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## GOVERNANCE

As of September 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

On September 5, international donors met with Afghan government officials in Kabul for the second Senior Officials Meeting (SOM) to refresh mutual-accountability measures agreed upon at the 2012 donors' meeting in Tokyo. Delegations from 41 countries and 11 international agencies along with ministers and senior officials of the Afghan government and representatives of Afghan civil society and private sector attended the SOM.<sup>363</sup>

Despite hopeful steps last quarter, reconciliation efforts stalled following an internal power struggle within the Taliban after the confirmation that Taliban leader Mullah Mohammad Omar had died in 2013 and after subsequent Taliban attacks in Kabul, Kunduz, and elsewhere. Several high-ranking Afghan government officials accused Pakistan of sabotaging the peace talks, with the acting minister of defense saying that an “undeclared war [between Afghanistan and Pakistan] has turned into a declared war.”<sup>364</sup> Additionally, Chief Executive Abdullah Abdullah stated that Afghanistan would no longer seek Pakistan's assistance in facilitating talks with the Taliban.<sup>365</sup>

In August, the Special Elections Reform Commission (SERC) presented 11 recommendations to change Afghanistan's method for holding elections. Shortly thereafter, President Ashraf Ghani issued a decree approving seven of the 11 recommendations. There was disagreement over recommended changes to the electoral system, electoral constituencies, and mechanisms for addressing electoral challenges and complaints. President Ghani also extended the SERC's mandate until the end of December. The SERC has until December 21, 2015, to elaborate on the legal, technical, and practical aspects of the remaining recommendations.<sup>366</sup>

## NATIONAL UNITY GOVERNMENT

### Refreshed Mutual Accountability

On September 5, international donors, Afghan officials, and others met in Kabul for the second SOM. The meeting was a continuation of the high-level meetings held every year to follow up on the mutual commitments from the July 2012 Tokyo Conference. The September session was the first high-level meeting since the new Afghan government presented its reform agenda called “Realizing Self-Reliance” at the December 2014 London Conference.<sup>367</sup> The purpose of the SOM was to review progress on the Afghan reform program, discuss key policy issues, and to jointly decide the way forward.<sup>368</sup>

The Afghan government presented a post-London Conference self-assessed progress report in nine areas ranging from governance to economic cooperation. The report acknowledged that the Afghan government faces significant challenges across several sectors, “is still at the bottommost register of nearly every international indicator of effective development,” and that some previously positive trends have slowed significantly or have even reversed. The Afghan government also admitted that insecurity and aid dependency have created a situation in which “both donors and the [Afghan] government are to some extent locked into a partnership they cannot avoid.”<sup>369</sup>

Despite the somber assessment of the challenge, the Afghan government was fairly upbeat regarding the progress of its reforms. As shown in Table 3.16, the Afghan government gave itself passing scores in a number of reform areas. The government noted that these assessments should be interpreted as indicating “whether the government has satisfactorily advanced to the starting gate, not to the finishing line.”<sup>370</sup>

As a result of the September SOM, the Tokyo Mutual Accountability Framework (TMAF) has now transitioned to the Self-Reliance through Mutual Accountability Framework (SMAF). The SMAF will now guide the activities of the Afghan government and the international community at least to the end of the term of the present government. The SMAF covers six areas: (1) improving security and political stability (with three associated indicators); (2) anticorruption, governance, rule of law, and human rights (14 indicators); (3) restoring fiscal sustainability and integrity of public finance and commercial banking (nine indicators); (4) reforming development planning and management, and ensuring citizens’ development rights (three indicators); (5) private-sector development and inclusive growth and development (four indicators); and (6) development partnerships and aid effectiveness (eight indicators).<sup>371</sup> In addition to the SMAF indicators, there are 39 short-term deliverables across the same six areas that are collectively due to be completed by the end of 2016.<sup>372</sup>

TABLE 3.16

AFGHAN GOVERNMENT SELF-ASSESSMENT OF PROGRESS	
Improving Security and Political Stability	B
Tackling the Underlying Drivers of Corruption	B-
Building Good Governance	B+
Restoring Fiscal Sustainability	B+
Reforming Development Planning and Management	C+
Bolstering Private Sector Confidence, Promoting Growth, and Creating Jobs	C+
Ensuring Citizens’ Development Rights	B-
Regional Economic Cooperation	A
Reforming Development Partnerships	No grade

Source: GIROA, *Afghanistan’s Road to Self-Reliance: The First Mile Progress Report*, 9/5/2015, pp. 6–19.

Overall, SOM donors reaffirmed their Tokyo commitment of providing \$16 billion through 2015, and sustaining support through 2017 at or near the levels of the past decade.<sup>373</sup> USAID said that although it cannot identify funds directly related to compliance or noncompliance with SMAF targets and indicators, noncompliance with SMAF indicators could erode donor confidence and reduce aid contributions.<sup>374</sup>

## Electoral Reform Challenges

The 2014 presidential elections, which international monitors noted had experienced substantial fraud, highlighted Afghanistan's continuing need for electoral reforms.<sup>375</sup> 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."<sup>376</sup>

Overhauling the electoral process was a central part of the power-sharing deal brokered by the United States between President Ghani and his former election rival, current Chief Executive Abdullah, after the troubled presidential elections. The September 2014 agreement that led to formation of the national-unity government called for immediate establishment of a special commission for election reform with the aim of implementing reform before the 2015 parliamentary elections, and distribution of electronic identity cards to all Afghan citizens as quickly as possible.<sup>377</sup>

Following its establishment on July 16, SERC members traveled across Afghanistan to collect Afghan views and proposals to implement fundamental reforms in the nation's electoral system. On August 30, following a month of deliberations, the SERC chairman presented first-phase recommendations to Chief Executive Abdullah. The 11-point SERC recommendations concentrated on issues such as changes in electoral system, changes to education requirements for Independent Election Commission (IEC) and Independent Electoral Complaints Commission (IECC) members, voter lists and voter re-registration, boundaries of election districts and location of polling centers, and mechanisms for addressing electoral complaints and objections.<sup>378</sup>

The day before the SERC presentation to Abdullah, two of the 14 SERC officials resigned in protest of what they claimed was a predetermined set of reforms advanced by the other SERC members. The disagreement focused on the proposals to change the electoral system for parliamentary elections. Currently Afghanistan has a **single nontransferable vote** system. The SERC proposed a **parallel system**, while the protesting SERC members favored a **first past the post system**.<sup>379</sup>

On September 6, President Ghani issued a decree accepting seven of the SERC's recommendations for short-term reforms and tasked the Ministry of Justice and the Office of Administrative Affairs to begin implementing the adopted recommendations. However, Ghani advised the SERC to continue assessing the recommended changes to the electoral system, electoral

### Single nontransferable vote (SNTV):

the voting system currently in use in Afghanistan for the 34 provincial-level, multi-member constituencies in which each voter gets a single vote for a single candidate. The candidates that get the most votes win the number of seats available. Afghanistan, however, also has quotas that set aside a number of seats for women even if they are not the top vote recipient. The Afghanistan Research and Evaluation Unit (AREU) has argued that SNTV inhibits the development of parties since it does not allow groups of candidates to pool their votes so that support for one helps the group as a whole. Afghanistan is one of the only countries, along with Vanuatu, that use SNTV for legislative elections.

