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GOVERNANCE

As of June 30, 2015, the United States had provided nearly \$31.8 billion to support governance and economic development in Afghanistan. Most of this funding, more than \$18.6 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department and the United States Agency for International Development (USAID).

KEY EVENTS

Despite a constitutional requirement for elections 30–60 days prior to the expiration of the *Wolesi Jirga* (lower house) term, the continuing disagreement between President Ashraf Ghani and Chief Executive Officer Abdullah Abdullah on election reforms has delayed the scheduling of parliamentary elections.⁴⁷⁵ Although the lower house’s term expired on June 22, 2015, no elections were held.⁴⁷⁶ On June 19, Ghani announced that the lower house would continue its work until elections are held and the results are known. The president also said a date for elections would be announced within one month.⁴⁷⁷

On June 22, the Taliban launched a suicide attack against parliament just minutes before the second vice president was due to introduce the national-unity government’s nominee for minister of defense, Masoom Stanekzai, for a vote of confidence.⁴⁷⁸

On July 4, the lower house of parliament rejected Stanekzai as minister of defense. Stanekzai, who has been acting minister of defense since May and before that served as the head of the secretariat for the High Peace Council, received only 84 of the 107 votes necessary for confirmation. The Ministry of Defense (MOD) has been without an approved minister for nine months.⁴⁷⁹

On July 7, delegations from the Afghan government and the Afghan Taliban met in Pakistan in what the Afghan Ministry of Foreign Affairs labeled the “first meeting of formal peace negotiations.”⁴⁸⁰ *Tolo News* reported that the delegation included Hekmat Karzai, the deputy minister of foreign affairs.⁴⁸¹ U.S. and Chinese officials attended the meeting, but only as observers. Pakistani officials said the Afghan government and Taliban agreed to meet again to “continue talks to create an environment conducive

for peace and reconciliation.”⁴⁸² Senior leaders of the Taliban and the Haqqani network reportedly took part in the meeting.⁴⁸³

Ghani, in speaking about the talks, indicated that a second round would likely occur between late July and early August. Ghani was quoted referring to the Taliban as “brothers” and said the “Taliban are Afghans, they are not foreigners. They should bring [the Afghan government] their written concerns because there isn’t any issue in the world that is not possible to be resolved by dialogue. This issue can’t be concluded with war.”⁴⁸⁴

There were indications that the Taliban is divided on the talks. For example, a front-page editorial on the Taliban’s website initially decried the talks but later was removed from the site without explanation.⁴⁸⁵ On July 15, however, Mullah Omar reportedly hailed the peace talks as “political endeavors” and “peaceful pathways,” that are legitimate means to “bring an end to the occupation.”⁴⁸⁶

This quarter, the World Justice Project published its *Rule of Law Index 2015*, ranking Afghanistan as the second worst among 102 countries examined. The overall score was a composite of categories. Afghanistan performed best among its low scores in the categories of constraints on government power, open government, and order and security, but worst in categories of absence of corruption and of criminal justice.⁴⁸⁷

NEW AFGHAN GOVERNMENT

Electoral Reform Challenges

The 2014 presidential elections, which international monitors noted experienced substantial fraud, highlighted Afghanistan’s continuing need for electoral reforms.⁴⁸⁸ As the United Nations Secretary-General observed in June, “comprehensive electoral reforms will be crucial for restoring the faith of the Afghan people in the democratic process.”⁴⁸⁹

Overhauling the electoral process was a central part of the power-sharing deal brokered by the United States between President Ghani and his rival, Chief Executive Officer Abdullah, after the troubled presidential elections. The September 2014 agreement that led to formation of the national-unity government called for (1) immediate establishment of a special commission for election reform with the aim of implementing reform before the 2015 parliamentary elections and (2) distribution of electronic identity cards to all Afghan citizens as quickly as possible.⁴⁹⁰ However, according to State, the Afghan government has made only incremental progress on electoral reform during the quarter.⁴⁹¹

On March 21, the Office of the President announced that Ghani had established the Special Electoral Reform Commission (SERC). According to the statement, Ghani formed the SERC to bring “fundamental reform” to the Afghan electoral system, strengthen rule of law and the democratic process,

and prevent violations of electoral laws and regulations. It was not until July 16 that Ghani's office announced the full SERC appointments.⁴⁹² The SERC began its work on July 22.⁴⁹³

There have been plans since 2009 to introduce biometric identity cards (*e-tazkera*) to reduce opportunities for ballot fraud. These plans have been delayed by logistical problems and disagreements about which terms to use on the identity cards to indicate Afghan nationality.⁴⁹⁴ USAID had been supporting a 90-day pilot test in Kabul in which the Ministry of Interior (MOI) was to collect data from civil servants and their families in support of the *e-tazkera*.⁴⁹⁵ The Afghan government's *e-tazkera* group was also working with the United Nations Development Programme's (UNDP) ELECT II program to conduct a pilot project in a precinct in Kabul City for the upcoming parliamentary election. The *e-tazkera* project aimed to develop population data that the Independent Election Commission (IEC) could use to compile a voter list based on the electronic identification with biometric data.⁴⁹⁶

The *e-tazkera* pilot project, however, did not make significant progress during the quarter. On June 28, USAID stopped funding the pilot program due to lack of progress and the lack of a clear commitment of Afghan government agencies. According to State, it appears that the European Union is continuing to fund salaries for the project.⁴⁹⁷ In early July, the director general of the *e-tazkera* project said that Ghani ordered a renewed push to expedite the program and encourage donors. The director general said the *e-tazkera* cards should be ready for "a huge number of citizens," barring any delays, for the next presidential election in 2019.⁴⁹⁸

International donors have reduced funding for Afghan electoral organizations due to the lack of an electoral schedule and insufficient progress towards electoral reform. Consequently, the IEC and Independent Electoral Complaints Commission (IECC) began the process of reducing staff and assessing ways to lower monthly running costs, while seeking a supplementary funding through the Afghan government budget.⁴⁹⁹

Initial Appointments

On April 1, Second Vice President Mohammad Sarwar Danish introduced 16 cabinet nominees to parliament, with the notable exception of nominees for minister of defense and attorney general.⁵⁰⁰ The lower house approved all 16 minister nominees on April 18. For more details on the individual nominees see pages 146–147.⁵⁰¹

On July 1, Danish introduced to the lower house nominees for the minister of defense, head of the central bank, and two justices of the Supreme Court of Afghanistan.⁵⁰² The nominees for the Supreme Court included a woman for the first time in Afghanistan's history. On July 4, however, parliament rejected the nominee for minister of defense and, on July 8, the female nominee for the Supreme Court.⁵⁰³ On July 8, parliament approved the nominee for head of the central bank and the male Supreme Court nominee.⁵⁰⁴

Between April 27 and June 7, Ghani, with the agreement of Abdullah, appointed 18 provincial governors. As of June 23, the national-unity government has appointed new governors for 21 of 34 provinces.⁵⁰⁵ Women were appointed governors in Ghor and Daykundi Provinces, but protests have prevented the Daykundi governor from taking up her post.⁵⁰⁶

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of On-Budget Agreements

To improve governance and align development efforts with Afghan priorities, international donors at the 2010 Kabul Conference committed to increase to 50% the proportion of civilian development aid delivered **on-budget** through the Afghan government.⁵⁰⁷ Donors, including the United States, reiterated this pledge at the July 2012 Tokyo Conference and again at the December 2014 London Conference.⁵⁰⁸

As shown in Table 3.18, USAID expects to spend approximately \$1 billion on active direct bilateral-assistance programs. It also expects to contribute \$1.9 billion to the Afghanistan Reconstruction Trust Fund (ARTF), on top of \$1.37 billion disbursed under the previous grant agreement between USAID and the World Bank.⁵⁰⁹ USAID has disbursed \$105 million to the Afghanistan Infrastructure Trust Fund (AITF).⁵¹⁰

