

## GOVERNANCE CONTENTS

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As of December 31, 2015, the United States had provided nearly \$31.8 billion to support governance and economic development in Afghanistan. Most of this funding, more than \$18.6 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID). The fiscal year (FY) 2016 ESF appropriation for Afghanistan was still being determined when this report went to press.

### KEY EVENTS

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.<sup>387</sup> In December, the United States announced plans to contribute \$50 million to support the Afghan government's job-creation efforts.<sup>388</sup>

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 (QCG) 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.”<sup>389</sup>

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%).<sup>390</sup>

Despite government efforts to curb corruption, 89.9% of Afghans say that corruption is a problem in their daily lives, the highest percentage reported in a decade, with 61.1% saying it is a major problem and 28.8% saying it is a minor problem. This year, over half (53.3%) of Afghans who had contact with police within the past year say they paid a bribe, up from 45.1% in 2014. The frequency of bribes paid to officials in the municipality/district office (66.0%), judiciary and courts (63.4%), customs office (61.2%), provincial governor's office (60.9%), state electricity supply (54.9%), Afghan National Police (ANP) (53.3%), public health services (52.6%), and Afghan National Army (ANA) (43.2%), and when applying for a job (58.7%), and for admissions to school/university (43.0%) all rose in 2015.<sup>391</sup>

On January 18, the elections commission announced that parliamentary and district council elections would occur on October 15. A spokesman for Chief Executive Abdullah responded that the election commission lacks legitimacy and that election reform is a precondition for elections. The elections commission chairman further stated that the Afghan government does not have the authority to remove elections commissioners. Abdullah, however, promised that a new commission will carry out the elections.<sup>392</sup>

## NATIONAL UNITY GOVERNMENT COMMITMENTS

### Refreshed Mutual Accountability

On September 5, international donors and the Afghan government met in Kabul for the second Senior Officials Meeting (SOM). The meeting was a continuation of the annual high-level meetings to follow up on mutual commitments from the July 2012 Tokyo Conference. The purpose of the SOM was to review progress on the Afghan reform program, discuss key policy issues, and to jointly decide the way forward.<sup>393</sup>

As a result of the September SOM, the Self-Reliance through Mutual Accountability Framework (SMAF) has superseded the Tokyo Mutual Accountability Framework (TMAF). The SMAF will now guide the activities of the Afghan government and the international community at least to the end of the term of the present government. The SMAF covers six areas: (1) improving security and political stability (with three associated indicators); (2) anticorruption, governance, rule of law, and human rights (14 indicators); (3) restoring fiscal sustainability and integrity of public finance and commercial banking (nine indicators); (4) reforming development planning and management, and ensuring citizens' development rights (three indicators); (5) private-sector development and inclusive growth and

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TABLE 3.14

<b>STATUS OF AFGHAN GOVERNMENT SMAF SHORT-TERM DELIVERABLES (DUE BY THE END OF 2015)</b>	
<b>Short-Term Deliverable</b>	<b>Completed?</b>
Appoint an attorney general; fill vacant deputy minister and governor posts	No
Five revenue-based ministries (Finance, Mines and Petroleum, Commerce and Industries, Transport and Civil Aviation, Communication and Information Technology) prepare anticorruption plans	No
An approved National Action Plan for Women Peace and Security implementation plan, including consultation with donors	No
Development councils approved and functioning to manage different sectors	No
Memorandum of understanding between government and civil society approved	Yes
Launch national program to survey informal settlements and provide 100% coverage of land tenure certificates in cities of Kabul, Herat, Kandahar, Mazar-e Sharif, and Jalalabad	No
Launch program to provide 5,000+ rural communities with funds for labor-intensive works to repair agricultural infrastructure	Yes
Launch pilot program for market gardening in urban peripheries	No
Complete new power-distribution systems to provide electricity to 40,000 poor households	No

Source: USAID, OPPD, response to SIGAR data call, 12/28/2015.

development (four indicators); and (6) development partnerships and aid effectiveness (eight indicators).<sup>394</sup> In addition to the SMAF indicators, there are 39 short-term deliverables across the same six areas that are collectively due to be completed by the end of 2016.<sup>395</sup>

As shown in Table 3.14, nine SMAF short-term deliverables were due to be completed by the end of 2015. According to USAID, as of December 28, 2015, only two were complete.<sup>396</sup>

Overall, SOM donors reaffirmed their Tokyo commitment of providing \$16 billion to Afghanistan through 2015, and sustaining support through 2017 at or near the levels of the past decade.<sup>397</sup> USAID said that although it cannot identify funds that may be awarded or withheld directly related to compliance or noncompliance with SMAF targets and indicators, noncompliance with SMAF indicators could erode donor confidence and reduce aid contributions.<sup>398</sup>

## Electoral Reform Challenges

According to State, the Afghan government made some progress on electoral reform this quarter. On December 16, President Ghani issued a presidential decree announcing the seven members of a selection committee that will decide on the candidates for the new Independent Election Commission (IEC) and the Central Complaints Commission (CCC) commissioners. The IEC will establish the timeline for parliamentary and district-council elections, as well as administer and supervise the elections. On December 21, the Special Elections Reform Commission (SERC) presented its final electoral-system recommendations. The SERC proposed that the IEC and the Electoral Complaints Commission (ECC) be merged, that election violations be prosecuted, and that a special court for election disputes be established.<sup>399</sup>

On December 26, the lower house of parliament rejected President Ghani's electoral decree. This threw the status of the electoral selection committee into confusion; the head of the IEC supported parliament's move, while the deputy of the selection committee accused the IEC of having lost its credibility.<sup>400</sup> Chief Executive Abdullah Abdullah, reacting to parliament's move, insisted that new commissioners would be appointed to the IEC and ECC.<sup>401</sup>

The 2014 presidential elections, which international monitors noted had experienced substantial fraud, highlighted Afghanistan's continuing need for electoral reforms.<sup>402</sup> As the United Nations Secretary-General observed in June, "Comprehensive electoral reforms will be crucial for restoring the faith of the Afghan people in the democratic process."<sup>403</sup>

Overhauling the electoral process was a central part of the power-sharing deal brokered by the United States between President Ghani and his former election rival, current Chief Executive Abdullah, after the troubled presidential elections. The September 2014 agreement that led to formation of the national-unity government called for the immediate establishment of a special commission for election reform with the aim of implementing reform before the 2015 parliamentary elections, and distribution of electronic identity cards to all Afghan citizens as quickly as possible.<sup>404</sup>

## U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

### Summary of On-Budget Agreements

To improve governance and align development efforts with Afghan priorities, international donors at the 2010 Kabul Conference committed to increase to 50% the proportion of civilian development aid delivered **on-budget** through the Afghan government.<sup>405</sup> Donors, including the United States, reiterated this pledge at the July 2012 Tokyo Conference and again at both the December 2014 London Conference and the September 2015 SOM.<sup>406</sup>

As shown in Table 3.15, USAID expects to spend \$1.07 billion on active direct bilateral-assistance programs. It also expects to contribute \$1.9 billion to the Afghanistan Reconstruction Trust Fund (ARTF), on top of \$1.37 billion disbursed under the previous grant agreement between USAID and the World Bank. USAID has disbursed \$105 million to the Afghanistan Infrastructure Trust Fund (AITF).<sup>407</sup>

The U.S. government announced in March 2015 that it intends to seek funding to support the Afghan National Defense and Security Forces (ANDSF), including the army and police, at the authorized force level of 352,000 personnel through at least 2017.<sup>408</sup> The Department of Defense (DOD) was appropriated \$3.7 billion to support the ANDSF for fiscal year (FY) 2016.<sup>409</sup>

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

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

Source: SIGAR, *Quarterly Report to the United States Congress*, 7/30/2014, p. 130; Ministry of Finance, "Aid Management Policy for Transition and Beyond," 12/10/2012, p. 8; State, response to SIGAR vetting, 1/14/2016.