**SERC's parallel system:** a system proposed by SERC that would set aside one third of the seats of the lower house of parliament for political parties. The political parties would provide an open list with their preferred candidates. Those candidates would compete in an electoral constituency that covered the whole country. Only political parties that receive at least 3% of the overall vote would be eligible for seats in parliament. For non-party candidates, the SERC proposed that smaller constituencies be established within provinces to create one to five member constituencies. Japan and South Korea are among the 33 countries that use a parallel system for legislative elections.

**First past the post (FPTP):** a system in which voters are assigned to electoral districts and are able to cast a single vote for a candidate. The candidate with the most votes wins. This system is generally used where a single individual represents the district. The SERC dissenters argued that a FPTP system will improve the links between constituents and their representatives. The United States and United Kingdom are among the 62 countries that use FPTP for legislative elections.

Source: AREU, *Fixing Afghanistan's Electoral System*, 7/2012, pp. 1, 3; The National Democratic Institute, "Electoral Systems: Women and Elections," n.d., p. 16–17; Special Electoral Reform Commission, "Summary of SERC Reform Recommendations I," 8/30/2015, p. 1; *Tolo News*, "Two ERC Members Boycott Commission Meetings," 8/29/2015; ACE Electoral Knowledge Network, "Comparative Data: Electoral System (Chamber 1) What is the electoral system for Chamber 1 of the national legislature?" accessed 10/5/2015, [http://aceproject.org/epic-en/CDTable?question=ES005&set\\_language=en](http://aceproject.org/epic-en/CDTable?question=ES005&set_language=en).

constituencies, and the mechanisms for addressing electoral challenges and complaints. Ghani also extended the SERC's mandate until the end of December. The SERC has until December 21, 2015, to elaborate on how the three recommendations would work.<sup>380</sup> A new SMAF short-term deliverable requires the SERC to provide its recommendations and the Afghan government to begin implementing reforms by the first half of 2016.<sup>381</sup>

Among the recommendations accepted by President Ghani, the SERC called for distributing electronic identity cards (*e-tazkera*) as soon as possible and invalidating existing voting cards.<sup>382</sup> There have been plans since 2009 to introduce e-tazkera to reduce opportunities for ballot fraud.<sup>383</sup> 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; the European Union ended its salary assistance for the pilot.<sup>384</sup> According to State, the Afghan government has delayed implementation of the e-tazkera pilot due to the ongoing political controversy over including ethnicity and/or nationality on the cards.<sup>385</sup>

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 reduced its staff from 911 to 504.<sup>386</sup> Both the IEC and IECC reached a formal agreement with the Afghan Ministry of Finance (MOF) for funding from the regular government budget. Starting in early July and continuing to the end of the Afghan fiscal year (FY) at the end of 2015, the Afghan government budget includes funding for key IEC and IECC staff positions and daily operational expenses. In late 2015, the MOF will work with the Independent Administrative Reform and Civil Service Commission (IARCSC) to transition IEC and IECC staff to full support from the 2016 Afghan government budget.<sup>387</sup>

**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.

## 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.<sup>388</sup> Donors, including the United States, reiterated this pledge at the July 2012 Tokyo Conference and again at both the December 2014 London Conference and the September 2015 SOM.<sup>389</sup>

According to the World Bank, donors collectively have met the 50% on-budget commitment, disbursed more than half of the Tokyo Conference pledges, and provided donor grants that are increasingly discretionary for the Afghan government to use as it sees fit.<sup>390</sup> The MOF, however, reported

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 3.17

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 9/30/2015 (\$)	
<b>Bilateral Government-to-Government Projects</b>							
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	Yes	1/1/2013	12/31/2018	\$670,000,000	\$52,730,385	
Partnership Contracts for Health Services (PCH) Program	Ministry of Public Health (MOPH)	Yes	7/20/2008	12/31/2015	259,663,247	228,899,313	
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	33,604,487	
Afghanistan Workforce Development Project (AWDP)	Ministry of Education (MOE)	Yes	9/18/2013	4/3/2016	30,000,000	1,321,456	
Basic Education, Literacy, and Training (BELT) - Textbooks Printing and Distribution	MOE	Yes	11/16/2011	12/31/2015	26,996,813	24,436,268	
E-Government Resource Center (EGRC)	Ministry of Communications and Information Technology (MOCIT)	Yes	8/28/2013	6/1/2016	3,900,000	30,000	
<b>Multi-Donor Trust Funds</b>							
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 (AITF)**	Multiple	No	3/7/2013	3/6/2018	113,670,184	105,000,000	

Note:

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

\*\* On October 9, 2014, USAID de-sub-obligated \$179,500,000 from the AITF.

Source: USAID, response to SIGAR data call, 10/8/2015.

that of all the bilateral and multilateral donors, only 12 managed to achieve or exceed the target of channeling 50% of official development assistance (ODA) through the on-budget system by volume of commitment, and only nine achieved or exceeded the same target by volume of disbursement.<sup>391</sup>

As shown in Table 3.17, USAID expects to spend \$1.07 billion dollars 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. USAID has disbursed \$105 million to the Afghanistan Infrastructure Trust Fund (AITF).<sup>392</sup>

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.<sup>393</sup> The Department of Defense (DOD) requested and received \$4.1 billion for the ANDSF in its FY 2015 budget,<sup>394</sup> which will help sustain the end strength of 352,000 through 2015, and has requested \$3.8 billion in the FY 2016 budget.<sup>395</sup>

Previously, at the 2012 Chicago Conference, the United States and its allies 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.<sup>396</sup> 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 amount of almost €1 billion, or approximately \$1.29 billion, annually to sustain the ANDSF for 2015 through the end of 2017.<sup>397</sup>

For 2015, DOD expects to contribute \$108 million for police salaries to the Ministry of Interior (MOI) through the United Nations Development Programme's (UNDP) Law and Order Trust Fund for Afghanistan (LOTFA).<sup>398</sup> 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.<sup>399</sup>

DOD also expects to contribute approximately \$1.6 billion this year in direct contributions to the Ministry of Defense (MOD) and approximately \$553 million in direct contributions to the MOI.<sup>400</sup>

## Civilian On-Budget Assistance

USAID provides on-budget civilian assistance through (1) bilateral agreements with four Afghan government entities and (2) through contributions to two multidonor trust funds, the ARTF and the AITF.<sup>401</sup> According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the MOF for each program.<sup>402</sup>

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.<sup>403</sup> The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.<sup>404</sup> 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.<sup>405</sup>

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.<sup>406</sup>

According to the latest report by the World Bank's recurrent-cost window monitoring agent available to USAID, 46% of the sampled recurrent-cost window expenditures for the first quarter of Afghan FY 1394 were deemed ineligible. According to the monitoring agent, all the ineligibilities

were avoidable and 48% can be rectified with the provision of additional documents by the Afghan government. Ineligible costs were split equally between operations and maintenance and salary costs. The main reasons expenditures were deemed ineligible included: (1) missing procurement files and forms (41% for non-payroll-based salary expenditures, 38% for payroll-based salary expenditures, and 37% for operation and maintenance costs) and (2) missing authorized approval for the expense (41% for non-payroll-based salary expenditures).<sup>407</sup>

