

3 RECONSTRUCTION UPDATE



RECONSTRUCTION UPDATE CONTENTS

Overview	45
Status of Funds	48
Security	64
Governance	106
Economic and Social Development	134

Photo on previous page

Demining operations along the Afghan-Tajik border are managed and coordinated by the Tajikistan National Mine Action Centre, supported by the United Nations. (UN Development Programme photo)

RECONSTRUCTION UPDATE

OVERVIEW

General John F. Campbell, commander of the U.S. forces in Afghanistan, reported that a U.S. investigation into the October 3, 2015, U.S. air strike on the Doctors Without Borders hospital in the northern city of Kunduz determined that the contributing causes for the accident were avoidable human error compounded by process and equipment failure, along with fatigue and high operational tempo. Some U.S. personnel were suspended and could face disciplinary action as a result of the incident. The United Nations reported an Afghan delegation submitted a report to the Afghan National Security Council on the temporary fall of Kunduz to the Taliban in September, although the findings were not released publicly.

The reporting period saw an upsurge in insurgent activity from various terrorist groups across Afghanistan. *Foreign Policy* magazine reported that the Taliban now control more Afghan territory than at any time since 2001. The UN reported the presence of Islamic State in Iraq and the Levant-Khorasan (ISIL-K) remains a concern, particularly in Nangarhar Province. In October 2015, the Afghan National Army conducted a large military operation against a new al-Qaeda group that formed in Afghanistan last year.

After the *New York Times* reported that U.S. forces had been instructed to ignore the rape of young boys by members of the Afghan National Defense and Security Forces, members of Congress asked SIGAR to investigate the U.S. government's experience with allegations of Afghan forces sexually abusing children. The inquiry will also look into the manner in which the Leahy amendment, which prohibits the Departments of Defense and State from providing assistance to units of foreign security forces that have committed gross violations of human rights, is implemented in Afghanistan.

On January 14, 2016, the U.S. State Department announced the designation of ISIL-K, based in the Afghanistan/Pakistan region, as a foreign terrorist organization. Persons, groups, or companies that knowingly provide, attempt, or conspire to provide material support or resources to ISIL-K will be subject to sanctions under U.S. law.

This quarter, President Ashraf Ghani announced one component of the Jobs for Peace program, a 24-to-30-month, jobs-focused stimulus and

stabilization program. The overall program is meant to provide short-term, labor-intensive employment in rural and urban areas. The initial cost of the first component is expected to be \$100 million, growing to approximately \$350 million as it expands to all provinces. The Afghan government initially estimates the entire Jobs for Peace program will cost approximately \$1.18 billion, though some components still require budget estimates. In December, the United States announced plans to contribute \$50 million to support the Afghan government's job-creation efforts.

On January 11, Afghan, Pakistani, U.S., and Chinese officials met in Islamabad in an effort to lay the groundwork for new talks with the Taliban. The Quadrilateral Coordination Group emphasized the immediate need for direct talks between representatives of the Afghan government and Taliban groups. Pakistani officials recommended that the Afghan government not demand concessions from Taliban leaders before beginning talks. Additionally, Pakistani officials said threats against Taliban members who refused to join the talks would be “counterproductive.”

In December, the Asia Foundation released their 2015 *Survey of the Afghan People*. The survey found that in 2015, 36.7% of respondents nationwide say their country is moving in the right direction, down from 54.7% in 2014. This represents the lowest level of optimism recorded over the past 10 years, following last year's record high during the presidential runoff election. Among the 57.5% of Afghans who say their country is moving in the wrong direction, the most frequently cited reason is insecurity (44.6%, up six percentage points from 2014), followed by unemployment (25.4%), corruption in general (13.0%), a bad economy (12.4%), and bad government (11.4%).

Afghanistan's economy did not recover as expected in 2015. The World Bank projected real GDP to grow 1.9% and to remain sluggish over the medium term. Deteriorating security, low investor and consumer confidence, declining investment, and the government's struggle to deliver anticipated reforms have resulted in weak economic activity. The economic benefits associated with the once large international troop presence have waned, leading to tens of thousands of jobs lost and negatively impacting domestic demand. Meanwhile, the strength of the insurgency has caused the government to spend more on the military and less on job-creating investments. Afghanistan's domestic revenues paid for 40% of budget expenditures through the first 11 months of fiscal year 1394. The country's large budget deficits and trade imbalances will require substantial donor aid for the foreseeable future.

The International Monetary Fund (IMF), which is working with the Afghan government on its macroeconomic policies and structural reform agenda through a Staff-Monitored Program, said Afghan authorities are aware of the challenges. This quarter, the IMF reported Afghanistan's performance as satisfactory, but the deteriorating security environment

and delays in forming a government complicated implementation efforts. Afghanistan also made progress on structural benchmarks, albeit slower than planned. The IMF said Afghanistan's economy is dependent on the government's commitment to reforms, improved security conditions, and donor support.

In December, the United Nations Office on Drugs and Crime (UNODC) published the *Afghanistan Opium Survey* noting that opium cultivation levels had decreased for the first time since 2009: the area under cultivation decreased 19% to 183,000 hectares from 2014's estimate. However, the UNODC calls for caution when interpreting the results. A change in methodology used to measure cultivation levels may have the effect of making changes more significant. The survey also reported that eradication levels increased 40% to 3,760 hectares over the prior year's results and opium production decreased 40% from the 2014 level to 3,300 tons.

The Afghan government's new counternarcotics strategy, the National Drug Action Plan (NDAP), was presented this quarter at meetings for the UN Partners for Afghanistan and Neighboring Countries as well as the Paris Pact Consultative Group. The United States is updating and revising its counternarcotics strategy for Afghanistan to support the goals and objectives outlined in the NDAP.

Domestic drug dependency remains a large and growing problem. Addiction to opiates and heroin remain high and the population dependent on crystal meth has risen significantly in recent years. If not addressed, Afghanistan's rising addiction rates may overwhelm efforts to combat the illicit drug economy. Interdiction results declined again this quarter, a likely outcome of the reduced military coalition presence. Nevertheless, the United States is reducing its support to all drug-treatment centers.

