pave the ground for “massive protests to the formation of a parallel government.”³⁴⁶

The United States called on both presidential campaigns to remain calm. President Obama called Abdullah on July 7 and Ghani on July 8 to caution that any move toward violence or extra-constitutional measures would endanger financial and security assistance from the United States.³⁴⁷ Secretary of State John Kerry also issued a public statement that “any action to take power by extra-legal means will cost Afghanistan the financial and security support of the United States and the international community.”³⁴⁸ State also called on the Afghan electoral bodies to address all credible allegations of fraud through a thorough audit “whether or not the two campaigns agree.”³⁴⁹

On July 11, Secretary Kerry met with President Karzai, Ghani, and Abdullah in Kabul to discuss the elections impasse.³⁵⁰ According to Secretary Kerry, “the election legitimacy hangs in the balance [and the] future potential of a transition hangs in the balance.”³⁵¹

On July 12, Secretary Kerry announced that all the ballots cast in the run-off were to be audited following procedures proposed by UNAMA with the winning candidate forming a national-unity government following the audit.³⁵² The current IEC audit checklist was enhanced to include the following UNAMA recommendations to review:

- ballots which are obviously similarly marked



Agents for the Abdullah and Ghani campaigns look over ballot boxes from Balkh Province before the boxes are loaded onto an ISAF aircraft for transport to Kabul. (U.S. Army photo)



Secretary of State Kerry sits with Afghan presidential candidates Abdullah Abdullah, left, and Ashraf Ghani, right, at the U.S. Embassy in Kabul, Afghanistan, on July 12, 2014. (State Department photo)

- evidence of tampering with the results sheet and coherence with the number of ballots in the box
- comparison of the results sheet copy with that processed in the national tally centre
- information on the polling station journal and list of voters

Moreover, ballot boxes will receive particular attention from international and domestic observers and agents when they register results that, according to best international practices, require special scrutiny (for example, when there are significant differences between first-and second-round tallies).³⁵³

The audit began on July 17 and the IEC estimated that the runoff audit would take three weeks.³⁵⁴

Accusations of Fraud

Fraud was a concern during the first round of presidential voting (see pages 123–125 of the April 2014 *Quarterly Report to Congress* for more information), but the runoff has proven even more controversial. Starting on the evening of the runoff, the Abdullah campaign began contesting the IEC's initial voter turnout estimates and later accused the Afghan elections bodies of participating in massive fraud.³⁵⁵ Domestic elections observers also questioned IEC reports of high turnout. According to Radio Free Europe, FEFA and TEFA reported that turnout was down compared to the first round, while fraud was up. TEFA head Naeem Ayubzada called the IEC's turnout

figures of seven million voters “inflated,” as estimated turnout was between five and six million, and said that the number of votes from several eastern provinces exceeded each province’s entire adult population. He concluded that “the increase in numbers was due to fraud.”³⁵⁶

A focal point of controversy was the IEC Head of the Secretariat, Zia ul-Haq Amarkhail. On the day of the runoff, the Kabul chief of police accused Amarkhail of misconduct after police stopped Amarkhail’s staff with unused ballots in their vehicles. According to the IEC Chairman, Amarkhail dispatched extra ballots to rectify a ballot shortage residents had protested.³⁵⁷ Later, the Abdullah campaign released a series of audio recordings that they claim show Afghan government officials, including Amarkhail, colluding to commit or allow for fraud. The recordings purport to document Amarkhail discussing plans to stuff ballots, a provincial governor advising an Afghan army officer not to interfere with fraud, and Amarkhail and another provincial governor discussing how to deal with an Afghan army officer who detained IEC officials on charges of ballot stuffing.³⁵⁸ Abdullah’s campaign also released a video they claim showed ballot stuffing in Paktika Province.³⁵⁹

A day after the first recordings were released, Amarkhail resigned and later left the country. In a reversal from his previous defense of his IEC colleague, the head of the IEC expressed his views regarding Amarkhail by stating, “if Amarkhail was not involved in election fraud, he would not have escaped from the country.”³⁶⁰ Amarkhail returned to Afghanistan to reject accusations of a plot to escape and the validity of the audio recordings. He said he had resigned to allow the process to go forward and called on the Electoral Complaints Commission (ECC) to investigate the claims against him.³⁶¹

On June 18, Abdullah announced that he had cut off ties with the Afghan election commissions and withdrew his observers. He also accused President Karzai of not remaining neutral during the runoff.³⁶² He later participated in protests in Kabul that reportedly involved thousands of people.³⁶³

During the preparation for the June 14 runoff, the deputy head of UNAMA warned that, “the worst-case scenario would be if the election is both polarising and the results are not accepted by one of the candidates—that has the potential to lead to conflict.”³⁶⁴

As of July 3, the IEC has detected enough suspicious data to conduct a country-wide audit of 1,930 polling stations. However, the European Union Election Assessment Team Afghanistan (EU EAT) reported that the number of problematic polling stations from the runoff election could well exceed 6,000 out of a total of 22,828.³⁶⁵ On July 10, the European Union team expressed concern that only 135 polling stations, out of 2,229 problematic polling stations, were excluded from the announced preliminary results following an “unsatisfactory, hasty, audit conducted at provincial level” that “was not sufficient to identify proxy voting, ballot stuffing, early shortages



An election worker in Herat prepares to issue a ballot to a voter. (USAID photo)



A policeman hangs a results list at a polling center in Kabul. (USAID photo)

of ballot papers, and other illegal acts or unusual events.” Additionally, the IEC had invalidated 90% fewer problematic elections stations than in the first round. EU EAT recommended that an additional two million to four million votes should be further investigated.³⁶⁶

Approximately 375,000 votes were invalidated from the first round on April 5, down from the 1.2 million votes declared fraudulent in the 2009 presidential election.³⁶⁷ Between the first and second rounds, the IEC announced that 5,388 (of 100,000) elections staff from 525 polling stations across the country were blacklisted for misconduct and around 440 were fired for underperformance in the first round. Because of a lack of evidence, referral to the judiciary is still pending. Most of the affected staff held lower positions within the electoral administration.³⁶⁸

Election Security

According to the EU EAT, security challenges increased in the second round of voting.³⁶⁹ The most prominent security incident occurred on June 6, when two suicide bombers attacked the convoy of presidential candidate Abdullah Abdullah in the west of Kabul. Abdullah was unharmed, but 13 civilians were killed and 43 others were injured.³⁷⁰ According to NDI, there were fewer security incidents on June 14 compared to previous elections, but more incidents than on April 5. The IEC reported 130 security incidents on June 14, along with the deaths of six IEC officials. Major Afghan cities, including Kabul, experienced attacks in the early hours of polling day—a tactic meant to intimidate and prevent voters from going to the polls. However, NDI observers and domestic monitoring groups noted that these attacks did not deter Afghans from participating in significant numbers.³⁷¹

Domestic monitoring groups reduced the geographic coverage of their elections monitoring during the runoff due to insecurity in the first round. This may impact the elections-complaint process since both the IEC and ECC relied upon the information provided by these domestic monitoring groups to invalidate ballots.³⁷² Also on election day, two of 173 health clinics and 45 of 3,546 educational facilities designated as polling locations were affected by election-related violence. According to the UN, this represents a two-thirds reduction in the number of incidents compared with 2009.³⁷³

To improve security as well as increase female voter turnout, the Ministry of Interior (MOI), with financial support from the United States and Republic of Korea, recruited and trained up to 13,000 female volunteers to serve as subsidized personnel to conduct body searches of female voters. According to DOD, the Afghan government was able to recruit and deploy sufficient female searchers for the April 5 election to cover 70% of open polling centers with polling stations for women.³⁷⁴ According to State, anecdotal reports indicated an adequate female searcher presence during the runoff.³⁷⁵ Deploying women to search female voters was important because Afghan custom forbids men to touch unrelated women. The goal of this project was to prevent women with weapons—or men disguised as women—from entering polling places to conduct attacks.³⁷⁶ State contributed \$1.7 million to this \$3.7 million project via the United Nations Development Programme’s (UNDP) Law and Order Trust Fund for Afghanistan (LOTFA).³⁷⁷