This quarter, USAID released the first \$100 million tranche of funds for the \$800 million, USAID-administered New Development Partnership (NDP). The NDP utilizes already budgeted or requested funding and is delivered via the ARTF.<sup>408</sup> The NDP contains its own, independent conditions that were negotiated bilaterally between the U.S. and Afghan governments.<sup>409</sup> In August, the U.S. and Afghan governments signed a memorandum of understanding (MOU) governing the NDP that proposed 40 development results the Afghan government will be expected to achieve. Currently, 31 development results and indicators have been agreed to, with nine to be determined. USAID noted that the results and indicators for 2017 and beyond may be modified given Afghanistan's uncertain future. The Afghan government will receive \$20 million through U.S. funds provided via the ARTF's recurrent-cost window for achieving each development result.<sup>410</sup>

The five indicators met this quarter to justify the release of \$100 million included: (1) approval of a Staff Monitored Program (SMP) by the International Monetary Fund (IMF); (2) signing of civil airspace-management contract; (3) piloting of the customs department e-payment system at one border crossing; (4) establishment and regular meeting of the of the National Procurement Committee (NPC); and (5) approval of a National Action Plan for Women, Peace, and Security.<sup>411</sup> In March, a senior U.S. official was quoted as saying a key feature of the NDP was that conditions for release of funds were "not going to be short-term, check the box, do this thing, make this reform." Rather, the NDP conditions were to require "more substantial reforms or development outcomes."<sup>412</sup>

In December 2014, the U.S. Embassy Kabul negotiated direct access to the Afghanistan Financial Management Information System (AFMIS) as one of two conditions for the accelerated release of \$25 million to address a severe Afghan government budget gap. Direct AFMIS access was intended to give U.S. officials the ability to analyze Afghan government expenditures in real time. Technical issues, however, continue to prevent the U.S. Embassy Kabul from connecting to AFMIS. According to USAID, embassy personnel receive fiscal data on the Afghan government's budgets but are unable to generate more detailed, custom reports such as Afghan government revenue broken out by province and source.<sup>413</sup> State, however, now questions the value of having U.S. government personnel review the raw AFMIS data.<sup>414</sup>

## On-Budget Assistance to the ANDSF

A large portion of on-budget U.S. 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 multi-donor LOTFA.<sup>415</sup> Administered by the UNDP, LOTFA primarily funds Afghan National Police (ANP) salaries and incentives.<sup>416</sup> Direct-contribution funding is provided to the MOF, which allots it incrementally to the MOD and MOI, as required.<sup>417</sup>

In February 2011, the Under Secretary of Defense Comptroller authorized the Combined Security Transition Command-Afghanistan (CSTC-A) to provide direct contributions to the Afghanistan government from ASFF 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, ensure proper controls and compliance with documented accounting procedures, and compliance with the provisions in the annual commitment letters.<sup>418</sup>

The commitment letters express CSTC-A's conditions for MOD and MOI assistance. The FY 1394 commitment letters contain 45 conditions for the MOD and 48 for the MOI.<sup>419</sup> MOI and MOD compliance with the conditions in the FY 1394 commitment letters has been mixed, CSTC-A said. The majority of conditions—35 for MOI and 32 for MOD—have satisfactory progress to date. Table 3.18 provides the number of conditions by status as assessed by CSTC-A.<sup>420</sup>

TABLE 3.18

STATUS OF FY 1394 MOD AND MOI COMMITMENT-LETTER CONDITIONS		
Status	Number of MOD-specific conditions	Number of MOI-specific conditions
Satisfactory progress to date	35	32
Insufficient progress due to ministry failure, with no financial penalty	6	5
Insufficient progress due to ministry failure, with financial penalty	4	2
Insufficient progress due to factors beyond ministry control	3	4
Unresolved	1	1

Source: CSTC-A, response to SIGAR data call, 9/25/2015.

According to CSTC-A, the conditions and related penalties requiring the MOI and MOD to input personnel information into the Afghanistan Human Resources Information System (AHRIMS) were examples of successful conditionality. Both the MOI and MOD made significant progress towards

slotting personnel in AHRIMS following, in the MOI's case, imposition of progressively increasing penalties. After the MOI missed a March 1 deadline to have all police records loaded into AHRIMS, CSTC-A levied a 1% penalty on MOI operations-and-maintenance funds for March and April, and a 5% penalty in May. CSTC-A has now shifted its focus to validating the data loaded into AHRIMS.<sup>421</sup>

For the commitment-letter conditions that were not met or enforced, CSTC-A deemed the circumstances were outside of MOD or MOI control. Generally, these conditions fell into one of three areas:

- conditions based on assumptions about Afghan capacity and capability that did not mature as anticipated
- conditions based on metrics or conditions that were not measurable or assessable as originally anticipated
- conditions whose enforcement as written would have been overly detrimental to key capabilities required to execute fighting season 2015<sup>422</sup>

An example of an unmet and unenforced condition was the MOD's failure to provide an annual inventory of weapons. If the MOD failed to meet this condition, CSTC-A was to freeze future delivery of weapons. According to CSTC-A, the MOD has failed to provide reports, annual or otherwise, for either night-vision devices or weapons. However CSTC-A did not enforce the commitment-letter condition, as enforcement would have negatively affected the MOD's capability during the 2015 fighting season.<sup>423</sup>

CSTC-A has faced difficulty in defining conditions for their contributions to the LOTFA. In December 2014, CSTC-A sent UNDP a draft commitment letter that would allow CSTC-A to delay, reduce, or withhold UNDP's administrative fees—administrative fees constituted 4% of the CSTC-A contribution to LOTFA for a total of \$4.4 million—if UNDP did not meet the conditions of the commitment letter. UNDP, however, disagreed with the draft language on conditions and penalties. A compromise between CSTC-A and UNDP led to moving the disputed language from the actual commitment letter and placing it in a CSTC-A cover letter to communicate CSTC-A's intent to apply more rigor in oversight of LOTFA funds. According to CSTC-A, the commitment letter signed in March 2015 is not a binding legal contract, so each LOTFA donor country can decide whether or not they will honor their commitment throughout the year with no legal ramifications.<sup>424</sup>

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).<sup>425</sup> CSTC-A's total contribution to the MOI FY 1394 budget is 30.99 billion afghani (approximately \$553 million using the same exchange rate).<sup>426</sup>

In February, Ghani established the 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.”<sup>427</sup> According

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to the Afghan government, the NPC has approved 219 projects, returned for correction 41 projects, and rejected 28 projects as of August 17, 2015. The Afghan government also claims a savings of approximately \$130 million on \$919 million of projects evaluated by the NPC.<sup>428</sup>

Ghani's effort to reduce procurement-related corruption has slowed procurement and created what CSTC-A has labeled the "[Afghan fiscal year] 1394 Procurement Crisis."<sup>429</sup> Of the 648 MOD requirements, 329 have been submitted to the MOD acquisition agency and 149 contracts have been awarded, an increase from the 31 contracts awarded as of last quarter. The MOI is experiencing a similar backlog with 925 defined requirements, 378 of which have been submitted to the MOI procurement directorate, and 83 contracts have been awarded, an increase from 47 contracts awarded as of last quarter. According to CSTC-A, the procurement backlog significantly limits the opportunities to successfully transition off-budget contracts to on-budget procurement.<sup>430</sup>

## NATIONAL GOVERNANCE

### 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.<sup>431</sup> 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 2010 Kabul International Conference for increased on-budget aid.<sup>432</sup> USAID is also funding the Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE) project, a \$15 million project that, among other things, assists the ministry to improve its financial management, as required for future on-budget assistance.<sup>433</sup>

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 9/30/2015 (\$)
Leadership, Management, and Governance Project (LMG)	Ministry of Public Health, Ministry of Education	9/25/2012	12/31/2015	\$38,341,106	\$36,207,450
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	11,615,069
Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE)	Ministry of Women's Affairs	12/20/2012	12/19/2015	14,182,944	7,237,481

Source: USAID, response to SIGAR data call, 10/8/2015.