On December 18, 2015, President Obama signed the Consolidated Appropriations Act, 2016, funding the U.S. government for the rest of the fiscal year and increasing cumulative funding for Afghanistan reconstruction to approximately \$113.1 billion. When this report went to press, final FY 2016 allocations for Afghanistan from State and USAID accounts were still being determined. Total FY 2016 funding levels will increase when these amounts are finalized. Of the total cumulative amount appropriated for Afghanistan reconstruction, \$95.7 billion went to the seven major reconstruction funds featured in the Status of Funds subsection of this report. As of December 31, 2015, approximately \$11.5 billion of this amount remained in the pipeline for potential disbursement.

STATUS OF FUNDS CONTENTS

U.S. Reconstruction Funding for Afghanistan	50
Afghanistan Reconstruction Funding Pipeline	52
Afghanistan Security Forces Fund	54
Commander's Emergency Response Program	56
Afghanistan Infrastructure Fund	57
Task Force for Business and Stability Operations	58
DOD Drug Interdiction and Counter-Drug Activities	59
Economic Support Fund	60
International Narcotics Control and Law Enforcement	61
International Reconstruction Funding for Afghanistan	62

STATUS OF FUNDS

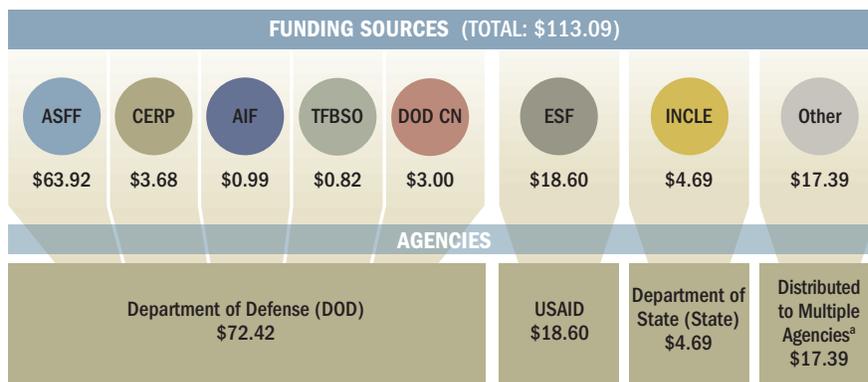
To fulfill SIGAR’s legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of December 31, 2015, the United States had appropriated approximately \$113.09 billion for relief and reconstruction in Afghanistan since FY 2002. This total has been allocated as follows:

- \$68.44 billion for security (\$4.40 billion for counternarcotics initiatives)
- \$31.79 billion for governance and development (\$3.96 billion for counternarcotics initiatives)
- \$2.93 billion for humanitarian aid
- \$9.94 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. Final FY 2016 appropriation amounts for State and USAID were still being determined when this report went to press.

^a Multiple agencies include DOJ, State, DOD, USAID, Treasury, USDA, DEA, Broadcasting Board of Governors (BBG), and SIGAR.

Source: DOD, response to SIGAR data calls, 1/13/2016, 12/29/2015, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 1/13/2016, 1/11/2016, 10/20/2015, 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, 1/11/2016, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 12/30/2015 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, “AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2015,” 1/16/2016; Pub. L. Nos. 114-113, 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 84.6% (nearly \$95.71 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, over 89.5% (more than \$85.66 billion) has been obligated, and nearly 83.4% (over \$79.79 billion) has been disbursed. An estimated \$4.47 billion of the amount appropriated for these funds has expired.

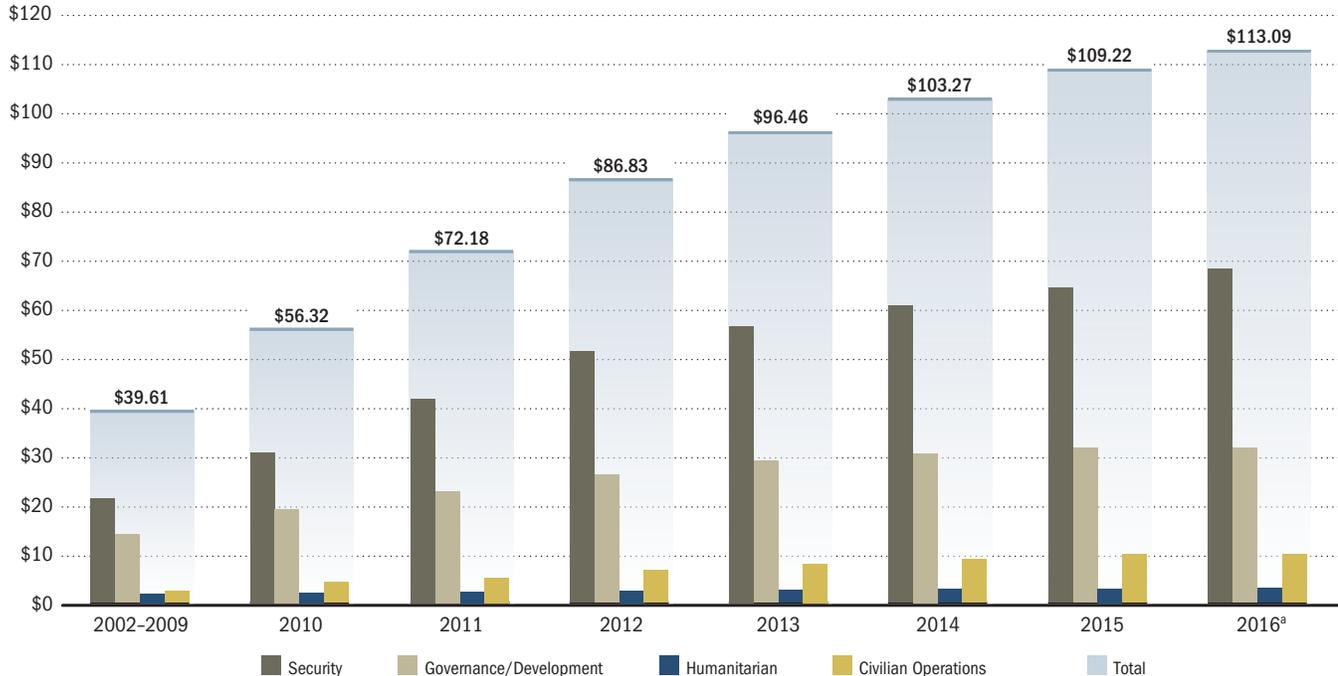
U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

As of December 31, 2015, cumulative appropriations for relief and reconstruction in Afghanistan totaled approximately \$113.09 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 \$8.36 billion of these funds support counternarcotics initiatives which crosscut both the security (\$4.40 billion) and governance and development (\$3.96 billion) categories. For complete information regarding U.S. appropriations, see Appendix B.

