

3 RECONSTRUCTION UPDATE



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An Afghan policeman chats with an apple seller at an outdoor market. The European Union Police Mission in Afghanistan is helping to build a civilian community-policing service in Afghanistan. (EUPOL photo)

RECONSTRUCTION UPDATE

OVERVIEW

A year after the Afghan National Defense and Security Forces (ANDSF) assumed lead responsibility for Afghan security, several high-ranking U.S. officials testified this quarter before congressional committees on the dire situation in Afghanistan.

General John F. Campbell, then commander of the Resolute Support (RS) mission and U.S. Forces-Afghanistan (USFOR-A), informed the Senate Armed Services Committee (SASC) in February 2016 that Afghanistan had not achieved an enduring level of security and stability that would allow for a reduction in U.S. support. National Intelligence Director James Clapper told the SASC that the intelligence community believes “fighting in 2016 will be more intense than 2015, continuing a decade-long trend of deteriorating security.”

In March, General Campbell handed over command of RS and USFOR-A in Afghanistan to General John W. Nicholson Jr., who within 90 days of confirmation is to provide his assessment of the conditions in Afghanistan and the necessary U.S. troop strength. According to USFOR-A, the ANDSF suffered 6,637 personnel killed and 12,471 wounded in 2015. In the first two months of 2016, an additional 820 members of the Afghan security forces were killed in action and 1,389 were wounded.

During this reporting period, insurgent activity continued across Afghanistan, and U.S. and British forces returned to Helmand province to support and train the beleaguered Afghan National Army (ANA) 215th Corps operating there. A lull in fighting reported during the poppy harvest was short-lived: the Taliban announced April 12, 2016, as the start date of their spring offensive.

In February, the Afghan Minister of the Interior resigned, frustrated by increased police and civilian casualties that he linked to the government’s lack of attention. He later accepted an appointment as Afghanistan’s ambassador to the Netherlands. A senior Helmand police official predicted that unless corruption were controlled, the security situation would not improve. In April, Taj Mohammad Jahid, a former ANA 207th Corps commander, was confirmed as the new minister.

RECONSTRUCTION UPDATE

The delivery of eight A-29 Super Tucano light-attack aircraft to the Afghan Air Force during this reporting period is expected to improve ANDSF performance during the upcoming fighting season.

Nicholas Haysom, Special Representative of the United Nations (UN) Secretary-General and head of the UN Assistance Mission in Afghanistan, briefed the UN Security Council that 2016 will be a challenging year, saying “survival will be an achievement for the National Unity Government.” Haysom identified a fractious political elite, the erosion of the sense of national unity, and reduced confidence in the future as significant political challenges. He also warned of political consequences if election reforms are not implemented expeditiously.

In February, Democracy International (DI) released its survey of 215 Afghan parliamentarians. DI found that only 7% of parliamentarians believe Afghanistan is moving in the right direction. Respondents named poor governance (26%), neighboring countries’ behavior or policies (25%), and insecurity (21%) as the main reasons for pessimism. Parliamentarians are generally dissatisfied with President Ashraf Ghani’s performance, with nearly 45% very dissatisfied and 19% somewhat dissatisfied. Parliamentarians were also dissatisfied with Chief Executive Abdullah Abdullah, with more than half very dissatisfied and 20% somewhat dissatisfied.

In March, the federal Broadcasting Board of Governors and the Gallup opinion-research organization released the results of a survey of 2,500 Afghans that found deep public dissatisfaction with the Afghan government. Nearly 81% of respondents said they were somewhat or very dissatisfied with the performance of the national-unity government, while 17% said they were somewhat or very satisfied. Additionally, nearly 69% said their lives had gotten somewhat worse or much worse over the past year and almost 46% predicted their life would get even worse in the next year.

The continued decline in Afghanistan’s economic growth rate remains a concern, according to the UN Secretary-General. The World Bank expects a slow recovery over the next three years with Afghan economic-growth prospects dependent on stronger government progress on reforms, political stabilization, and improving security.

This quarter, the Afghan government approved the fiscal year (FY) 1395 national budget (December 22, 2015–December 21, 2016). Donors are expected to finance approximately 68% of the \$6.5 billion budget, mostly through grants. Domestic revenues paid for less than 40% of last year’s (FY 1394) budget expenditures; donor contributions made up most of the difference. The Afghan government projects domestic revenues to increase by about 8.2% in FY 1395, chiefly from new and increased taxes, customs duties, and fees.

The State Department again listed Afghanistan as a major money-laundering country. Narcotics, corruption, and contract fraud are major

sources of the country's illegal revenues and laundered funds. In February, the Financial Action Task Force kept Afghanistan on its "gray list," meaning that while Afghanistan has deficiencies in the areas of strategic anti-money laundering and combating financing of terrorism, its government made a high-level political commitment to address those deficiencies, developed an action plan, and is making progress.

The United States has not yet finalized a revised counternarcotics (CN) strategy for Afghanistan, although it announced last year that it would revise its strategy to support the goals and objectives of the Afghan government's updated strategy. The Afghan government unveiled its new CN strategy, outlined in the National Drug Action Plan (NDAP), in October 2015.