U.S. Support for the Elections

The U.S. government funded programs providing technical support, outreach, and deployment of domestic and international observers to help the Afghan government hold credible, inclusive, and transparent elections.³⁷⁸

USAID contributed \$55 million to the UNDP Enhancing Legal and Electoral Capacity for Tomorrow-Phase II (ELECT II) to help the Afghan electoral management bodies by providing technical assistance to the IEC, the ECC, and the Media Commission (MC). Additionally, UNDP ELECT II develops the capacity of the electoral management bodies to administer elections on its own for future elections cycles. UNDP ELECT II is supported through a multilateral “basket fund” that includes funding from at least a dozen other donor countries. For instance, the United Kingdom, the European Union, Italy, Germany, France, Netherlands, Sweden, Denmark, Norway, and Japan contributed the remainder of the \$129 million that ELECT II estimated was necessary to support the elections.³⁷⁹

USAID supported election-observation missions through awards to three organizations: NDI via the Supporting Political Entities and Civil Society (SPECS) program; Democracy International (DI); and the Organization for Security and Co-operation in Europe (OSCE). SPECS awarded sub-grants to four Afghan civil society organizations to deploy approximately 2,200



An Afghan National Army (ANA) officer shows his vote-confirming inked finger at a polling center in Kabul. (USAID photo)

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TABLE 3.20

USAID PROGRAMS INTENDED TO SUPPORT THE 2014 PRESIDENTIAL AND PROVINCIAL COUNCIL ELECTIONS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements as of 6/30/2014 (\$)
Afghan Civic Engagement Program (ACEP)*	12/04/2013	12/03/2018	\$70,000,000	\$4,996,608
Enhancing Legal and Electoral Capacity for Tomorrow (ELECT) II	9/28/2013	9/27/2014	55,000,000	11,821,602
Electoral Reform and Civic Advocacy (AERCA)	7/7/2009	12/31/2015	38,702,682	29,831,936
Supporting Political Entities and Civil Society (SPECS)	7/7/2013	7/6/2016	18,000,000	7,542,077
International Election Observation (NDI)	2/1/2014	8/1/2014	4,000,000	2,342,783
International Election Observation (DI)	2/1/2014	8/1/2014	3,999,925	3,092,937
Peaceful Elections Campaign**	9/10/2013	9/30/2015	3,000,000	451,496
Election Support Team to Afghanistan (OSCE)	2/20/2014	7/15/2014	1,500,000	1,500,000

Notes:
 *ACEP programming that contributed to the April and June 2014 elections cost approximately \$1.4 million.
 **As of March 25, 2014. These disbursements do not reflect operational expenditures.

Source: USAID, responses to SIGAR data call, 6/30/2014 and 7/10/2014.

domestic elections observers.³⁸⁰ NDI also deployed 100 NDI Afghan staff to observe the runoff elections at 312 polling stations in 26 provinces.³⁸¹ According to USAID, the DI International Election Observation program deployed 16 international observers for the first round and eight international observers for the second round.³⁸²

USAID further supported the elections through the Initiative to Promote Afghan Civil Society (IPACS II) and the Afghan Civic Engagement Program (ACEP) as well as the Peaceful Election Campaign (PEC). IPACS II and ACEP contributed to the elections through small-grant support to civil society and media partners for conducting civic-education activities, get-out-the-vote-out election awareness sessions, distributing election-related publications, and radio and television advertisements. IPACS II ended on March 31, 2014, and spent approximately \$800,000 in support of the election while ACEP spent approximately \$1.4 million.³⁸³ PEC supported a “Vote for Peace” elections campaign using community-outreach events such as athletics and poetry, as well as a multi-media program using radio, television, and the Internet to increase voter turnout, reduce violence and raise awareness that future peace and stability in Afghanistan requires a peaceful transfer of power.³⁸⁴

A summary of USAID programs that supported the 2014 elections appears in Table 3.20.

The International Security Assistance Force (ISAF) provided limited direct support to the Afghan elections including aerial transportation of sensitive election material from Kabul to regional, provincial, and district hubs at the request of the IEC. ISAF unilaterally delivered and retrieved election materials in seven districts and provided aerial security to the Afghan Air Force for the delivery and retrieval of elections materials in 12 districts.³⁸⁵

NATIONAL GOVERNANCE

The United States provides assistance to Afghan governing institutions to build capacity to perform critical services and thereby increase their legitimacy in the eyes of the Afghan population in two ways: through contracts, grants, and cooperative agreements, and increasingly, through on-budget assistance. In this final year of the security transition, the U.S. government is particularly focused on increasing the financial and program-management capabilities of Afghan government institutions. It is using a combination of capacity building and on-budget programs to achieve this end.³⁸⁶

According to the UN Secretary-General's Special Representative for Afghanistan, the Tokyo Mutual Accountability Framework (TMAF) serves as a cornerstone of international engagement and is the agreed instrument for deploying civilian development assistance in Afghanistan. The international community and Afghan government agreed to the TMAF at the Tokyo Conference of Donors in July 2012. Later the TMAF was augmented with intermediate targets for the Afghan government and the international community called "hard deliverables," such as the passage of a mining law.³⁸⁷

Last quarter, SIGAR reported on the progress of TMAF "hard deliverables." (See pages 127–129 of the April 2014 *Quarterly Report to Congress* for more information.) A Special Joint Coordination and Monitoring Board (JCMB) meeting was held on January 29, 2014, to assess TMAF progress and to formulate guidance in anticipation of a new Afghan government following the elections.³⁸⁸ According to USAID, the JCMB meeting was the final opportunity for reviewing the existing set of hard deliverables. The United States temporarily extended the window for passage of a mining law to April 16, 2014, but the window closed before the government passed the law.³⁸⁹

This quarter USAID reported that it is working with interagency and international partners to develop a new set of targets for the future implementation of TMAF to be discussed with the new government, once the election is resolved and a new president takes office. According to USAID, the process of finalizing these new targets will likely continue through the international conference on Afghanistan tentatively planned for November in London and into early 2015.³⁹⁰

On-Budget Assistance

To improve governance and align development efforts with Afghan priorities, international donors at the 2010 London Conference committed to increase the proportion of development aid delivered on-budget through the Afghan government to at least 50%. The donors, including the United States, reiterated this pledge at the July 2012 Tokyo Conference.³⁹¹

According to USAID, although most nonsecurity donor contributions to the Afghan government are to the development budget and intended to be spent on development project activities, in practice, the provision of donor funding for a particular purpose can free Afghan government funds that

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The U.S. and Afghan governments have differing ways of measuring U.S. progress toward fulfilling its commitments to provide more funding through the Afghan government budget. USAID says the Afghan government only considers funds “on budget” when they are disbursed (when money has actually been spent), while USAID counts commitments and obligations (when the donor reserves the funds for a specific purpose but money has not been spent) as on-budget support.

Sources: USAID, OPPD, response to SIGAR data call, 12/30/2013 and USAID, *U.S. Foreign Assistance for Afghanistan: Post Performance Management Plan 2011-2015: Annex VIII – Assistance Objective 8: Increased Management Effectiveness of GIROA Institutions*, 10/2010, p. 7.

would have otherwise been expended for that particular item. This means that donor funding can, in effect, provide the Afghan government with the budgetary latitude to prioritize and redistribute its own funding based on its most pressing needs, including to cover recurrent costs such as salaries.³⁹²

USAID provides on-budget assistance through bilateral agreements with seven Afghan government entities and through contributions to two multi-donor trust funds: the Afghanistan Reconstruction Trust Fund (ARTF) and the Afghanistan Infrastructure Trust Fund (AITF).³⁹³ According to USAID, all bilateral-assistance funds are deposited in a separate bank account established by the Ministry of Finance expressly for each program.³⁹⁴ The ARTF, administered by the World Bank, provides funds to both the Afghan government’s operating and development budgets in support of Afghan government operations, policy reforms, and national priority programs.³⁹⁵ The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.³⁹⁶ According to USAID, the majority of on-budget funding has been and will continue to be directed through the multi-donor trust funds, particularly the ARTF.³⁹⁷