On December 18, 2015, President Obama signed the Consolidated Appropriations Act, 2016, funding the U.S. government for the rest of the fiscal year. When this report went to press, final FY 2016 appropriation amounts for State and USAID accounts were still being determined. The amount reported as appropriated for FY 2016 will increase from the

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY, AS OF DECEMBER 31, 2015 (\$ BILLIONS)



Note: Numbers have been rounded. DOD reprogrammed \$1 billion from FY 2011 ASFF, \$1 billion from FY 2012 ASFF, and \$178 million from FY 2013 ASFF to fund other DOD OCO requirements. ASFF data reflects the following rescissions: \$1 billion from FY 2012 in Pub. L. No. 113-6, \$764.38 million from FY 2014 in Pub. L. No. 113-235, and \$400 million from FY 2015 in Pub. L. No. 114-113. 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.

^a Final FY 2016 appropriation amounts for State and USAID accounts were still being determined when this report went to press.

Source: DOD, response to SIGAR data calls, 1/13/2016, 12/29/2015, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 1/13/2016, 1/11/2016, 10/20/2015, 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, 1/11/2016, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 12/30/2015 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2015," 1/16/2016; Pub. L. Nos. 114-113, 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

STATUS OF FUNDS

\$3.87 billion shown in Figure 3.3 when funding levels for these accounts are known.

The United States aims to channel at least 50% of its development assistance on-budget to the Government of Afghanistan.⁵⁶ 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.⁵⁷ Since 2002, the United States has provided more than \$9.88 billion in on-budget assistance. This includes about \$5.57 billion to Afghan government ministries and institutions, and more than \$4.31 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

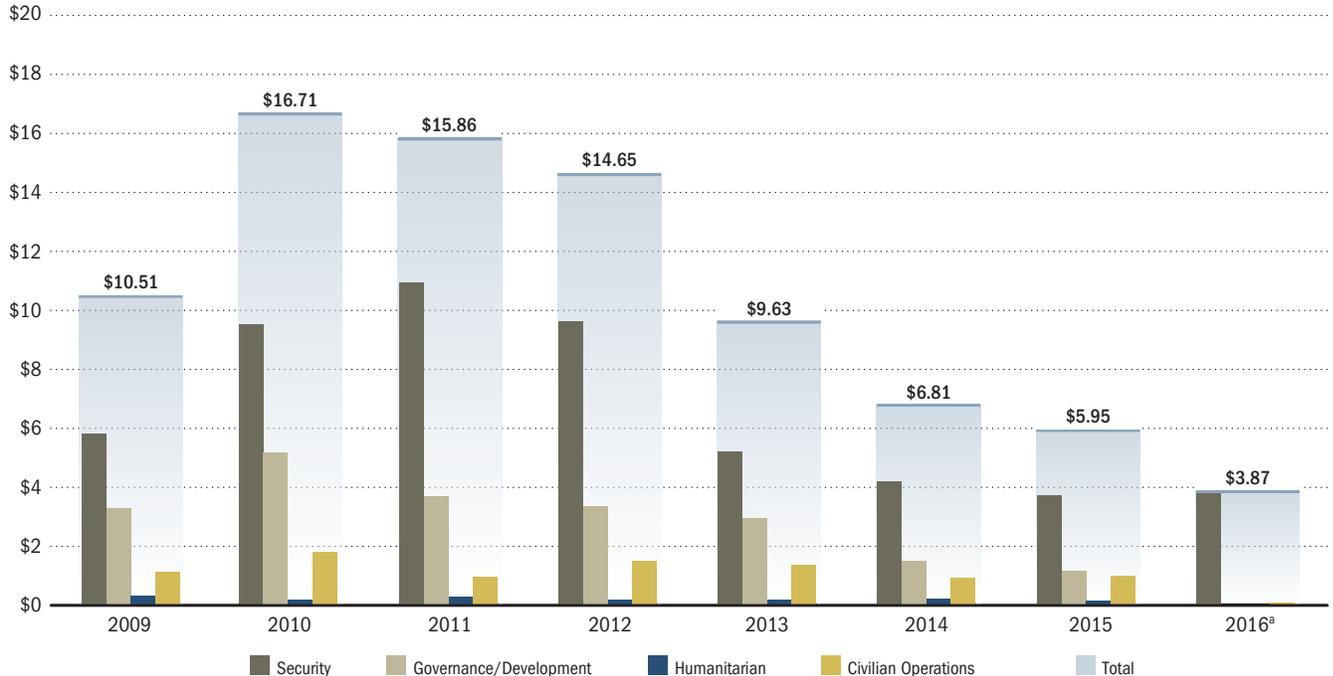
U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN, SINCE 2002 (\$ MILLIONS)	
Government-to-Government	
DOD	\$4,946
State	92
USAID	530
Multilateral Trust Funds	
LOTFA	\$1,527
ARTF	2,681
AITF	105

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 December 31, 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, 1/11/2016; World Bank, "ARTF: Administrator's Report on Financial Status as of December 21, 2015 (end of 12th month of FY 1394)," p. 5; UNDP, response to SIGAR data call, 1/19/2016.

