

3 RECONSTRUCTION UPDATE



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Afghan National Army corps commander Brigadier General Dawood Shah Wafadar, left, greets U.S. Army Brigadier General Paul Bontrager before taking a battlefield-familiarization flight over key terrain in southern Afghanistan. (Resolute Support photo by Lieutenant Colonel Bill Coppernoll)

RECONSTRUCTION UPDATE

OVERVIEW

President Obama announced on October 15, 2015, that the United States will cease withdrawing U.S. troops from Afghanistan through most of 2016 and keep thousands in the country through the end of his term in 2017. President Obama said U.S. forces will continue to perform two critical missions—training Afghan forces, and supporting counterterrorism operations against al-Qaeda.

In a major setback for the Afghan government, the Taliban this quarter temporarily seized the northern city of Kunduz on September 28. It was the group's first capture of a provincial capital since Coalition forces began operations in Afghanistan in 2001. The Afghan National Defense and Security Forces (ANDSF) retook the city within two weeks with U.S. forces providing close-air support to troops clearing the city. However, one of those airstrikes hit a Doctors Without Borders trauma center, killing at least 22 people, including medical staff and patients. President Obama apologized to the president of Doctors Without Borders and said the United States would examine its military procedures. U.S. Forces-Afghanistan (USFOR-A) and Resolute Support (RS) commander General John F. Campbell has pledged a thorough, objective, and transparent U.S. investigation of the incident. However, the president of Doctors Without Borders continued to call for a fact-finding mission under the Geneva Convention.

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 the private sector attended the SOM. As a result of the 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.

Despite hopeful steps last quarter, reconciliation efforts stalled following an internal power struggle within the Taliban after the confirmation

RECONSTRUCTION UPDATE



Several ministers and key government officials held a press conference in Kabul on September 7 to present the outcomes of the SOM. The conference brought together more than 60 governments, international agencies, and others with the Afghan authorities to review the country's progress toward realizing self-reliance. (UNAMA photo)

that Taliban leader Mullah Mohammad Omar had died in 2013 and after subsequent Taliban attacks in Kabul, Kunduz, and elsewhere. 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. As General Campbell observed, "for every two steps forward in [Afghanistan-Pakistan] relations, another is seemingly taken backwards."

Afghanistan's economy did not recover in 2015 as the World Bank had predicted. The World Bank now projects real GDP to grow 1.9% and to remain sluggish over the medium term. Afghanistan is experiencing deflation, which may be a result of declining demand due to the reduced international troop presence and lower levels of foreign aid.

Although domestic revenues in the first eight months of fiscal year (FY) 1394 increased about 13% above the same period in FY 1393, and overall expenditures remained flat, there has been little progress in closing the considerable gap between revenues and expenditures. Revenues paid for less than half (39%) of total budget expenditures so far, with donor contributions making up the difference. An Afghanistan Ministry of Finance (MOF) mid-year budget review showed an expected gap of around \$165 million, after donor grants, primarily in the development budget, which covers capital projects. The fiscal gap could widen or shrink,

depending on variables, but Afghanistan is expected to require substantial donor aid for the foreseeable future.

President Ashraf Ghani in October signed Afghanistan's new counter-narcotics strategy for the next five years, the National Drug Action Plan (NDAP). The United States has committed \$350 million for the Afghan counternarcotics effort, including implementation and support of the plan. However, the U.S. track record in combatting narcotics production in Afghanistan is not encouraging. U.S. spending on counternarcotics since 2002 already exceeds \$8 billion, yet Afghanistan remains the world's leading producer of opium.

The United Nations Office on Drugs and Crime (UNODC) reported this quarter that opium production decreased 48% this year compared to last year. The drop would be significant, but UNODC cautions that its reporting methodology changed between 2014 and 2015, possibly "making the extent of changes appear greater than it actually was."

As of September 30, 2015, approximately \$109.6 billion had been appropriated for Afghanistan relief and reconstruction since 2002. Nearly \$92.3 billion of this total was appropriated for the seven major reconstruction funds, and approximately \$8.9 billion remained in the pipeline for potential disbursement.

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STATUS OF FUNDS

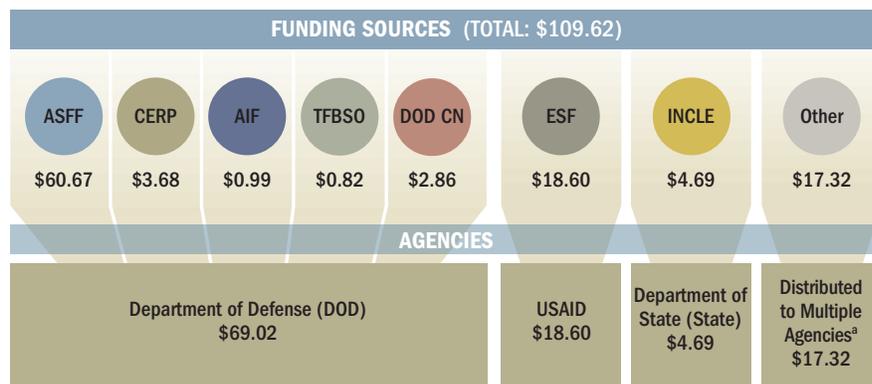
To fulfill SIGAR’s legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of September 30, 2015, the United States had appropriated approximately \$109.62 billion for relief and reconstruction in Afghanistan since fiscal year (FY) 2002. This total has been allocated as follows:

- \$65.04 billion for security (\$4.43 billion for counternarcotics initiatives)
- \$31.79 billion for governance and development (\$3.96 billion for counternarcotics initiatives)
- \$2.92 billion for humanitarian aid
- \$9.87 billion for civilian operations

Figure 3.1 shows the major U.S. funds that contribute to these efforts.

FIGURE 3.1

U.S. FUNDS SUPPORTING AFGHANISTAN RECONSTRUCTION EFFORTS (\$ BILLIONS)



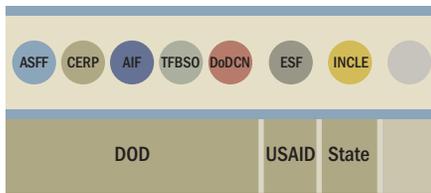
- ASFF:** Afghanistan Security Forces Fund
- CERP:** Commander’s Emergency Response Program
- AIF:** Afghanistan Infrastructure Fund
- TFBSO:** Task Force for Business and Stability Operations
- DOD CN:** DOD Drug Interdiction and Counter-Drug Activities
- ESF:** Economic Support Fund
- INCLE:** International Narcotics Control and Law Enforcement
- Other:** Other Funding

Note: Numbers have been rounded.

^a Multiple agencies include DOJ, State, DOD, USAID, Treasury, USDA, DEA, BBG, and SIGAR.