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TABLE 3.15

<b>USAID ON-BUDGET PROGRAMS</b>							
<b>Project/Trust Fund Title</b>	<b>Afghan Government On-Budget Partner</b>	<b>Special Bank Account?</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Estimated Cost (\$)</b>	<b>Cumulative Disbursements, as of 12/31/2015 (\$)</b>	
<b>Bilateral Government-to-Government Projects</b>							
Power Transmission Expansion and Connectivity Project (PTEC)	Da Afghanistan Breshna Sherkat (DABS)	Yes	1/1/2013	12/31/2018	\$670,000,000	\$66,354,254	
Partnership Contracts for Health Services (PCH) Program	Ministry of Public Health (MOPH)	Yes	7/20/2008	12/31/2015	259,663,247	233,127,964	
Kajaki Unit 2 Project (Installation of Turbine Generator Unit 2 at Kajaki Dam Hydropower Plant)	DABS	Yes	4/22/2013	12/31/2015	75,000,000	38,078,735	
Afghanistan Workforce Development Project (AWDP)	Ministry of Education (MOE)	Yes	9/18/2013	4/3/2016	30,000,000	1,321,456	
Basic Education, Literacy, and Training (BELT) - Textbooks Printing and Distribution	MOE	Yes	11/16/2011	12/31/2015	26,996,813	24,970,742	
E-Government Resource Center (EGRC)	Ministry of Communications and Information Technology (MOCIT)	Yes	8/28/2013	6/1/2016	3,900,000	405,000	
<b>Multi-Donor Trust Funds</b>							
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	No	3/31/2012	3/31/2017	1,900,000,000	1,061,302,620	
Afghanistan Infrastructure Trust Fund (AITF)**	Multiple	No	3/7/2013	3/6/2018	113,670,184	105,000,000	

Note:

\* USAID had a previous award to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements. Cumulative disbursements from the two ARTF awards are currently \$2,433,293,815.

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

Source: USAID, response to SIGAR data call, 1/11/2016.

At the 2012 NATO Summit in Chicago, the United States, NATO allies, and other coalition partners announced an agreed vision for the ANDSF and committed to providing adequate funding for this force. This vision included a drawdown of the 352,000 ANDSF “surge” force by the end of 2015. This drawdown was predicated upon an improving security environment that would then allow for an enduring force of 228,500 ANDSF personnel at an estimated cost of \$4.1 billion by the end of 2017. The summit participants agreed, however, to continue to work closely with the Government of Afghanistan to evaluate conditions on the ground, making adjustments as needed. According to DOD, security conditions have not yet warranted such a drawdown. As a result, in March 2015, Secretary of Defense Ashton Carter announced that DOD would seek funding for the 352,000 authorized force level through at least 2017.<sup>410</sup> At a December meeting in Brussels, Belgium, NATO foreign ministers agreed to begin steps to secure international funding for the ANDSF through the end of 2020.<sup>411</sup>

For 2016, the United Nations Development Programme (UNDP) expects the U.S. to contribute \$114 million for police salaries via the Law and Order Trust Fund for Afghanistan (LOTFA).<sup>412</sup>

At press time, DOD's commitment letter for direct contributions to MOD was not finalized. DOD expects to contribute approximately \$412 million in direct contributions to the MOI.<sup>413</sup>

## SIGAR AUDIT

This quarter, SIGAR initiated a follow-up audit of the ARTF. In July 2011, SIGAR found that the World Bank and the Afghan government had established mechanisms to monitor and account for ARTF contributions, but that several limitations and challenges should be addressed. This audit will assess the extent to which the World Bank and the Afghan government (1) monitor and account for U.S. contributions to the ARTF; (2) evaluate whether ARTF-funded projects have achieved their stated goals and objectives; and (3) utilize and enforce any conditionality on ARTF funding.

## Civilian On-Budget Assistance

USAID provides on-budget civilian assistance through (1) bilateral agreements with four Afghan government entities and (2) contributions to two multidonor trust funds, the ARTF and the AITF.<sup>414</sup> According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance for each program.<sup>415</sup>

The ARTF, administered by the World Bank, provides funds to both the Afghan government's operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs.<sup>416</sup> The AITF, a multidonor trust fund administered by the Asian Development Bank, coordinates donor assistance for infrastructure projects in Afghanistan.<sup>417</sup> According to USAID, the majority of on-budget funding has been and will continue to be directed through the multidonor trust funds, particularly the ARTF.<sup>418</sup>

Last quarter, USAID released the first \$100 million tranche of funds for the \$800 million, USAID-administered New Development Partnership (NDP). The NDP utilizes already budgeted or requested funding and is delivered via the ARTF.<sup>419</sup> The NDP contains its own, independent conditions that were negotiated bilaterally between the U.S. and Afghan governments.<sup>420</sup> In August, the U.S. and Afghan governments signed a memorandum of understanding (MOU) governing the NDP that proposed 40 development results that the Afghan government will be expected to achieve. Currently, 31 development results and indicators have been agreed to with nine to be determined. USAID noted that the results and indicators for 2017 and beyond may be modified given Afghanistan's uncertain future. The Afghan government will receive \$20 million through U.S. funds provided via the ARTF's recurrent-cost window for achieving each development result.<sup>421</sup>

The Afghan government met several NDP indicators due by the end of 2015. The results partially met this quarter include the following indicators to justify the release of \$80 million: (1) the issuance of a legislative decree from President Ghani on the ratification of the new banking law; (2) the development and approval of a salary scale for certain Afghan government civil servants as well as a salary scale for externally funded project staff; (3) the issuance of a preventative measure regulation by the central bank that complied with the Financial Action Task Force's (FATF) action plan; (4) verification that 87.5% of senior Afghan government officials who are required by

the Afghan constitution to declare their assets have done so; and (5) submission of an approved anti-harassment regulation for the public sector. The NDP indicators that were not completed by the December 31 deadline include: (1) legal amendments to the 2015 budget to increase revenues, including mobile phone top-ups and business receipt tax and (2) implementation by the customs department of an effective cash courier regulation for airports.<sup>422</sup>

In December 2014, the U.S. Embassy Kabul negotiated direct access to the Afghanistan Financial Management Information System (AFMIS) as one of two conditions for the accelerated release of \$25 million to address a severe Afghan government budget gap. Direct AFMIS access was intended to give U.S. officials the ability to analyze Afghan government expenditures in real time. Technical issues, however, continue to prevent the U.S. Embassy Kabul from connecting to AFMIS. According to USAID, embassy personnel receive fiscal data on the Afghan government's budgets but are unable to generate more detailed, customized reports such as Afghan government revenue broken out by province and source.<sup>423</sup> State, however, questions the value of having U.S. government personnel review the raw AFMIS data saying, "we are not certain the raw data in [AFMIS] will be of significant benefit to U.S. government officials without devoting full time staff who are trained in the use of the database and tracking the data over time on a regular basis."<sup>424</sup>

## On-Budget Assistance to the ANDSF

A large portion of on-budget U.S. assistance is for the Afghan security forces. DOD provides on-budget assistance to the Afghan government through (1) direct contributions from the Afghanistan Security Forces Fund (ASFF) to the MOD and the MOI, and (2) ASFF contributions to the multi-donor LOTFA.<sup>425</sup> Administered by the UNDP, LOTFA primarily funds Afghan National Police (ANP) salaries and incentives.<sup>426</sup> Direct-contribution funding is provided to the Ministry of Finance, which allots it incrementally to the MOD and MOI, as required.<sup>427</sup>

In February 2011, the Under Secretary of Defense Comptroller authorized the Combined Security Transition Command-Afghanistan (CSTC-A) to provide direct contributions to the Afghanistan government from ASFF to develop ministerial capacity and capability in the areas of budget development and execution, acquisition planning, and procurement. CSTC-A administers all contributions of ASFF resources to the MOD and MOI. CSTC-A monitors and formally audits the execution of those funds to assess ministerial capability, ensure proper controls and compliance with documented accounting procedures, and compliance with the provisions in the annual commitment letters.<sup>428</sup>