This quarter, USAID conducted eight rounds of consultations with the Ministry of Women's Affairs (MOWA) to learn the new minister's vision and how MORE can assist. The new minister's priorities for MORE include recruiting senior-level Afghan women's rights advocates who would assist the minister in the areas of donor coordination, strategic planning, program implementation, and communications and outreach; supporting the MOWA's renovation of Zainab Auditorium for use in events, conferences, trainings, and presentations; assisting MOWA in developing a five-year strategic plan; extending the MORE scholarship program for ministry staff in Kabul and the provinces; and training MOWA staff in production of provincial profiles and status-of-women reports. According to USAID, these recommendations have been incorporated into MORE's revised program.<sup>434</sup>

Also this quarter, MORE provided 76 scholarships for MOWA staff to attend private Afghan universities; provided English language classes to 100 MOWA staff; trained 80 MOWA staff on the National Action Plan for Women in Afghanistan; and funded MOWA's national awareness-raising campaign on women's rights.<sup>435</sup>

## National Assembly

Parliament was in recess for much of the quarter, followed by Ramadan and the first Eid holiday. Consequently, parliament carried out relatively few oversight actions as neither plenary sessions and commission sessions were held.<sup>436</sup>

Despite a constitutional requirement to hold elections 30–60 days prior to the expiration of the *Wolesi Jirga* (the lower house) term, the lower house's term expired on June 22, 2015, with no elections held. President Ghani granted an extension to the lower-house members, but critics called that unconstitutional. According to USAID, the delay in parliamentary elections for the lower house has added to a general sense of frustration with the Afghan government. Within parliament there were increased political tensions between the two houses, with members of the upper house questioning the legitimacy of the lower house due to the lack of new parliamentary elections.<sup>437</sup> The IEC has suggested two possible dates for holding lower-house and district-council elections in May or September 2016, but no date has yet been announced.<sup>438</sup>

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.<sup>439</sup>

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

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- On September 19, the Minister of Counter-Narcotics was questioned on increased drug cultivation and addicts, lack of medical centers, and drug sales.
- On September 30, the Minister of Interior, the National Directorate Security (NDS) Chief, the Deputy Chief of Staff of the Afghan Army, the Deputy Advisor to National Security Council, and the Independent Directorate Local Governance (IDLG) Chief provided a briefing on the fall of Kunduz.
- On October 3, the Minister of Border and Tribal Affairs was questioned on the reported MOU with the Taliban that applied to peace and stability in Dandi Ghorī District, Baghlan Province.
- On October 5, the Minister of Martyred, Disabled, Labor, and Social Affairs and the acting Minister of Refugees and Repatriation testified on youth issues including emigration, youth unemployment, Taliban recruitment, and drug addiction.<sup>440</sup>

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.<sup>441</sup> ALBA provides assistance through the Afghanistan Parliamentary Institute (API) to increase Afghan ownership and sustainability of its programs. The API conducts specialized training for members of parliament and support staff as needed. According to USAID, API conducted 70 different trainings over the past two years on topics including legislative drafting, research, legislative process, parliamentary oversight, committee procedure, national budget, and other administrative and management issues. In addition, API conducts an annual training-needs assessment for upper- and lower-house staff.<sup>442</sup>

In June, USAID issued a contracted midterm performance evaluation of ALBA. The evaluation found that although many ALBA-provided trainings are well received by participants, more-technical trainings tended to be too short and lack sufficient detail. Additionally, ALBA’s support to legislative capacity building often took the form of direct technical assistance by ALBA staff rather than teaching parliamentary personnel skills to perform legislative analysis, drafting, and amendment functions unaided. The result was capacity substitution rather than capacity building. The evaluation noted that several factors beyond ALBA’s control might justify capacity substitution, such as disproportionate executive-branch influence in developing legislation, lack of legislative-branch budget independence, the “brain drain” as previously trained staff leave for higher-paying jobs elsewhere, and constitutional time limits for passing legislation.<sup>443</sup>

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

- **Kunduz:** The first secretary of the upper house organized a public event on August 8 to examine the Afghan government’s handling of security matters, over 500 members of the public participated.
- **Balkh, Jowzjan, Sar-e Pul, and Faryab:** Budget and Finance Commission reviewed government performance in the execution of the development budget in these four provinces.<sup>444</sup>



**Participants at the ALBA-sponsored parliamentary event on the security situation in Kunduz Province. (USAID photo)**

## SUBNATIONAL GOVERNANCE

### Rural Stabilization Programs

USAID has several stabilization programs aimed at helping the Afghan government extend its reach into unstable areas and building 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).<sup>445</sup> Table 3.20 summarizes total program costs and disbursements to date.

TABLE 3.20

USAID SUBNATIONAL (RURAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2015 (\$)
Stability in Key Areas (SIKA) East	12/7/2011	9/6/2015	\$145,000,000	\$137,289,015
SIKA South*	4/10/2012	7/31/2015	82,076,234	78,916,121
SIKA West	1/29/2012	8/31/2015	54,000,000	50,730,931
Afghanistan Civilian Assistance Program (ACAP III)	4/20/2015	2/14/2018	30,223,597	9,644,000
Community Cohesion Initiative (North, West)**	9/10/2013	12/2015	29,569,265	20,286,508

Note:

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

\*\* As of 9/23/2015.

Source: USAID, response to SIGAR data calls, 9/22/2015 and 10/8/2015.