Source: DOD, response to SIGAR data calls, 10/20/2015, 10/16/2015, 10/15/2015, 10/8/2015, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 10/20/2015, 10/13/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012 and 6/27/2012; Treasury, response to SIGAR data call, 7/9/2015; OMB, response to SIGAR data calls, 4/16/2015, 7/14/2014, 7/19/2013 and 1/4/2013; USAID, response to SIGAR data calls, 10/13/2015, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 9/24/2015 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2015," 10/19/2015; Pub. L. Nos. 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

STATUS OF FUNDS



The amount provided to the seven major U.S. funds represents more than 84.2% (nearly \$92.31 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, nearly 92.1% (nearly \$85.01 billion) has been obligated, and nearly 85.7% (more than \$79.10 billion) has been disbursed. An estimated \$4.28 billion of the amount appropriated these funds has expired.

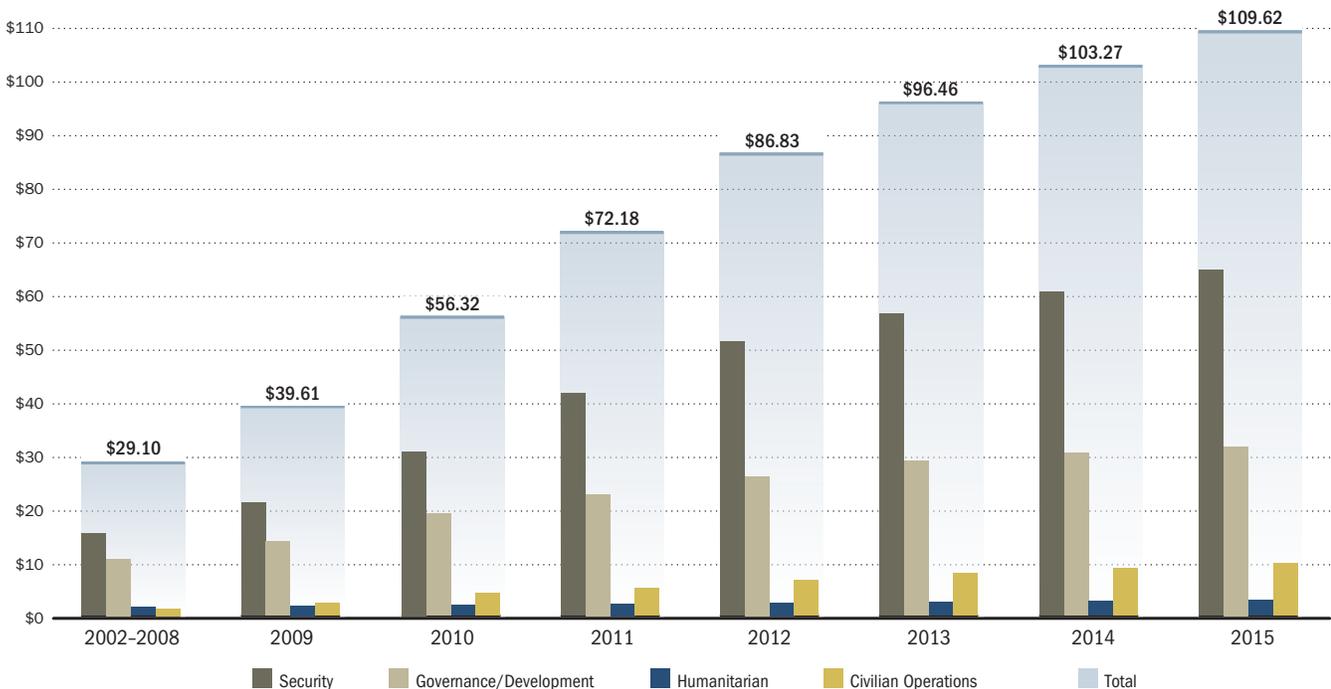
U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

As of September 30, 2015, cumulative appropriations for relief and reconstruction in Afghanistan totaled approximately \$109.62 billion, as shown in Figure 3.2. This total can be divided into four major categories of reconstruction funding: security, governance and development, humanitarian, and oversight and operations. Approximately \$8.40 billion of these funds support counternarcotics initiatives which crosscut both the security (\$4.43 billion) and governance and development (\$3.96 billion) categories. For complete information regarding U.S. appropriations, see Appendix B.

The Consolidated and Further Continuing Appropriations Act, 2015, provided an additional \$6.35 billion for FY 2015, as shown in Figure 3.3. Security remains the largest appropriation category. Appropriations to train, equip, and support the Afghan National Defense and Security Forces (ANDSF) make up more than all other categories of reconstruction funding combined—more than 64.7% of FY 2015 funding.

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY, AS OF SEPTEMBER 30, 2015 (\$ BILLIONS)



Note: Numbers have been rounded. DOD reprogrammed \$1 billion from FY 2011 ASFF. DOD reprogrammed \$1 billion from FY 2012 ASFF. Pub. L. 113-6 rescinded \$1 billion from FY 2012 ASFF. DOD reprogrammed \$1.78 million from FY 2013 ASFF. Pub. L. 113-235 rescinded \$764.38 million from FY 2014 ASFF. DOD transferred \$101 million from FY 2011 AIF, \$179.5 million from FY 2013 AIF, and \$55 million from FY 2014 AIF to the ESF to fund infrastructure projects implemented by USAID.

Source: DOD, response to SIGAR data calls, 10/20/2015, 10/16/2015, 10/15/2015, 10/8/2015, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 10/20/2015, 10/13/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012 and 6/27/2012; Treasury, response to SIGAR data call, 7/9/2015; OMB, response to SIGAR data calls, 4/16/2015, 7/14/2014, 7/19/2013 and 1/4/2013; USAID, response to SIGAR data calls, 10/13/2015, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 9/24/2015 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2015," 10/19/2015; Pub. L. Nos. 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

STATUS OF FUNDS

The United States aims to channel at least 50% of its development assistance on-budget to the Government of Afghanistan.¹ This assistance is provided either directly to Afghan government entities or via contributions to multilateral trust funds that also support the Afghan government's budget.² Since 2002, the United States has provided nearly \$9.59 billion in on-budget assistance. This includes about \$5.52 billion to Afghan government ministries and institutions, and nearly \$4.07 billion to three multinational trust funds—the World Bank's Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme's Law and Order Trust Fund (LOTFA), and the Asian Development Bank's Afghanistan Infrastructure Trust Fund (AITF). Table 3.1 shows U.S. on-budget assistance disbursed to the Afghan government and multilateral trust funds.