DOD provides on-budget assistance to the Afghan government through (1) direct contributions to the Ministry of Defense (MOD) and the MOI and (2) through contributions to a multi-donor trust fund called LOTFA. LOTFA, administered by the UNDP, primarily funds the Afghan National Police (ANP) salaries.³⁹⁸ Direct-contribution funding is also provided to the Ministry of Finance, and later allotted incrementally to the MOD and MOI, as required.³⁹⁹ According to DOD, the Combined Security Transition Command-Afghanistan (CSTC-A) has several mechanisms for monitoring U.S. direct contributions to the Afghan budget for the Afghan security forces. CSTC-A uses a bilateral-commitment letter to ensure that the Afghan government understands the terms and conditions for proper utilization of CSTC-A funds (including purpose, time, and amount) and the possible consequences of improper use of funds.⁴⁰⁰

As shown in Table 3.21, USAID expects to spend \$986 million dollars on direct bilateral assistance. It also expects to contribute almost \$1.9 billion to the ARTF and more than \$180 million to the AITF.⁴⁰¹ DOD expects to spend approximately \$2.09 billion through the LOTFA.⁴⁰²

According to USAID, the actual disbursement of funds through bilateral on-budget programs is slower than either side would like. USAID has attributed the low budget-execution rate to limited Afghan government capacity and the risk-mitigation measures USAID applies to on-budget assistance.⁴⁰³ The Afghan Minister of Finance was recently quoted saying that donors have not released funding to the Afghan government, creating “a major hole in [the Afghan government’s] development budget.”⁴⁰⁴

CSTC-A’s assessment is that once funds enter the Afghan government’s bank account, oversight becomes significantly more challenging.⁴⁰⁵

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TABLE 3.21

ON-BUDGET PROGRAMS							
Project/Trust Fund Title	US Government Agency	Afghan Government On-Budget Partner	Special Bank Account?	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements as of 06/30/2014 (\$)
Bilateral, Government-to-Government Projects*							
Power Transmission Expansion and Connectivity Project (PTEC)	USAID	Da Afghanistan Breshna Sherkat (DABS)	Yes	12/5/2012	12/31/2016	\$342,000,000	\$5,306,141
Partnership Contracts for Health Services (PCH) Program	USAID	Ministry of Public Health (MOPH)	Yes	7/20/2008	1/31/2015	236,455,840	181,207,908
Sheberghan Gas Development Project (SGDP)	USAID	Ministry of Mines and Petroleum (MOMP)	Yes	5/26/2012	4/30/2015	90,000,000	0
Kajaki Unit 2 Project (Installation of Turbine Generator Unit 2 at Kajaki Dam Hydropower Plant)	USAID	DABS	Yes	4/30/2013	12/31/2015	75,000,000	5,593,727
Agriculture Development Fund (ADF)	USAID	Ministry of Agriculture, Irrigation and Livestock (MAIL)	Yes	7/18/2010	12/31/2014	74,407,662	54,000,000
Basic Education and Literacy and Vocational Education and Training (BELT) - Community-Based Education	USAID	Ministry of Education (MOE)	Yes	8/25/2013	8/25/2017	56,000,000	0
Civilian Technical Assistance Program (CTAP)	USAID	Ministry of Finance (MOF)	Yes	9/30/2009	9/30/2014	36,256,560	28,810,610
Afghanistan Workforce Development Project (AWDP)	USAID	MOE	Yes	7/31/2013	7/31/2017	30,000,000	0
Basic Education and Literacy and Vocational Education and Training (BELT) - Textbooks Printing	USAID	MOE	Yes	11/16/2011	12/31/2014	26,996,813	21,955,403
Civil Service Reform Support	USAID	Independent Administrative Reform and Civil Service Commission (IARCSC) and MOF	Yes	10/30/2011	7/31/2014	15,000,000	13,000,000
E-Government Resource Center (EGRC)	USAID	Ministry of Communications and Information Technology (MOCIT)	Yes	8/28/2013	6/1/2016	3,900,000	0
Multi-Donor Trust Funds							
Law and Order Trust Fund for Afghanistan (LOTFA)	DOD	Ministry of Interior	No	2008	2024	\$2,086,000,000	\$1,160,700,000
Afghanistan Reconstruction Trust Fund (ARTF) (current award)**	USAID	Multiple	No	3/31/2012	3/31/2017	1,900,000,000	604,829,100
Afghanistan Infrastructure Trust Fund (AIF)	USAID	Multiple	No	3/7/2013	3/6/2018	180,000,000	105,000,000

Notes:

*Does not include DOD direct contribution funds.

**USAID had a previous award to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements.

Sources: USAID, OPPD, response to SIGAR data call, 6/30/2014; CSTC-A, response to SIGAR data call, 7/1/2014.

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Currently, CSTC-A direct contributions are pooled with all sources of Afghan government revenues (including other donor nations and domestic revenues) deposited in the single treasury account of the central bank. According to CSTC-A, this approach has the advantage of simplicity and provides the Afghan government flexibility, but requires additional effort from CSTC-A to reconcile the reported use of funds.⁴⁰⁶ CSTC-A is exploring the option of using a separate bank account, such as those used by USAID. CSTC-A notes that whereas USAID funds programs that are focused or limited-duration with significant USAID involvement in procurement and execution, CSTC-A direct contributions support multiple MOD and MOI requirements and are primarily executed by the Afghan government.⁴⁰⁷

Capacity-Building Programs

USAID capacity-building programs seek to improve Afghan ministries' ability to prepare, manage, and account for on-budget assistance. SIGAR's January 2014 audit of USAID's assessments of seven Afghan ministries receiving on-budget assistance from the U.S. government found that none of these assessments and reviews identified a ministry capable of effectively managing and accounting for funds without implementing risk-mitigation measures.⁴⁰⁸ As shown in Table 3.22, programs include USAID's \$31 million Leadership, Management, and Governance Project that aims to strengthen Afghanistan's financial-management systems and the capacity of the Ministry of Public Health and the Ministry of Education to meet requirements set at the 2010 Kabul International Conference for increased on-budget aid.⁴⁰⁹ USAID is also funding the \$15 million Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE) project, which among other things assists the ministry to improve its financial management, as required for future on-budget assistance.⁴¹⁰

National Assembly

According to State, the Afghan legislative branch remains weak in comparison to the executive, but members of parliament appear to be trying to strengthen their hand vis-a-vis the executive branch. However, staffing

TABLE 3.22

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL						
Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements as of 6/30/2014 (\$)	
Leadership, Management, and Governance Project	Ministry of Public Health Ministry of Education	9/25/2011	9/24/2016	\$ 32,000,000	\$22,826,010	
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2017	23,455,326	4,067,868	
Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE)	Ministry of Women's Affairs	12/20/2012	12/19/2015	5,000,000	2,955,012	

Source: USAID, responses to SIGAR data call, 7/10/2014 and 7/13/2014.

struggles, corruption, and low levels of education and experience continue to plague the body.⁴¹¹

The major legislation passed this quarter included the Anti-Money Laundering Law, signed into law by President Karzai on June 25.⁴¹² The lower house of parliament passed the Access to Information Law three years after its submission.⁴¹³ The law, which prevents government officials from refusing to provide information to journalists and the public, is now with the upper house. Civil-society organizations have stated that the law will be the first of its kind in Afghanistan's history and could noticeably lower the scale of corruption in the country.⁴¹⁴ In May, the lower house also passed a new law to regulate the mining sector.⁴¹⁵

Parliament also held hearings involving several Afghan government ministers on topics including university entrance exams, flood relief, women's issues, crime, the execution of Afghans in Iran for drug smuggling, electronic identification (*e-taskera*), and narcotics eradication and treatment.⁴¹⁶

In May, neither house of parliament could conduct much business because a majority of representatives were absent. For example, the *Meshrano Jirga* (the upper house) failed to achieve a quorum, with only 30% participation in both plenary and commission sessions during one of the weeks. In May, the *Wolesi Jirga* (the lower house) achieved quorum only twice in two weeks. Many parliamentarians were reportedly in the provinces to contest vote counting from the recent provincial council elections and participate in the presidential runoff campaign.⁴¹⁷ According to a report by Tolo News, the Wolesi Jirga's Administrative Committee found that absenteeism is a major impediment to the parliament's functioning and members of the lower house are taking more leave than the 15 days allotted every four months.⁴¹⁸

USAID funds the \$23.5 million Assistance to Legislative Bodies of Afghanistan project (ALBA) to help Afghanistan's parliament operate as an independent and effective legislative, representative, and oversight body.⁴¹⁹ In the last quarter, ALBA focused on initiatives to help members of parliament and their staff to improve their capacity. ALBA supported the Parliamentary Anticorruption Caucus, worked with the 21 members of parliament to draft amendments to the Access to Information Law and Anticorruption Law, and contributed amending language to the Mining Law and Procurement Law.⁴²⁰

According to USAID, the greatest institutional-capacity shortfall of parliament that ALBA needs to address is lack of subject-matter expertise in both houses of parliament to properly analyze specialized legislation. Although the secretariats of both houses have researchers and legal experts, these individuals are not always qualified to carry out these duties and serve as resources to the members of parliament.⁴²¹ An ALBA review of parliament's research and budget staff found that capacity is extremely low and that parliamentarians do not consider the staff's work valuable.