The Ministry of Counter Narcotics (MCN) unveiled its second 100-day plan in early April; the first one was released in June 2015. CN efforts remain a challenge for the MCN given its limited capacity and the deteriorating security conditions in certain provinces. The U.S.-funded Good Performers' Initiative to incentivize provincial CN performance is being phased out by the State Department due to the MCN's lack of technical capacity.

Drug interdiction results this quarter continued to decline, as they have done since the withdrawal of Coalition forces. U.S. Special Forces recently began partnering with Afghan CN forces. Their impact on results will be assessed next quarter.

As of March 31, 2016, cumulative appropriations for relief and reconstruction in Afghanistan totaled approximately \$113.17 billion; however, FY 2016 allocations for State Department (State) and U.S. Agency for International Development foreign assistance accounts were still undergoing the 653(a) congressional-consultation process at the end of the fiscal quarter. State reported that draft allocations were expected to be provided to Congress in late April. 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 March 31, 2016, approximately \$10 billion of this amount remained available for potential disbursement.

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STATUS OF FUNDS

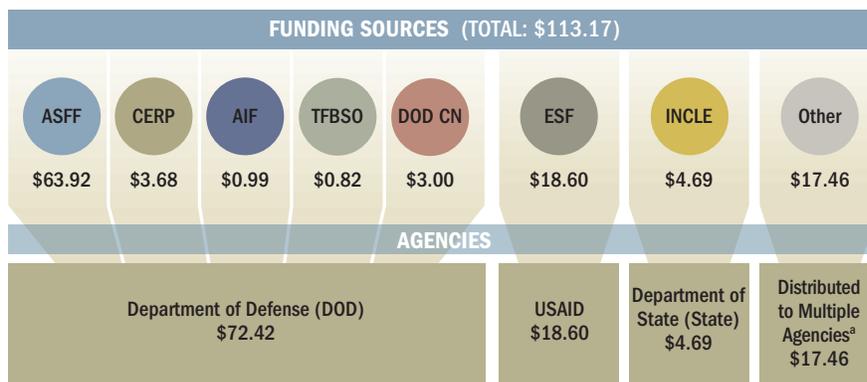
To fulfill SIGAR’s legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of March 31, 2016, the United States had appropriated approximately \$113.17 billion for relief and reconstruction in Afghanistan since fiscal year (FY) 2002. This total has been allocated as follows:

- \$68.44 billion for security (\$4.31 billion for counternarcotics initiatives)
- \$31.79 billion for governance and development (\$4.16 billion for counternarcotics initiatives)
- \$2.96 billion for humanitarian aid
- \$9.98 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)



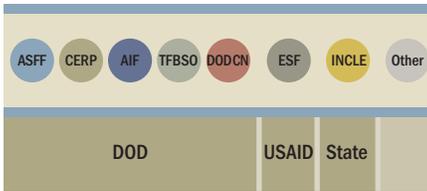
- ASFF:** Afghanistan Security Forces Fund
- CERP:** Commander’s Emergency Response Program
- AIF:** Afghanistan Infrastructure Fund
- TFBSO:** Task Force for Business and Stability Operations
- DOD CN:** DOD Drug Interdiction and Counter-Drug Activities
- ESF:** Economic Support Fund
- INCLE:** International 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, 4/19/2016, 4/18/2016, 4/12/2016, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 4/8/2016, 4/7/2016, 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, 4/9/2016, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 4/1/2016 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2016," 4/15/2016; 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 nearly 84.6% (nearly \$95.71 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, nearly 90.0% (more than \$86.11 billion) has been obligated, and nearly 84.8% (more than \$81.14 billion) has been disbursed. An estimated \$4.56 billion of the amount appropriated these funds has expired.

U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

As of March 31, 2016, cumulative appropriations for relief and reconstruction in Afghanistan totaled approximately \$113.17 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 \$8.47 billion of these funds support counternarcotics initiatives which crosscut both the security (\$4.31 billion) and governance and development (\$4.16 billion) categories. For complete information regarding U.S. appropriations, see Appendix B. FY 2016 allocations for the State Department (State) and U.S. Agency for International Development (USAID) foreign assistance accounts were still undergoing the 653(a) congressional consultation process at the end of the fiscal quarter. State reported that draft allocations were expected to be provided to Congress in late April.⁶⁶ The amount reported as appropriated for

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY, AS OF MARCH 31, 2016 (\$ 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, 4/19/2016, 4/18/2016, 4/12/2016, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 4/8/2016, 4/7/2016, 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, 4/9/2016, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 4/1/2016 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2016," 4/15/2016; Pub. L. Nos. 114-113, 113-235, 113-76, 113-6, 112-74, 112-10, 111-212, 111-118.

STATUS OF FUNDS

FY 2016 will increase from the \$3.92 billion shown in Figure 3.3 when funding levels for these accounts are determined.