FIGURE 3.3

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



Note: Numbers have been rounded. DOD reprogrammed \$1 billion from FY 2011 ASFF, \$1 billion from FY 2012 ASFF, and \$178 million from FY 2013 ASFF to fund other DOD OCO requirements. ASFF data reflects the following rescissions: \$1 billion from FY 2012 in Pub. L. No. 113-6, \$764.38 million from FY 2014 in Pub. L. No. 113-235, and \$400 million from FY 2015 in Pub. L. No. 114-113. 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.

^a Final FY 2016 appropriation amounts for State and USAID accounts were still being determined when this report went to press.

Source: DOD, response to SIGAR data calls, 1/13/2016, 12/29/2015, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 1/13/2016, 1/11/2016, 10/20/2015, 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, 1/11/2016, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 12/30/2015 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2015," 1/16/2016; Pub. L. Nos. 114-113, 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 more than \$113.09 billion for Afghanistan relief and reconstruction. Of this amount, \$95.71 billion (84.6%) was appropriated to the seven major reconstruction funds, as shown in Table 3.2.

FIGURE 3.4

CUMULATIVE AMOUNT REMAINING TO BE DISBURSED (\$ BILLIONS)

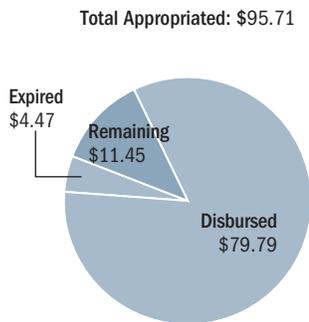


TABLE 3.2

CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED FY 2002–2016 (\$ BILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
Afghanistan Security Forces Fund (ASFF)	\$63.92	\$57.71	\$56.20	\$5.90
Commander's Emergency Response Program (CERP)	3.68	2.28	2.27	0.02
Afghanistan Infrastructure Fund (AIF)	0.99	0.65	0.48	0.17
Task Force for Business & Stability Operations (TFBSO)	0.82	0.75	0.64	0.12
DOD Drug Interdiction and Counter-Drug Activities (DOD CN)	3.00	2.88	2.88	0.11
Economic Support Fund (ESF)	18.60	17.06	13.72	4.17
International Narcotics Control & Law Enforcement (INCLE)	4.69	4.31	3.60	0.95
Total 7 Major Funds	\$95.71	\$85.66	\$79.79	\$11.45
Other Reconstruction Funds	7.45			
Civilian Operations	9.94			
Total	\$113.09			

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately \$4.5 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, 1/19/2016.

As of December 31, 2015, approximately \$11.45 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 18, 2015, President Obama signed the Consolidated Appropriations Act, 2016, funding the U.S. government for the rest of the fiscal year. The bill provided an additional \$3.65 billion for ASFF, \$141.26 million for DOD CN, and \$5 million for CERP. The amounts allocated to Afghanistan from ESF and INCLE will not be finalized until State completes the 653(a) congressional consultation process. While the AIF

STATUS OF FUNDS

hasn't received additional funding since FY 2014, the bill allows DOD to obligate up to \$50 million of ASFF funds to complete existing AIF projects.

Congress appropriated nearly \$5.63 billion to the seven major reconstruction funds for FY 2014. Of that amount, more than \$1.29 billion remained for possible disbursement, as of December 31, 2015, as shown in Table 3.3 and Figure 3.5.

TABLE 3.3

FY 2014 AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED (\$ MILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
ASFF	\$3,962.34	\$3,959.86	\$3,702.31	\$257.55
CERP	30.00	6.62	6.44	0.19
AIF	144.00	0.00	0.00	0.00
TFBSO	122.24	106.82	84.94	21.88
DOD CN	238.96	238.96	238.96	0.00
ESF	907.00	836.13	11.68	824.45
INCLE	225.00	224.74	33.81	190.93
Total Major Funds	\$5,629.54	\$5,373.12	\$4,078.13	\$1,294.99

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately \$256 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, 1/19/2016.

Congress appropriated more than \$4.80 billion to four of the seven major reconstruction funds for FY 2015. Of that amount, almost \$2.51 billion remained for possible disbursement, as of December 31, 2015, as shown in Table 3.4 and Figure 3.6.

TABLE 3.4

FY 2015 AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED (\$ MILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
ASFF	\$3,709.33	\$2,840.26	\$2,280.14	\$1,429.20
CERP	10.00	3.36	1.18	2.18
ESF	831.90	0.00	0.00	831.90
INCLE	250.00	8.06	6.03	243.97
Total Major Funds	\$4,801.23	\$2,851.69	\$2,287.34	\$2,507.25

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately \$7 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, 1/19/2016.

FIGURE 3.5

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

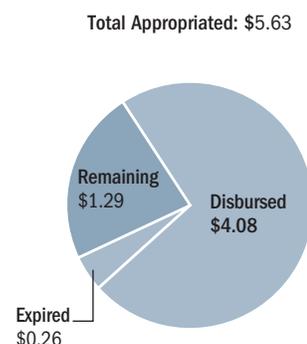
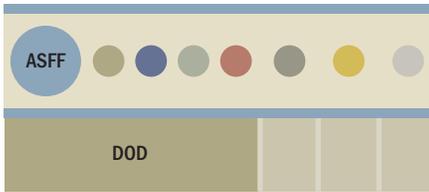


FIGURE 3.6

FY 2015 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 Afghanistan Security Forces Fund (ASFF) to provide the ANDSF with equipment, supplies, services, training, and funding, as well as facility and infrastructure repair, renovation, and construction.⁵⁸ The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan.⁵⁹ A financial and activity plan must be approved by the Afghanistan Resources Oversight Council (AROC) before ASFF funds may be obligated.⁶⁰

The Consolidated Appropriations Act, 2016, appropriated more than \$3.65 billion for the ASFF for FY 2016, increasing total cumulative funding to more than \$63.92 billion.⁶¹ As of December 31, 2015, more than \$57.71 billion of total ASFF funding had been obligated, of which nearly \$56.20 billion had been disbursed.⁶² Figure 3.7 displays the amounts made available for the ASFF by fiscal year.