The U.S. government announced in March that it intends to seek funding to support the Afghan National Defense and Security Forces (ANDSF), including army and police, at the level of 352,000 personnel through at least 2017.⁵¹¹ The Department of Defense (DOD) requested and received \$4.1 billion for ANDSF in the fiscal year (FY) 2015 budget,⁵¹² which will help sustain the end strength of 352,000 through 2015, and has requested \$3.8 billion in the FY 2016 budget.⁵¹³ Previously, at the 2012 Chicago Conference, the international community committed to financially support the Afghan security forces with its estimated annual budget of \$4.1 billion. However, that estimated budget was for a reduced force of 228,500 personnel.⁵¹⁴

At the September 2014 Wales Summit, NATO allies and partners renewed their commitment to contribute significantly to financial sustainment of the ANDSF through the end of 2017 and to financially sustain the ANDSF over the next 10 years. The international community has pledged an additional almost €1 billion, approximately \$1.29 billion, annually to sustain the ANDSF for 2015 through the end of 2017.⁵¹⁵

In 2015, DOD expects to contribute \$108 million for police salaries to the MOI through UNDP's Law and Order Trust Fund for Afghanistan (LOTFA).⁵¹⁶ This was a significant decrease from last year's contribution of approximately \$308 million.⁵¹⁷ The decrease was made possible because other international donors increased their contributions to LOTFA.⁵¹⁸ *The New York Times* reported last December that Ghani had demanded the

On-budget assistance: encompasses donor funds that are aligned with Afghan government plans, included in Afghan government budget documents, and appropriated by the parliament and managed by the Afghan treasury system. On-budget assistance is primarily delivered either through direct bilateral agreements between the donor and Afghan government entities, or through multidonor trust funds.

Off-budget assistance: encompasses donor funds that are excluded from the Afghan national budget and not managed through Afghan government systems.

Source: SIGAR, *Quarterly Report to the United States Congress*, 7/30/2014, p. 130; Ministry of Finance, "Aid Management Policy for Transition and Beyond," 12/10/2012, p. 8.

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TABLE 3.18

USAID ON-BUDGET PROGRAMS							
Project/Trust Fund Title	Afghan Government On-Budget Partner	Special Bank Account?	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2015 (\$)	
Bilateral Government-to-Government Projects							
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	Yes	1/1/2013	12/31/2018	\$670,000,000	\$36,791,897	
Partnership Contracts for Health Services (PCH) Program	Ministry of Public Health	Yes	7/20/2008	12/31/2015	259,663,247	220,355,890	
Kajaki Unit 2 Project (Installation of Turbine Generator Unit 2 at Kajaki Dam Hydropower Plant)	DABS	Yes	4/22/2013	12/31/2015	75,000,000	28,198,416	
Basic Education and Literacy and Vocational Education and Training (BELT) - Community-Based Education†	Ministry of Education (MOE)	Yes	10/29/2013	3/10/2015	56,000,000	0	
Afghanistan Workforce Development Project (AWDP)	MOE	Yes	9/18/2013	4/3/2016	30,000,000	664,275	
Basic Education and Literacy and Vocational Education and Training (BELT) - Textbooks Printing and Distribution†	MOE	Yes	11/16/2011	12/31/2014	26,996,813	24,436,268	
E-Government Resource Center (EGRC)	Ministry of Communications and Information Technology	Yes	8/28/2013	6/1/2016	3,900,000	30,000	
Multi-Donor Trust Funds							
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	No	3/31/2012	3/31/2017	1,900,000,000	1,058,302,620	
Afghanistan Infrastructure Trust Fund (AIF)**	Multiple	No	3/7/2013	3/6/2018	105,670,184	105,000,000	

Note:

† Programs are no longer active.

* USAID had a previous award to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements. Cumulative disbursements from ARTF are currently \$2,430,293,815.

** On October 9, 2014, USAID de-subobligated \$179,500,000 from the AIF.

Source: USAID, response to SIGAR data calls, 6/25/2015 and 7/12/2015.

administration of LOTFA be turned over to the Afghan government within six months.⁵¹⁹ On June 30, the MOI announced that LOTFA would be extended for 18 months, after which MOI will assume full management of police salary payments.⁵²⁰

Because SIGAR had already found MOI internal-control mechanisms insufficient to the task, SIGAR believes shifting police payment from LOTFA to direct financial assistance to the Afghan government would entail serious risks. SIGAR is not opposed to direct assistance, but believes such a move must contain a strict regimen of internal controls to ensure that monies are spent for their intended purposes.⁵²¹

DOD also expects to contribute approximately \$1.6 billion this year in direct contributions to the MOD and approximately \$553 million in direct contributions to the MOI.⁵²²

Civilian On-Budget Assistance

USAID provides on-budget civilian assistance through (1) bilateral agreements with seven Afghan government entities and (2) through contributions to two multidonor trust funds, the ARTF and the AITF.⁵²³ According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the MOF for each program.⁵²⁴

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.⁵²⁵ The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.⁵²⁶ According to USAID, the majority of on-budget funding has been and will continue to be directed through the multidonor trust funds, particularly the ARTF.⁵²⁷

According to USAID, the World Bank, as the ARTF administrator, employs a systematic approach to minimizing the exposure of ARTF funds to fiduciary risk. This includes policies, procedures, and practices to identify, analyze, evaluate, and then address and monitor risk. The World Bank provides technical assistance to the Afghan government to ensure that such systems are in place and strengthened.⁵²⁸

The United States is working closely with the Afghan government to establish a results framework and an implementing agreement to govern an \$800 million, USAID-administered initiative that will be delivered through the ARTF.⁵²⁹ The New Development Partnership (NDP) is a four-year incentive-based program to support Ghani's reform agenda. It was announced last quarter and will utilize already budgeted or requested funding.⁵³⁰ The Afghan government has initially identified the areas of fiscal sustainability, anticorruption, and poverty reduction as the priority areas under the NDP. According to State, the next step is to develop specific results that the government will seek to achieve in these areas in order to qualify for incentive funds.⁵³¹

On-Budget Assistance to the ANDSF

A large portion of on-budget assistance is for the Afghan security forces. DOD provides on-budget assistance to the Afghan government through (1) direct contributions from the Afghanistan Security Forces Fund (ASFF) to the MOD and the MOI, and (2) ASFF contributions to the multidonor LOTFA.⁵³² Administered by the UNDP, LOTFA primarily funds Afghan National Police (ANP) salaries and incentives.⁵³³ Direct-contribution funding is provided to the MOF, which allots it incrementally to the MOD and MOI, as required.⁵³⁴

In February 2011, the Under Secretary of Defense Comptroller authorized the Combined Security Transition Command-Afghanistan (CSTC-A) to provide direct contributions to the Government of Afghanistan from ASFF

ON-BUDGET ASSISTANCE

According to USAID, there are strengths and weaknesses to providing on-budget assistance bilaterally and via multidonor trust funds managed by public international organizations.

For *bilateral* on-budget assistance, these strengths and weaknesses include:

Strengths

- Encourages better dialogue with Afghan government on development concerns and affords some degree of substantial involvement regarding visibility on how and when resources are disbursed.
- Can be comparatively more efficient and cost effective than off-budget.
- Allows USAID to influence sector-wide policies and programs through performance benchmarking/milestones.
- Demonstrates strong commitment to counterpart implementation.
- Builds Afghan government human and institutional capacity.
- Public financial management risk assessments are conducted to identify fiduciary risks prior to commencing new on-budget projects; and project-specific risk mitigation measures are incorporated in the on-budget agreement.

Weaknesses

- Afghan government capacity to complete programs is weak and often requires more time than planned to complete program objectives.
- The use of externally managed project-management units to mitigate risk or augment low-capacity Afghan government civil servants reduces capacity building.
- Introduces a significant management burden and is labor intensive for USAID staff.
- USAID's inability to travel due to security concerns inhibits direct monitoring of USAID activities (USAID notes that this also affects off-budget activities).

- Political changes in the host government can delay implementation of activities.