TABLE 3.1

U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN, SINCE 2002 (\$ MILLIONS)	
Government-to-Government	
DOD	\$4,946
State	92
USAID	485
Multilateral Trust Funds	
LOTFA	\$1,527
ARTF	2,433
AITF	105

Note: Numbers have been rounded. Figures reflect amounts the United States has disbursed in on-budget assistance to Afghan government entities and multilateral trust funds. As of September 30, 2015, USAID has obligated approximately \$1.3 billion for government-to-government assistance.

Source: DOD, response to SIGAR data call, 6/25/2015; USAID, response to SIGAR data call, 10/13/2015; World Bank, ARTF, *Administrator's Report on Financial Status as of August 22, 2015 (end of 8th month of FY 1394)*, p. 5; UNDP, response to SIGAR data call, 10/19/2015.

FIGURE 3.3
APPROPRIATIONS BY FISCAL YEAR, AMOUNT, AND CATEGORY (\$ BILLIONS)



Note: Numbers have been rounded. DOD reprogrammed \$1 billion from FY 2011 ASFF. DOD reprogrammed \$1 billion from FY 2012 ASFF. Pub. L. 113-6 rescinded \$1 billion from FY 2012 ASFF. DOD reprogrammed \$178 million from FY 2013 ASFF. Pub. L. 113-235 rescinded \$764.38 million from FY 2014 ASFF. DOD transferred \$101 million from FY 2011 AIF, \$179.5 million from FY 2013 AIF, and \$55 million from FY 2014 AIF to the ESF to fund infrastructure projects implemented by USAID.

Source: DOD, response to SIGAR data calls, 10/20/2015, 10/16/2015, 10/15/2015, 10/8/2015, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 10/20/2015, 10/13/2015, 4/15/2015, 4/15/2014, 6/27/2013, 10/5/2012 and 6/27/2012; Treasury, response to SIGAR data call, 7/9/2015; OMB, response to SIGAR data calls, 4/16/2015, 7/14/2014, 7/19/2013 and 1/4/2013; USAID, response to SIGAR data calls, 10/13/2015, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 9/24/2015 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2015," 10/19/2015; Pub. L. Nos. 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

STATUS OF FUNDS

AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated nearly \$109.62 billion for Afghanistan relief and reconstruction. Of this amount, \$92.31 billion (84.2%) was appropriated to the seven major reconstruction funds, as shown in Table 3.3.

FIGURE 3.4

CUMULATIVE AMOUNT REMAINING TO BE DISBURSED (\$ BILLIONS)

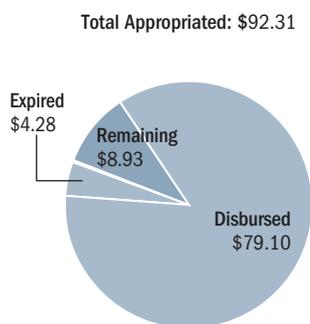


TABLE 3.3

CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED FY 2002–2015 (\$ BILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
Afghanistan Security Forces Fund (ASFF)	\$60.67	\$56.92	\$55.79	\$3.07
Commander's Emergency Response Program (CERP)	3.68	2.28	2.27	0.02
Afghanistan Infrastructure Fund (AIF)	0.99	0.79	0.48	0.32
Task Force for Business & Stability Operations (TFBSO)	0.82	0.76	0.64	0.12
DOD Drug Interdiction and Counter-Drug Activities (DOD CN)	2.86	2.86	2.86	0.00
Economic Support Fund (ESF)	18.60	17.06	13.54	4.36
International Narcotics Control & Law Enforcement (INCLE)	4.69	4.33	3.54	1.05
Total 7 Major Funds	\$92.31	\$85.01	\$79.10	\$8.93
Other Reconstruction Funds	7.44			
Civilian Operations	9.87			
Total	\$109.62			

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately \$4.3 billion that expired before being obligated. Obligated and disbursed DOD CN funds reflect amounts transferred to the military services and defense agencies to be spent for Afghanistan. Figures reflect transfers, rescissions, and reprogramming activity to date.

Source: SIGAR, analysis of appropriating legislation and quarterly obligation and disbursement data provided by DOD, State, and USAID, 10/20/2015.

TABLE 3.2

FY 2015 AMOUNTS APPROPRIATED (\$ MILLIONS)	
	Appropriated
ASFF	\$4,109.33
CERP	10.00
ESF	831.90
INCLE	250.00
Total Major Funds	\$5,201.23

Note: Numbers have been rounded. ESF was reduced from an anticipated \$900 million to \$831.9 million during the 653(a) congressional consultation process.

Source: DOD, response to SIGAR data call, 7/13/2015; State, response to SIGAR data calls, 4/15/2015 and 10/20/2015; Pub. L. No. 113-235.

As of September 30, 2015, approximately \$8.93 billion of the amount appropriated to the seven major reconstruction funds remained for possible disbursement, as shown in Figure 3.4. These funds will be used to train, equip, and sustain the ANDSF; complete on-going, large-scale infrastructure projects, such as those funded by the AIF and ESF; combat narcotics production and trafficking; and advance the rule of law, strengthen the justice sector, and promote human rights.

On December 16, 2014, President Obama signed the Consolidated and Further Continuing Appropriations Act, 2015, funding the U.S. government for the rest of the fiscal year and providing an additional \$5.20 billion to four of the seven major funds, as shown in Table 3.2 in the margin. The AIF and TFBSO received no additional funding for new projects. As of September 30, 2015, more than \$2.17 billion of FY 2015 funding had been obligated and more than \$1.93 billion of that amount had been disbursed. Nearly all of this activity was from ASFF.

STATUS OF FUNDS

Congress appropriated more than \$8.08 billion to the seven major reconstruction funds for FY 2013. Of that amount, nearly \$1.88 billion remained for possible disbursement, as of September 30, 2015, as shown in Table 3.4 and Figure 3.5.

TABLE 3.4

FY 2013 AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED (\$ MILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
ASFF	\$4,946.20	\$4,802.34	\$4,650.60	\$151.74
CERP	200.00	42.07	37.24	4.84
AIF	145.50	124.31	75.51	48.80
TFBSO	138.20	130.57	101.98	28.59
DOD CN	255.81	255.81	255.81	0.00
ESF	1,802.65	1,737.64	435.09	1,302.54
INCLE	593.81	579.87	239.02	340.85
Total 7 Major Funds	\$8,082.17	\$7,672.60	\$5,795.25	\$1,877.36

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately \$410 million that expired before being obligated. Obligated and disbursed DOD CN funds reflect amounts transferred to the military services and defense agencies to be spent for Afghanistan. Figures reflect transfers, rescissions, and reprogramming activity to date.

Source: SIGAR, analysis of appropriating legislation and quarterly obligation and disbursement data provided by DOD, State, and USAID, 10/20/2015.