The commitment letters express CSTC-A's conditions for MOD and MOI assistance.<sup>429</sup> MOD and MOI compliance with the conditions in the FY 1394 commitment letters has been mixed, CSTC-A said. The ministries have shown satisfactory progress toward a majority of conditions—35 for MOI

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TABLE 3.16

<b>NUMBER OF FY 1394 MOD AND MOI COMMITMENT LETTER CONDITIONS</b>		
<b>Status</b>	<b>Number of MOD-specific conditions</b>	<b>Number of MOI-specific conditions</b>
Satisfactory progress to date	35	32
Insufficient progress due to MOD (or MOI) failure with no financial penalty	4	4
Insufficient progress due to MOD (or MOI) failure with a financial penalty	2	2
Insufficient progress due to factors beyond the control of MOD (or MOI)	3	5
Unresolved	0	0

Source: CSTC-A, response to SIGAR data call, 12/31/2015.

and 32 for MOD—to date. Table 3.16 provides the number of conditions by status as assessed by CSTC-A.<sup>430</sup>

According to CSTC-A, the conditions requiring the MOI and MOD to input personnel information into the Afghan Human Resources Information Management System (AHRIMS) were examples of successful conditionality. According to CSTC-A, both the MOI and MOD made significant progress towards inputting 100% of personnel data in AHRIMS following, in the MOI's case, imposition of progressively increasing penalties. After the MOI missed a March 1 deadline to have all police records loaded into AHRIMS, CSTC-A levied a 1% penalty on MOI operations-and-maintenance funds for March and April, and a 5% penalty in May. CSTC-A has now shifted its focus to validating the data loaded into AHRIMS.<sup>431</sup>

However, as reported on pages 78–88 of this report, the AHRIMS database appears incomplete, lacking data on attrition, province of origin, and educational levels for MOI and MOD personnel.

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

- conditions based on assumptions about Afghan capacity and capability that did not mature as anticipated
- conditions based on metrics or conditions that were not measurable or assessable as originally anticipated
- conditions whose enforcement as written would have been overly detrimental to key capabilities required during the 2015 fighting season<sup>432</sup>

This quarter, CSTC-A concluded new commitment letters with the MOD and MOI to cover FY 1395. There were several new requirements for the Afghan government. MOI is required to jointly develop an anticorruption plan with CSTC-A by April 2016, load all personnel records into AHRIMS by March 2016, develop a plan by June 2016 for divesting excess facilities, ensure that untrained Afghan police do not represent more than 5% of the

total force, and develop a randomized schedule for assessing each Afghan Local Police district at least once per year to check for “ghost” personnel.<sup>433</sup>

Ghani’s effort to reduce procurement-related corruption has slowed procurement and created what CSTC-A has labeled the “[Afghan fiscal year] 1394 Procurement Crisis.”<sup>434</sup> According to CSTC-A, of the 648 MOD contract requirements, 544 have been submitted to the MOD acquisition agency and 285 contracts have been awarded, an increase from the 136 contracts awarded as of last quarter. The MOI is experiencing a similar backlog with 925 defined requirements, 378 of which have been submitted to the MOI procurement directorate, and 83 contracts have been awarded. According to CSTC-A, the procurement backlog significantly limits the opportunities to successfully transition off-budget contracts to on-budget procurement.<sup>435</sup>

## NATIONAL GOVERNANCE

### Capacity-Building Programs

USAID capacity-building programs seek to improve Afghan ministries’ ability to prepare, manage, and account for on-budget assistance. These programs also provide general assistance to support broader human and institutional capacity-building of Afghan government entities.<sup>436</sup> As shown in Table 3.17, active programs include USAID’s \$38 million Leadership, Management, and Governance Project that aims to strengthen Afghanistan’s financial-management systems and the capacity of the Ministry of Public Health and the Ministry of Education to meet requirements set at the 2010 Kabul International Conference for increased on-budget aid.<sup>437</sup> USAID is also funding the Ministry of Women’s Affairs (MOWA) Organizational Restructuring and Empowerment (MORE) project, a \$14 million project that, among other things, assists the ministry to improve its financial management, as required for future on-budget assistance.<sup>438</sup>

This quarter, MORE provided 70 scholarships for MOWA staff to attend private Afghan universities, supported MOWA’s development of a five-year

TABLE 3.17

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL						
Project Title	Afghan Government Partner	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2015 (\$)	
Leadership, Management, and Governance Project (LMG)	Ministry of Public Health, Ministry of Education	9/25/2012	12/31/2015	\$38,341,106	\$37,674,506	
Assistance to Legislative Bodies of Afghanistan (ALBA)	Parliament	3/28/2013	3/27/2018	24,990,827	12,966,693	
Ministry of Women's Affairs Organizational Restructuring and Empowerment (MORE)	Ministry of Women's Affairs	12/20/2012	12/19/2015	14,182,944	8,037,128	

Source: USAID, response to SIGAR data call, 1/11/2016.

strategy, and conducted a communications campaign on women's rights and gender-based violence.<sup>439</sup>

## National Assembly

Despite a constitutional requirement to hold elections 30–60 days prior to the expiration of the *Wolesi Jirga* (the lower house) term, the lower house's term expired on June 22, 2015, with no elections held. President Ghani granted an extension to the lower-house members, but critics called that unconstitutional. Within parliament there were increased political tensions between the two houses, with members of the upper house questioning the legitimacy of the lower house due to the lack of new parliamentary elections.<sup>440</sup> On January 18, the elections commission announced that parliamentary and district council elections would occur on October 15.<sup>441</sup>

Recently, the lower house rejected several presidential decrees covering a draft law to impose tax on mobile-phone recharge cards, an amendment to the customs laws, the establishment of a presidential economic advisory unit, and an amendment to allow acting security ministers to stay in their posts beyond their temporary appointments.<sup>442</sup> Additionally, on December 21, the lower house rejected the government's draft 2016 budget. On January 18, almost a month after the start of the new budget year, the parliament approved a revised budget.<sup>443</sup>

Parliament has traditionally faced challenges with achieving a quorum. Since the start of the current parliamentary session, the lower house achieved a quorum in 40% of its sessions; the upper house achieved a quorum in 77% of its sittings. The occurrence of two major Afghan holidays during this time affected attendance.<sup>444</sup>

USAID funds the \$25 million Assistance to Legislative Bodies of Afghanistan project (ALBA) to help Afghanistan's parliament operate as an independent and effective legislative, representative, and oversight body.<sup>445</sup> ALBA provides assistance through the Afghanistan Parliamentary Institute (API). The API conducts specialized training for members of parliament and support staff as needed. According to USAID, API conducts daily training for approximately 300 participants from the staff of the upper and lower houses, members of parliament, and Ministry of Parliamentary Affairs staff in legal English, French, and Arabic and on information technology.<sup>446</sup>

In June, USAID issued a contracted midterm performance evaluation of ALBA. The evaluation found that ALBA's support to legislative capacity building often took the form of direct technical assistance by ALBA staff rather than teaching parliamentary personnel the skills needed to perform legislative analysis, drafting, and amendment functions unaided. The result was capacity substitution rather than capacity building.<sup>447</sup> According to USAID, ALBA is now focused on teaching parliamentary commission staff—rather than providing direct support—to ensure they enhance Afghan government institutional capacity.<sup>448</sup>



**Afghan senators conducted** an oversight trip to Balkh Province. (USAID photo)

## SUBNATIONAL GOVERNANCE

### Rural Stabilization Programs

USAID has conducted several stabilization programs aimed at helping the Afghan government extend its reach into unstable areas and building local governance capacity. The only programs active this quarter are the Community Cohesion Initiative (CCI) program and the Afghan Civilian Assistance Program III (ACAP III).<sup>449</sup> Table 3.18 summarizes total program costs and disbursements to date.