For on-budget assistance delivered via a *multidonor trust fund* managed by a public international organization, the strengths and weaknesses are:

Strengths

- Promotes Afghan government ownership.
- Allows donors to pool their funds and coordinate efforts. For example, Afghanistan's requirement for infrastructure investment, estimated to be \$4 billion for the next three years, is well beyond the means of any single funding agency or the Afghan government to finance. The AITF allows the international community to make that investment.
- Transfers management burden away from USAID to the public international organization.
- Reduces burden on USAID staff to develop and negotiate specific implementing and funding mechanisms and monitor the implementation.
- Transfers financial and programmatic risk to the public international organization.

Weaknesses

- USAID loses control as these funds are mixed with other donors' contributions.
- The public international organization can reject additional USAID requirements and may limit reporting.
- Less control over implementation, monitoring, and verification of meaningful results.
- It is difficult to attribute results to U.S. contributions since USAID funds are commingled with other donors' funds.
- Limited discretion in how U.S. funds are spent across a range of projects.⁵³⁵

to develop ministerial capacity and capability in the areas of budget development and execution, acquisition planning, and procurement. CSTC-A administers all contributions of ASFF resources to the MOD and MOI. CSTC-A monitors and formally audits the execution of those funds to assess ministerial capability and ensure proper controls and compliance with documented accounting procedures as well as compliance with the provisions in the annual commitment letters.⁵³⁶ CSTC-A reviews weekly data from the Afghanistan Financial Management Information System (AFMIS) to monitor expenditures for sufficiency of funds and rate of expenditures or “burn rates.”⁵³⁷

CSTC-A analyzes AFMIS data to identify abnormalities such as expenditures for items CSTC-A does not fund. CSTC-A reports the abnormalities it finds to the MOI and MOD for correction.⁵³⁸ Any CSTC-A-provided funding that is miscoded and not corrected within 30 days will be withheld from future disbursements.⁵³⁹

CSTC-A acknowledges that AFMIS data is entered by Afghan ministry staff, so data reliability largely depends on their diligence and accuracy in system-data entry. If a transaction is omitted, for example, CSTC-A would not necessarily be aware of it. CSTC-A does not know if Afghans perform periodic checks to validate AFMIS data,⁵⁴⁰ but reports that CSTC-A conducts weekly AFMIS reviews and “validates data to the maximum extent possible.”⁵⁴¹

CSTC-A’s total contribution to the MOD FY 1394 budget is 89.47 billion afghani (approximately \$1.6 billion using an exchange rate of 56 afghani per dollar).⁵⁴² CSTC-A’s total contribution to the MOI FY 1394 budget is 30.99 billion afghani (approximately \$553 million using the same exchange rate).⁵⁴³

The 1394 commitment letters expressed CSTC-A’s intent to transition management of previously off-budget assistance to the ANDSF, including fuel services. According to the commitment letters, the estimated annual cost for fuel services for the MOD is \$262 million,⁵⁴⁴ while the estimate for the MOI is \$150 million. CSTC-A retains the right to procure fuel off-budget.⁵⁴⁵ CSTC-A noted in the commitment letters for both the MOD and MOI that corruption in the purchase and delivery of fuel is a particular concern.⁵⁴⁶

SIGAR has conducted a criminal investigation into serious allegations that the MOD fuel contract was corrupted by contractor collusion, price fixing, and bribery, see Section 2, page 60, for more information.⁵⁴⁷ Last quarter, President Ghani canceled the \$800 million contract to supply fuel to the Afghan army for three years following accusations of procurement-related corruption. Ghani also launched an investigation after learning of a reported \$215 million difference between the higher bid of the winning contractor and that of another potential bidder.⁵⁴⁸

According to CSTC-A, the fuel procurement investigation caused CSTC-A and the Afghan government to reexamine and, in some cases, delay the transition of off-budget procurements to on-budget contracting for fuel and

other items. CSTC-A reexamined the Afghan government's procurement process to address execution problems, lack of capacity, failure to adhere to Afghan procurement laws, and other systemic issues.⁵⁴⁹ The 1394 commitment letters require a fuel-contract documentation review every two weeks with each ministry (MOI or MOD), contracted vendors, and Coalition representatives. CSTC-A intends to decrease future funding if a purchase fails to comply with the provisions of the commitment letter. CSTC-A has also focused audit efforts on fuel and other priorities including pay and ammunition.⁵⁵⁰ In addition, CSTC-A has implemented a weekly Procurement Approval Board (PAB) for both the MOD and MOI to review procurement planning, compliance, and execution. Both PABs include representatives of the Afghan government's National Procurement Authority, CSTC-A and Resolute Support, and the respective ministry's acquisitions and procurement organizations. The goal of the PABs is to ensure sound procurement processes to include prequalification requirements, bid-evaluations procedures, and centralized announcements of bidding opportunities.⁵⁵¹

In February, Ghani established the National Procurement Commission (NPC) to centralize procurements of large contracts under a presidential commission consisting of a core group of Afghan officials with "impeccable credential[s] for honesty."⁵⁵² SIGAR is one of two U.S. government bodies to attend the NPC meetings as neutral observers. For more information, see Section 2, pages 56–57.

Ghani's effort to reduce MOI and MOD procurement-related corruption has slowed procurement and created what CSTC-A has labeled the "[Afghan fiscal year] 1394 Procurement Crisis."⁵⁵³ Of the 648 MOD requirements, only 266 have been submitted to the MOD acquisition agency and only 31 contracts have been awarded. The MOI is experiencing a similar backlog with 925 defined requirements, 209 of which have been submitted to the MOI procurement directorate, and 47 contracts have been awarded. According to CSTC-A, the procurement backlog significantly limits the opportunities to successfully transition off-budget contracts to on-budget procurement.⁵⁵⁴

Following an agreement between donors and the MOI, in December 2014 LOTFA ended a long-running pilot program to pay police salaries through mobile-money payments to cell phones.⁵⁵⁵ The pilot began in 2009 when the cellular phone company Roshan offered a service that would notify enrolled police officers that their pay was available for disbursement at a Roshan agent's shop.⁵⁵⁶ The mobile-money pilot was intended to reduce administrative corruption in paying salaries, particularly in areas that lacked banking facilities. (Normally in such areas a "trusted agent" would deliver other salaries in cash, a system that lent itself to corruption.)⁵⁵⁷ According to CSTC-A, the pilot had several drawbacks including the lack of MOF and Afghan central bank support, not being tied to the banking system, and the failure of Roshan to take responsibility for funds once transferred to their mobile-money system.⁵⁵⁸



Minister of Finance Eklil Ahmad Hakimi cochaired the fourth ambassador-level Oversight and Coordination Body to coordinate donor commitments for the ANDSF in 2015 and beyond. (DOD photo by Lieutenant Junior Grade Charity Edgar)

Despite the end of the LOTFA mobile-money pilot, a new mobile-money pilot has begun in Paktika Province through a partnership between New Kabul Bank (NKB) and the Afghan Wireless Communication Company (AWCC). According to CSTC-A, this new pilot is supported by the MOF and Ghani. The software for this new pilot allows for financial transfers among users as well as physical cash withdrawal from vendors using a biometric card given at point of registration. Users must present a biometric identification, finger print, and a unique password in order to withdraw cash from vendors or a bank. CSTC-A said that this new system is auditable because it is tied to Afghan banking system, the NKB takes responsibility of funds once transferred from MOF, cash withdrawals are available at both NKB banks and authorized AWCC vendors, and it promotes the use of “e-money.”⁵⁵⁹ CSTC-A plans to expand, in line with Ghani’s vision, mobile-money payments to all ANP personnel who do not have access to electronic funds transfer via banks.⁵⁶⁰

NATIONAL GOVERNANCE

The Tokyo Mutual Accountability Framework (TMAF) lays down conditions for international engagement in Afghanistan and is the agreed instrument for measuring mutual accountability.⁵⁶¹ The international community and Afghan government agreed to the TMAF at the Tokyo Conference of Donors in July 2012. According to State, the TMAF and related indicators are intended to provide Afghan citizens, international donors, and other international observers a readily available mechanism to assess the Afghan government’s commitment to reform and as a means for donors to justify continuing to provide extraordinary amounts of assistance. If the Afghan government fails to perform, continued assistance could be imperiled.⁵⁶²

International donors and the Afghan government agreed at the December 2014 London Conference that the TMAF should be refreshed to cover the period after 2015. The Afghan government and donors are discussing and drafting updated goals and indicators for the refreshed framework. The goal is for the refreshed framework to be approved at the Senior Officials Meeting scheduled for early September in Kabul.⁵⁶³

Capacity-Building Programs

USAID capacity-building programs seek to improve Afghan ministries’ ability to prepare, manage, and account for on-budget assistance. These programs also provide general assistance to support broader human and institutional capacity-building of Afghan government entities.⁵⁶⁴ As shown in Table 3.19, active 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

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TABLE 3.19

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL					
Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2015 (\$)
Leadership, Management, and Governance Project	Ministry of Public Health Ministry of Education	9/25/2012	6/30/2015	\$38,341,106	\$33,901,491
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	9,458,073
Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE)	Ministry of Women's Affairs	12/20/2012	12/19/2015	14,182,944	6,325,251

Source: USAID, response to SIGAR data call, 7/12/2015.