The Measuring Impacts of Stabilization Initiatives (MISTI) program recently released the results of data collected in 107 districts between September and November 2014 as part of its mandate to determine whether USAID project activities caused changes in stability and resilience at the district and village levels. According to MISTI, stability was an aggregate measure of whether participatory local-development projects succeed in strengthening perceptions of good governance and effective service delivery, thereby improving citizens’ lives and addressing local grievances that might otherwise contribute to support for insurgents. Resilience, on the other hand, measures how well local leaders are able to mobilize their communities to solve local problems with or without government support.<sup>446</sup>

## 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.

MISTI found that villages that received USAID stability programming registered lower scores for stability than those that did not receive assistance. MISTI hypothesized that the villages selected to receive assistance were initially relatively stable, with higher expectations that were frustrated due to the violence and uncertainty surrounding the presidential elections. MISTI also found that villages receiving SIKA assistance registered lower perceptions of Afghan government performance but higher perceptions of traditional-leader performance.<sup>447</sup> USAID responded that while they agree that expectations in villages receiving assistance were likely higher, they do not believe that the lower stability scores were exclusively due to USAID's stability projects.<sup>448</sup>

MISTI also explored the relationship between USAID stability programs and the insurgency and found increased support for the Taliban when USAID stabilization programs were implemented in Taliban-controlled villages. Additionally, violence increased in government-controlled villages that received USAID stability projects. MISTI concluded that insurgents will purposely target villages because of stability projects.<sup>449</sup> USAID responded that while they do not dispute that violent incidents occur in the vicinity of their stability projects, the direct, definitive correlation of USAID stability projects and violence is unsubstantiated. Additionally, USAID explains MISTI's conclusion that stability programming in Taliban-controlled villages increases support for the Taliban as indicating the "Taliban substantially boosted its local popularity by *allowing* programming to take place in these villages."<sup>450</sup>



**A SIKA West-sponsored** flood-protection wall being constructed by the community in Badghis Province. (USAID photo)

## 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 concerns, thus instilling confidence in the government and bolstering stability.<sup>451</sup> 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.<sup>452</sup>

## 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.<sup>453</sup>

From July to September 10, CCI completed 146 activities. According to USAID, all CCI activities will be fully implemented by the end of October 2015 and the program will close in December 2015.<sup>454</sup>

Since July, security incidents and threats in Kabul have at times affected the ability of CCI personnel to travel to and from their offices or from their offices to the U.S. Embassy Kabul for meetings with USAID. According to USAID, the impact has been minimal, with CCI staff conducting more business remotely, via e-mail and phone. CCI expatriate staff faced challenges in traveling from Kabul to the provincial offices in northern and western Afghanistan due to security restrictions. However, USAID reports that this too has been mitigated with increased use of remote-management tools. While security in several CCI operating provinces has declined in the past quarter, CCI activities have largely proceeded as planned.<sup>455</sup>

## 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.

TABLE 3.21

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2015 (\$)
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2017	\$73,499,999	\$6,584,726
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	2,475,394

Source: USAID, response to SIGAR data call, 10/8/2015.

## 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.<sup>456</sup>

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.<sup>457</sup>

Last quarter, USAID reported that the IDLG was reviewing the 16 provinces identified in the ISLA contract.<sup>458</sup> Following protracted discussions, IDLG agreed this quarter to maintain the 16 provinces listed in ISLA's scope of work.<sup>459</sup>

This quarter, ISLA completed a capacity assessment of the Ministry of Economy, and is holding discussions with IDLG to conduct the same assessment at IDLG.<sup>460</sup>

## 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, Herat, Mazar-e Sharif, and Jalalabad.<sup>461</sup>

This quarter, SHAHAR completed field work and data analysis for the Citizen Perception Surveys that covered all 20 SHAHAR municipalities. Four hundred respondents were interviewed in each municipality for a total of 8,000 interviews.<sup>462</sup>

SHAHAR examined municipal-revenue collection figures for the first two quarters of the year (as of June 21) for all SHAHAR municipalities except Jalalabad. SHAHAR found that the municipal collection of fixed (recurring) revenue has averaged only 28% of budgeted revenues, with non-fixed revenue collection averaging 11%, and total revenue collection averaging almost 20%. According to SHAHAR, municipal-revenue collections should have represented 50% of budgeted revenues.<sup>463</sup>

**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

Initially promising direct peace talks between the Taliban and the Afghan government last quarter gave way to increased uncertainty following the announcement of the previously undisclosed 2013 death of Taliban leader Mullah Mohammad Omar. According to the United Nations Secretary-General, rather than ushering in greater peace, the conflict grew in both intensity and geographic scope over the quarter.<sup>464</sup> Rifts emerging within the Taliban leadership fueled doubts about the Taliban's commitment to a peace process.

In his first public message, the Taliban's new leader, Mullah Akhtar Mohammad Mansoor, released a statement on August 1, 2015, calling for continued jihad and claiming the peace process was enemy propaganda.<sup>465</sup> According to Resolute Support commander General John F. Campbell, it remains unclear whether Mullah Omar's death and Taliban infighting will undermine or aid reconciliation efforts.<sup>466</sup>

Further complicating the peace effort, bilateral relations between Afghanistan and Pakistan deteriorated despite Pakistan's previously constructive role as the host for the July 7 talks.<sup>467</sup> As General Campbell observed, "for every two steps forward in [Afghanistan-Pakistan] relations, another is seemingly taken backwards."<sup>468</sup>

The Pakistan and Afghan governments engaged in tit-for-tat recriminations throughout August and September. Following a series of attacks in Kabul, President Ghani called on Pakistan to take action against Taliban facilities in Pakistan. Ghani pointedly said, "We don't want Pakistan to bring the Taliban to peace talks, but to stop the Taliban's activities on their soil."<sup>469</sup> The rhetoric increased in mid-August when the Afghan acting minister of defense, Masoom Stanekzai, made statements that were understood by Afghan media as meaning that relations between Afghanistan and Pakistan had transitioned from "an undeclared war [...] into a declared war."<sup>470</sup>

After Afghanistan summoned Pakistan's ambassador over a border incident, Pakistan summoned the Afghan ambassador over concerns that Afghan political leaders were engaged in a smear campaign against Pakistan.<sup>471</sup> Following the September attack by the Pakistani Taliban against a Pakistani air force base in Peshawar, Pakistan claimed that the attack was planned from Afghan territory. The spokesman noted that Pakistan did not, however, believe that the Afghan government was involved. The Afghan government rejected the Pakistani claims, saying that Afghanistan never has and never will allow its territory to be used against other states.<sup>472</sup>

Despite the mutual accusations, Pakistan's advisor to the prime minister on foreign affairs and national security, Sartaj Aziz, said that efforts were under way to revive peace talks and that Pakistan remained willing to facilitate talks if requested by the Afghan government.<sup>473</sup>

General Campbell told the Senate that Afghanistan and Pakistan's political and military relations are likely to improve, albeit only incrementally

and on a transactional basis.<sup>474</sup> Despite the challenges in bilateral relations, State said that Pakistan continues to make efforts to further an Afghan-led and Afghan-owned reconciliation process. According to State, both Afghanistan and Pakistan have worked to build stronger bilateral ties and have undertaken efforts to address their mutual concerns.<sup>475</sup>