Last quarter, SIGAR reported on the work of the Measuring Impacts of Stabilization Initiatives (MISTI) program, a three-year, \$19 million effort to measure and map changes in stability over time as well as evaluate the impact of USAID stabilization programs in key areas of Afghanistan.<sup>450</sup> MISTI published the results of its data collection in 107 districts between September and November 2014 that builds upon previous surveys. According to MISTI, stability is an aggregate measure of whether participatory local-development projects succeed in strengthening perceptions of good governance and effective service delivery, thereby improving citizens' lives and addressing local grievances that might otherwise contribute to support for insurgents. Resilience, on the other hand, measures how well local leaders are able to mobilize their communities to solve local problems with or without government support.<sup>451</sup>

MISTI found that villages that received USAID stability programming registered lower scores for stability—comparing surveys from June 2014 with the final survey that ended in November 2014—than those villages that did not receive assistance. MISTI characterized the period surveyed as one of “deep political uncertainty and unseasonable violence” and hypothesized that the villages selected to receive assistance were initially relatively stable, with higher expectations that were frustrated due to the violence and uncertainty surrounding the presidential elections. MISTI also found that villages receiving Stability in Key Areas (SIKA) assistance registered lower perceptions of Afghan government performance but higher perceptions of traditional-leader performance.<sup>452</sup> USAID responded that while it agrees that expectations in villages receiving assistance were likely higher, it does not believe that the lower stability scores were exclusively

### SIGAR AUDIT

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

TABLE 3.18

USAID SUBNATIONAL (RURAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2015 (\$)
Afghanistan Civilian Assistance Program (ACAP III)	4/20/2015	2/14/2018	\$30,223,597	\$9,644,000
Community Cohesion Initiative (North, West)*	9/10/2013	12/2015	29,569,265	22,426,599

Note: \* As of 12/28/2015.

Source: USAID, response to SIGAR data calls, 12/28/2015 and 1/11/2016.

**MISTI's finding that USAID stability programming in Taliban-controlled villages increased support for the Taliban was based on analysis of the 72 villages MISTI determined were both (1) under Taliban control and (2) recipients of USAID stability assistance. These 72 villages were a subset of 860 villages that received USAID stability programming. According to the report, there was "a large average increase" in Taliban support in five of these 72 villages and a substantial boost in Taliban local popularity in 13 of the 72 villages. This finding was apparently significant enough for MISTI to highlight in the executive summary and to argue that the policy implication is that projects should not be implemented in areas under Taliban control. USAID and MISTI—in a later-added addendum—have said that the "five villages were not representative of the large majority of villages where stabilization programming took place between 2012 and 2014." However, the report does not describe the stability outcomes of the other villages covered by MISTI's two-factor determination.**

Source: Management Systems International, *MISTI Stabilization Trends and Impact Evaluation Survey Analytical Report, Wave 5: Sep 28 – Nov 3, 2014 (Updated with Addendum)*, 11/25/2015, pp. xxiii, 9, 14, 323–333, 357; USAID, OAPA, response to SIGAR vetting, 1/20/2016.

due to USAID's stability projects. USAID and the MISTI report cited external factors, such as general insecurity and political instability, as possible causes for the lower scores; however, these external factors would have affected all villages, not exclusively villages that received USAID stability assistance.<sup>453</sup>

USAID has publicly responded that the finding of increased Taliban support was **only in a few villages**, and the evaluation shows that "the vast majority of villages we worked in either increased or maintained support for the Afghan government."<sup>454</sup> The MISTI report, on the other hand, says district-level stability scores—containing the results for villages that received USAID assistance as well as those that did not—remained largely flat since September 2012. The report further states that while the overall opinion of the Afghan government has improved since September 2012, confidence varies at the local level at which USAID implemented its programs.<sup>464</sup>

Additionally, the report found that across all the villages MISTI surveyed, including those that received USAID assistance and those that did not, Afghans generally support the Taliban less than the Afghan government. Despite this, MISTI found that the majority of survey respondents are "on the fence" and have roughly equal support for both the Taliban and the Afghan government, or, conversely, are indifferent to both. MISTI did not find that relative support for one side over the other shifted significantly over the five surveys MISTI commissioned.<sup>465</sup>

While MISTI does say that stabilization programming has a negative impact on support for the Taliban, this appears to be contradicted by the village-level results comparing the most recent survey results with the previous survey results.<sup>466</sup> In order to determine the impact of USAID stability projects, MISTI examined the differences in responses between villages that received USAID assistance with similar villages that did not receive USAID assistance.<sup>467</sup> Using this method, MISTI reported that villages that received USAID assistance showed a marked decrease in their stability scores relative to the overall decrease in stability scores for both villages that did and those that did not receive USAID assistance. According to MISTI, the lower score for villages that received USAID assistance may be the consequence of villages having expectations raised while discussing project ideas, but having them dashed when implementation challenges followed.<sup>468</sup>

## Stability in Key Areas

MISTI recently issued its final performance evaluation for the SIKA programs, which collectively spent \$306 million from 2011 to 2015. According to MISTI, the SIKA programs "did not, generally speaking, improve stability or good formal governance."<sup>469</sup>

The programs did, however, improve community cohesion, resiliency, and perceptions of local leaders, albeit at the expense of government

## USAID CEASES STABILITY PROGRAMMING

Since 2003, USAID has spent at least \$2.3 billion on stability programs meant to engage and support at-risk populations, extend the reach of the Afghan government to unstable areas, provide income generation opportunities, build trust between citizens and their government, and encourage local populations to take an active role in their development.<sup>455</sup>

This quarter, when SIGAR asked USAID whether the goals and/or approaches of stability programming no longer apply to the Afghanistan contingency, USAID responded simply that they have no plans to continue stabilization activities, and that they have not received resources from Congress for peace and security programming for FY 2015.<sup>456</sup> Stability, however, remain central to U.S. goals for a secure, stable, and unified Afghanistan that can prevent the emergence of future threats.<sup>457</sup>

The findings of a USAID-contracted, third-party evaluation program on the impacts of its stabilization projects raise worrying questions. The MISTI program reported, for example, that villages receiving USAID stability projects scored lower on stability—an aggregate measure of whether the projects strengthened perceptions of good governance and effective service delivery—than similar villages that received no such assistance. And some villages reportedly under Taliban control that received USAID stability projects subsequently showed greater pro-Taliban support.<sup>458</sup>

SIGAR has not attempted to validate these findings, nor does it maintain that MISTI’s methodology is the only or best way to assess stability outcomes. Nonetheless, these findings point to a more general weakness in U.S. implementing agencies’ use of economic tools for stability. If the United States aims to increase stability as part of a whole-of-government effort to defeat an extremist threat, project impacts must be assessed against these political outcomes.<sup>459</sup>

USAID stability projects are not the only ones advancing stability-related outcomes. According to the U.S. Foreign Assistance for Afghanistan Post Performance Management Plan (2010–2015), even initiatives as diverse as public health, governance, education, and agriculture shared common security and stability goals. These goals included building active support for

the government (health), supporting and reinforcing efforts to improve security in Afghanistan (governance), increasing the legitimacy of the Afghan government (education), and increasing confidence in the Afghan government and “undercutting the appeal of the insurgency to potential recruits by offering economic alternatives and providing stability to communities that are on the frontlines of the war” (agriculture).<sup>460</sup>

USAID appears to have made no effort to assess the political outcomes for these other non-stability programs other than to reference national-level surveys like the Asia Foundation’s *Survey of the Afghan People*.<sup>461</sup> However, it is unclear whether shifting Afghan perceptions have any appreciable impact on pro- or anti-government behaviors. For example, the survey firm employed by both MISTI and the Asia Foundation for their respective surveys recently wrote:

More than 90 percent of the Afghans surveyed do not want to return to Taliban rule, but they are caught between a government stating that they will punish any that assist the anti-government elements and the Taliban stating they will kill those who do not provide assistance.<sup>462</sup>

USAID appears to be largely indifferent to the implications of the MISTI findings. Last quarter and this quarter, SIGAR asked USAID for its perspective on two recent MISTI reports and the implications of the conclusions, but USAID did not express any opinion. For example, when SIGAR asked for USAID’s view of a key finding that the SIKA program “did not, generally speaking, improve stability or good formal governance,” despite SIKA’s goal to expand Afghan government authority and legitimacy, USAID responded by supplying an unrelated paragraph from the report that said, among other items, that SIKA “improved the perceptions of local leaders, albeit at the expense of government officials.” In another instance, USAID responded simply that SIGAR should read the report.<sup>463</sup>

It may be that MISTI’s approach was not precise or accurate enough to measure stability changes over time. However, SIGAR is concerned that USAID does not appear to have an alternative means of defining and measuring stability.