Congress appropriated nearly \$5.63 billion to the seven major reconstruction funds for FY 2014. Of that amount, almost \$1.49 billion remained for possible disbursement, as of September 30, 2015, as shown in Table 3.5 and Figure 3.6.

TABLE 3.5

FY 2014 AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED (\$ MILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
ASFF	\$3,962.34	\$3,962.34	\$3,666.04	\$296.31
CERP	30.00	6.62	6.44	0.19
AIF	144.00	132.91	3.87	129.04
TFBSO	122.24	106.82	84.92	21.90
DOD CN	238.96	238.96	238.96	0.00
ESF	907.00	836.13	1.16	834.96
INCLE	225.00	224.75	19.79	204.96
Total 7 Major Funds	\$5,629.54	\$5,508.53	\$4,021.17	\$1,487.36

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately \$121 million that expired before being obligated. Obligated and disbursed DOD CN funds reflect amounts transferred to the military services and defense agencies to be spent for Afghanistan. Figures reflect transfers, rescissions, and reprogramming activity to date.

Source: SIGAR, analysis of appropriating legislation and quarterly obligation and disbursement data provided by DOD, State, and USAID, 10/20/2015.

FIGURE 3.5

FY 2013 AMOUNT REMAINING TO BE DISBURSED (\$ BILLIONS)

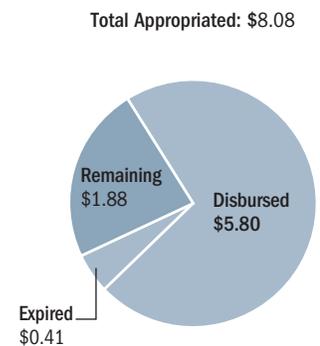
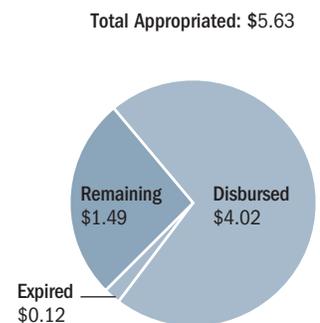
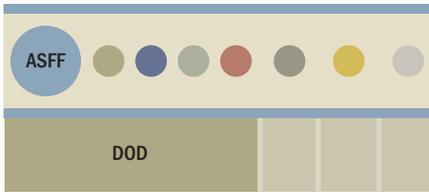


FIGURE 3.6

FY 2014 AMOUNT REMAINING TO BE DISBURSED (\$ BILLIONS)



STATUS OF FUNDS



ASFF FUNDS TERMINOLOGY

DOD reported ASFF funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/13/2010.

AFGHANISTAN SECURITY FORCES FUND

The Congress created the ASFF to provide the ANDSF with equipment, supplies, services, training, and funding, as well as facility and infrastructure repair, renovation, and construction.³ The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan.⁴ A financial and activity plan must be approved by the Afghanistan Resources Oversight Council (AROC) before ASFF funds may be obligated.⁵

The Consolidated and Further Continuing Appropriations Act, 2015, appropriated nearly \$4.11 billion for the ASFF for FY 2015, increasing total cumulative funding to more than \$60.67 billion.⁶ As of September 30, 2015, nearly \$56.92 billion of total ASFF funding had been obligated, of which nearly \$55.79 billion had been disbursed.⁷ Figure 3.7 displays the amounts made available for the ASFF by fiscal year.

DOD reported that cumulative obligations increased by nearly \$1.77 billion over the quarter, and cumulative disbursements increased by nearly \$2.31 billion.⁸ Figure 3.8 provides a cumulative comparison of amounts made available, obligated, and disbursed for the ASFF.

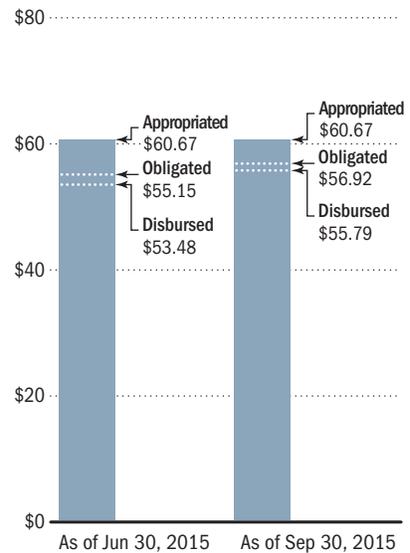
FIGURE 3.7

ASFF APPROPRIATED FUNDS BY FISCAL YEAR
(\$ BILLIONS)



FIGURE 3.8

ASFF FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded.

^a DOD reprogrammed \$1 billion of FY 2011 ASFF.

^b DOD reprogrammed \$1 billion of FY 2012 ASFF; another \$1 billion was rescinded in Pub. L. No. 113-6.

^c DOD reprogrammed \$178 million of FY 2013 ASFF.

^d \$764.38 million of FY 2014 ASFF was rescinded in Pub. L. No. 113-235.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2015," 10/19/2015; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2015," 7/17/2015; Pub. L. Nos. 113-235, 113-76, and 113-6.

STATUS OF FUNDS

ASFF Budget Activities

DOD allocates funds to three budget activity groups within the ASFF:

- Defense Forces (Afghan National Army, ANA)
- Interior Forces (Afghan National Police, ANP)
- Related Activities (primarily Detainee Operations)

Funds for each **budget activity group** are further allocated to four **sub-activity groups**: Infrastructure, Equipment and Transportation, Training and Operations, and Sustainment.⁹ The AROC must approve the requirement and acquisition plan for any service requirements in excess of \$50 million annually and any non-standard equipment requirement in excess of \$100 million.¹⁰

As of September 30, 2015, DOD had disbursed nearly \$55.79 billion for ANDSF initiatives. Of this amount, nearly \$37.34 billion was disbursed for the ANA, and nearly \$18.06 billion was disbursed for the ANP; the remaining \$392.25 million was directed to related activities.¹¹

As shown in Figure 3.9, the largest portion of the funds disbursed for the ANA—nearly \$15.36 billion—supported ANA troop sustainment. Of the funds disbursed for the ANP, the largest portion—more than \$7.37 billion—also supported sustainment of ANP forces, as shown in Figure 3.10.¹²

Budget Activity Groups: categories within each appropriation or fund account that identify the purposes, projects, or types of activities financed by the appropriation or fund

Subactivity Groups: accounting groups that break down the command's disbursements into functional areas

Source: DOD, *Manual 7110.1-M Department of Defense Budget Guidance Manual*, accessed 9/28/2009; Department of the Navy, *Medical Facility Manager Handbook*, p. 5, accessed 10/2/2009.