Parliament's current research and budget staff reportedly are not up-to-date on various policy issues and reforms—including program budgeting, provincial budgeting, and the medium-term fiscal and budget framework—used to prepare the annual budget. According to the review, despite reforms that increased salaries and aimed for more competitive recruitment, nepotism continued to undercut internal research capacity as incumbent unqualified staff were re-recruited.⁴²²

SUBNATIONAL GOVERNANCE

The United States government supports initiatives at the subnational level to give Afghans a greater stake in their own government. The goal is to make local government more visible, accountable, and responsive to the Afghan people, particularly in the south and east, where the insurgency has been tenacious.⁴²³

This quarter, DOD reported that the Village Stability Operations (VSO), a bottom-up counterinsurgency strategy aimed at connecting local governance to the Afghan district and national government, has ended.⁴²⁴ The VSO initiative originally had three primary components: local governance, development, and security. The Afghan Local Police (ALP) program, originally the security component of VSO, is the only remaining portion.⁴²⁵ According to DOD, although VSO has ended, some remnants of the VSO remain at the district and provincial levels in support of the ALP program. The district and provincial elements will complete their mission by October 31, 2014.⁴²⁶ SIGAR reported last quarter on the challenges DOD faced in assessing the impacts of VSO on Afghan governance. See pages 132–143 of the April 2014 *Quarterly Report to Congress* for more information.

Rural Stabilization Programs

USAID has several stabilization programs aimed at helping the Afghan government extend its reach into unstable areas and build local governance capacity. These programs include USAID's four Stability in Key Areas (SIKA) projects, the two Community Cohesion Initiative (CCI) programs, and the ARTF's National Solidarity Program (NSP). The United States has requested that \$865 million of its ARTF contributions support the NSP.⁴²⁷ Table 3.23 summarizes total program costs and disbursements to date.

Stability in Key Areas (SIKA)

The objective of SIKA is to help district- and provincial-level Afghan government officials respond to the local population's development and governance concerns, instilling confidence in the government and bolstering stability.⁴²⁸

USAID intended the four SIKA programs to “be seen as an extension of the [Afghan government], not as increased foreign presence,” and stipulated that SIKA “must work within Afghan structures” in order to partner with the

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TABLE 3.23

USAID SUBNATIONAL (RURAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements as of 6/3/2014 (\$)
National Solidarity Program (NSP) via the Afghanistan Reconstruction Trust Fund (ARTF)*	2004	2012	\$865,000,000	\$865,000,000
Stability in Key Areas (SIKA) South***	4/10/2012	9/3/2014	177,565,498	39,523,359
SIKA East	12/7/2011	9/6/2015	177,054,663	68,371,001
Community Cohesion Initiative (East, South, Southwest)**	3/1/2012	2/28/2015	161,499,422	7,373,529
Afghanistan Civilian Assistance Program (ACAP II)	9/27/2011	9/26/2014	64,000,000	45,194,000
SIKA West	1/29/2012	8/31/2015	62,998,824	30,049,405
SIKA North	3/15/2012	6/14/2015	45,633,274	20,318,357
Community Cohesion Initiative (North, West)**	9/10/2013	9/9/2015	36,221,640	451,496

Notes:

*This includes USAID contributions to the ARTF with an express preference for the National Solidarity Program (NSP). According to the agreement with the World Bank, donors can only express a preference on how their donations are used up to 50% of their total contribution. The remaining, unpreferred funds provided to the ARTF may also be used to support NSP

**As of March 25, 2014. These disbursements do not reflect operational expenditures.

***The disbursement data includes the totals for both SIKA South awards.

Source: USAID, responses to SIGAR data call, 6/30/2014, 7/10/2014, 7/13/2014, and 7/14/2014.

Afghan Ministry of Rural Rehabilitation and Development (MRRD).⁴²⁹ The four SIKA contracts require the MRRD, as primary partner, to have representation in a district in order for SIKA to operate there. The degree of required MRRD presence ranges from an individual MRRD representative who comes to work on “a semi-regular basis” (SIKA South) to MRRD representation that is able to effectively operate and monitor SIKA activities in the district as well as provide support and leadership (SIKA West).⁴³⁰

During the quarter, the USAID Measuring Impacts of Stabilization Initiatives (MISTI) project, a third-party monitoring and evaluation program that evaluates the impact of USAID stabilization programs, issued a mid-term performance evaluation of the SIKA West program. According to the evaluation, SIKA West is meant to be an Afghan-led, government-owned program with quick-delivery projects that have long-term results.⁴³¹ The evaluation raised questions about how SIKA projects connect to its purpose and how USAID would even know if projects are having an effect. The review concluded:

The inherent issue with SIKA West’s programming is its lack of a properly articulated theory of change which would explain to management and stakeholders what the results of implemented activities should be. This lack of a defined theory of change results in sub-optimal implementation and assessment of the four [intermediate results,] and without outcomes measurement in its [performance monitoring plan], SIKA West performance measurement is likely to result in fewer lessons-learned (both positive and negative) that can tie directly back to improving the performance of implemented activities.⁴³²

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SIKA West road-rehabilitation project in Muqur District, Badghis Province. (USAID photo)

Calling SIKA West’s currently reported outcomes “mislabeled outputs,” the evaluation recommends that SIKA West revise its performance-monitoring plan to include outcome indicators that measure whether the program actually had an effect.⁴³³

The evaluation offered a mixed assessment of SIKA West’s projects. According to the evaluation, infrastructure-development activities in Farah and Herat Provinces by and large met the stabilization objectives: support for the government increased due to the projects, many beneficiaries reported that employment opportunities reduced support for insurgent groups, and infrastructure development tied to agriculture or transportation (the types of projects sampled) had beneficial effects on society as they improve agricultural potential and connect villages to one another.⁴³⁴ The evaluation questioned the value of other projects, however:

SIKA West conducts multiple activities it says are part of stability programming, but are in effect small-scale interventions at the district level that may end quickly once project funding dries up. Two-hour communications trainings, English classes for [Provincial Ministry of Rural Rehabilitation and Development staff], and a variety of similar activities are not generally considered stabilization programming. If the goal of SIKA West is to increase confidence in local government through provision of service delivery, it needs to focus more on increasing the government’s capacity to understand what services are needed and how best to provide them through available mechanisms.⁴³⁵

SIKA West produced mixed results. On one hand, SIKA West programs did improve communications between district governments and their communities, especially through District Stability Committee (DSC) meetings.⁴³⁶ On the other hand, SIKA West actions have had a negative effect on district government empowerment and decision-making. District governors complained about the deterioration in their authority due to the DSC process and the direct funding of Community Development Councils (CDC).⁴³⁷ The evaluation also found that there is very little inclusion of government entities in the monitoring of projects. Afghan government participation in these visits are important for transparency, accountability, and showing government involvement in a project.⁴³⁸

Community Cohesion Initiative (CCI)

USAID’s CCI programs, split between one program covering the east, south, and southwest, and another covering the north and west, aim to build what USAID calls “resilience” in areas vulnerable to violence and insurgent exploitation. CCI implements initiatives such as local community-development projects that engage community leaders and government officials in their identification and oversight. The CCI also supports peace-advocacy campaigns at sporting events.⁴³⁹ The Afghan government was

awarded 84% of the 720 CCI activities while 7% were awarded directly to community groups.⁴⁴⁰