2010 Kabul International Conference for increased on-budget aid.⁵⁶⁵ USAID is also funding the Ministry of Women's Affairs Organizational Restructuring and Empowerment project, a \$15 million project that, among other things, assists the ministry to improve its financial management, as required for future on-budget assistance.⁵⁶⁶

To encourage Afghan ministries to rely more heavily upon the civil service and reduce dependency on the "parallel civil service" created through certain donor-funded programs to pay the salaries of highly qualified non-civil servants, USAID has decided to move assistance from stand-alone programs to the ARTF's Capacity Building for Results (CBR) program.⁵⁶⁷ The United States has contributed \$5 million in support of the \$112 million CBR.⁵⁶⁸ CBR supports ongoing public-administration reforms across the government, training for selected civil servants, and limited technical assistance to support ministry reforms.⁵⁶⁹ CBR provides ministries with the opportunity to recruit high-capacity staff into critical posts at salaries closer to market rates.⁵⁷⁰

According to the World Bank, there is clear demand for the program across the Afghan government with four major service-delivery ministries now participating and over 50% of eligible ministries having submitted their prequalification applications. But in April, the World Bank found the CBR continued making unsatisfactory progress and carries a high risk. Overall progress towards achievement of the development objective has been slow due to aspects of the project design, capacity issues, and political economic factors.⁵⁷¹

In February, the World Bank met with Ghani and senior government officials to agree on the need for high-level Afghan government leadership and clear implementation arrangements for the project; simplified access for ministries to CBR; accelerated CBR civil service recruitments; support for core components through the use of specialized firms; and salary harmonization for national consultants. The MOF is expected to request a project restructuring to formalize these changes.⁵⁷²

National Assembly

Despite a constitutional requirement to hold elections 30–60 days prior to the expiration of the lower house term, that term expired on June 22, 2015, with no elections held.⁵⁷³ On June 19, President Ghani announced that the lower house would continue its work until elections are held and the results are known. The president also said a date for elections would be announced within one month.⁵⁷⁴ Some lawmakers questioned the legality of the executive branch extending parliament's term and the executive's failure to hold elections as required.⁵⁷⁵

According to State, Afghanistan's parliament continues to demonstrate growing capacity and political maturity. While fractious, the parliament is capable of protecting its legislative equities with the executive branch and directing a public spotlight on ministries. However, staffing struggles, corruption, and low levels of education and experience continue to plague the body.⁵⁷⁶

On April 18, the lower house confirmed 16 cabinet nominees made by Ghani and Abdullah. Those approved included:

- **Minister of Borders and Tribal Affairs:** Mohammad Gulab Mangal, former governor of Helmand, Laghman, and Paktika Provinces;
- **Minister of Counter Narcotics:** Ms. Salamat Azimi, former head of the Children's Rights section at the Afghan Independent Human Rights Commission;
- **Minister of Education:** Assadullah Hanif Balkhi, former Afghan ambassador to Kuwait;
- **Minister of Higher Education:** Ms. Farida Mohmand, former head of pediatric medicine of Kabul Medical University;
- **Minister of Information and Culture:** Abdul Bari Jahani, former journalist for the Voice of America;
- **Minister of Justice:** Abdul Basir Anwar, former deputy minister of public health;
- **Minister of Labor, Social Affairs, Martyrs, and Disabled (MOLSAMD):** Ms. Nasrin Oryakhil, a former member of Ghani's election campaign in 2014;
- **Minister of Public Works:** Mahmoud Balegh, former professor at Kabul Polytechnic University;
- **Minister of Urban Development Affairs:** Sayed Mansoor Naderi, recent president of Afghan Crystal Natural Resources of Afghanistan;
- **Minister of Women's Affairs:** Ms. Dilbar Nazari, former member of parliament from Samangan Province;
- **Minister of Trade and Commerce:** Humayun Rasa, former deputy chief of staff for President Karzai, deputy minister of education, and deputy director of support for the National Directorate of Security;
- **Minister of Agriculture, Irrigation, and Livestock:** Asadullah Zamir, former finance advisor to the Minister of Rural Rehabilitation and Development and senior advisor to the Minister of Education;

- **Minister of Energy and Water:** Ali Ahmad Osmani, former coordinator for European Union programs in western Afghanistan;
- **Minister of Telecommunications:** Abdul Razaq Wahidi, former deputy minister of finance;
- **Minister of Economy:** Abdul Satar Murad, former governor of Kapisa Province;
- **Minister of Transport and Civil Aviation:** Dr. Mohammadullah Batash, governor of Faryab Province and former deputy minister for the ministry of transportation and civil aviation.⁵⁷⁷

According to USAID, while achieving quorum has been a challenge for parliament in the past, this quarter both the lower house and the upper house of parliament achieved quorum when critical legislation was before them. The lower house also had no trouble achieving quorum during the ministerial hearings.⁵⁷⁸

Parliament also held hearings and summoned various government officials during the quarter including:

- On May 18, the Chair of the IEC discussed the lower house elections.
- On June 3, the Minister of Mines and Petroleum testified regarding the situation of the Mes Aynak and Hajigak mines.
- On June 3 and June 10, the Minister of Counter Narcotics testified on the number of drug users and addicts in Afghanistan.
- On June 6, the Minister of Finance and the acting Governor of Da Afghanistan Bank discussed the decrease in customs revenue and the complaints of shopkeepers regarding increased taxes and inflation.
- On June 21, the Minister of Energy and Water and the Chairman of Da Afghanistan Breshna Sherkat offered an explanation for recent power shortages across the country.
- On June 23, the Minister of Education provided an update regarding Kabul schoolteachers' sit-in and problems within the ministry.⁵⁷⁹

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.⁵⁸⁰

This quarter, ALBA issued the findings of 12 focus group discussions and 12 in-depth interviews conducted in March. The interviews were conducted in the cities of Kabul, Kandahar, and Mazar-e Sharif. The interviews exposed strong feelings of frustration and cynicism toward Ghani's government, with many respondents worried that the two-headed power-sharing government structure is a recipe for conflict and paralysis. The participants' views of parliament and the provincial councils are mostly negative, with respondents viewing members as self-interested, corrupt, and unqualified.⁵⁸¹

Over the past quarter, ALBA supported the following parliamentary commissions to undertake oversight trips in the provinces:



Afghan members of parliament during an ALBA-facilitated oversight visit to Herat Province. (USAID photo)

- **Balkh:** Joint delegation of the upper house lead by deputy speaker Ezydyar;
- **Herat:** Upper House Economic and Budget Affairs Commission and the Upper House Border and Tribal Affairs Commission; and
- **Bamyan:** Upper House Commission on Religious and Cultural Affairs.⁵⁸²

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.⁵⁸³

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. The active programs include USAID's Stability in Key Areas (SIKA) projects, the Community Cohesion Initiative (CCI) program, and the Afghan Civilian Assistance Program III (ACAP III).⁵⁸⁴ Table 3.20 summarizes total program costs and disbursements to date.