## Afghanistan Peace and Reintegration Program

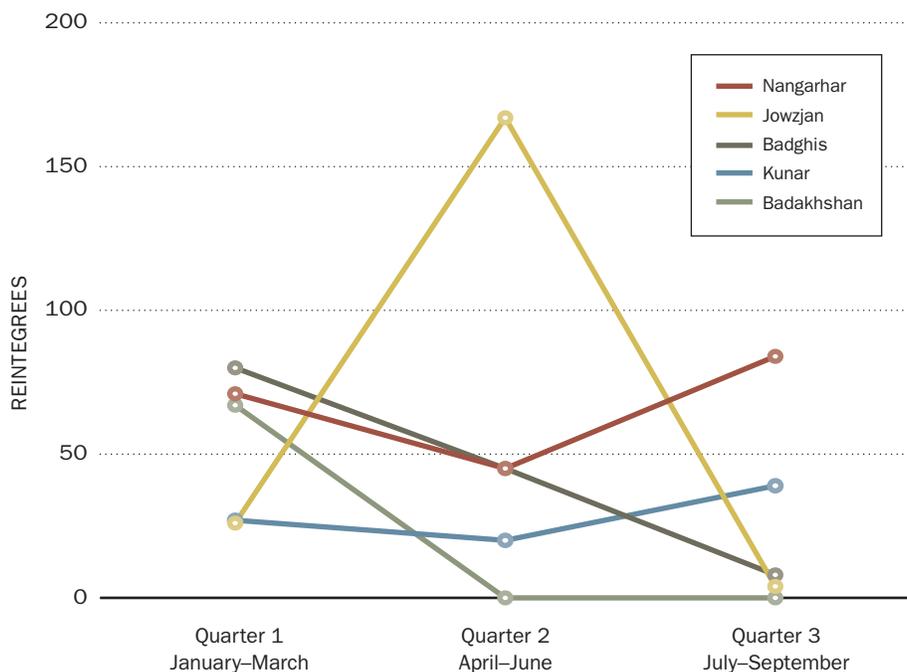
The Afghanistan Peace and Reintegration Program (APRP) is an Afghan-led program to reintegrate low-level insurgent fighters and their commanders into Afghan civil society.<sup>476</sup> For more information, see SIGAR’s October 2014 *Quarterly Report to the United States Congress*, pages 149–151.

According to State, as of September 30, the APRP has facilitated a total of 10,578 reintegrees, 988 of whom were reportedly “commanders.” A total of 143 reintegrees are documented recidivists. Badghis and Baghlan Provinces saw the largest number of reintegrees: 1,604 and 1,204 respectively.<sup>477</sup> The top reintegration provinces for 2015 are shown in Figure 3.28.

The number of reintegration requests declined following the July 2015 confirmation of Mullah Omar’s death. The number of reintegrees went from

FIGURE 3.28

2015 REINTEGREGES BY PROVINCE AND QUARTER (TOP FIVE PROVINCES)



Source: State, SCA, response to SIGAR data call, 10/8/2015.

133 in July (up from 17 in June) after the July 7 peace talks, then decreased significantly to 40 in August after confirmation of Omar’s death and the Taliban’s subsequent leadership struggle. The numbers dropped to just one reintegree during September. According to UNDP, the significant drop could be attributed partially to the Eid-e Qurban holiday (September 23–26). The APRP Joint Secretariat expects the number of reintegrees to increase to 200 in October after it processes those in its backlog.<sup>478</sup>

The goal of APRP is to remove fighters and commanders from the battlefield. According to State, the latest estimate of active Taliban fighters ranges from 20,000 to 30,000.<sup>479</sup>

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.<sup>480</sup>

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.<sup>481</sup>

## 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.

TABLE 3.22

STATE DEPARTMENT RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2015 (\$)
Justice System Support Program II (JSSP II)	6/16/2010	2/29/2016	\$224,142,053	\$203,431,814
Corrections System Support Program (CSSP III)*	1/1/2015	2/28/2016	22,161,965	10,639,917
Justice Training Transition Program (JTTP)	1/2/2013	3/31/2016	47,435,697	47,435,697
Delegated Cooperation Agreement (DCAR) with the Department for International Development (DFID) for Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)	5/19/2015	8/31/2020	3,000,000	500,000

Note: \* As of 8/31/2015.

Source: State, INL, response to SIGAR data calls, 9/24/2015 and 10/8/2015; USAID, response to SIGAR data call, 10/8/2015.

# GOVERNANCE

USAID has a forthcoming rule-of-law program in the procurement phase and will work with the Supreme Court, Ministry of Justice, and the informal justice system.<sup>482</sup>

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 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 funds the MEC's monitoring, analysis, and reporting activities, including vulnerability-to-corruption assessments. According to USAID, President Ghani has shown interest in expanding the MEC's work beyond its current monitoring framework.<sup>483</sup>

USAID is designing two anticorruption activities for Afghanistan.<sup>484</sup> USAID previously reported that one of the proposed projects will aim to 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.<sup>485</sup>

The State Department's JSSP objectives include continuing to develop a case-management system (CMS) to track cases throughout Afghanistan's justice system and building the capacity and administrative skills of ministry officials.<sup>486</sup>

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 by identifying when cases are not being processed in a statutory manner. Ministries routinely utilize the CMS to understand the functioning 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.<sup>487</sup> From 2013 to August 2015, JTTP has reviewed 2,699 CMS cases of which 91% were found to be accurate. In the provinces, Balkh Province had the lowest amount (66%) of correct CMS files to date.<sup>488</sup>

The State Department's JTTP provides regional training to justice-sector officials on a wide range of criminal-justice topics.<sup>489</sup> 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.<sup>490</sup>

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.<sup>491</sup>

JTTP legal advisors visit courtrooms of judges who have graduated or will graduate from JTTP courses. If the legal advisors are granted access to the courtroom for a given trial, the trial is reported as "open." If they are not permitted access to a courtroom for a given trial, and there is no permissible reason for the restriction, the trial is reported as "closed."<sup>492</sup>

From 2013 to August 2015, JTTP observed a total of 800 trials, of which 93% were open. In the provinces, Nangarhar Province had the lowest overall percentage of open trials to date (39%).<sup>493</sup>

## The Supreme Court and the Formal Justice Sector

A new Supreme Court chief justice, former Deputy Justice Minister Sayed Yousuf Halim, was appointed and sworn into office this quarter. According to State, the new chief justice is well-regarded in the legal community and has indicated an interest in instituting judicial reforms.<sup>494</sup> In his recent interview with SIGAR, President Ghani described Halim as "our best legal mind, with immense experience and not one whiff of corruption." (For more information, see Section 1 of this report.)

According to the SMAF, short-term deliverables related to the justice sector include the launch of a justice-sector reform plan by December 2016 and a draft of a revised penal code completed December 2016.<sup>495</sup>

In a statement issued this quarter, the MEC said, "The justice sector remains largely incapable of investigating and prosecuting corruption cases, especially against well-connected individuals who operate with near impunity, secure in the knowledge that they are effectively above the law."<sup>496</sup>

## 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 10.75% annually over the past five years. As of July 31, the GDPDC incarcerated 26,119 male and 727 females, while the Ministry of Justice's Juvenile Rehabilitation Directorate (JRD) incarcerated 826 male juveniles and 78 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.<sup>497</sup>

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities for men, although state-funded prison construction has added some new prison beds and presidential-amnesty decrees have reduced the prison population significantly. As of July 31, the total male provincial-prison population was at 190% of capacity, as defined by International Committee of the Red Cross's (ICRC) minimum standard 3.4 square meters per inmate. By contrast, the total female provincial-prison population was at 65% of the ICRC-recommended capacity. The JRD's juvenile-rehabilitation centers' population was at 66% of ICRC-recommended capacity.<sup>498</sup>

State is soliciting a contract for renovations of the Pol-i-Charkhi prison. The planned project includes constructing a wastewater treatment plant, remodeling three cell blocks, and extensive structural, electrical, and plumbing renovations.<sup>499</sup> SIGAR reported last year on the challenges State faced with a previous, five-year renovation project at Pol-i-Charkhi prison that was terminated for convenience: the contractor had done only 50% of the work, but State paid out \$18.5 million on a contract valued at \$20.2 million.<sup>500</sup>

## Anticorruption

During a meeting with religious scholars in Kabul this quarter, President Ghani called for “a national jihad to fight corruption.”<sup>501</sup> In his interview with SIGAR, he described various steps his government has taken to combat corruption, such as the prosecution of the individuals responsible for the Kabul Bank scandal, and a cleanup of the government contract-procurement process. (For more information, see Section 1 of this report.)