During the quarter, MISTI issued a mid-term performance evaluation of CCI as implemented in the east, south, and southwest.⁴⁴¹ The evaluation examined 61 projects from eight CCI districts.⁴⁴² The evaluation noted that a lack of trust between USAID and the implementing partner due to challenges in project start-up and operations made it difficult for the evaluation team to gather information on CCI processes, performance, and perspectives.⁴⁴³

The evaluation reported that CCI strengthened ties between local actors, customary governance structures, and the Afghan government. Afghan government officials increased their presence in communities for events such as CCI-grant opening and closing ceremonies. CCI staff, Afghan government officials, and community leaders reported that there is increased demand for Afghan government services following CCI grant implementation as evidenced by the increased number of community members petitioning district governors.⁴⁴⁴

According to CCI staff, CCI monitoring and evaluation of ties between the Afghan government and communities now includes whether people in a district sought access to Afghan government officials and whether Afghan government officials travelled outside the district center.⁴⁴⁵ CCI staff noted value in beginning work with the Afghan government at the district center, building trust and credibility through a few projects in the district, and then extending CCI implementation to villages a few kilometers out from the center or to more remote areas. The geographic spread from these district centers has been modest with grants often concentrated in or near district centers.⁴⁴⁶

The evaluation also found that CCI increased cohesion among communities. CCI staff, Afghan government officials, and community members reported that grants that originated from community processes were implemented in communities with community members as beneficiaries, or were granted to community actors who supported cohesion. The evaluation noted that the objective of supporting cohesion was a conceptually more difficult objective than increasing ties between the Afghan government and population and that CCI staff had differing interpretations of how projects supported cohesion. While some CCI staff viewed the defining aspect of cohesion projects as those that originated from the community, other CCI staff saw cohesion projects as those that benefited more people, such as schools and roads, or connected people across communities.⁴⁴⁷ It was not clear from the evaluation how cohesion projects per the second definition differed from a school or road project implemented by another program without a cohesion objective.

The evaluation noted that monitoring and evaluation were a challenge for CCI.⁴⁴⁸ Although many of those interviewed testified to the effectiveness of CCI, the evidence they offered in support was not always clear.

For example, CCI staff in some districts noted that it was not their responsibility to follow up after vocational training to gather data on whether beneficiaries were employed after training.⁴⁴⁹ Also, CCI staff interviewed sometimes struggled with articulating how communications efforts were successful beyond having more people come to CCI events.⁴⁵⁰

National Solidarity Program (NSP)

The ARTF supports both Afghanistan's operating and development budgets. As part of the development budget it funds the Afghan government's National Solidarity Program (NSP), designed to strengthen community-level governance and to improve the access of rural communities to essential services by channeling resources to democratically elected Community Development Councils (CDCs).⁴⁵¹ USAID previously, at Congress's direction, "preferenced" (earmarked) funds to the NSP, via the ARTF, to advance counterinsurgency objectives in areas newly under Afghan government control. USAID has acknowledged a lack of evidence that NSP increases stability in insecure parts of Afghanistan and adjusted its funding accordingly.⁴⁵²

According to USAID, NSP does achieve some positive results, including community-level engagement in decision-making. However, USAID does not rely on the program to achieve specific development objectives.⁴⁵³ USAID stated that they pay less attention to NSP than to other ARTF programs for which USAID expresses a preference. USAID preferences through the ARTF now support programs for education, health, public financial management, and land reform.⁴⁵⁴ Prior to FY 2013, USAID had preferenced a total of \$865 million directly for NSP.⁴⁵⁵

Afghan Civilian Assistance Program (ACAP)

In June, the USAID Inspector General issued an audit of the Afghan Civilian Assistance Program II (ACAP II). The primary objective of ACAP II was to provide Afghan civilian victims of confrontations between international military forces and Taliban insurgents with appropriate and timely assistance to recover and rebuild their lives. Program assistance included nonmonetary immediate assistance such as foodstuffs, small household items, and repairs to damaged homes and other properties. The program also provided assistance tailored to the needs of the victims to help them recover lost livelihoods. Tailored assistance included grants to start small businesses such as clothing shops, grocery stores, and livestock farms.⁴⁵⁶

Among the findings, USAID found that ACAP II did not provide timely assistance or adequate verification of beneficiaries. While the program required delivery of immediate assistance within two to seven days, during its first and second years implementers took an average of 50 days and 28 days, respectively. In addition, the program's procedures for verifying beneficiaries were weak. As a result, the report concluded that assistance could have gone to beneficiaries who were not genuine. Also, the audit found that

the Afghan Ministry of Labor, Social Affairs, Martyrs, and Disabled cannot sustain ACAP II activities. To sustain assistance to Afghan civilians after the program ends in September 2014, the ministry had planned to assume leadership of assistance activities by September 2013. However, as of June 2014 it had not done so.⁴⁵⁷

RECONCILIATION AND REINTEGRATION

The current U.S. Civil-Military Framework states that political reconciliation between the Afghan government and insurgency is “the solution to ending the war in Afghanistan.”⁴⁵⁸ However, the UN Secretary-General recently noted little progress in establishing a formal dialogue between the Afghan government and armed opposition groups.⁴⁵⁹

According to a UN Sanctions Monitoring Team report, reconciliation has stalled, although Afghan government efforts to promote political contacts continue. The primary impediment to reconciliation appears to be the lack of consensus on the Taliban side. The report found that the past year has been a bumper year for Taliban revenues, boosted by booming narcotics income, revenue from corruption and extortion, and increasingly drawing on the illegal exploitation of natural resources. As their finances have improved, the Taliban have become more of an economic actor, with incentives to preserve this income and possibly with less incentive to negotiate with the Afghan government.⁴⁶⁰

Reconciliation

According to State, there has been no noticeable progress in the ability of the Afghan High Peace Council (HPC) to garner support for reintegration and reconciliation efforts during the quarter. State reported that the HPC continues to conduct regular meetings, but State has no visibility on the results.⁴⁶¹

Five Taliban members were exchanged in May an American prisoner, U.S. Army Sergeant Bowe Berghdal. A senior member of the HPC expressed hope that the release of the Taliban members would help start peace talks in Afghanistan. A spokesman for the Taliban, however, discounted this sentiment, stating that the exchange had no impact on the peace process.⁴⁶²

According to a State spokesperson, the U.S. government and the government of Qatar agreed to severe restrictions on the five released Taliban as a condition of their release.⁴⁶³ An Afghan Ministry of Foreign Affairs spokesman was quoted calling for the lifting of any restrictions imposed on the five Taliban members with anything less than “full freedom” a violation of international law.⁴⁶⁴

On June 21, the Secretariat Chief for the High Peace Council, Masoom Stanekzai, survived a suicide attack that killed one civilian and injured four others in Kabul. A September 2011 attack injured Stanekzai while killing former Afghan president and HPC head Burhanuddin Rabbani.⁴⁶⁵

Afghanistan Peace and Reintegration Program

The Afghanistan Peace and Reintegration Program (APRP), an Afghan-led program to reintegrate low-level insurgent foot soldiers and their commanders into Afghan civil society, is financed by \$182.3 million in contributions from 12 donor nations. Operational funding for the program is provided by seven donor nations (primarily Japan and Germany). The United States provides funding towards community-recovery efforts administered by the World Bank.⁴⁶⁶