Stability in Key Areas

The objective of SIKA is to help district- and provincial-level Afghan government officials respond to the local population's development and governance

GOVERNANCE

TABLE 3.20

USAID SUBNATIONAL (RURAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2015 (\$)
Stability in Key Areas (SIKA) East	12/7/2011	9/6/2015	\$177,054,663	\$119,547,619
SIKA South*	4/10/2012	7/31/2015	120,724,017	73,129,707
Afghanistan Civilian Assistance Program (ACAP III)	4/20/2015	2/14/2018	30,223,597	9,644,000
SIKA West	1/29/2012	8/31/2015	54,000,000	45,826,458
SIKA North	3/15/2012	5/31/2015	38,000,000	36,643,399
Community Cohesion Initiative (North, West)**	9/10/2013	9/9/2015	29,569,265	16,987,890

Note:

*The disbursement data include the total for both SIKA South awards.

**As of 6/22/2015.

Source: USAID, response to SIGAR data calls, 6/22/2015 and 7/12/2015.

concerns, thus instilling confidence in the government and bolstering stability.⁵⁸⁵ 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 Afghan Ministry of Rural Rehabilitation and Development.⁵⁸⁶

USAID is assessing the impacts of the SIKA programs, with MISTI and individual SIKA programs conducting lessons learned and a combined MISTI evaluation that should be completed by September or October.⁵⁸⁷

Community Cohesion Initiative

USAID’s CCI program supports creating conditions for stability and development in conflict-prone and other priority areas of Afghanistan by (1) increasing cohesion within and between communities, (2) supporting peaceful and legitimate governance processes and outcomes, and (3) countering violent extremism. CCI currently works in 18 districts across six provinces in the north and west of the country.⁵⁸⁸

From January to March, CCI cleared 49 new grants, continued work on 72 on-going grants, and completed 151 grants.⁵⁸⁹

Afghan Civilian Assistance Program III

On April 20, USAID signed the \$30 million agreement for ACAP III with the United Nations Mine Action Service and subsidiary body, the Mine Action Coordination Centre for Afghanistan. The goals of ACAP III are to (1) provide immediate medical and other non-monetary assistance to victims of war, in addition to assistance tailored to meet victims’ needs; (2) develop the capacity of existing government ministries and institutions mandated to aid victims, and (3) enhance outreach and advocacy efforts at the subnational level.⁵⁹⁰

The most significant change from ACAP II to III is that injured civilians must no longer have been injured by international forces to qualify for

SIGAR AUDIT

SIGAR has an ongoing audit of the Measuring Impacts of Stabilization Initiatives (MISTI) project. This audit plans to (1) assess the extent to which the MISTI contractor provided third-party monitoring services in accordance with the terms of the contract; (2) assess the extent to which USAID considered MISTI program results in the planning and implementation of stabilization programs; and (3) identify challenges in MISTI, if any, with USAID using third-party monitoring to evaluate stabilization reconstruction programs, and the extent to which USAID has addressed those challenges.

GOVERNANCE

TABLE 3.21

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/30/2015 (\$)
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2017	\$73,499,999	\$ 2,838,013
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	1,068,053

Source: USAID, response to SIGAR data call, 7/12/2015.



A SIKa-East canal project in Pakhtiya Province in May 2015. (USAID photo)

assistance. For example, civilians injured by crossfire between Afghan security forces and insurgents can receive assistance from the program, as can civilians injured by improvised explosive devices and explosive remnants of war.⁵⁹¹

Provincial and Municipal Programs

USAID recently started two subnational programs focused on provincial centers and municipalities: the Initiative to Strengthen Local Administrations (ISLA) and Strong Hubs for Afghan Hope and Resilience (SHAHAR) programs. Table 3.21 summarizes total program costs and disbursements to date.

Initiative to Strengthen Local Administrations

The ISLA program is meant to enable the Afghan government to improve provincial governance in the areas of fiscal and development planning, representation of citizens, and enhanced delivery of public services. ISLA aims to strengthen subnational systems of planning, operations, communication, representation, and citizen engagement. This should lead to services that more closely respond to all citizens' needs in health, education, security, justice, and urban services.⁵⁹²

ISLA will operate out of five regional hubs: Kabul, Mazar-e-Sharif, Jalalabad, Kandahar, and Herat. It plans work in 16 provinces, pending agreement with the Afghan government: Badghis, Baghlan, Balkh, Farah, Faryab, Ghazni, Ghor, Herat, Kandahar, Kunar, Laghman, Logar, Nangarhar, Parwan, Wardak, and Zabul.⁵⁹³

The Independent Directorate for Local Governance (IDLG) is reviewing the 16 provinces that were identified in the ISLA contract and discussed with IDLG during ISLA's design to reflect shifting priorities of the Afghan government. USAID expects that IDLG will provide USAID with the updated list of 16 provinces in the near future as it has recently appointed a new director general.⁵⁹⁴

Strong Hubs for Afghan Hope and Resilience

The objective of the SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a

growing urban population. Targeted support to municipal governments, as well as to the General Directorate of Municipal Affairs and municipal advisory boards, aims to improve municipal financial management, urban service delivery, and citizen consultation. The program will focus on 16 small and medium-sized provincial capitals located within USAID's three designated **Regional Economic Zones**, as well as the four regional-hub provincial capitals of Kandahar city, Herat, Mazar-e Sharif, and Jalalabad.⁵⁹⁵

SHAHAR is in mobilization phase and is currently conducting baseline assessments of municipal capacity including revenue generation and financial management, strategic planning, and community outreach and citizen perceptions of municipal service delivery. According to USAID, SHAHAR is experiencing only minor delays due to political uncertainty within Afghan government counterpart organizations that has slowed decision-making.⁵⁹⁶

Regional Economic Zones: areas within Afghanistan that have the potential to develop into geographic centers of increased production and commerce, promising high and inclusive economic growth. The zones are expected to act as catalysts for improved food security, economic development, job creation, and increased regional trade, by targeting investments in key sectors that are considered to be drivers of economic growth.

Source: USAID, "Draft REZ Strategy," 12/3/2013.

RECONCILIATION AND REINTEGRATION

The Afghan government has placed considerable emphasis on achieving national reconciliation through a formal, Afghan-led process. During the quarter, President Ghani engaged with Afghan and regional interlocutors to promote national reconciliation. Ghani has said he is open to the Taliban and other insurgent groups playing a political role in Afghanistan, as distinct from "foreign terrorist fighters," who he said had no place in Afghanistan's future.⁵⁹⁷

Ghani has repeatedly said Afghanistan needs to make peace with Pakistan to make peace with the Taliban.⁵⁹⁸ On May 12, during a joint press conference with the Prime Minister of Pakistan, Nawaz Sharif, Ghani underlined that the two countries faced common enemies, a statement echoed by Prime Minister Sharif.⁵⁹⁹ During a speech in June, however, Ghani told a group of local officials and tribal elders in Kandahar Province that Pakistan has been in a 14-year undeclared war with Afghanistan.⁶⁰⁰

Reconciliation

On July 7, Ghani announced via his official Twitter account that "a delegation from the High Peace Council of Afghanistan has traveled to Pakistan for negotiations with the Taliban."⁶⁰¹ Delegations from the Afghan government and Taliban met in Pakistan in what the Afghan Ministry of Foreign Affairs labeled the "first meeting of formal peace negotiations."⁶⁰² According to one of the members of the Afghan government delegation, the meeting prepared the way for discussing a ceasefire with the Taliban, but not an end to Taliban violence. Senior leaders of the Taliban and Haqqani network reportedly took part in the meeting.⁶⁰³ The talks appeared to have the support of Taliban leader Mullah Omar, at least according to a written statement issued on July 15.⁶⁰⁴

There were also informal meetings this quarter between Taliban members and Afghan government officials attending in their personal capacities. On May 2 and 3, a meeting was convened in Qatar by the nongovernmental organization Pugwash Conferences on Science and World Affairs. A diverse group of Afghans attended in their personal capacities. According to the meeting report, the participants supported peace and an end to the conflict, though they said the structure of the Afghan political system, including the constitution, should be discussed.⁶⁰⁵

The Norwegian government sponsored informal discussions between Taliban representatives and a group of at least nine prominent Afghan women, including five lawmakers attending as “independent representatives.”⁶⁰⁶ Another delegation of six current and former Afghan government officials led by the second deputy chief executive Mohammad Mohaqeq travelled to Norway to meet with Taliban to lay the groundwork for potential official negotiations.⁶⁰⁷ Upon return from the meeting with five Taliban representatives, Mohaqeq said “I didn’t feel [the meeting was] a great development in the peace process.”⁶⁰⁸

Afghanistan Peace and Reintegration Program

The Afghanistan Peace and Reintegration Program (APRP) is an Afghan-led program to reintegrate low-level insurgent fighters and their commanders into Afghan civil society.⁶⁰⁹ For more information, see SIGAR’s October 2014 *Quarterly Report to the United States Congress*, pages 149–151.