DOD reported that cumulative obligations increased by nearly \$795.71 million over the quarter, and cumulative disbursements increased by more than \$410.31 million.⁶³ 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)

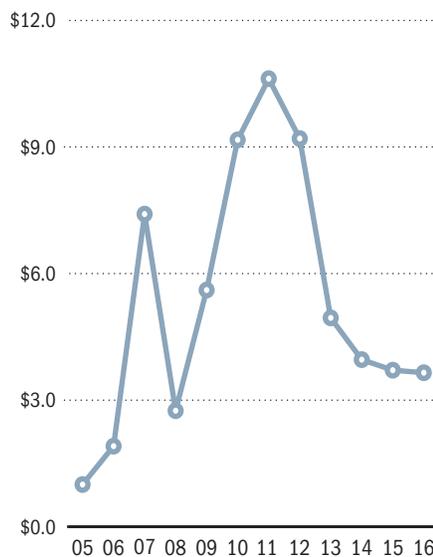
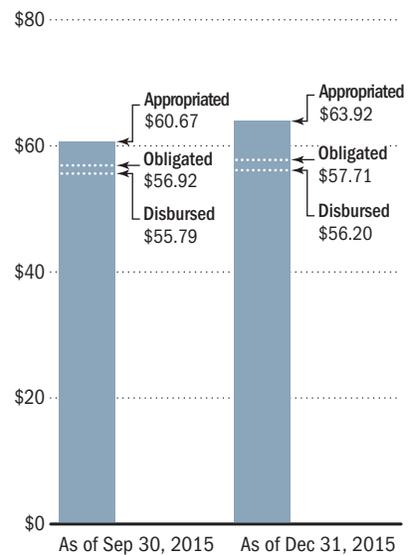


FIGURE 3.8

ASFF FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data reflects reprogramming actions and rescissions. DOD reprogrammed \$1 billion of FY 2011, \$1 billion of FY 2012, and \$178 million of FY 2013 out of the ASFF to fund other DOD requirements. Pub. L. No. 113-6 rescinded \$1 billion from FY 2012. Pub. L. No. 113-235 rescinded \$764.38 million from FY 2014. Pub. L. No. 114-113 rescinded \$400 million from FY 2015.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2015," 1/16/2016; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2015," 10/13/2015; Pub. L. Nos. 114-113, 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.⁶⁴ 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.⁶⁵

As of December 31, 2015, DOD had disbursed nearly \$56.20 billion for ANDSF initiatives. Of this amount, more than \$37.59 billion was disbursed for the ANA, and nearly \$18.22 billion was disbursed for the ANP; the remaining \$37.44 billion was directed to related activities.⁶⁶

As shown in Figure 3.9, the largest portion of the funds disbursed for the ANA—nearly \$15.51 billion—supported ANA troop sustainment. Of the funds disbursed for the ANP, the largest portion—nearly \$7.48 billion—also supported sustainment of ANP forces, as shown in Figure 3.10.⁶⁷

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–DEC 31, 2015 (\$ BILLIONS)

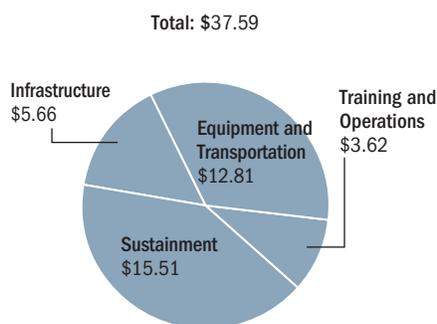
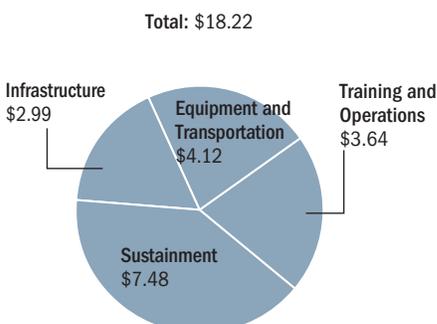


FIGURE 3.10

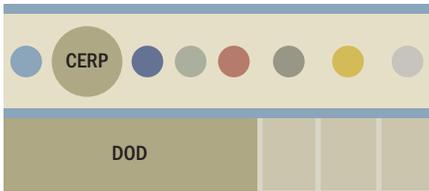
ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005–DEC 31, 2015 (\$ BILLIONS)



Note: Numbers have been rounded.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2015," 1/16/2016.

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 Commander's Emergency Response Program (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.⁶⁸ CERP-funded projects may not exceed \$2 million each.⁶⁹

The Consolidated Appropriations Act, 2016, appropriated \$5 million for CERP, increasing total cumulative funding to more than \$3.68 billion.⁷⁰ 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 December 31, 2015.⁷¹ 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)

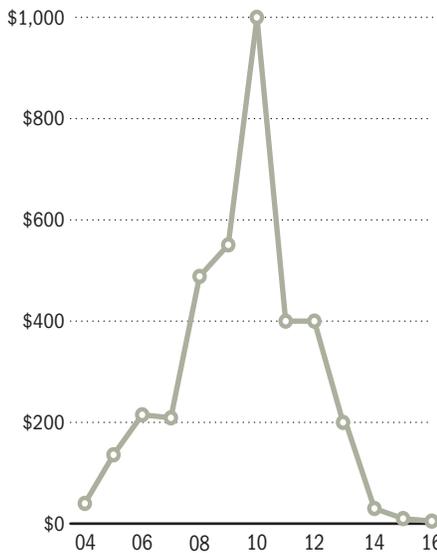
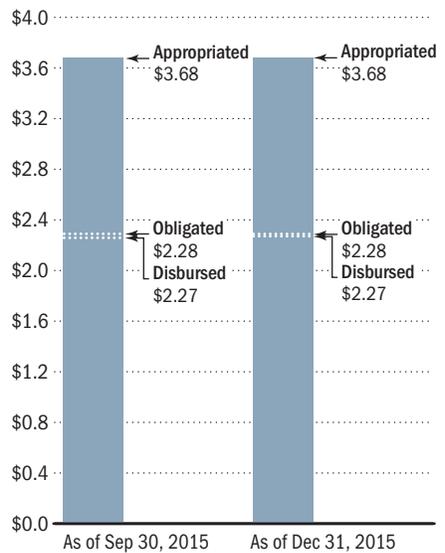


FIGURE 3.12

CERP FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers.