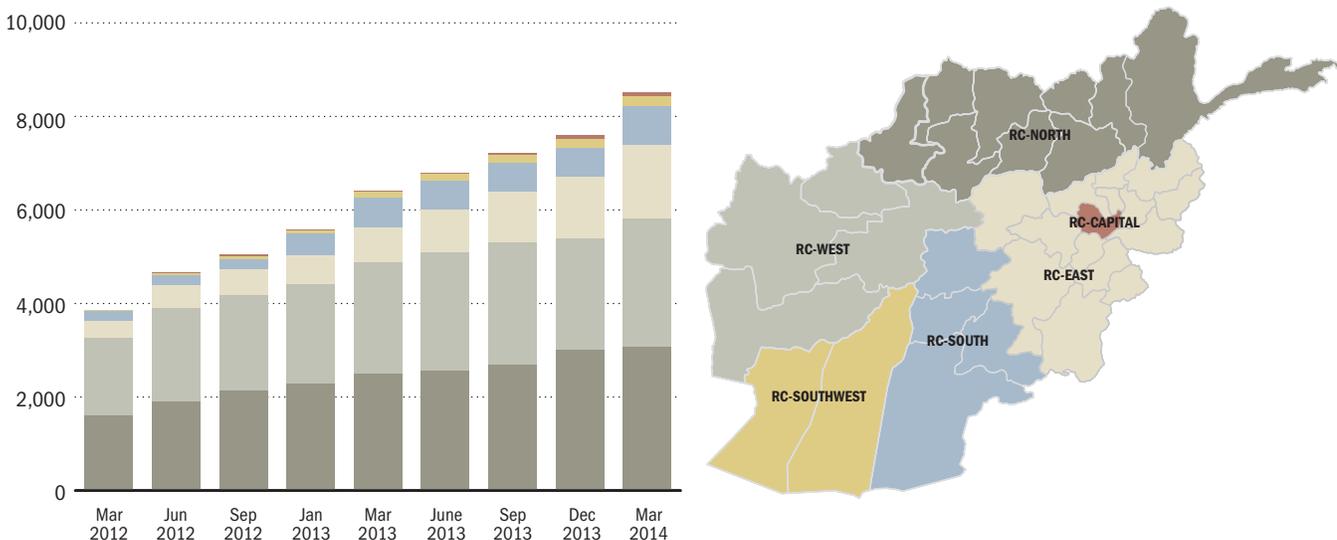
According to the Force Reintegration Cell (FRIC), an ISAF element supporting the APRP, the APRP Joint Secretariat and Provincial Joint Secretariat Teams continue to make outreach a priority through local peace meetings and radio and television advertisements.⁴⁶⁷

The FRIC also reports 53 small grant projects and 1,162 Afghan government projects are under way in 32 provinces and 190 districts.⁴⁶⁸

From January to March 31, 451 new reintegrees joined the program, increasing the total to 8,503 reintegrees, as shown in Figure 3.29.⁴⁶⁹ According to State and the FRIC, the APRP has a robust vetting process to confirm that individuals who want to join the program are actually insurgents. Afghan civil government and ANSF officials at the provincial and national levels are responsible for processing reintegrees. The international role is limited to being able to access the Reintegration Tracking and Monitoring Database.⁴⁷⁰

FIGURE 3.29

REINTEGREGES BY REGIONAL COMMAND



Notes: DOD provided updated numbers as of March 2014. Sources did not explain why the cumulative number decreased in RC-North (from 3,244 to 3,071) and RC-Southwest (from 218 to 195) this quarter; the current number of confirmed recidivists has remained at 16 individuals.

Source: State, response to SIGAR data call, 10/4/2013, 7/1/2013, 4/2/2013, 1/2/2013, 10/2/2012, 7/5/2012, and 3/30/2012; DOD, responses to SIGAR data call, 6/30/2014, 3/31/2014, and 12/31/2013.

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In a report released in June by the Afghanistan Independent Human Rights Commission (AIHRC) and 11 Afghan civil society groups, the APRP was criticized for what some label as “rewards” offered to insurgents such as the economic opportunities, amnesties, and reinstatement of reintegrees into positions of power, that they say served to fuel impunity. The report quoted interviewees that called for community-based development projects and, through vetting, identifying, and removing those insurgents who are clearly responsible for gross human-rights violations. Furthermore, reintegrees interviewed by the authors expressed dissatisfaction with the APRP, stating that it failed to deliver on its promises and left them feeling used, unsupported in the long run, and vulnerable to attack for their cooperation with the Afghan government. The report concluded that “in essence, the APRP is viewed as a failure by all intended recipients.”⁴⁷¹

RULE OF LAW AND ANTICORRUPTION

Project Summary

The United States has provided assistance to the formal and informal justice sectors through several mechanisms. These include the USAID Rule of Law Stabilization Formal and Informal Components (RLS-F and RLS-I), the State Department Justice Sector Support Program (JSSP), and the State Department Justice Training Transition Program (JTTP). These and other rule-of-law and anticorruption programs are shown in Table 3.24.

RLS-F provides assistance to the formal justice sector to increase access to justice, strengthen the capacity of the legal education system, and promote transparency and accountability at the district, provincial, and national levels. USAID reports that RLS-F improves the capacity of sitting judges and court staff by providing comprehensive legal training. RLS-F includes the Supreme Court formal training program for new judges.⁴⁷²

TABLE 3.24

USAID RULE OF LAW AND ANTICORRUPTION PROGRAMS					
Project Title	Agency	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements as of 6/30/2013 (\$)
Justice System Support Program II (JSSP II)*	State	5/31/2010	12/31/2014	\$301,971,225	\$152,088,263
Corrections System Support Program (CSSP)*	State	5/1/2010	12/31/2014	198,586,208	171,569,427
Rule of Law Stabilization - Formal Component	USAID	7/16/2012	7/14/2014	22,581,128	19,068,556
Justice Training Transition Program (JTTP)*	State	1/2/2013	7/1/2015	20,000,000	20,000,000
Rule of Law Stabilization - Informal Component	USAID	7/16/2012	3/13/2014	15,651,679	15,080,799
GAPS Anti-Corruption Grant	USAID	6/7/2012	6/6/2014	1,292,379	720,467
Fight Corruption Tooth and Nail	USAID	7/4/2012	7/3/2014	997,000	528,783

Note: *Disbursements as of May 14, 2014.

Sources: USAID, response to SIGAR data call, 7/10/2014; SIGAR analysis of State response to data call, 5/27/2014, 6/3/2014, and 7/16/2014.

SIGAR AUDIT

SIGAR has an ongoing audit of U.S. government efforts to assist and improve the rule of law in Afghanistan. SIGAR plans to (1) identify U.S. government programs or initiatives to develop rule of law in Afghanistan; (2) assess the progress that these programs or initiatives have made; (3) identify challenges, if any, that the U.S. government has encountered in achieving its rule of law objectives and the extent to which it has addressed these challenges.

This quarter, USAID issued a performance evaluation of the third and final phase of RLS-I that ran from July 2012 to March 2014. The review focused on three RLS-I objectives: to strengthen and improve traditional dispute-resolution mechanisms, strengthen linkages between formal and informal justice sectors, and facilitate cooperation to address longstanding, intractable disputes.⁴⁷³ Approximately 76% of direct beneficiaries (those who received RLS-I training) indicated high levels of satisfaction with the training, and many felt their knowledge of Afghan law had improved.⁴⁷⁴ However, 88% of participants reported that female trainers lacked sufficient knowledge of Afghan law, and that training was conducted over too short a period of time.⁴⁷⁵ The review questioned the value of RLS-I sponsored Community Cultural Centers (CCC) that were meant to help distribute booklets and other media produced by RLS-I. The evaluation teams were unable to identify any CCC members despite having been given contact information for CCCs in six provinces.⁴⁷⁶

While the evaluation found that harmful social practices such as *baad*, the practice of exchanging women to settle a dispute, were generally reduced in target communities, it is not entirely clear the degree to which the RLS-I training was responsible for this reduction compared to other possible factors such as training by other programs. Similarly, data from in-depth interviews and focus-group discussions indicated little to no progress towards the resolution of long-standing disputes, with many respondents indicating that such disputes continued to exist with no resolution expected. The quantitative survey data indicated, however, that 58% of indirect beneficiaries, or residents who did not receive training, believed that more long-standing disputes had been resolved in the past two years compared to previously, with only 9% of respondents reporting no change.⁴⁷⁷

The evaluation also found that few cases were referred from the informal justice sector to the formal justice sector, while case referrals from the formal to informal sector were common throughout target provinces. Traditional decision-makers had a generally low opinion of formal justice institutions, while formal justice actors had respect for informal institutions. Respondents including traditional dispute resolution practitioners and formal justice sector actors generally preferred the informal over the formal justice system.⁴⁷⁸ The evaluation concluded that the relationship between the formal and informal systems is largely one-way, with the formal system referring cases to the informal system but the latter not reciprocating.⁴⁷⁹