**High school students** in Badghis Province paint for peace thanks to support from the USAID Community Cohesion Initiative. (USAID photo)

officials. The SIKA programming method reportedly had the unintended effect of causing local residents to generally credit local, informal leaders for project benefits instead of formal government institutions. Part of the challenge MISTI identified is that SIKA projects were implemented in a number of districts (1) where there was only a token security apparatus and no functional district government, (2) where district governments lost authority and territory to insurgents and, (3) in some cases, where districts were under total insurgent control.<sup>470</sup>

According to MISTI, how SIKA local Afghan staff managed to implement project activities in these areas is still an open question, as expatriate monitoring and evaluation specialists were unable to personally monitor or verify what was being reported by local staff.<sup>471</sup> USAID responded that “local staff were able to conduct regular phone calls and skype monitoring as well as initiate and verify with [Afghan government] counterparts on monitoring and communications regarding projects.”<sup>472</sup>

MISTI recommended that stabilization programming adhere to an explanatory “theory of change” that reflects the program’s strategic objective.<sup>473</sup> In the case of the SIKA programs, the strategic objective was for Afghans to have increased confidence in their district government, leading to the expansion of Afghan provincial government authority and legitimacy.<sup>474</sup> According to MISTI, “a fundamental fault of each SIKA project was the inability to focus on the strategic objective, instead choosing to focus on intermediate results that, when combined, did not fulfill the strategic objective.” MISTI also recommended that USAID require thorough and outcomes-based monitoring and evaluation, saying that senior implementing partner management and USAID personnel need to “take [monitoring and evaluation] results seriously when assessing programming effects.”<sup>475</sup>

MISTI concluded that although the “SIKA projects performed considerably well in executing their contracts, implementing all four intermediate results, and building up the capacity of [Ministry of Rural Rehabilitation and Development]-developed institutions, ... the success of each SIKA project was measured not only in each [implementing partner’s] ability to execute its contract, but also in each project’s ability to contribute towards achievement of the stated USAID program and strategic objectives ... which the SIKA program as a whole was unable to achieve.”<sup>476</sup>

## Community Cohesion Initiative

USAID’s Community Cohesion Initiative (CCI) program supports creating conditions for stability and development in conflict-prone and other priority areas of Afghanistan by (1) increasing cohesion within and between communities, (2) supporting peaceful and legitimate governance processes and outcomes, and (3) countering violent extremism.<sup>477</sup>

As of September, CCI has focused on operational, administrative, and financial closeout processes. All CCI activities were fully implemented by early November.<sup>478</sup>

In November, the CCI independent monitoring unit (IMU) issued a report on Afghan government perspectives of CCI programming. The IMU interviewed 90 Afghan government officials in northern and western Afghanistan. According to the report, Afghan officials had a good understanding of CCI, its goals, and detailed knowledge of many CCI activities. The vast majority (85%) of Afghan government officials believed CCI programming to be organized well, transparent, and successful in achieving its objectives. Most Afghan government officials (90%) agreed that CCI programming contributed positively to community security and stability, and to improving relationships between the general public and the Afghan government. As one Afghan official in Herat Province stated

Of course this project to some extent helped in bringing solidarity and improving security. This has also helped to bring smiles and happiness on the faces of the people who are most part of the years busy in earning money for their families or busy in agriculture. The smile on their face is huge support in reaching to the objectives which are stability, conflict resolutions, disputes resolving and improving overall security situation.<sup>479</sup>

## Jobs for Peace

In November, President Ashraf Ghani announced the first portion of the Jobs for Peace program, a 24-to-30-month jobs-focused stimulus and stabilization program that the Afghan government initially estimates will cost approximately \$1.18 billion, though some components of the program still require budget estimates. The program is meant to provide short-term, labor-intensive employment in rural and urban areas.<sup>480</sup> It not only aims to create short-term employment, but will also focus on political aspects of unemployment by targeting areas and populations that are especially susceptible to destabilization and insurgent recruitment.<sup>481</sup> In December, the United States announced plans to contribute \$50 million to support the Afghan government's job-creation efforts.<sup>482</sup>

The Afghan government proposed the following initiatives as part of the Jobs for Peace program:

- **Rehabilitating agricultural infrastructure:** This program would provide block grants to Community Development Councils (CDCs) that they could use to rehabilitate agricultural infrastructure, in particular water-resource management (irrigation, drainage) and field leveling to prepare farms for the coming year. Labor-intensive road and canal maintenance through the existing national roads and irrigation programs to work with CDCs would also be included. These programs are already up and running as they build upon the National Solidarity Program (NSP). This is estimated to cost approximately \$350 million.



The Afghan Department of Education's sports manager opens a volleyball tournament supported by the USAID Community Cohesion Initiative in Faryab Province. (USAID photo)

- **Labor intensive urban cleanup and repair:** Following the survey of urban settlements, this NSP urban program would release small block grants for labor-intensive cleanup, drainage, and greening programs in poor urban neighborhoods. Urban programming can also include useful job opportunities for restive, educated youth, such as social work, field monitoring, contract teaching, and collective organizing for neighborhood improvement. This is estimated to cost approximately \$200 million.
- **Fortifying urban peripheries:** This initiative would involve establishing a civilian conservation corps to plant trees, form parks, and patrol the mountains around all of Afghanistan's large cities. It will employ large numbers of at-risk youth and provide security benefits for the vulnerable urban peripheries. The program would also support market gardening for women and girls. This is estimated to cost approximately \$80 million.
- **Micro-grants for female heads of households:** This initiative would provide women producers small grants to buy farming inputs and productive equipment such as greenhouses, nurseries, or tools. Additionally, the Afghan government would aim to purchase products produced by poor women. Poor women, particularly female heads of households, will also be given employment maintaining community public infrastructure. This is estimated to cost approximately \$50 million.
- **Housing finance:** This program would use a state-owned enterprise to construct (through contracting) a large quantity of housing in at-risk urban peripheries, primarily Kabul. The program's overall objective is to produce 200,000 units of affordable housing. This is estimated to cost \$500 million.
- **Cash transfers against stunting and malnutrition:** This program would provide a cash transfer and a health packet or (in urban areas) food vouchers for providing nutrition to stunted or malnourished children. No budget has yet been estimated.
- **Rebuilding the civil service:** Under this program, the Afghan government would work with International Monetary Fund specialists to weed out underqualified, "legacy" Afghan civil servants and offer training to new recruits. The target groups of civil servants would include teachers, city police, urban managers, and community health workers.
- **Refugee return and migrant labor:** This set of programs plans to use existing Afghan refugee-repatriation systems but to couple those with preferential refugee access to housing and certain types of job opportunities. Additionally, these programs aim to build up skills and systems that will allow family members thinking about migration to find employment in-country or through legal employment in the countries of the Middle East or Asia.<sup>483</sup>

Several of the Afghan government's proposed Jobs for Peace initiatives build on the NSP and aim to advance stabilization goals. As SIGAR reported

previously, USAID used to “preference” (earmark) funds to the NSP, via the ARTF, to advance counterinsurgency objectives in areas newly under Afghan government control. To its credit, USAID stopped preferencing funds to NSP after reviewing documents, including a 2011 SIGAR audit, that found that NSP is implemented in very insecure areas but does not mitigate violence or improve attitudes toward the government in those areas. USAID acknowledged a lack of evidence that NSP increases stability in insecure parts of Afghanistan and adjusted its funding accordingly. Prior to the change, USAID had preferenced a total of \$865 million directly for NSP.<sup>484</sup>

## Provincial and Municipal Programs

USAID recently started two subnational programs focused on provincial centers and municipalities: the Initiative to Strengthen Local Administrations (ISLA) and Strong Hubs for Afghan Hope and Resilience (SHAHAR) programs. Table 3.19 summarizes total program costs and disbursements to date.