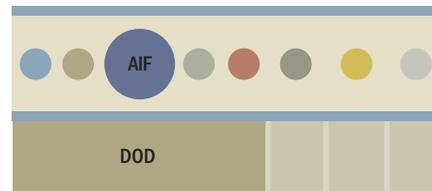
Source: DOD, response to SIGAR data calls, 1/19/2016 and 10/15/2015; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 114-113, 113-235, 113-76, 113-6, 112-74, 112-10.

AFGHANISTAN INFRASTRUCTURE FUND

The Afghanistan Infrastructure Fund (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. 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.⁷² The AIF received appropriations from FY 2011 through FY 2014. Although the AIF no longer receives appropriations, many projects remain in progress. DOD may obligate up to \$50 million from FY 2016 ASFF to complete existing AIF projects.⁷³

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.⁷⁴ Figure 3.13 shows AIF appropriations by fiscal year. Figure 3.14 shows AIF appropriations by fiscal year.

As of December 31, 2015, nearly \$779.75 million of total AIF funding had been obligated, and nearly \$484.51 million had been disbursed, as shown in Figure 3.14.⁷⁵



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)

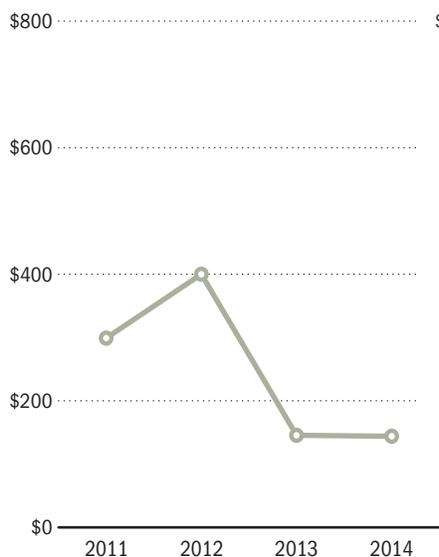


FIGURE 3.14

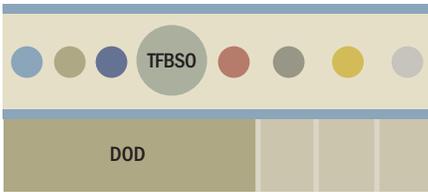
AIF FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



Note: Numbers have been rounded. 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 December 2015," 1/16/2016; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2015," 10/13/2015; 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 Task Force for Business and Stability Operations (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.⁷⁶

Through December 31, 2015, the TFBSO had been appropriated more than \$822.85 million since FY 2009. Of this amount, nearly \$754.50 million had been obligated and more than \$638.50 million had been disbursed.⁷⁷ 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.

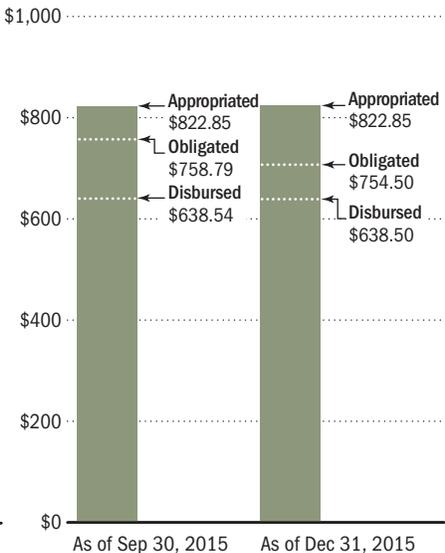
FIGURE 3.15

TFBSO APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



FIGURE 3.16

TFBSO FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



Note: Numbers have been rounded. Updated data resulted in lower obligated and disbursed figures than reported last quarter. Of the \$822.85 million appropriated for 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.

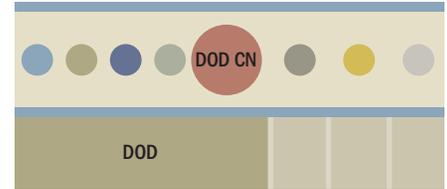
Source: DOD, response to SIGAR data calls, 1/13/2016, 10/16/2015, and 10/4/2011; Pub. L. Nos. 113-76, 113-6, 112-74, 112-10.

DOD DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

DOD Drug Interdiction and Counter-Drug Activities fund (DOD CN) support 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.⁷⁸

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.⁷⁹

DOD reported that DOD CN received nearly \$141.26 million for Afghanistan for FY 2016, bringing cumulative funding for DOD CN to nearly \$3 billion since FY 2004. Of this amount, more than \$2.88 billion had been transferred to the military services and defense agencies for DOD CN projects, as of December 31, 2015.⁸⁰ 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.

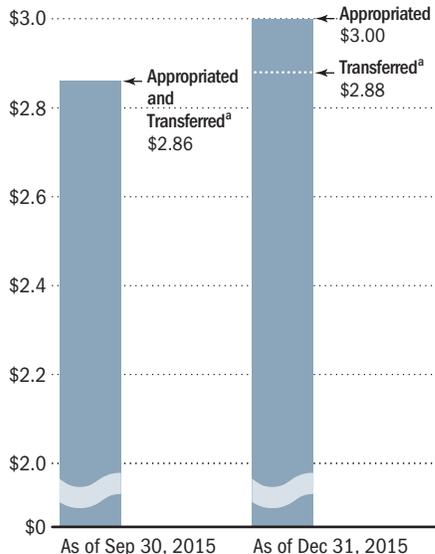
FIGURE 3.17

DOD CN APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



FIGURE 3.18

DOD CN FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)