However, according to CSTC-A, there is insufficient high-level Afghan government strategic guidance regarding anticorruption. The revised anticorruption strategy is overdue and the anticorruption law remains in draft form.<sup>502</sup>

## Afghan Attorney General's Office

The Afghan government has yet to nominate a new attorney general.<sup>503</sup> In his interview with SIGAR, President Ghani said he would soon be turning “in earnest” to the appointment of a new attorney general. (For more information, see Section 1 of this report.) The appointment of a new attorney general by the end of 2015 is a SMAF short-term deliverable.<sup>504</sup>

According to State, the Attorney General's Office (AGO) is widely criticized as unresponsive and lacking in transparency in its prosecution of cases. Afghan government officials complain they are often unable to learn the status of cases that have been referred to the AGO.<sup>505</sup>

## Major Crimes Task Force

The MCTF is an investigatory arm of the MOI and the NDS.<sup>506</sup> According to DOD, since the formation of the national-unity government, the MCTF has begun to more aggressively target senior-level government officials

in its investigations of corruption cases.<sup>507</sup> According to State, MCTF's pace of investigations has decreased greatly due to the MOI's refusal or inability to continue providing MCTF funding for its confidential human sources. MCTF senior leadership and line investigators continue to encounter resistance from senior Afghan government officials and members of parliament when investigating allegations of corruption against politically-connected targets.<sup>508</sup>

Despite an increase in referrals, the MCTF has seen no improvement in case processing at the AGO. Under the CPC, felony-level cases should be brought to trial within 75 days of arrest. In five of the seven recent cases, 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. The MCTF is, however, hopeful that the AGO's prosecution rate will increase once a new attorney general is in place.<sup>509</sup>

According to DOD, although the MCTF regularly demonstrates its ability to investigate crime and is motivated to combat corruption, the MCTF suffers from the lack of clear jurisdiction and insufficient autonomy to pursue cases. For example, every case the MCTF wishes to pursue must be approved by senior officials outside of the MCTF. This provides an opportunity for investigations to be halted before they begin and also provides disincentives for detectives to take the initiative. Additionally, corruption cases handled by the MCTF must pass through at least two prosecution offices before reaching the AGO's anticorruption prosecution units. Cases face potential derailment as they navigate each additional office. According to DOD, simplifying and making the criminal-justice pathway for corruption cases more transparent is a potential reform that will improve MCTF's work.<sup>510</sup>

## **Independent Joint Anti-Corruption Monitoring and Evaluation Committee**

The MEC was formally established in March 2010 by presidential decree. The MEC's mandate is to develop anticorruption recommendations and benchmarks, to monitor efforts at fighting corruption, and to report on these efforts. It comprises three Afghan members and three international members and is led by an Afghan executive director. MEC has approximately 20 staff, but USAID notes that the MEC may increase its staff since President Ghani has increasingly sought analytical products from it.<sup>511</sup>

According to State, the MEC continues to demonstrate administrative competence 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.<sup>512</sup> This quarter, the MEC began working with the Ministry of Public Health, at the ministry's request, to start an overall assessment of corruption in the institution.

# GOVERNANCE

USAID, together with the small working group, is working with the MEC to develop its capacity, prioritize its work, and support the implementation of suggested reforms.<sup>513</sup> The MEC has also signed an MOU with the Afghan government to examine the defense ministry.<sup>514</sup>

This quarter the MEC issued reports covering corruption vulnerabilities in teacher recruitment at the Ministry of Education (MOE); corruption vulnerabilities associated with the process for registering official documents; and an assessment of 22 ministries' 100-day plans.

After discussions in Kabul, Herat, Nangarhar, Balkh, Badakhshan, and Laghman Provinces, the MEC found the teacher-recruitment system highly vulnerable to corruption. Additionally, although corruption in the teacher-recruitment process is well known and often easily identified, very little action is ever taken by the MOE or AGO. The MEC found that although teachers are required to fill in attendance sheets, this requirement is often not followed. In most of the provinces, including Kabul, attendance sheets are not being used or are frequently forged. According to the MEC, the salaries usually go to a group of officials who collude to steal money from accounts allotted for teacher salaries. The MEC also found that members of parliament often trade their votes on the MOE budget for a certain allotment of teacher positions that they can give to their constituencies or use for other political favors. Provincial officials who spoke to the MEC even suggested that nearly 50% of the positions are "given" to parliamentarians in this way, although the MEC notes that it could not verify this figure.<sup>515</sup>

When the MEC examined the process for registering certified or notarized documents with the government, it found numerous vulnerabilities. According to the MEC, many of vulnerabilities were due to a failure to observe laws and regulations, poor inter-institutional coordination among government stakeholders, and significant human-resource and technical-capacity deficiencies. These deficiencies, combined with organizational-structure issues, lengthy and overly complicated bureaucratic procedures, and overlapping responsibilities within different entities, create an environment conducive to a range of corruption vulnerabilities. Additionally, the MEC found that many certified or notarized documents can be easily forged. According to multiple interviewees conducted by the MEC, it is possible to bribe judges to accept even the most obvious forgeries.<sup>516</sup>

The MEC also reviewed the anticorruption provisions of 100-day ministry plans mandated by the president for each ministry this year. The plans were meant to describe how the ministries planned to improve service provision and implement internal reforms to improve the efficiency of their operations. Of the 22 plans the MEC reviewed, only six had a specific anti-corruption section. The MEC did note, however, that most of the remaining plans outlined reforms that, if implemented, could reduce corruption. The MEC identified several deficiencies that were common to many, though not all, plans including:

- failure to outline implementation mechanisms necessary for achieving desired goals
- insufficient detail about most initiatives described in the plans
- general lack of prioritization
- unclear relationship between the plans and the ministries' current resources and future budgets
- lack of monitoring and evaluation to track the progress of the plans
- unrealistic, short-term goals, and overly ambitious timeframes
- failure to directly address the MEC's recommendations<sup>517</sup>

## High Office of Oversight and Anticorruption

The High Office of Oversight and Anti-Corruption (HOO) was established in July 2008 by presidential decree to oversee and coordinate 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.<sup>518</sup> Ghani has limited the HOO's mandate to collecting and verifying public officials' asset declarations.<sup>519</sup>