FIGURE 3.9

ASFF DISBURSEMENTS FOR THE ANA BY SUBACTIVITY GROUP, FY 2005–SEP 30, 2015 (\$ BILLIONS)

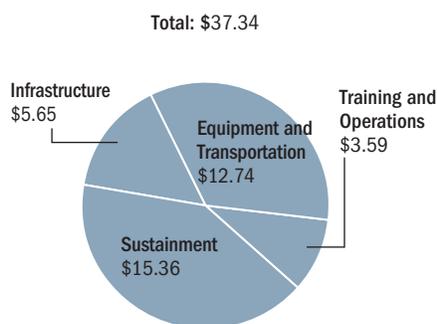
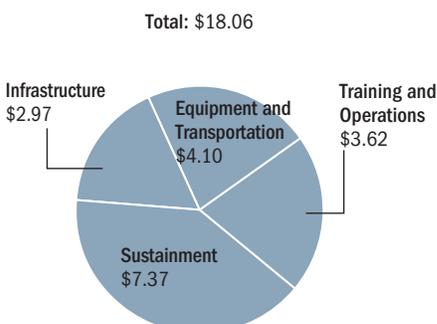


FIGURE 3.10

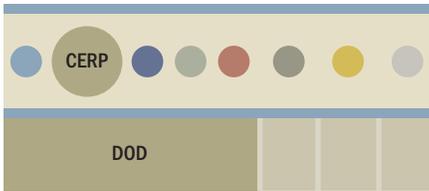
ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005–SEP 30, 2015 (\$ BILLIONS)



Note: Numbers have been rounded.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2015," 10/19/2015.

STATUS OF FUNDS



CERP FUNDS TERMINOLOGY

DOD reported CERP funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/14/2010.

COMMANDER'S EMERGENCY RESPONSE PROGRAM

The CERP enables U.S. commanders in Afghanistan to respond to urgent humanitarian relief and reconstruction requirements in their areas of responsibility by supporting programs that will immediately assist the local population. Funding under this program is intended for small projects that are estimated to cost less than \$500,000 each.¹³ CERP-funded projects may not exceed \$2 million each.¹⁴

The Consolidated and Further Continuing Appropriations Act, 2015, appropriated \$10 million for CERP, increasing total cumulative funding to nearly \$3.68 billion.¹⁵ Of this amount, DOD reported that more than \$2.28 billion had been obligated, of which nearly \$2.27 billion had been disbursed as of September 30, 2015.¹⁶ Figure 3.11 shows CERP appropriations by fiscal year, and Figure 3.12 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for CERP projects.

FIGURE 3.11

CERP APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

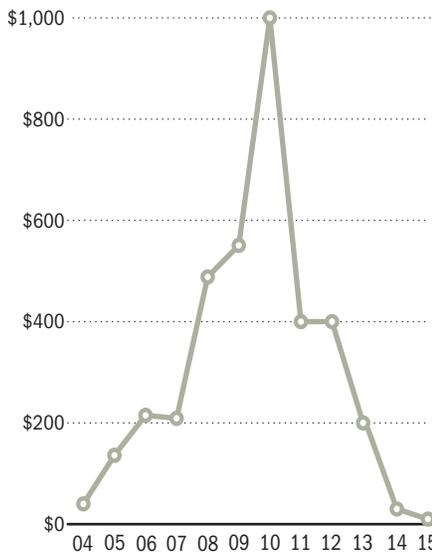


FIGURE 3.12

CERP FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include inter-agency transfers.

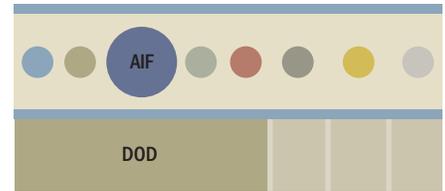
Source: DOD, response to SIGAR data calls, 10/20/2015 and 7/17/2015; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 113-235, 113-76, 113-6, 112-74, 112-10.

AFGHANISTAN INFRASTRUCTURE FUND

The AIF was established in FY 2011 to pay for high-priority, large-scale infrastructure projects that support the U.S. civilian-military effort. Congress intended for projects funded by the AIF to be jointly selected and managed by DOD and State. The AIF received appropriations from FY 2011 through FY 2014. DOD did not request funds for the AIF for FY 2015. Each AIF-funded project is required to have a plan for its sustainment and a description of how it supports the counter-insurgency strategy in Afghanistan.¹⁷

The AIF received cumulative appropriations of over \$1.32 billion; however, \$335.50 million of these funds were transferred to the Economic Support Fund (ESF) for USAID's power transmission lines projects, bringing the cumulative amount remaining in the AIF to \$988.50 million.¹⁸ Figure 3.13 shows AIF appropriations by fiscal year. Figure 3.14 shows AIF appropriations by fiscal year.

As of September 30, 2015, nearly \$793.18 million of total AIF funding had been obligated. Although the AIF will not receive additional funding, many AIF projects are still in progress—40% of obligated AIF funds and over 99% of the funds transferred to the ESF remain to be disbursed.¹⁹ Only \$475.87 million of AIF funds had been disbursed, as shown in Figure 3.14.



AIF FUNDS TERMINOLOGY

DOD reported AIF funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/13/2012.

FIGURE 3.13

AIF APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

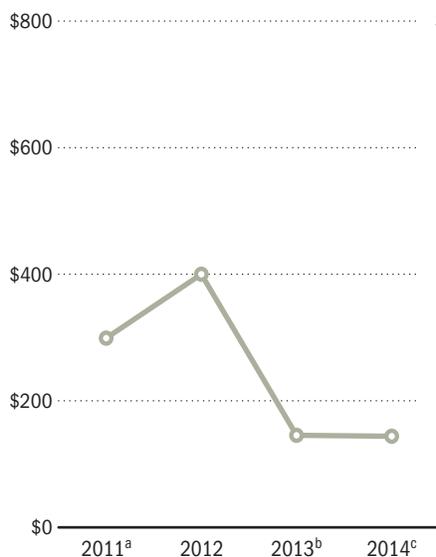
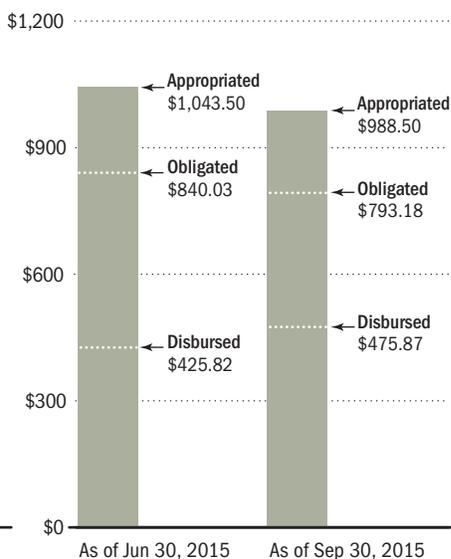


FIGURE 3.14

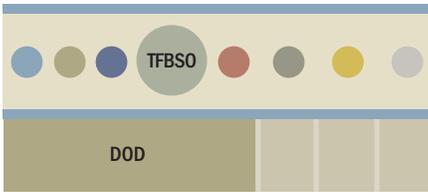
AIF FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



Note: Numbers have been rounded. A \$55 million transfer from AIF to ESF resulted in a lower appropriated figure than reported last quarter. Updated data resulted in a lower obligated figure than reported last quarter. Data reflects the following transfers from AIF to USAID's Economic Support Fund: \$101 million for FY 2011, \$179.5 million for FY 2013, and \$55 million for FY 2014.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2015," 10/19/2015; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts June 2015," 7/17/2015; Pub. L. Nos. 113-76, 113-6, 112-74, and 112-10.