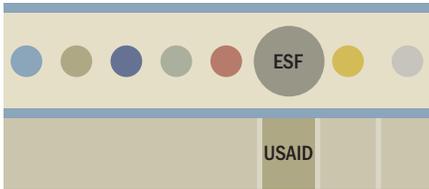


Note: Numbers have been rounded. Prior-year adjustments are done periodically to reflect deobligation and/or realignment of multi-year procurement funding. DOD reprogrammed \$125.13 million out of FY 2015 DOD CN due to several requirements for the Afghanistan Special Mission Wing being funded from the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

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

Source: DOD, response to SIGAR data calls, 12/29/2015 and 10/8/2015. 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

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 counterterrorism; bolster national economies; and assist in the development of effective, accessible, independent legal systems for a more transparent and accountable government.⁸¹

When this report went to press, final FY 2016 funding levels for the ESF had not been determined. USAID reported that cumulative funding for the ESF amounted to nearly \$18.60 billion, including amounts transferred from AIF to the ESF for USAID’s power transmission lines projects. Of this amount, more than \$17.06 billion had been obligated, of which more than \$13.72 billion had been disbursed.⁸² Figure 3.19 shows ESF appropriations by fiscal year.

USAID reported that cumulative obligations as of December 31, 2015, decreased by \$639,026 and cumulative disbursements increased by nearly \$184.85 million from the amounts reported last quarter.⁸³ Figure 3.20 provides a cumulative comparison of the amounts appropriated, obligated, and disbursed for ESF programs.

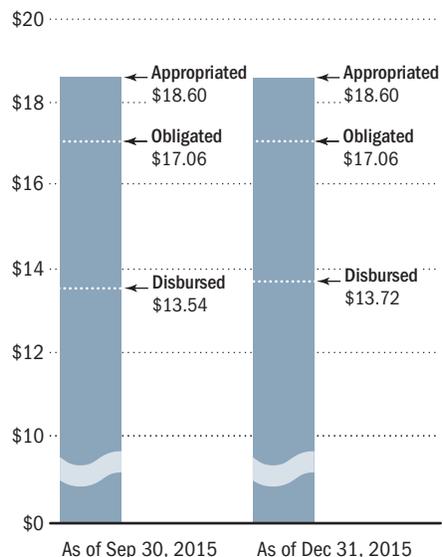
FIGURE 3.19

ESF APPROPRIATIONS BY FISCAL YEAR
(\$ BILLIONS)



FIGURE 3.20

ESF FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data reflect 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 2016 ESF appropriation amount will be determined after State completes the 653(a) congressional consultation process.

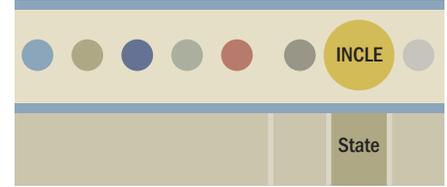
Source: USAID, response to SIGAR data calls, 1/11/2016 and 10/13/2015; State, response to SIGAR data calls, 1/13/2016, 10/20/2015, 4/15/2015, and 4/15/2014.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The U.S. Bureau of International Narcotics and Law Enforcement Affairs (INL) manages the International Narcotics Control and Law Enforcement (INCLE) account which funds projects and programs for advancing rule of law and combating narcotics production and trafficking. INCLE supports several INL program groups, including police, counter-narcotics, and rule of law and justice.⁸⁴

When this report went to press, final FY 2016 funding levels for INCLE had not been determined. State reported that cumulative funding for INCLE amounted to more than \$4.69 billion. Of this amount, more than \$4.31 billion had been obligated, of which, nearly \$3.60 billion had been disbursed.⁸⁵ Figure 3.21 shows INCLE appropriations by fiscal year.

State reported that cumulative obligations as of December 31, 2015, decreased by nearly \$21.54 million compared to cumulative obligations as of September 30, 2015. Cumulative disbursements as of December 31, 2015, increased by nearly \$63.91 million over cumulative disbursements as of September 30, 2015.⁸⁶ 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)

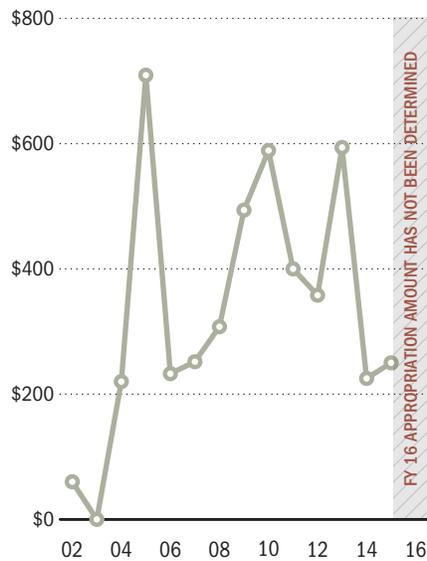
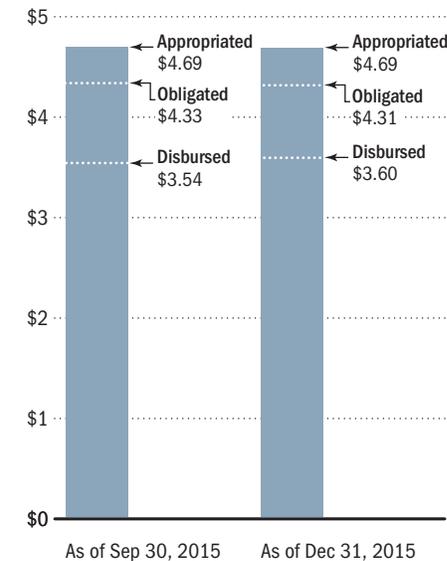


FIGURE 3.22

INCLE FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers. Updated data resulted in a lower obligated figure than reported last quarter. FY 2016 INCLE appropriation amount will be determined after State completes the 653(a) congressional consultation process.

Source: State, response to SIGAR data calls, 1/13/2016 and 10/13/2015.