On July 3, the acting director general of the HOO told *Tolo News* that several senior Afghan officials—including President Ghani, Chief Executive Abdullah, and 14 cabinet ministers—had 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.<sup>520</sup> As of late September, however, CSTC-A reports that Ghani, Abdullah, and first vice president Dostum had not yet declared their assets.<sup>521</sup>

A SMAF short-term deliverable includes the requirement for 90% of government officials required to declare their assets to do so by mid-2016.<sup>522</sup> Asset declaration was previously a TMAF hard deliverable requirement. Since the inauguration of the new government in September 2014, 23 out of 25 cabinet ministers have declared their assets, meaning a total of 24 out of 38 government officials have declared their assets per the constitutional requirement.<sup>523</sup>

## 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 with members from both houses; its members are all female. 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.<sup>524</sup>

According to State, the PACC has proposed anticorruption legislation that is not supported outside the PACC.<sup>525</sup>

## **Security Services**

In April, the then commander of CSTC-A, Major General Todd T. 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.<sup>526</sup> Since that admission, according to CSTC-A, there have been no studies or reviews to quantify the level of corruption in Afghanistan.<sup>527</sup>

According to CSTC-A, the Ghani administration has increased focus on high-level corruption challenges at the MOD, but has had little impact on anticorruption efforts at the MOI.<sup>528</sup> While it is too early to measure the impact of the new administration on anticorruption efforts, CSTC-A sees positive signs in MOD’s increased awareness and emphasis on counter-corruption initiatives.<sup>529</sup>

## **Ministry of Defense**

Two active forums are currently addressing corruption issues within the MOD: the Counter Corruption Working Group (CCWG) and the Senior High Level Committee on Anti-Corruption (SHCAC). DOD reported last quarter that neither forum has been an effective arena for meaningful anticorruption or counter-corruption efforts, partly because the forums consist of the same senior officials who engage in corrupt acts.<sup>530</sup> This quarter, DOD reports that the CCWG has shown improvement through regular, monthly meetings and review of corruption cases. The SHCAC mechanism, however, remains in its infancy and its effectiveness cannot be assessed despite a new chair being appointed.<sup>531</sup>

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 of the committees also insulates the deputy corps commander (who is also the head of procurement for the corps) from oversight on procurement decisions.<sup>532</sup> According to a recent assessment by the MOD Inspector General (MOD IG), the TACs are ineffective and their work unsatisfactory.<sup>533</sup>

## **Ministry of Interior**

Last quarter, the Afghan government removed the former MOI IG and appointed Major General Rahimullah. According to CSTC-A, MOI IG

Rahimullah has proven a solid choice who has demonstrated leadership and motivation in performing his duties.<sup>534</sup> This quarter, the MOI IG initiated fuel inspections as the first step into verifying fuel accountability. MOI IG aims to establish a fuel inspection program to reduce misappropriation and policy noncompliance within MOI.<sup>535</sup>

## HUMAN RIGHTS

### Refugees and Internal Displacement

As of July 15, the United Nations High Commissioner for Refugees (UNHCR) estimated that at least 291,800 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 until 2016 due to the reconstruction needs in North Waziristan.<sup>536</sup>

State reported no major change in numbers of refugees leaving Afghanistan.<sup>537</sup> However, according to UNHCR, 77,731 Afghans applied for asylum in Europe in the first six months of 2015. This represented a significant increase from the 24,154 who sought asylum in the same period in 2014. Afghans are second only to Syrians in claiming asylum in Europe, the UNHCR numbers show.<sup>538</sup>

UNHCR recorded facilitating the return of 50,433 Afghan refugees from Pakistan as of August 28.<sup>539</sup> 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.<sup>540</sup> Overall, 91,458 undocumented Afghans were recorded at border crossings returning to Afghanistan from Pakistan during the first six months of 2015, compared with 21,866 individuals during the same period in 2014. A total of 243,107 individuals spontaneously returned or were deported from Iran during the first half of 2015, compared with 220,564 during the same period in 2014.<sup>541</sup>

As of July 31, UNHCR recorded a total of 980,324 registered conflict-affected internally displaced persons (IDPs), compared to the 949,995 registered IDPs as of June.<sup>542</sup> UNHCR reports the major causes of displacement during the quarter were ground offensives by anti-government forces and ANDSF counteroffensives.<sup>543</sup>

### Gender

The largest gender-focused initiative in USAID's history is the Promote partnership that aims to assist over 75,000 Afghan women in achieving leadership roles in all parts of society, such as business, academia, politics, and public policy over five years.<sup>544</sup> USAID has committed \$216 million to

### SIGAR AUDIT

This quarter, SIGAR issued an audit of State's efforts to assist Afghan refugees living in Pakistan and Iran, and Afghan returnees. The audit found that the UNHCR and State are unable to independently verify the number of Afghan refugees reported by the Pakistani and Iranian governments. The audit also found that the Afghan Ministry of Refugees and Repatriation—the ministry responsible for coordinating refugee and returnee affairs with other ministries and international organizations—has limited capacity to fulfill its obligations or to work with other ministries, and had been beset by allegations of corruption. For more information, Section 2, p. 23.

# GOVERNANCE

TABLE 3.23

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 9/30/2015 (\$)
Afghan Women's Leadership in the Economy	7/1/2015	6/30/2020	\$71,571,543	\$80,819
Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	5,163,910
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	827,228
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	-
Promote: Economic Empowerment of Women in Afghanistan	5/8/2015	5/7/2018	1,500,000	50,000
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data calls, 9/23/2015 and 10/8/2015.

Promote and hopes to raise an additional \$200 million from other international donors.<sup>545</sup> However, no donors have committed to contribute funds to Promote. In August, the Japan International Cooperation Agency signed a memorandum with USAID agreeing to cooperate on efforts that work towards advancing equality for women in Afghanistan.<sup>546</sup>

This quarter, USAID launched the Promote High Level Advisory Committee (PAC); two meetings have been held. The PAC will create a forum for feedback and advice on Promote program implementation. USAID has also established a Promote Outreach and Communications Working group to ensure quality and timely outreach to Afghans about the program, as shown in Table 3.23.<sup>547</sup>



The launch event for a USAID's women's leadership skills course that is aimed at young high-school graduates. (USAID photo)

The Promote Women in Government (WIG) program is conducting a pilot internship program for 22 interns who will train for six months at the Afghan Civil Service Institute. Each intern will have a three-month on-the-job internship. Interns who complete the program will be able to apply for grade 4 or 5 (mid-level) civil service positions. A second tranche of 200 interns is planned for October.<sup>548</sup>

The Promote Women's Leadership Development (WLD) program is rolling out the Leadership Program in five regional centers (Kabul, Herat, Mazar-e Sharif, Jalalabad, and Kandahar cities). USAID reports that there are currently 1,000 students benefiting from WLD leadership programs.<sup>549</sup>

The SMAF includes several short-term deliverables related to women's rights, including: the requirement for a national action plan for women peace-and-security implementation and financing plan approved by the end of 2015, with implementation started by mid-2016; an antiharassment regulation for improving working environments for public-sector women, to be issued by mid-2016; and dedicated violence-against-women prosecution units established in 26 provinces by December 2016.<sup>550</sup>