The State Department's JSSP objectives include developing a case-management system (CMS) to track cases throughout Afghanistan's justice system and building the capacity and administrative skills of ministry officials.⁴⁸⁰ According to the latest JSSP quarterly report, seven of the 34 provinces are actively using CMS, while two provinces received CMS equipment in May.⁴⁸¹ JSSP completed baseline assessments of the Afghan justice ministries this quarter and plans to deliver training, mentoring, technical

advice, and material support to improve transparent justice services and to address areas for improvement identified in the baseline assessments.⁴⁸²

The State Department's JTTP provides regional training to justice-sector officials, including police, prosecutors, judges, and defense attorneys, on a wide range of criminal justice topics, including anticorruption. JTTP also provides mentoring on specific cases and legal issues to justice sector officials, including prosecutors and judges.⁴⁸³ In the last quarter, JTTP delivered 46 training courses for 1,098 participants in 17 provinces.⁴⁸⁴

The Supreme Court and the Formal Justice Sector

According to State, there were no notable rulings by the Supreme Court during the quarter.⁴⁸⁵

Afghan Correctional System

According to State, the inmate population of Afghanistan's prisons managed by the General Directorate of Prisons and Detention Centers (GDPDC) has continued to increase at a rate of 16.4% annually over the past five years. As of May 20, the GDPDC incarcerated 27,827 individuals.⁴⁸⁶

As of April 20, the Ministry of Justice's Juvenile Rehabilitation Directorate (JRD) incarcerated 1,071 juveniles. This total does not include detainees held by any other Afghan governmental organization as State's Bureau of International Narcotics and Law Enforcement Affairs (INL) does not have access to data for other organizations.⁴⁸⁷

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities, although reduced by new prison beds added through State-funded prison construction and by significant reductions in prison population due to presidential amnesty decrees. As of May 20, 2014, the total male provincial-prison population was at 279% of capacity, as defined by International Committee of the Red Cross's (ICRC) minimum 3.4 square meters per inmate. The total female provincial-prison population was at 116% of the ICRC recommended capacity. Information on the capacity of GDPDC-operated district detention centers and the JRD's juvenile rehabilitation centers is not available. However, anecdotal reporting by INL advisors visiting facilities indicates that overcrowding is a substantial problem in many provinces.⁴⁸⁸

In May, a delegation from the Afghan upper house of parliament visited Herat Province to oversee the justice and judicial organs of the province. The delegation found that there are between 3,000 and 4,000 prisoners in the Herat prison, which was built to house 700 to 800 prisoners. The Ministry of Interior reportedly has land to build a new facility but lacks the funding to do so.⁴⁸⁹



CSSP trainee prison guards simulate responding to prisoners out of their cells at the Counter Narcotics Justice Center in Kabul. (CSSP photo)

SIGAR INSPECTION

SIGAR issued an inspection report this quarter on the State Department-funded Baghlan Prison which found that the facility requires extensive remedial action. See Section 2, page 34.

Anticorruption

Afghan anticorruption efforts showed no significant progress during the quarter. State is not aware of any high-level Afghan government officials facing prosecution or investigation during this quarter. The Afghan government continues to prosecute only the lowest-level supervisors and officials below them for corruption.⁴⁹⁰

In June, the Carnegie Endowment for International Peace issued a report on the impact of corruption on international security. Among the findings, the report notes that acute corruption should be understood not as a failure or distortion of government, but as a functioning system in which ruling cliques, best thought of as networks, use selected levers of power to capture specific revenue streams. The effort to capture revenue streams often overshadows activities connected with running a state.⁴⁹¹

Systematic corruption, however, evokes indignation in the populace, making it a factor in social unrest and insurgency.⁴⁹² Afghanistan was singled out as an example of corruption that is relatively structured and where governing systems have been bent to benefit one or a very few networks. According to the report, President Karzai regularly calls his attorney general to influence cases or personally orders the release of suspects from pre-trial detention, quashing the cases against them.⁴⁹³ The report questioned the value of international anticorruption initiatives that let the Afghan system itself take the lead in eradicating corruption, labeling this a “policy oxymoron.”⁴⁹⁴

In June, Integrity Watch Afghanistan issued their national corruption survey. The report was based on interviews with 7,798 men and women across all provinces. Corruption and unemployment tied as the second-greatest challenge facing Afghanistan after security. While 18% of respondents in 2012 faced corruption within the last 12 months, 21% of respondents faced corruption in the 2014 survey. Of those who experienced corruption in the 2014 survey, 65% paid money; the rest experienced some sort of non-monetary corrupt practices such as offering gifts to corrupt actors.⁴⁹⁵ The survey found that the presence of the government in an area increases the interaction with civil servants and, subsequently, increases perceptions of corruption.⁴⁹⁶

In May, the lower house of parliament accused the Kabul mayor of corruption, and the speaker of the lower house said it no longer recognizes the mayor’s authority. The AGO has established a 12-member commission to investigate corruption accusations against the Kabul mayor and some lawmakers. The commission was established following protests against the mayor that halted municipal activities and the receipt of a dossier from the Presidential Palace.⁴⁹⁷

Afghan Attorney General's Office

There were no significant changes in the technical capacity or effectiveness of the AGO. The AGO declined offers from State to train AGO prosecutors in investigative methods. According to State, the election made the pursuit of high-level corruption cases less likely.⁴⁹⁸

According to State, the Anticorruption Unit (ACU) of the AGO is able to prosecute lower-level corruption cases but faces obstacles prosecuting higher-level corruption. The ACU has been unreceptive to State and Department of Justice (DOJ) engagement, and suffers from low morale. The ACU has little technical capacity and has demonstrated little interest in developing the techniques to effectively pursue more sophisticated corruption cases. However, it is capable of prosecuting simple cases of graft. The U.S. Embassy Kabul's Office of the Justice Attaché has refocused their assistance on the Internal Control and Monitoring Unit and Financial Dispute Resolution Committee where there is greater receptivity.⁴⁹⁹

The Major Crimes Task Force (MCTF) is the investigatory arm for the AGO internal-control and monitoring unit.⁵⁰⁰ According to State, the MCTF continues to be an increasingly capable investigatory force, but is stymied by the AGO's refusal to pursue corruption cases. Following the presidential elections, State plans to assess whether the new government has sufficient political will for an effective MCTF. State will examine Afghanistan's anti-corruption initiatives to determine whether Afghanistan enacts financial regulation legislation; whether it brings corruption charges against higher-status and -rank defendants; whether MCTF's resource needs have changed; and how the MOI, AGO, and other Afghan agencies incorporate, or omit, MCTF's role in their anticorruption efforts.⁵⁰¹

Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)

According to USAID, the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) has sufficient technical capacity and political will to address some of the toughest corruption-related questions confronting Afghanistan. State notes, however, that the MEC lacks the authority to do more than call attention to poor or corrupt practices.⁵⁰²

During the quarter, the MEC issued reports on customs, the Supreme Auditing Office, the Afghanistan Telecommunications Regulation Authority, and the Afghan Red Crescent Society.