STATUS OF FUNDS

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. 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 Afghanistan Reconstruction Trust Fund (ARTF) and the Law and Order Trust Fund for Afghanistan (LOTFA).⁸⁷

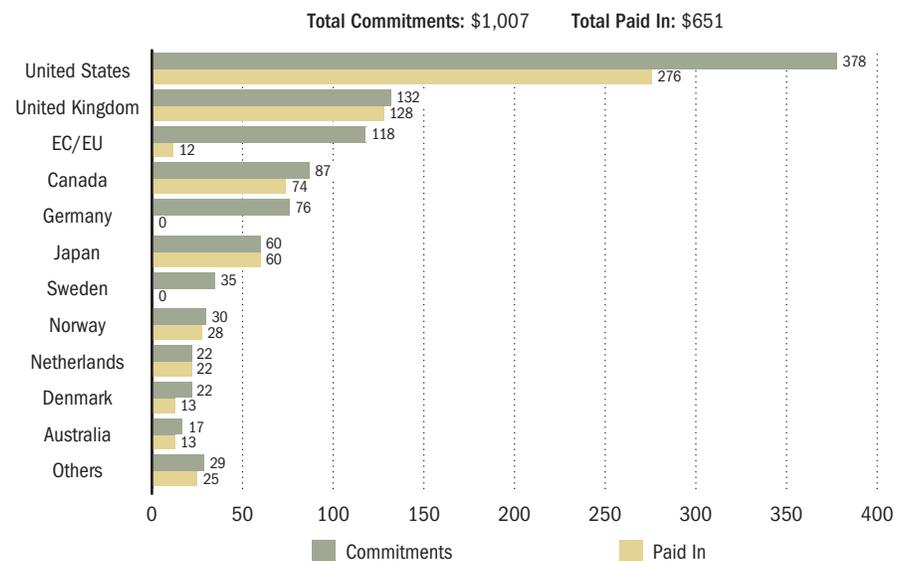
Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the Afghan operational and development budgets comes through the ARTF. From 2002 to December 21, 2015, the World Bank reported that 34 donors had pledged nearly \$8.94 billion, of which more than \$8.58 billion had been paid in.⁸⁸ According to the World Bank, donors had pledged nearly \$1.01 billion to the ARTF for Afghan fiscal year 1394, which ran from December 22, 2014 to December 21, 2015.⁸⁹ Figure 3.23 shows the 11 largest donors to the ARTF for FY 1394.

As of December 21, 2015, the United States had pledged more than \$2.78 billion and paid in more than \$2.68 billion since 2002.⁹⁰ The United

FIGURE 3.23

ARTF CONTRIBUTIONS FOR FY 1394 BY DONOR, AS OF DECEMBER 21, 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 December 21, 2015 (end of 12th month of FY1394), p. 1.

STATUS OF FUNDS

States and the United Kingdom are the two biggest donors to the ARTF, together contributing nearly 49% 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.⁹¹ As of December 21, 2015, according to the World Bank, more than \$3.73 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.⁹² 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.⁹³

The Investment Window supports the costs of development programs. As of December 21, 2015, according to the World Bank, more than \$4.15 billion had been committed for projects funded through the Investment Window, of which nearly \$3.26 billion had been disbursed. The World Bank reported 21 active projects with a combined commitment value of nearly \$2.82 billion, of which more than \$1.92 billion had been disbursed.⁹⁴

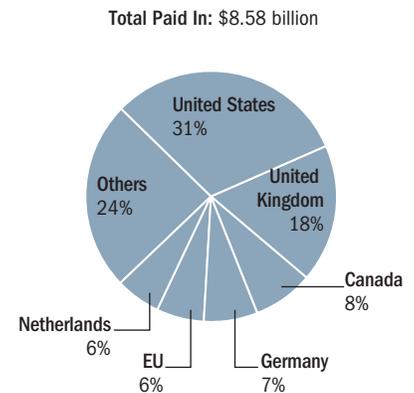
Contributions to the Law and Order Trust Fund for Afghanistan

The United Nations Development Programme (UNDP) administers the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior Affairs (MOIA).⁹⁵ Since 2002, donors have pledged nearly \$4.53 billion to the LOTFA, of which nearly \$4.17 billion had been paid in, as of December 31, 2015. UNDP reported that the United States had committed more than \$1.64 billion since the fund’s inception and had paid in nearly \$1.53 billion of the commitment.⁹⁶ Figure 3.25 shows the four largest donors to the LOTFA since 2002. From January 1, 2015, through September 30, 2015, UNDP had transferred AFN 20.74 billion—approximately \$348.45 million—to the Ministry of Finance (MOF) to pay for ANP and Central Prisons Directorate (CPD) staff.⁹⁷

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. The Phase VIII budget is divided between two individual projects. Over \$850.56 million is for the Support to Payroll Management (SPM) project, which aims to develop the capacity of the Afghan government to independently manage all nonfiduciary aspects of its pay budget for the ANP and CPD staff by December 31, 2016. While capacity building is an important aspect of the project, most SPM project funding—nearly \$842.44 million—will be transferred from the UNDP Country Office to the MOF for ANP and CPD staff remunerations.⁹⁸ The MOIA and Police Development (MPD) project is budgeted the remaining \$33 million. The MPD project focuses on institutional development of the MOIA and police professionalization of the ANP.⁹⁹

FIGURE 3.24

ARTF CONTRIBUTIONS PAID IN BY DONORS, 2002–DECEMBER 21, 2015

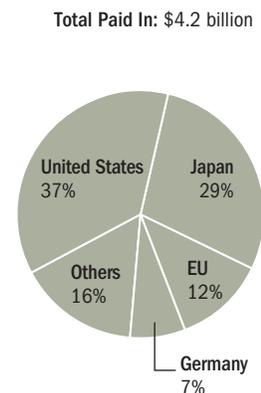


Note: Numbers have been rounded. EU = European Union. “Others” includes 28 donors.

Source: World Bank, *ARTF: Administrator’s Report on Financial Status as of December 21, 2015 (end of 12th month of FY1394)*, p. 5.

FIGURE 3.25

DONOR CONTRIBUTIONS TO THE LOTFA SINCE 2002, AS OF DECEMBER 31, 2015



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

Source: UNDP, response to SIGAR data call, 1/19/2016.