According to State, since late 2010, the APRP has facilitated a total of 10,396 reintegrees, 964 of whom were commanders. A total of 134 reintegrees are documented recidivists. Badghis and Baghlan Provinces saw the largest number of reintegrees: 1,596 and 1,204 respectively. The goal of APRP is to remove fighters and commanders from the battlefield. According to State, the current estimate of active Taliban fighters range from 20,000 to 30,000.⁶¹⁰

The Afghan High Peace Council has reported to State that information gathered from the APRP reintegree program has contributed to a broader understanding of insurgent leadership, structure, operations, sanctuaries, hideouts, funding resources, supporting countries, recruitment methods, goals and objectives, relationships with international and regional terrorist organizations, ideological narrative, and sympathizers.⁶¹¹

In March, the United States announced that it will provide up to \$10 million to UNDP’s Support to APRP. According to State, this assistance is meant to support APRP’s provincial efforts in the event of peace talks, improve APRP’s strategic-communications capacity, and bolster donor confidence following several months of wavering support.⁶¹²

RULE OF LAW AND ANTICORRUPTION

Project Summary

The United States has assisted the formal and informal justice sectors through several mechanisms. These include the State Department’s Justice Sector Support Program (JSSP), and Justice Training Transition Program (JTTP). These and other rule-of-law and anticorruption programs are shown in Table 3.22.

USAID has a forthcoming rule-of-law program that will work with the Supreme Court, Ministry of Justice, and the informal justice system.⁶¹³

In the area of anticorruption, State works primarily in enforcement by providing support to prosecutors and the Major Crimes Task Force (MCTF). USAID signed a delegated cooperation arrangement with the United Kingdom’s Department for International Development to fund the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC). USAID support will fund the MEC’s monitoring, analysis, and reporting activities, including vulnerability-to-corruption assessments. According to USAID, Ghani has shown interest in expanding the MEC’s work beyond its current monitoring framework.⁶¹⁴

USAID is designing a stand-alone anticorruption program for Afghanistan. According to USAID, the proposed project would strengthen the capacity of Afghan government institutions to assess vulnerabilities to corruption and to implement reforms in its most commonly accessed public service delivery systems. In addition, the project will enhance civil society’s ability to monitor, advocate for, and publicize the implementation of reforms. This program is currently in the design phase while a complementary project is in the presolicitation phase.⁶¹⁵

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.⁶¹⁶

The CMS is used to monitor criminal cases on an individual or aggregated basis from the time of arrest until the end of confinement. All ministries in the formal criminal-justice sector have access to the CMS. The CMS is used to demonstrate inefficiencies in the criminal-justice system

SIGAR AUDIT

SIGAR issued an audit of U.S. government efforts to assist and improve the rule of law in Afghanistan. The audit found that four significant factors have impaired those efforts. First, U.S. agencies lack a comprehensive rule-of-law strategy to help plan and guide their efforts. Second, DOD is unable to account for the total amount of funds it spent to support rule-of-law development. Third, DOD, Department of Justice, State, and USAID all have had problems measuring the performance of their respective rule-of-law programs. Fourth, U.S. efforts are undermined by significant challenges from pervasive corruption in Afghanistan’s justice sector and by uncertainty whether the Afghan government can or will sustain U.S. program activities and reforms. For more information, see Section 2, pp. 24–26.

TABLE 3.22

STATE DEPARTMENT RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 6/25/2015 (\$)
Justice System Support Program II (JSSP II)	6/16/2010	6/30/2015	\$212,969,450	\$198,732,807
Corrections System Support Program (CSSP III)	1/1/2015	8/1/2015	12,161,965	4,613,721
Justice Training Transition Program (JTTP)	1/2/2013	9/30/2015	47,435,697	47,435,697

Source: State, INL, response to SIGAR data call, 6/25/2015.

by identifying when cases are not being processed in a statutory manner. Ministries additionally routinely utilize the CMS to understand the function of the formal justice sector. For example, the CMS can help identify an individual prosecutor's case load and conviction rates, information that is useful for determining promotion eligibility. In addition to using the CMS to conduct criminal background checks on internal and external employment applicants, the MOI generates a weekly report of arrests in Kabul by the type of crime.⁶¹⁷

The State Department's JTTP provides regional training to justice-sector officials on a wide range of criminal-justice topics.⁶¹⁸ JTTP aims to increase the confidence of Afghan citizens in their justice sector and to achieve two outcomes: (1) to increase the capacity and competencies of Afghan justice sector professionals in delivering justice according to Afghan law and (2) to ensure that Afghan justice institutions are capable of managing the sustainable implementation of training programs.⁶¹⁹

JTTP undertakes limited trial observation, focusing on cases within the criminal division jurisdiction at provincial and district-levels. JTTP looks only at proceedings and appeals of cases that are subject to the Criminal Procedure Code (CPC). JTTP's observation and reporting are narrowly focused to collect objective comparative data on a single fair-trial indicator, i.e., whether trials are deemed to be "open" in accordance with the procedure set out under the CPC. JTTP has reported to State's Bureau of International Narcotics and Law Enforcement Affairs (INL) many instances in the formal justice proceedings where attorneys and judges have increasingly applied the correct laws and sentencing requirements.⁶²⁰

JTTP legal advisors visit courtrooms of judges who will graduate or have graduated from JTTP courses. If the legal advisors are granted access to the courtroom that trial is reported as "open." If they are not permitted access and there is no permissible reason for the restriction, the trial is reported as "closed."⁶²¹

From 2013 to June 2015, JTTP observed a total of 771 trials, of which 93% were open. In the provinces, Nangarhar Province had the lowest overall percentage of open trials to date, 39%.⁶²²

The Supreme Court and the Formal Justice Sector

President Ghani has publicly criticized the state of the judiciary, placing the Supreme Court and the judiciary under scrutiny. According to USAID, the Supreme Court continues to be weak and requires significant efforts to improve.⁶²³

According to USAID, Afghan courts are still easily influenced by public opinion and political leaders.⁶²⁴ USAID cited the court's response to the murder of a young woman named Farkhunda in March as a recent example of an aggressive and swift response from the judiciary to a national outcry. Farkhunda was beaten to death and burnt by a mob in Kabul following

accusations—apparently false—that she had burnt a Koran. Although police tried to intervene at the beginning of the incident, they stood by as the mob became more violent.⁶²⁵ The killing prompted large protests in Kabul.⁶²⁶ In April, the Afghan Attorney General’s Office (AGO) announced that 49 people, 20 of them police, were being held in connection to Farkhunda’s death.⁶²⁷

In May, 11 policemen were found guilty of dereliction of duty and sentenced to one year in prison while the remainder, both police and civilians, were acquitted. In addition to the police suspects, four were found guilty and sentenced to death and another eight suspects were sentenced to 16 years in prison. However, the trial was criticized for its speed and several analysts say the trial was neither fair nor consistent, with violations of due process including the lack of defense attorneys and inadequate time to prepare for the case.⁶²⁸