TABLE 3.19

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2015 (\$)
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	11/29/2017	\$73,499,999	\$9,675,134
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	1/31/2020	62,364,687	4,064,477

Source: USAID, response to SIGAR data call, 1/11/2016.

## Initiative to Strengthen Local Administrations

The ISLA program is meant to enable the Afghan government to improve provincial governance in the areas of fiscal and development planning, representation of citizens, and enhanced delivery of public services. ISLA aims to strengthen subnational systems of planning, operations, communication, representation, and citizen engagement. This should lead to services that more closely respond to all citizens’ needs in health, education, security, justice, and urban services.<sup>485</sup>

ISLA will operate from five regional hubs: Kabul, Mazar-e Sharif, Jalalabad, Kandahar, and Herat. Pending agreement with the Afghan government, it plans work in 16 provinces: Badghis, Baghlan, Balkh, Farah, Faryab, Ghazni, Ghor, Herat, Kandahar, Kunar, Laghman, Logar, Nangarhar, Parwan, Wardak, and Zabul.<sup>486</sup>

## Strong Hubs for Afghan Hope and Resilience

The objective of the SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. Targeted support to municipal governments, as well as to the General Directorate of Municipal Affairs and municipal advisory

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

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

boards, aims to improve municipal financial management, urban service delivery, and citizen consultation. The program will focus on 16 small and medium-sized provincial capitals located within USAID's three designated **Regional Economic Zones**, as well as the four regional-hub provincial capitals of Kandahar, Herat, Mazar-e Sharif, and Jalalabad.<sup>487</sup>

## RECONCILIATION AND REINTEGRATION

According to the United Nations Secretary-General, the peace process is "at an impasse" with the Taliban showing no commitment to resuming direct talks with the Afghan government.<sup>488</sup>

In early December, Pakistan hosted a Heart of Asia summit attended by President Ghani, senior Chinese officials, and a U.S. delegation led by the Deputy Secretary of State. The summit was a forum for regional players to discuss their commitments to an Afghan-led and Afghan-owned peace process. According to State, Afghan officials were generally pleased by the positive statements issued by their Pakistani hosts. Pakistan's Chief of Army Staff General Raheel Sharif later followed up with a visit to Kabul on December 27. On December 29, the Afghan Presidential Palace announced the four-way talks with Pakistan, the United States, and China that took place in the first week in January.<sup>489</sup>

## Afghanistan Peace and Reintegration Program

The Afghanistan Peace and Reintegration Program (APRP) is an Afghan-led program to reintegrate low-level insurgent fighters and their commanders into Afghan civil society.<sup>490</sup> The APRP is the only institutional mechanism within the Afghan government with capacity to pursue both high-level reconciliation negotiations and provincial-level reintegration of insurgent fighters.<sup>491</sup> For more information, see SIGAR's October 2014 *Quarterly Report to the United States Congress*, pages 149–151.

According to State, as of September 30, the APRP has facilitated a total of 10,578 reintegrees, 988 of whom were reportedly "commanders." A total of 143 reintegrees were documented recidivists.<sup>492</sup> Since September 30, there have been an additional 396 reintegrees processed.<sup>493</sup>

Nangarhar (156 reintegrees), Ghor (49 reintegrees), Badghis (42 reintegrees), and Farah (39 reintegrees) provinces dominated the results since September. The top five reintegration provinces for 2015 are Badghis (1,646 reintegrees), Baghlan (1,211 reintegrees), Herat (813 reintegrees), Nangarhar (766 reintegrees), and Ghor (569 reintegrees).<sup>494</sup>

According to State, reintegration efforts likely slowed because of intensified insurgent violence in the latter part of 2015.<sup>495</sup> Continued violence diminishes the credibility of the APRP to promise a secure future for potential reintegrees and denies APRP personnel the space to advance the program's objectives for peace and reconciliation.<sup>496</sup>

# GOVERNANCE

The Afghan High Peace Council has reported to State that information gathered from the APRP reintegree program has contributed to a broader understanding of insurgent leadership, structure, operations, sanctuaries, hideouts, funding resources, supporting countries, recruitment methods, goals and objectives, relationships with international and regional terrorist organizations, ideological narrative, and sympathizers.<sup>497</sup>

In March, the United States announced that it will provide up to \$10 million to UNDP to support APRP. According to State, this assistance is meant to support APRP's provincial efforts in the event of peace talks and improve APRP's strategic-communications capacity.<sup>498</sup>

## RULE OF LAW AND ANTICORRUPTION

### Project Summary

The United States has assisted the formal and informal justice sectors through several mechanisms. These include the State Department's Justice Sector Support Program (JSSP), and Justice Training Transition Program (JTTP). These and other rule-of-law and anticorruption programs are shown in Table 3.20.

In the area of anticorruption, USAID has a cooperation arrangement with the United Kingdom's Department for International Development to fund the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC). USAID support funds the MEC's monitoring, analysis, and reporting activities, including its vulnerability-to-corruption assessments.<sup>499</sup>

This quarter, USAID modified the Afghanistan Electoral Reform and Civic Advocacy (AERCA) program to focus on anticorruption matters. AERCA is developing a work plan to identify reform efforts to (1) strengthen Afghan civil society organizations' ability to perform

TABLE 3.20

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2015 (\$)
Justice System Support Program II (JSSP II)	6/16/2010	2/29/2016	\$224,142,053	\$203,431,814
Electoral Reform and Civic Advocacy (AERCA)*	7/13/2009	6/30/2017	51,302,682	36,857,948
Corrections System Support Program (CSSP III)	1/1/2015	2/29/2016	22,161,965	12,939,270
Justice Training Transition Program (JTTP)	1/2/2013	3/31/2016	47,435,697	47,435,697
Delegated Cooperation Agreement (DCAR) with the Department for International Development (DFID) for Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)	5/19/2015	8/31/2020	3,000,000	500,000

Note: \* On November 1, 2015, USAID extended the AERCA award beyond the planned December 31, 2015, end date, added \$12.6 million in estimated costs, and incorporated additional anticorruption activities into the program description. The information in the table refers to the entire award, not simply the new anticorruption portion covered by the modification.

Source: State, INL, response to SIGAR data call, 12/23/2015; USAID, response to SIGAR data calls, 12/28/2015 and 1/11/2016.

watchdog functions and (2) support the Afghan government in implementing reforms that will combat corruption. AERCA aims to increase the demand from civil-society organizations to spur the Afghan government's efforts to reduce administrative corruption while building a foundation of lawfulness that can over time chip away at what the World Bank has called "grand corruption." USAID is also designing a new, five-year anticorruption program—AMANAT (Afghanistan's Measure for Accountability and Transparency)—that will build upon the anticorruption activities carried out under AERCA.<sup>500</sup>

The State Department's JSSP objectives include continuing to develop a case-management system (CMS) to track cases throughout Afghanistan's justice system and to build the capacity and administrative skills of ministry officials.<sup>501</sup>

The CMS is used to monitor criminal cases on an individual or aggregated basis from the time of arrest until the end of confinement. All ministries in the formal criminal-justice sector have access to the CMS. The CMS is used to demonstrate inefficiencies in the criminal-justice system by identifying when cases are not being processed in a statutory manner.