STATUS OF FUNDS



TFBSO FUNDS TERMINOLOGY

DOD reported TFBSO funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/13/2010.

TASK FORCE FOR BUSINESS AND STABILITY OPERATIONS

In 2010, the TFBSO began operations in Afghanistan aimed at stabilizing the country and countering economically motivated violence by decreasing unemployment and creating economic opportunities for Afghans. TFBSO authorities expired on December 31, 2014, and the TFBSO concluded its operations on March 31, 2015. TFBSO projects included activities intended to facilitate private investment, industrial development, banking and financial system development, agricultural diversification and revitalization, and energy development.²⁰

Although DOD was not authorized additional funding for TFBSO projects in the National Defense Authorization Act, 2015, the TFBSO did continue to receive a nominal amount of funding from the Operations and Maintenance, Army, account for costs associated with administrative shutdown.²¹ Through September 30, 2015, the TFBSO had been appropriated more than \$822.85 million since FY 2009. Of this amount, more than \$758.79 million had been obligated and nearly \$638.54 million had been disbursed.²² Figure 3.15 displays the amounts appropriated for TFBSO by fiscal year, and Figure 3.16 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for the TFBSO and its projects.

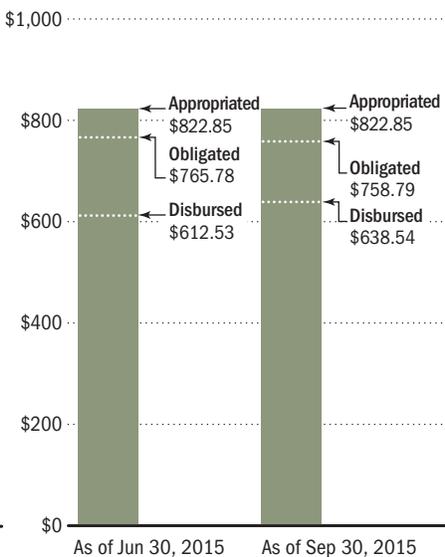
FIGURE 3.15

TFBSO APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



FIGURE 3.16

TFBSO FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



Note: Numbers have been rounded. Updated data resulted in a lower obligated figure than reported last quarter. Of the \$822.85 million appropriated the TFBSO, \$366.05 million was from the Operations and Maintenance, Army, account to pay for the sustainment of U.S. assets, civilian employees, travel, security, and other operational costs; all FY 2015 funding was from this account.

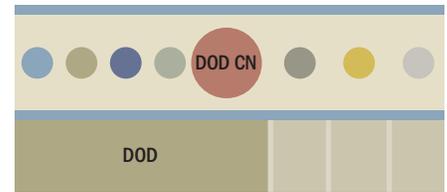
Source: DOD, response to SIGAR data calls, 10/16/2015, 7/8/2015, and 10/4/2011; Pub. L. Nos. 113-76, 113-6, 112-74, 112-10.

DOD DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

DOD CN supports efforts to stabilize Afghanistan by combating the drug trade and related activities. DOD uses the DOD CN to provide assistance to the counternarcotics effort by supporting military operations against drug traffickers; expanding Afghan interdiction operations; and building the capacity of Afghan law enforcement bodies—including the Afghan Border Police—with specialized training, equipment, and facilities.²³

DOD CN funds are appropriated by Congress to a single budget line for all military services. DOD reprograms the funds from the Counter-narcotics Central Transfer Account (CTA) to the military services and defense agencies, which track obligations of the transferred funds. DOD reported DOD CN accounts for Afghanistan as a single figure for each fiscal year.²⁴

Last quarter, DOD reported that DOD CN funds appropriated for FY 2015 would not be executed this fiscal year due to a significant reduction in operational requirements. These funds were reprogrammed to resource other DOD requirements. The reprogramming activity reduced cumulative appropriations for the DOD CN to \$2.86 billion, all of which had been transferred to the military services and defense agencies for DOD CN projects, as of September 30, 2015.²⁵ Figure 3.17 shows DOD CN appropriations by fiscal year, and Figure 3.18 provides a cumulative comparison of amounts appropriated and transferred from the DOD CN CTA.



DOD CN FUNDS TERMINOLOGY

DOD reported DOD CN funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: DOD, response to SIGAR data call, 4/13/2010.

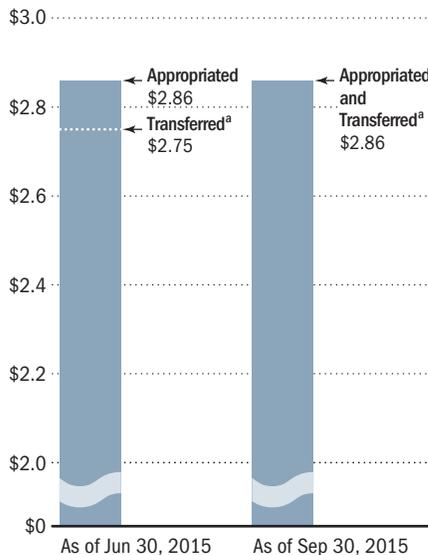
FIGURE 3.17

DOD CN APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



FIGURE 3.18

DOD CN FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)

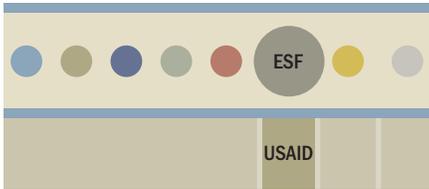


Note: Numbers have been rounded. Prior-year adjustments are done periodically to reflect deobligation and/or realignment of multi-year procurement funding. DOD reprogrammed \$125.13 million out of FY 2015 DOD CN due to several requirements for the Afghanistan Special Mission Wing being funded from the ASFF instead of DOD CN.

^aDOD reprograms all funds to the military services and defense agencies for obligation and disbursement.