On June 9 following an appeal, the Kabul Appeals Court ordered 37 of the 49 defendants in the Farkhunda murder trial be released on bail. Among the 37 individuals were 19 policemen.⁶²⁹ In July, an appeals court in a closed session reversed the death sentences on four men convicted of Farkhunda’s murder and instead sentenced three of the men to 20 years in jail and the fourth, a minor, to 10 years in jail.⁶³⁰ Following the appeals court decision and protests by civil society, Ghani’s spokesman said that the AGO will reassess the case.⁶³¹

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 increased by an average of 16.7% annually over the past five years. As of May 31, the GDPDC incarcerated 26,213 male and 687 females, while the Ministry of Justice’s Juvenile Rehabilitation Directorate (JRD) incarcerated 811 male juveniles and 75 female juveniles. These incarceration totals do not include detainees held by any other Afghan governmental organization, as INL does not have access to data for other organizations.⁶³²

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities, although state-funded prison construction has added some new prison beds and presidential amnesty decrees have reduced the prison population significantly. As of May 31, the total male provincial-prison population was at 191% of capacity, down from 214% last quarter, as defined by International Committee of the Red Cross’s (ICRC) minimum standard 3.4 square meters per inmate. The total female provincial-prison population was at 63% of the ICRC-recommended capacity, down from 66% last quarter. 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.⁶³³

Anticorruption

When President Ghani addressed a joint session of the U.S. Congress in March, he labeled corruption a “cancer” that undercuts the confidence of Afghans and American taxpayers in the Afghan government, and pledged to “eliminate corruption.”⁶³⁴

This quarter, Ghani suspended and referred six high-ranking officials from the Ministry of Urban Development Affairs and Housing and four high-ranking officials in the Afghanistan Investment Support Agency to the AGO for prosecution; charges of corruption and embezzlement have been filed with the judiciary.⁶³⁵

Afghan Attorney General’s Office

The Afghan government has yet to nominate a new attorney general.⁶³⁶ According to State, the AGO has recently demonstrated the will to prosecute high-level corruption cases when expressly directed to do so by Ghani. In late May, Ghani dismissed six senior officials from the Ministry of Urban Development Affairs and ordered the AGO to investigate allegations of corruption and embezzlement.⁶³⁷

State says the Anti-Corruption Unit (ACU) of the AGO is able to prosecute lower-level corruption cases, but faces obstacles prosecuting higher-level corruption. The ACU suffers low morale; however, the ACU has recently allowed a prosecutor to attend a training opportunity in Sri Lanka.⁶³⁸

Major Crimes Task Force

The MCTF is an investigatory arm of the MOI and the National Directorate of Security (NDS).⁶³⁹ According to DOD, since the formation of the national unity government, the MCTF has begun to more aggressively target senior-level corruption. Over the past quarter, MCTF referred seven corruption cases to the AGO for further investigation and prosecution. The cases variously involve a senior MOI officer, two Ministry of Education officials, three Kabul city officials including the city engineer, an official from the MOLSAMD, a Kabul district police commander, a former Kabul Bank employee, and an appellate prosecutor.⁶⁴⁰

Despite this increase in referrals, the MCTF has seen no improvement in case processing at the AGO.⁶⁴¹ Under the CPC, felony-level cases should be brought to trial within 75 days of arrest. In five of the seven cases mentioned, no arrest was made prior to referral to AGO, meaning there is no time limit for AGO’s investigation or prosecution decision. So far, none of the cases has been adjudicated by the AGO.⁶⁴²

According to DOD, the MCTF receives anecdotal evidence of AGO prosecutor corruption wherein prosecutors accept bribes in exchange for releasing suspects without prosecution.⁶⁴³ Although the MCTF has shown improved ability to target entire criminal networks, particularly in

kidnapping cases, DOD said the MCTF faces stiff resistance from unspecified powerful individuals.⁶⁴⁴

Independent Joint Anti-Corruption Monitoring and Evaluation Committee

The MEC was formally established in March 2010 through a presidential decree. The MEC's mandate is to develop anticorruption recommendations and benchmarks, to monitor efforts at fighting corruption, and to report on these anticorruption efforts. It comprises three Afghan members and three international members and is led by an Afghan executive director. The MEC has approximately 20 staff, but USAID says it may grow since Ghani has increasingly sought analytical products from the MEC.⁶⁴⁵

According to State, the MEC continues to demonstrate competent administrative and technical capacity. State notes, however, that despite demonstrating the political will to address some of the toughest corruption-related questions confronting Afghanistan, the MEC lacks the authority to do more than illuminate poor or corrupt practices.⁶⁴⁶

This quarter the MEC issued reports covering hiring irregularities in the Ministry of Foreign Affairs (MOFA) and the challenges that Afghan citizens disabled in security incidents face when seeking compensation payments from the government.

According to the MEC, there is a persistent legacy of nepotism, favoritism, and patronage in MOFA hiring. The MEC found interference by senior officials in various aspects of hiring and promotion, as well as personal relationships dominating the recruitment and staff-management processes. For example, of the approximately 1,300 candidates who took MOFA's entrance examination last summer, 48 passed but almost none were hired. Instead, 40 other individuals were hired outside of regular channels during the former minister's last days in office. Currently, MOFA employs at least 12 close relatives of current or former parliamentarians, four siblings of former ministers, and seven other relatives of current or former senior officials. Among MOFA's diplomats, many only hold high-school diplomas, or are otherwise unqualified under the merit-based hiring policy. The MEC recommended that MOFA enact a specific internal policy banning nepotism and that the law be amended to require diplomatic and consular staff to hold a graduate degree.⁶⁴⁷

The MEC found that disabled persons seeking compensation must negotiate a series of convoluted, redundant, and time-consuming steps, many of which do not follow any discernible policy. After obtaining a document verifying they were injured in a security incident and a separate certification from a health commission, applicants must then submit their paperwork to the MOLSAMD. Multiple applicants interviewed by the MEC stated that MOLSAMD often resorts to bureaucratic tactics to solicit bribes. It is alleged that the MOLSAMD regularly holds up the processing of valid applications for two to three years. The MEC also found that multiple payment

cards for one individual are also not uncommon. The MEC urged the Afghan government to adopt new eligibility criteria for disability payments and make them publicly available and easily accessible.⁶⁴⁸

High Office of Oversight and Anticorruption

The High Office of Oversight and Anti-Corruption (HOO) was established in July 2008 through a presidential decree to oversee and coordinate the implementation of the Afghan government's anticorruption strategy. The HOO collects corruption complaints through a hotline and complaint boxes installed in several ministries and other public-service delivery institutions, and conducts the initial investigation of corruption allegations. According to USAID, these investigations do not often lead to prosecution. Mutual recrimination between AGO and HOO is common.⁶⁴⁹

According to USAID, Ghani, who has expressed displeasure with the HOO, may be considering substantially reducing the staff from 297 to approximately 100.⁶⁵⁰ Ghani limited the HOO's mandate to asset declaration and verification.⁶⁵¹

On July 3, the acting director general of the HOO told *Tolo News* that several senior Afghan officials—including President Ghani, Chief Executive Officer Abdullah, and 14 cabinet ministers—have yet to register their assets per the requirements of the Afghan constitution. According to the acting director general, Ghani has instructed all top government officials to submit their asset registration forms.⁶⁵²

Parliamentary Anti-Corruption Caucus

The Parliamentarian Anti-Corruption Caucus (PACC) was established in March 2013 and currently has 23 members—14 lower house parliamentarians and nine upper house senators—making it one of the largest caucuses in parliament. The PACC is the only parliamentary caucus which contains members of both the upper and lower houses and is comprised exclusively of female parliamentarians. This quarter, the PACC received anticorruption pledges from 24 nominated ministers who were appointed. The PACC also introduced a representative to participate in the National Procurement Committee sessions.⁶⁵³

Security Services

Last quarter, the commander of CSTC-A, Major General Todd Semonite, said “the level of corruption [since formation of the national-unity government] is unknown and as a result I can't give you a number to somehow quantify that,” and added that the Afghan government has implemented additional controls to limit corruption.⁶⁵⁴ According to CSTC-A, there is still no way to identify corruption levels and trends. However, a recent MEC initiative to carry out a security sector reform corruption assessment may enable the quantification of the level of corruption within the security sector.⁶⁵⁵