Ministries routinely utilize the CMS to analyze and understand the function of the formal justice sector. For example, the CMS can help identify an individual prosecutor's case load and conviction rates, information that is useful for determining promotion eligibility. In addition to using the CMS to conduct criminal background checks on internal and external employment applicants, the MOI generates a weekly report of arrests in Kabul by the type of crime.<sup>502</sup> From 2013 to December 2015, JTTP has reviewed 2,724 CMS cases of which 91% were found to be accurate. In the provinces, Balkh Province had the lowest amount (66%) of correct CMS files to date.<sup>503</sup>

The State Department's JTTP provides regional training to justice-sector officials on a wide range of criminal-justice topics.<sup>504</sup> JTTP aims to increase the confidence of Afghan citizens in their justice sector and to achieve two outcomes: (1) increase the capacity and competencies of Afghan justice sector professionals in delivering justice according to Afghan law, and (2) ensure that Afghan justice institutions are capable of managing the sustainable implementation of training programs.<sup>505</sup>

JTTP undertakes limited trial observation, focusing on cases within the criminal division jurisdiction at provincial and district levels. JTTP looks only at proceedings and appeals of cases that are subject to the Criminal Procedure Code. JTTP's observation and reporting are narrowly focused to collect objective comparative data on a single fair-trial indicator (i.e., whether trials are deemed to be "open" in accordance with the procedure set out under the code). JTTP has reported to State's Bureau of International Narcotics and Law Enforcement Affairs (INL) many instances in the formal-justice proceedings where attorneys and judges have increasingly applied the correct laws and sentencing requirements.<sup>506</sup>

JTTP legal advisors visit courtrooms of judges who have graduated or will graduate from JTTP courses. If the legal advisors are granted access to the courtroom for a given trial, the trial is reported as “open.” If they are not permitted access to a courtroom for a given trial, and there is no permissible reason for the restriction, the trial is reported as “closed.”<sup>507</sup>

From 2013 to December 2015, JTTP observed a total of 808 trials, of which 93% were open. In the provinces, Nangarhar Province had the lowest overall percentage of open trials to date (39%).<sup>508</sup>

## The Supreme Court and the Formal Justice Sector

According to the SMAF, short-term deliverables related to the justice sector include the launch of a justice-sector reform plan and a draft of a revised penal code, both to be completed December 2016.<sup>509</sup>

In a statement issued last quarter, the MEC said, “The justice sector remains largely incapable of investigating and prosecuting corruption cases, especially against well-connected individuals who operate with near impunity, secure in the knowledge that they are effectively above the law.”<sup>510</sup>

## Afghan Correctional System

According to State, the inmate population of Afghanistan’s prisons managed by the General Directorate of Prisons and Detention Centers (GDPDC) has increased by an average of 6.51% annually over the past five years. As of October 31, the GDPDC incarcerated 25,823 males and 713 females, while the Ministry of Justice’s Juvenile Rehabilitation Directorate (JRD) incarcerated 888 male juveniles and 101 female juveniles. These incarceration totals



**Parliamentarians reviewed prisoner sentences** and prison conditions during an oversight trip to Herat Province. (USAID photo)

do not include detainees held by any other Afghan governmental organization, as INL does not have access to their data.<sup>511</sup>

Overcrowding is a persistent, substantial, and widespread problem within GDPDC facilities for adult males, although state-funded prison construction has added some new prison beds and presidential-amnesty decrees have reduced the prison population significantly. As of October 31, the total male provincial-prison population was at 190% of capacity, as defined by the International Committee of the Red Cross's (ICRC) minimum standard 3.4 square meters per inmate. The total female provincial-prison population was at 50.5% of the ICRC-recommended capacity. The JRD's juvenile-rehabilitation centers' population was at 72% of ICRC-recommended capacity.<sup>512</sup>

According to State, the GDPDC made tremendous strides over the past two years in the implementation of an industries program with the assistance of the Correction System Support Program (CSSP), which is meant to assist in the development of Afghanistan's national corrections system. This quarter, GDPDC remodeled a large hangar at the central prison to provide space for the mechanized production of uniforms and boots for corrections officers. Thirteen provincial prisons will function as satellite uniform production facilities, using industrial sewing machines and boot-making equipment procured by CSSP for GDPDC. Remodeling of the hangar at the central prison was financed by GDPDC with money generated from the industries programs. With materials donated by CSSP, the industries program can produce as many as 12,000 uniforms per year for GDPDC officers.<sup>513</sup>

## Anticorruption

This quarter, serious anticorruption questions were raised when senior Afghan government officials announced a partnership with one of the key figures from the Kabul Bank scandal. In November, Khalilullah Ferozi—who was sentenced to 10 years in prison—was introduced by senior Afghan government officials as a business partner in an Afghan government township project.<sup>514</sup> Additional details appear on pages 144–146 of this report.

## Afghan Attorney General's Office

The Afghan government has yet to nominate a new attorney general.<sup>515</sup> The appointment of a new attorney general by the end of 2015 is a SMAF short-term deliverable.<sup>516</sup>

## Independent Joint Anti-Corruption Monitoring and Evaluation Committee

The MEC was formally established in March 2010 by presidential decree. The MEC's mandate is to develop anticorruption recommendations and benchmarks, to monitor efforts at fighting corruption, and to report on

these efforts. It comprises three Afghan members and three international members and is led by an Afghan executive director. The MEC has approximately 20 staff, but USAID notes that the MEC may increase its staff since President Ghani has increasingly sought analytical products from it.<sup>517</sup>

According to State, the MEC continues to demonstrate administrative competence and technical capacity. State notes, however, that despite demonstrating the political will to address some of the toughest corruption-related questions confronting Afghanistan, the MEC lacks the authority to do more than illuminate poor or corrupt practices.<sup>518</sup> In November, President Ghani issued a decree confirming two new international commissioners for the MEC.<sup>519</sup>

According to USAID, President Ghani has shown interest in expanding the MEC's work beyond its current monitoring framework.<sup>520</sup> However, the *Wall Street Journal* reported in December that donors have threatened to stop funding the MEC following accusations of irresponsible spending, abusing travel policies, and ignoring salary guidelines. The MEC executive director was quoted as saying he is resigning because "There was no oversight over the roles and activities of the committee." Another resigning MEC member said that despite his hope that anticorruption would be a priority of the Afghan government, "Basically everything is standing still."<sup>521</sup>

This quarter the MEC issued reports on a selection of foreign assistance programs, a vulnerability to corruption assessment of the Education Quality Improvement Program (EQUIP), corruption associated with the World Food Program's distribution initiatives with the Ministry of Education, and conflicts of interest among government officials.

In the review of selected foreign assistance programs report, the MEC found that there is a lack of consensus on what truly constitutes a worthwhile, effective project in Afghanistan. According to the MEC, many respondents believed that aid effectiveness was implicit in program alignment with Afghan government developmental goals and objectives. Additionally, divergent strategies, lack of consensus, and unprecedented volume of projects compromised true donor coordination. According to MEC, the relationship between the donor community and the Afghan government is still evolving, with donors becoming increasingly aware of the need to employ Afghans, where possible, but still hesitant to do so because of the widespread corruption that affects many Afghan government agencies.<sup>522</sup>

The MEC review of the World Bank-supported EQUIP concluded that although 72 schools funded by EQUIP were of good quality, the program's myriad failures counterbalanced this achievement. According to the MEC, poor planning, unrealistic budgeting, and inadequate monitoring combined to create a toxic synergy that led to failed projects and misspent funds. The lack of trained personnel, nepotistic recruiting practices, substandard reporting policies, and no investigation or punishment of wrongdoers

only served to worsen these structural flaws. Widespread corruption has led to the misuse or wasting of funds representing almost 30-40% of the project's \$517 million budget and has prevented EQUIP from meeting its expectations.<sup>523</sup>

The MEC's review of the World Food Program's (WFP) efforts to increase school enrollment by distributing food items to students found that while enrollment increased, weak oversight, inadequate monitoring, and instances of mismanagement allowed corrupt actors to embezzle funds and abscond with items intended for the students, and profit from the sale of those items. According to the MEC, the Afghan Ministry of Education (MOE) was insufficiently transparent in its administration of the program and often failed to submit to WFP any reports on MOE activities in remote provinces. WFP officials admitted to the MEC that there was at least 20% "wastage" caused by corruption in the food-distribution process administered by the MOE. MEC reports that recent WFP actions to mitigate corruption in the food-distribution process are apparently effective; however, no actions have been taken on the wrongdoing and profiteering which has occurred thus far.<sup>524</sup>