Source: DOD, response to SIGAR data calls, 10/8/2015 and 7/13/2015. OSD Comptroller, 15-23 PA: Omnibus 2015 Prior Approval Request, 6/30/2015, p. 42.

STATUS OF FUNDS



ESF FUNDS TERMINOLOGY

USAID reported ESF funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: USAID, response to SIGAR data call, 4/15/2010.

ECONOMIC SUPPORT FUND

ESF programs advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counter-terrorism; bolster national economies; and assist in the development of effective, accessible, independent legal systems for a more transparent and accountable government.²⁶

The ESF was appropriated \$831.90 million for FY 2015, bringing cumulative funding to nearly \$18.60 billion, including amounts transferred from the AIF to the ESF for USAID's power transmission lines projects. Of this amount, more than \$17.06 billion had been obligated, of which nearly \$13.54 billion had been disbursed.²⁷ Figure 3.19 shows ESF appropriations by fiscal year.

USAID reported that cumulative obligations as of September 30, 2015, increased by nearly \$946.24 million and cumulative disbursements increased by more than \$197.40 million from the amounts reported last quarter.²⁸ Figure 3.20 provides a cumulative comparison of the amounts appropriated, obligated, and disbursed for ESF programs.

FIGURE 3.19

ESF APPROPRIATIONS BY FISCAL YEAR
(\$ BILLIONS)

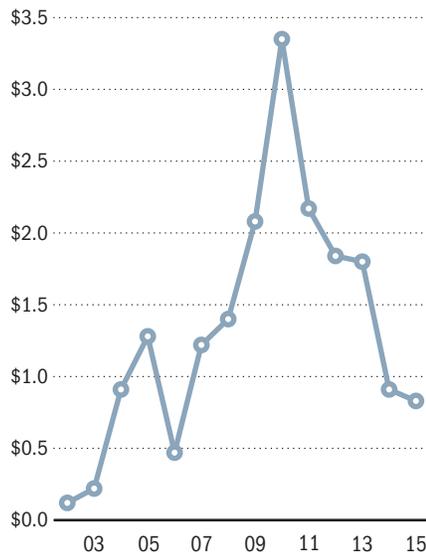
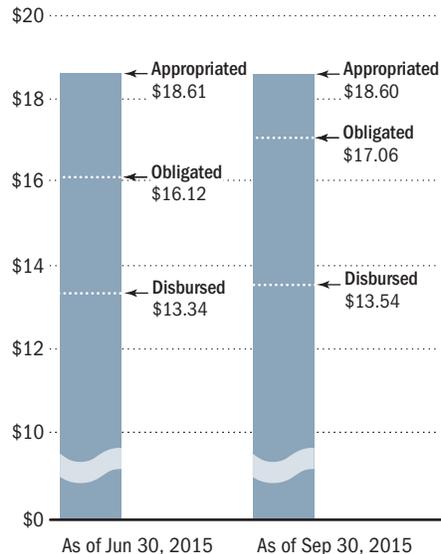


FIGURE 3.20

ESF FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data reflects the following transfers from AIF to the ESF: \$101 million for FY 2011, \$179.5 million for FY 2013, and \$55 million for FY 2014. FY 2015 funding was reduced from an anticipated \$900 million to \$831.9 million during the 653(a) congressional consultation process.

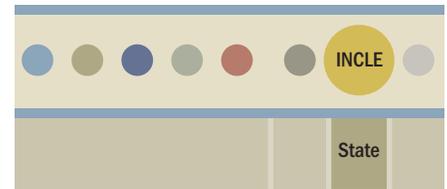
Source: USAID, response to SIGAR data calls, 10/13/2015 and 7/16/2015; State, response to SIGAR data calls, 10/20/2015, 4/15/2015 and 4/15/2014.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The U.S. Bureau of International Narcotics and Law Enforcement Affairs (INL) manages an account for advancing rule of law and combating narcotics production and trafficking—the INCLE account. INCLE supports several INL program groups, including police, counter-narcotics, and rule of law and justice.²⁹

State reported that INCLE was appropriated \$250 million for FY 2015, bringing cumulative funding for INCLE to more than \$4.69 billion. Of this amount, more than \$4.33 billion had been obligated, of which, nearly \$3.54 billion had been disbursed.³⁰ Figure 3.21 shows INCLE appropriations by fiscal year.

State reported that cumulative obligations as of September 30, 2015, increased by more than \$211.40 million compared to cumulative obligations as of June 30, 2015. Cumulative disbursements as of September 30, 2015, increased by nearly \$83.83 million over cumulative disbursements as of June 30, 2015.³¹ Figure 3.22 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for INCLE.



INL FUNDS TERMINOLOGY

INL reported INCLE and other INL funds as appropriated, obligated, or disbursed

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Source: State, response to SIGAR data call, 4/9/2010.

FIGURE 3.21

INCLE APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

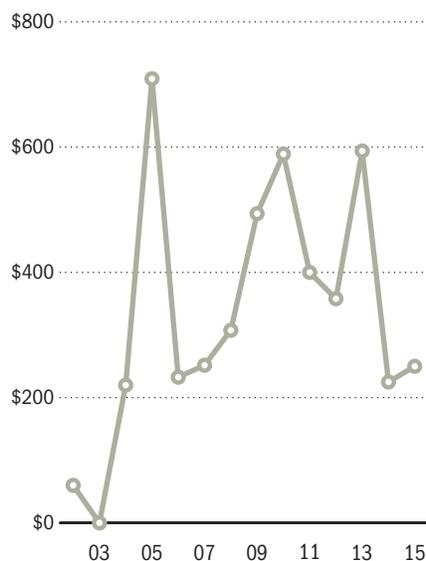
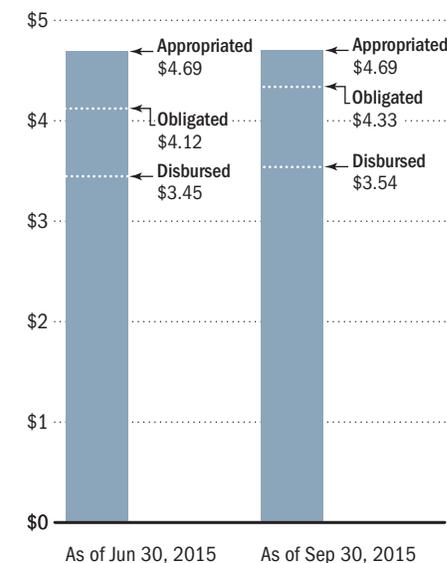


FIGURE 3.22

INCLE FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include inter-agency transfers.
Source: State, response to SIGAR data calls, 10/13/2015 and 7/14/2015.

INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

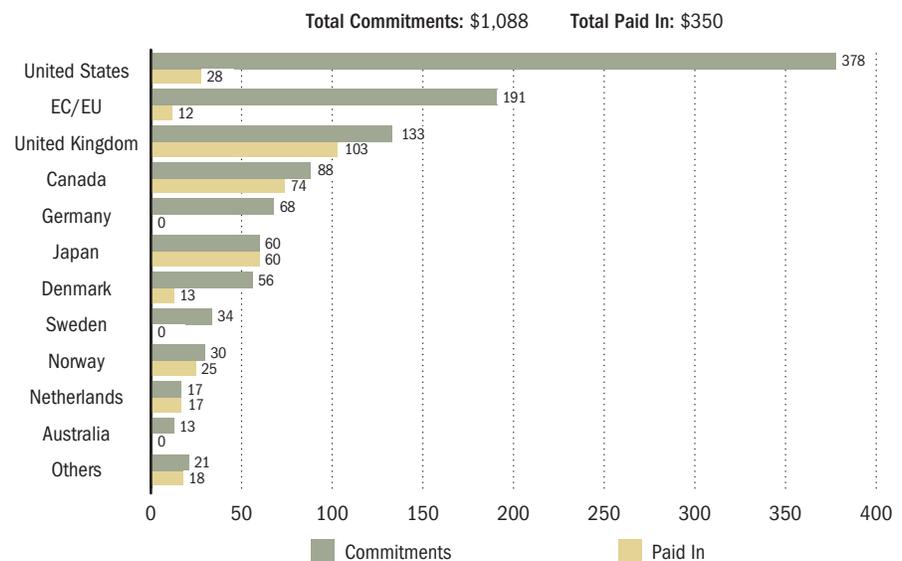
In addition to assistance provided by the United States, the international community provides a significant amount of funding to support Afghanistan relief and reconstruction efforts. As noted in previous SIGAR quarterly reports, most of the international funding provided is administered through trust funds. Contributions provided through trust funds are pooled and then distributed for reconstruction activities. The two main trust funds are the ARTF and the LOTFA.³²

Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the Afghan operational and development budgets comes through the ARTF. From 2002 to August 22, 2015, the World Bank reported that 34 donors had pledged more than \$9.02 billion, of which more than \$8.28 billion had been paid in.³³ According to the World Bank, donors had pledged nearly \$1.09 billion to the ARTF for Afghan fiscal year 1394, which runs from December 22, 2014 to December 21, 2015.³⁴ Figure 3.23 shows the ten largest donors to the ARTF for FY 1394.

FIGURE 3.23

ARTF CONTRIBUTIONS FOR FY 1394 BY DONOR, AS OF AUGUST 22, 2015 (\$ MILLIONS)



Note: Numbers have been rounded. FY 1394 = 12/22/2014–12/21/2015.

Source: World Bank, ARTF, Administrator's Report on Financial Status as of August 22, 2015 (end of 8th month of FY 1394), p. 1.

STATUS OF FUNDS

As of August 22, 2015, the United States had pledged more than \$2.78 billion and paid in more than \$2.43 billion since 2002.³⁵ The United States and the United Kingdom are the two biggest donors to the ARTF, together contributing more than 47% of its total funding, as shown in Figure 3.24.

Contributions to the ARTF are divided into two funding channels—the Recurrent Cost (RC) Window and the Investment Window.³⁶ As of August 22, 2015, according to the World Bank, nearly \$3.52 billion of ARTF funds had been disbursed to the Afghan government through the RC Window to assist with recurrent costs such as salaries of civil servants.³⁷ The RC Window supports the operating costs of the Afghan government because the government’s domestic revenues continue to be insufficient to support its recurring costs. To ensure that the RC Window receives adequate funding, donors to the ARTF may not “prefer” (earmark) more than half of their annual contributions for desired projects.³⁸

The Investment Window supports the costs of development programs. As of August 22, 2015, according to the World Bank, more than \$4.10 billion had been committed for projects funded through the Investment Window, of which more than \$3.06 billion had been disbursed. The World Bank reported 19 active projects with a combined commitment value of nearly \$2.77 billion, of which nearly \$1.73 billion had been disbursed.³⁹

Contributions to the Law and Order Trust Fund for Afghanistan

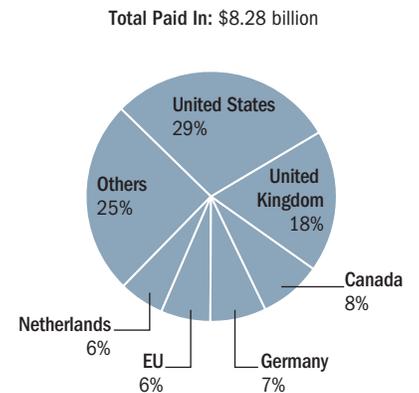
The United Nations Development Programme (UNDP) administers the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior.⁴⁰ Since 2002, donors have pledged more than \$4.32 billion to the LOTFA, of which more than \$4.07 billion had been paid in, as of October 15, 2015.⁴¹ As of October 15, 2015, the United States had committed nearly \$1.53 billion since the fund’s inception and had paid in all of the commitment.⁴² Figure 3.25 shows the four largest donors to the LOTFA since 2002.

The LOTFA’s seventh support phase began on January 1, 2015, and ended on June 30, 2015. The phase had a total budget of \$293.07 million. At the end of the phase, approximately \$223.48 million had been expended to cover ANP and Central Prisons Directorate staff remunerations. Aside from payroll and related expenses, \$4.94 million had been expended on various capacity building initiatives, and \$1.74 million went toward the UNDP’s Programme Management Unit.⁴³

The LOTFA’s eighth phase began on July 1, 2015. The phase has an initial estimated budget of \$883.56 million and is planned to run through December 31, 2016.⁴⁴

FIGURE 3.24

ARTF CONTRIBUTIONS PAID IN BY DONORS, 2002–AUGUST 22, 2015

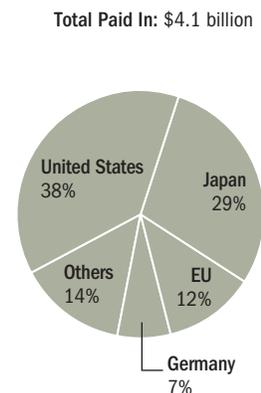


Note: Numbers have been rounded. EU = European Union. "Others" includes 28 donors.

Source: World Bank, *ARTF, Administrator's Report on Financial Status as of August 22, 2015 (end of 8th month of FY 1394)*, p. 5.

FIGURE 3.25

DONOR CONTRIBUTIONS TO THE LOTFA SINCE 2002, AS OF OCTOBER 15, 2015



Note: Numbers have been rounded. EU = European Union. "Others" includes 24 donors.

Source: UNDP, response to SIGAR data call, 10/19/2015.