The MOD and MOI have recently initiated the Internal Controls Program to reduce opportunities for corruption. CSTC-A notes, however, that this program is still very much in its infancy: the MOD policy was signed in April, while the MOI is still developing theirs.⁶⁵⁶

According to DOD, both the MOD and MOI have established institutions for responding to corruption; however, these institutions do not appear to have had much positive effect.⁶⁵⁷ DOD said that certain dedicated domestic institutions actually hinder, rather than facilitate, **anti- and countercorruption** efforts, by pursuing “illusory reform” meant to placate donors.⁶⁵⁸

Ministry of Defense

According to DOD, since the Ghani administration has taken office, the MOD has increased its focus on anticorruption and countercorruption efforts. DOD cites the consideration of merit-based candidates for appointment to Minister of Defense and Chief of General Staff positions; the rejection of candidates for these two positions who have been accused of significant patronage and/or corruption; and Ghani’s swift cancelation of contracts and suspension of the officials responsible following evidence of procurement corruption as examples of a new focus on responding to corruption. In DOD’s view, it is too early to measure the impact of the Ghani administration on MOD corruption, though there are positive signs in the MOD’s signing of anticorruption and internal-controls policies.⁶⁵⁹

There are currently two active forums to address corruption issues within the MOD: the Counter Corruption Working Group (CCWG) and the Senior High Level Committee on Anti-Corruption (SHCAC). Neither forum has been an effective arena for meaningful anticorruption or countercorruption efforts. These forums are primarily chaired, controlled, and manipulated by the same senior officials who engage in corrupt acts. According to DOD, these forums are used by corrupt senior officials to suppress or redirect investigations. With the exception of some minor corruption issues, DOD personnel have yet to witness either the CCWG or SHCAC resolve corruption challenges.⁶⁶⁰

Although each of the six ANA corps has members assigned to Transparency and Accountability Committees (TAC), all TAC members are members of corps staff (chaired by the deputy corps commander), lack independence, and are unlikely to report any information critical of the corps commander. This structure also insulates the deputy corps commander (who is also the head of procurement for the corps) from oversight on procurement decisions. Although a suggestion for an independent MOD General Staff Inspector General to chair the TACs has been presented at both the CCWG and the SHCAC over the past year, neither MOD leadership nor corps commanders have initiated changes. In DOD’s view, they benefit from the current lack of transparency and accountability.⁶⁶¹

Anticorruption: measures aim at limiting the opportunities for corruption. This includes transparency and accountability control measures, inspections, audits, and actions to influence individual behavior.

Countercorruption: measures are corrective in nature, focus on sanctioning corrupt individuals, and provide a deterrent against corruption. Countercorruption measures are strongly reliant upon an effective legal system, particularly an independent judiciary.

Source: Joint and Coalition Operational Analysis (JCOA), division of Joint Staff J-7 (Joint Force Development), *Operationalizing Counter/Anti-Corruption Study*, 2/28/2014, p. 3.



Afghan Major General Rahimullah Borhani, the new Ministry of Interior Inspector General, is flanked by two Resolute Support transparency, accountability, and oversight personnel. (DOD photo)

Ministry of Interior

According to DOD, it appears that President Ghani followed a merit-based review and selection process when he appointed Nur ul-Haq Ulumi as Minister of Interior. Ulumi has stated numerous times that he is assessing the skills and leadership abilities of candidates within the MOI before making decisions about the senior-level staff assignments. Ulumi has established a standing commission to make recommendations for his review and endorsement before submission to the Ghani for approval.⁶⁶²

According to CSTC-A, the Afghan government demonstrated progress by removing the former MOI Inspector General. CSTC-A said the appointment of Major General Rahimullah has proven a solid choice who has demonstrated leadership and motivation in performing his duties.⁶⁶³

The MOI TAC used to meet weekly to discuss corruption issues with committee members. However, the TAC was dissolved over a year ago. Currently, the MOI, with the endorsement of minister Ulumi, is at the beginning stage of creating the Transparency Working Group and Transparency Steering Group as the overarching programs which DOD hopes will increase transparency, accountability, and oversight within the MOI.⁶⁶⁴

HUMAN RIGHTS

Refugees and Internal Displacement

As of June 11, the United Nations High Commission for Refugees (UNHCR) estimated that at least 205,434 people have crossed from Pakistan into Afghanistan's Khowst and Paktika Provinces since June 2014 due to large-scale Pakistan military operations in neighboring North Waziristan. According to State, it is unlikely that there will be significant returns to Pakistan through 2015 due to the reconstruction needs in North Waziristan.⁶⁶⁵

State reported no major change in numbers of refugees leaving Afghanistan. UNHCR recorded 21,340 Afghan refugees returning from both Pakistan and Iran as of May 31, compared to 12,218 returning from January through March 31.⁶⁶⁶

UNHCR reported a steady increase of 20,505 registered Afghan refugees returning from Pakistan. According to State, many returned refugees have felt pressured to return to Afghanistan due to reported arrests, detention, extortion, and harassment by local Pakistani authorities following the December 2014 Peshawar school attacks and the Pakistani security response.⁶⁶⁷

On May 19, the Afghan, Pakistani, and Iranian governments and UNHCR met in Tehran for the Quadripartite Steering Committee on the Solutions Strategy for Afghan Refugees to Support Voluntary Repatriation, Sustainable Reintegration, and Assistance to Host Countries. The participants recognized the role that Iran and Pakistan have played in hosting

large Afghan refugee communities and discussed the need for joint planning to approach the issue of economic migrants.⁶⁶⁸

As of April 30, UNHCR recorded a total of 873,136 registered conflict-affected internally displaced persons (IDPs), compared to the 850,377 registered IDPs from January to March 31. According to State, the actual number of internally displaced could be much higher and is difficult to verify. UNHCR reports the major causes of displacement during the quarter were conflict between armed groups and the Afghan security forces.⁶⁶⁹

According to State, the new Minister of Refugees and Repatriation Sayed Balkhi has made the implementation of the National IDP Policy a key agenda item, along with developing his ministry's five-year strategic plan, adopting the National Refugee and Asylum Law, and implementing the Solutions Strategy for Afghan Refugees. Minister Balkhi has urged his ministry to work with UNHCR in helping provincial governments draft Provincial Action Plans that incorporate the IDP policy into 2015 provincial budget plans.⁶⁷⁰

Gender

The largest gender-focused initiative in USAID's history is the Promote partnership that aims to assist over 75,000 Afghan women achieve leadership roles in all parts of society, such as business, academia, politics, and public policy over five years.⁶⁷¹ USAID has committed \$216 million to Promote and hopes to raise another \$200 million from other international donors.⁶⁷² USAID is in preliminary discussions with two other donors regarding their possible participation in Promote programming. The cooperation currently being discussed will involve programmatic cooperation (permitting participants to participate in each other's programming) rather than cash donations.⁶⁷³

This quarter, USAID awarded the \$38 million, five-year Women in Government component of Promote; it is now in the mobilization phase.⁶⁷⁴

USAID has initiated discussions with Presidential Palace, the Chief Executive's Office, the First Lady's Office and the Ministry of Women's Affairs to establish a Promote High Level Advisory Committee that will advise the Ministry of Women's Affairs and USAID on the implementation of the Promote program. The committee will also act as an oversight and monitoring body. USAID expects that the committee will begin work by the end of June 2015.⁶⁷⁵

SIGAR AUDIT

SIGAR has an ongoing audit of State's efforts to assist Afghan refugees living in Pakistan and Iran, and Afghan returnees. The audit plans to assess the extent to which (1) State and UNHCR verify the number of Afghan refugees in Pakistan and Iran, and (2) assess the extent to which the Afghan government has implemented the Solutions Strategy for Afghan Refugees, to support voluntary repatriation, sustainable reintegration, and assistance to host countries.