According to the MEC, Afghanistan loses a substantial amount of its customs revenue due to corruption: almost half of expected revenue was not collected due to smuggling at the borders and some 25% more was lost due to the influence of high-ranking officials and individuals on custom officials. The MEC found that dishonest custom officials and brokers abuse the system of data entry and divert government revenue. The MEC recommended that the Afghanistan Customs Department should develop a technological

mechanism (scanner, barcode, X-ray, etc.) to ensure that data entered into the system by customs brokers and verified by customs officials is accurate. Also, the MEC recommended that the Afghanistan Customs Department reassess activities of brokers involved in custom proceeding, identify abusers, and create a blacklist of those found to be abusing the system.⁵⁰³

In an examination of the Supreme Audit Office (SAO), the MEC found that the SAO's enabling legislation does not include any administrative procedures for reporting or penalizing Afghan government institutions that unjustifiably refuse to implement SAO recommendations. The MEC also found that Afghan government embassies and consulates are audited only every five years, which does not provide for sufficient scrutiny of their activities. The MEC recommended that the SAO, in coordination with the Ministry of Justice, should develop amendments to the Audit Law to provide for administrative procedures to report and penalize institutions that unjustifiably do not implement SAO audit recommendations. Also, the MEC recommended that the SAO audit Afghan embassies and consulates every two years.⁵⁰⁴

In a report on the Afghanistan Telecommunications Regulation Authority (ATRA) and the Afghan Red Crescent Society, the MEC found deficiencies that create opportunities for corruption. The MEC identified a discrepancy in revenues and expenses stated by communication companies in their audit reports versus those provided within tax documents. Communications companies are reporting minimal amounts of revenue and profit within tax documents, thereby creating a low tax burden, which reportedly contrasts with the audited financial statements filed with ATRA. According to the MEC, this raises concerns that corrupt practices are being undertaken. The MEC recommends that the Ministry of Communications, which oversees the ATRA, should share the audit reports of the communication companies with the Ministry for Finance for a comparative evaluation of audit reports and tax documents.⁵⁰⁵

In reviewing the Afghan Red Crescent Society, the MEC identified systemic failure and gaps that can expose vulnerable areas to corruption. The MEC recommended that the Afghan Red Crescent Society adopt a financial and accounting policy and publish it on their website. Also, the MEC recommended that the SAO conduct a financial audit of the Afghan Red Crescent Society.⁵⁰⁶

High Office of Oversight and Anticorruption

State and USAID have reported previously that the High Office of Oversight and Anticorruption (HOO) is dysfunctional, ineffective, and politicized.⁵⁰⁷ Neither State nor DOJ engaged with the HOO during this quarter.⁵⁰⁸

In July, the HOO survived an attempt by the lower house of parliament to dissolve it when the upper house rejected the proposal. The HOO's future will be discussed in a joint commission of parliament.⁵⁰⁹

HUMAN RIGHTS

Human Trafficking

On June 20, State released its annual *Trafficking in Persons Report*. The goal of this report, mandated by Congress, is to stimulate action and create partnerships around the world in the fight against modern-day slavery. Afghanistan's score increased this year to **Tier 2**, which means that while the Afghan government does not fully comply with the Trafficking Victims Protection Act's (TVPA) minimum standards, it is making significant efforts to bring itself into compliance.⁵¹⁰ From 2010 to 2013, Afghanistan's rank was lower, **Tier 2 Watch List**; the last time it was Tier 2 was 2009.⁵¹¹

According to the report, the Afghan government's response to the extensive human trafficking in its country and of its citizens was deficient. While victims of sex trafficking were routinely prosecuted and convicted as criminals for moral crimes, the government failed to hold the vast majority of traffickers criminally accountable for their crimes. Government complicity remained a serious problem and political will to combat the crime was low. The majority of the government's plan to address trafficking was not completed.

There were areas of small improvement, however. During the past year, the government issued a decree directing law-enforcement agencies to cease prosecuting trafficking victims. It also took some limited steps to implement its antitrafficking plan, including through making executive branch efforts to ratify the 2000 UN Trafficking in Persons Protocol. Despite extensive international support of the government's antitrafficking programming, the level of understanding of human trafficking among Afghan government officials remained very low.⁵¹²

The report notes that Afghanistan is a source, transit, and destination country for men, women, and children subjected to forced labor and sex trafficking. Internal trafficking is more prevalent than transnational trafficking. The majority of Afghan victims are children subjected to human trafficking in carpet-making and brick kiln factories, domestic servitude, and in commercial sexual exploitation, begging, transnational drug smuggling, and assistant truck driving within Afghanistan, as well as in the Middle East, Europe, and South Asia. Most Afghan victims exploited in Iran are boys under age 18 who are compelled to work in forced labor in the construction and agricultural sectors upon their arrival. The majority of Afghan victims in Pakistan are women and girls who are trafficked for the purpose of commercial sexual exploitation, including by forced marriages.⁵¹³

This quarter, SIGAR's Office of Special Projects wrote to several DOD contractors about their recruitment of third-country nationals (TCN) to work at U.S. military bases in Afghanistan. Officials of a large DOD contractor have told SIGAR investigators that more than 2,400 of these TCN workers reported that they had paid recruiters a few hundred to several

Tier 2: Countries whose governments do not fully comply with the Trafficking Victims Protection Act's (TVPA) minimum standard, but are making significant efforts to bring themselves into compliance with those standards.

Tier 2 Watch List: Countries whose governments do not fully comply with the TVPA's minimum standards, but are making significant efforts to bring themselves into compliance with those standards and:

- a) The absolute number of victims of severe forms of trafficking is very significant or is significantly increasing;
 - b) There is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year; or
 - c) The determination that a country is making significant efforts to bring itself into compliance with minimum standards was based on commitments by the country to take additional future steps over the next year
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Source: U.S. Department of State, *Trafficking in Persons Report*, 6/20/2014.

thousand dollars each for jobs on Logistics Civil Augmentation Program (LOGCAP) contracts. Such fees violate Federal Acquisition Regulation provisions and the United States' zero-tolerance policy on human trafficking. TCN workers often borrow substantial sums of money at high interest rates in their home countries to pay these recruitment fees. The high levels of indebtedness make it very difficult for the TCNs to leave their jobs. For more information, see Section 2, page 49.

Refugees and Internal Displacement

According to State, there have been no recorded outflows of Afghan refugees and no new developments affecting Afghan refugees in Pakistan or Iran during this quarter. On June 26, the UN High Commission for Refugees (UNHCR) estimated more than 65,000 persons have crossed from Pakistan into Afghanistan's Khowst Province and more than 20,000 in neighboring Paktika Province due to large-scale Pakistani military operations in neighboring North Waziristan. In the first five months of 2014, returns totaled 6,698 individuals, which is 63% lower than the 18,175 returns during the same period in 2013. The decrease in the rate of returns can be attributed to the uncertain security situation in Afghanistan, the unknown outcome of the April 2014 Afghan elections, and the extension of proof-of-registration cards for Afghan refugees in Pakistan. Afghans remain among the largest group of asylum seekers worldwide with 38,653 claims in 2013.⁵¹⁴

As of June 12, UNHCR recorded a total number of 672,736 registered conflict-affected Internally Displaced Persons (IDPs) compared to 654,664 registered IDPs since April 30. According to State, the actual number of internally displaced could be much higher and is difficult to verify.⁵¹⁵

In February, the Afghan government launched a national policy on internal displacement. It set forth the roles and responsibilities of various Afghan government ministries and agencies and their development and humanitarian partners. According to State, the implementation of this policy will require developing substantial capacity that does not currently exist within the Afghan government along with changes in land tenure laws and regulations. Municipal leaders will need to be convinced to allow many, if not most, IDPs to settle in urban areas rather than return to their places of origin. State's view is that the success of the IDP policy depends to a large extent on work done by subnational governments. UNHCR and the Ministry of Refugees and Repatriation have developed an implementation plan that begins with educating actors in key provinces and ministries on their responsibilities. Ideally, provincial-level implementation plans will be completed by the end of 2014 and ready for presentation to possible donors and, to a lesser extent, worked into the national budget.⁵¹⁶

Afghanistan Independent Human Rights Commission

According to State, the Afghanistan Independent Human Rights Commission (AIHRC) continues to make significant progress in increasing awareness about human rights issues, documenting the current human rights situation, speaking out about abuses, and monitoring the ongoing elections.⁵¹⁷

This quarter, the AIHRC, along with 11 Afghan civil-society organizations, issued a report on achieving lasting peace in Afghanistan. The report summarizes the views of 4,648 Afghans from all 34 provinces. According to the report, a common theme was the discontent Afghans feel with their government due to corruption, weak rule of law and pervasive impunity for human rights violations.⁵¹⁸ The report found that Afghans seek accountable, transparent, and efficient local government which they view as central to ensuring durable peace. Afghans also reported that the lack of Afghan government presence in remote, insecure, and contested areas is a key driver of the armed conflict. The report recommended that rather than outsource security to local militiamen, the Afghan government should disarm illegal armed groups and pro-government militia.⁵¹⁹ Finally, the report recommended that the Afghan government promote equitable development across Afghanistan, prioritize education, empower Afghan youth, promote an inclusive peace process, reform the Afghan Peace and Reintegration Program, and protect and promote human rights and women's rights.⁵²⁰