Finally, in a report on conflicts of interest among high-ranking Afghan government officials, the MEC found that the Afghan government's procurement system is riddled with corruption. According to the MEC, an official from the Afghan National Procurement Authority said that pilot studies indicate about 80% of bids and contracts during the past 13 years were affected by corruption. Multiple senior officials interviewed by the MEC also indicated that contracts were either sold by a successful bidder to another bidder, or distributed among several bidders who were operating as part of a cartel. While the current Afghan administration has sought to centralize procurement in the hope of reducing corruption, the MEC notes that centralized procurement offices are not without risks of their own.<sup>525</sup>

## **High Office of Oversight and Anticorruption**

The High Office of Oversight and Anti-Corruption (HOO) was established in July 2008 by presidential decree to oversee and coordinate implementation of the Afghan government's anticorruption strategy. The HOO collects corruption complaints through a hotline and complaint boxes installed in several ministries and other public-service delivery institutions, and conducts the initial investigation of corruption allegations that it receives before referring allegations to the Attorney General's Office (AGO) for further investigation and possible prosecution. According to USAID, these investigations seldom lead to prosecution. Mutual recrimination between AGO and HOO is common.<sup>526</sup>

A SMAF short-term deliverable includes the requirement for 90% of government officials required to declare their assets to do so by mid-2016.<sup>527</sup> In November, the HOO announced that President Ghani, Chief Executive

Abdullah, second Vice President Sarwar Danish, and Special Representative for Reform and Good Governance Ahmad Zia Massoud had registered their assets.<sup>528</sup>

## **Security Services**

According to DOD, both the MOD and MOI began developing ministry-specific counter- and anticorruption plans following President Ghani's direction at the September Senior Officials Meeting. These plans are to be implemented no later than the end of 2016. CSTC-A has included a requirement in the 1395 MOD and MOI commitment letters for these plans to be completed by April 2016.<sup>529</sup>

## **Ministry of Defense**

Three active forums are currently addressing corruption issues within the MOD: the Counter Corruption Working Group (CCWG), the Senior High Level Committee on Anti-Corruption (SHCAC), and the newly formed Senior Leader Counter Corruption Panel (SLCCP).

This quarter, DOD reports that the CCWG has shown improvement through regular, monthly meetings and review of corruption cases. The SHCAC mechanism demonstrated its value as a decision-making body with the resolution of a long-standing weakness of the corps-level Transparency and Accountability Committees (TAC). At the last SHCAC meeting, the deputy minister of defense ordered that members of the TACs must be excluded from procurement committees to remove conflicts of interest. The SLCCP, chaired by the minister of defense, held its first meeting in November.<sup>530</sup>

## **Ministry of Interior**

Two quarters ago, the Afghan government removed the former MOI Inspector General (IG) and appointed Major General Rahimullah to the post.<sup>531</sup> According to DOD, the new MOI IG has yet to start reforming the role, structure, and composition of his office. The MOI IG has focused on inspecting fuel processes, accountability, and inventories. These inspections will expand to 10 provincial police headquarters, an Afghan National Civil Order Police headquarters, the border police, and an MOI special forces unit over the next two months.<sup>532</sup>

## **HUMAN RIGHTS**

### **Refugees and Internal Displacement**

As of November, the United Nations High Commissioner for Refugees (UNHCR) estimated that at least 236,342 Pakistanis continue to reside in Afghanistan's Khowst and Paktika Provinces since the June 2014 Pakistan military operations in neighboring North Waziristan. According to State, it

## SIGAR AUDIT

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

is unlikely that there will be significant returns to Pakistan until 2016 due to the reconstruction needs in North Waziristan.<sup>533</sup>

According to the Afghan Ministry of Refugees and Repatriation, in 2015 more than 150,000 Afghans have left and sought asylum in Europe. Of those having left Afghanistan, approximately 3,000 returned.<sup>534</sup>

According to State, 58,412 Afghan refugees returned from Pakistan and Iran as of December. Many returned refugees have felt pressured to return to Afghanistan due to reported arrests, detention, extortion, and harassment by local Pakistani authorities following the December 2014 Peshawar school attacks and the Pakistani security response. While the rate of refugee returns from Pakistan are significantly higher than 2014, the returns from Iran are 35% lower than the previous year.<sup>535</sup>

As of November, UNHCR recorded a total of 1,116,546 conflict-affected internally displaced persons. During the first ten months of 2015, approximately 270,000 individuals in Afghanistan were displaced by conflict, far surpassing total internal displacement in 2014 (188,766) and representing an increase of approximately 104% compared to the same period during 2014. According to State, the surge in instability and fighting between armed groups and the Afghan security forces—particularly in northeastern Afghanistan—is the main cause for increased internal displacement.<sup>536</sup>

## Gender

The largest gender-focused initiative in USAID's history is the Promote partnership that aims to assist over 75,000 Afghan women in achieving leadership roles over five years in all parts of society, including business, academia, politics, and public policy.<sup>537</sup> As shown in Table 3.21, USAID has committed \$216 million to Promote and hopes to raise an additional \$200 million from other international donors.<sup>538</sup> However, no donors have committed to contribute funds to Promote.<sup>539</sup>

In August, the Japan International Cooperation Agency signed a memorandum with USAID agreeing to cooperate on efforts that work towards advancing equality for women in Afghanistan. This partnership includes leadership training for Afghan female police recruits.<sup>540</sup>

This quarter, the Promote Women in Government (WIG) program is negotiating with the Afghan Independent Administrative Reform and Civil Service Commission to identify the first 200 interns to receive civil service training and certification. According to USAID, Afghan government ministries have expressed interest in accepting 1,428 WIG interns in the first two years of the program.<sup>541</sup> The Promote Women's Leadership Development program is currently preparing 679 trainees for graduation in January 2016.<sup>542</sup>

The SMAF includes several short-term deliverables related to women's rights, including the requirement for a national action plan for women peace-and-security implementation and financing plan approved by the

# GOVERNANCE

TABLE 3.21

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost (\$)	Cumulative Disbursements, as of 12/31/2015 (\$)
Afghan Women's Leadership in the Economy	7/1/2015	6/30/2020	\$71,571,543	\$1,906,692
Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	7,251,508
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	1,969,805
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	522,141
Promote: Economic Empowerment of Women in Afghanistan	5/8/2015	5/7/2018	1,500,000	300,000
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 1/11/2016.

end of 2015, with implementation starting by mid-2016; an antiharassment regulation for improving working environments for public-sector women, to be issued by mid-2016; and dedicated violence-against-women prosecution units established in 26 provinces by December 2016.<sup>543</sup> As of December, the requirement for an implementation and financing plan was not met.<sup>544</sup>

This quarter, the Afghanistan Independent Human Rights Commission (AIHRC) issued two women's rights-focused reports: a 1394 update on violence against women and a report on forced gynecological exams.

According to the AIHRC, "violence against women is the most serious human rights violation in Afghanistan." AIHRC found at least 2,579 registered cases of violence against women in the first six months of 1394, a 7% increase over the same period the previous year. Of the 190 cases in which a woman was killed, the perpetrators of 51 cases (26.84% of all the cases) were arrested and their files forwarded to the court.<sup>545</sup>

In a related report, the AIHRC interviewed 53 female detainees from 12 provinces held on charges of adultery to determine the extent to which women are subjected to virginity tests. According to AIHRC, while Afghan law is not clear on the legal status of compulsory virginity tests, such tests without the victim's consent are a violation of human rights. Of the 53 female detainees, 48 were subjected to virginity tests with only nine reporting they did so willingly to refute accusations. The AIHRC called on the Afghan government to end virginity tests for moral crimes.<sup>546</sup>