The United States aims to channel at least 50% of its development assistance on-budget to the government of Afghanistan.⁶⁷ 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.⁶⁸ Since 2002, the United States has provided nearly \$10.10 billion in on-budget assistance. This includes about \$5.59 billion to Afghan government ministries and institutions, and over \$4.51 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 for Afghanistan (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

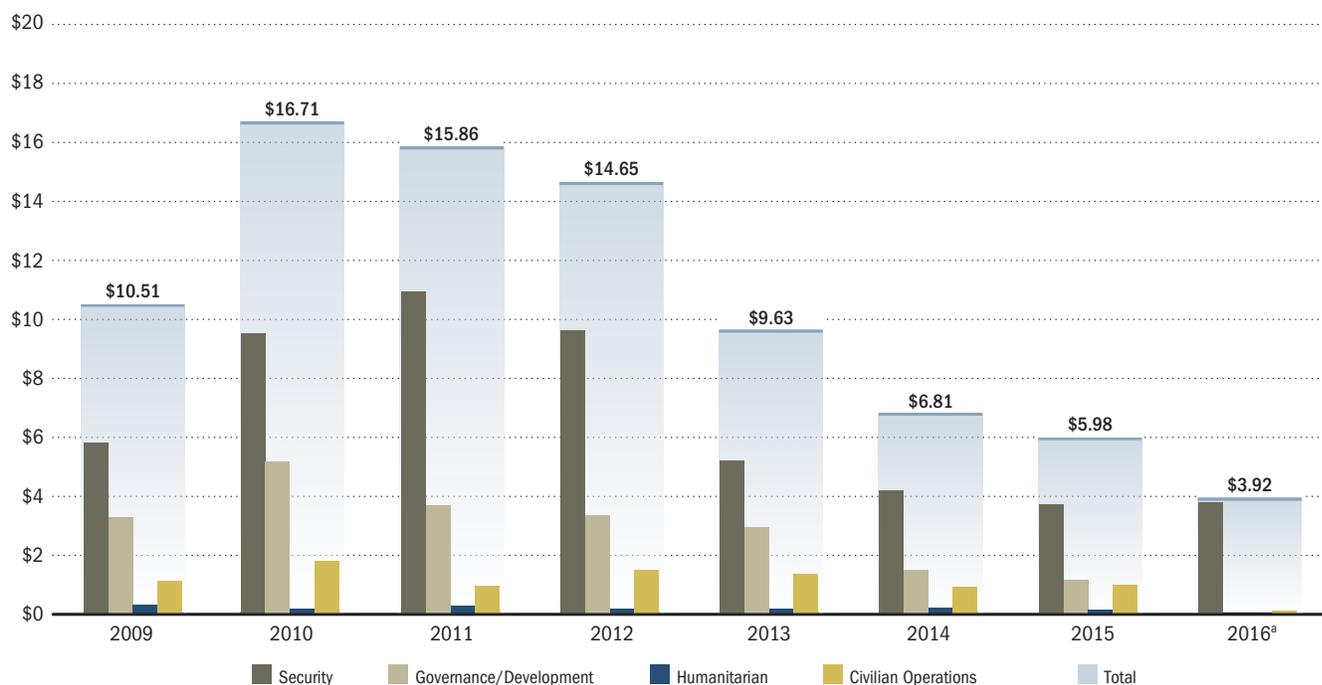
U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN, SINCE 2002 (\$ MILLIONS)	
Government-to-Government	
DOD	\$4,946
State	92
USAID	549
Multilateral Trust Funds	
LOTFA	\$1,556
ARTF	2,842
AITF	113

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 March 31, 2016, USAID has obligated approximately \$1.2 billion for government-to-government assistance.

Source: DOD, response to SIGAR data call, 6/25/2015; USAID, response to SIGAR data call, 4/7/2016; World Bank, "ARTF: Administrator's Report on Financial Status as of February 19, 2016 (end of 2nd month of FY 1395)", p. 5; UNDP, response to SIGAR data call, 4/13/2016.

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, 4/19/2016, 4/18/2016, 4/12/2016, 10/22/2012, 10/14/2009, and 10/1/2009; State, response to SIGAR data calls, 4/8/2016, 4/7/2016, 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, 4/9/2016, 10/15/2010, 1/15/2010, and 10/9/2009; DOJ, response to SIGAR data calls, 4/1/2016 and 7/7/2009; USDA, response to SIGAR data call, 4/2009; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2016," 4/15/2016; 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 nearly \$113.17 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)

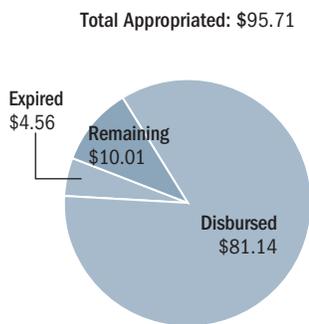


TABLE 3.2

CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED FY 2002–2016 (\$ BILLIONS)

	Appropriated	Obligated	Disbursed	Remaining
Afghanistan Security Forces Fund (ASFF)	\$63.92	\$58.15	\$57.05	\$4.95
Commander's Emergency Response Program (CERP)	3.68	2.28	2.27	0.02
Afghanistan Infrastructure Fund (AIF)	0.99	0.64	0.49	0.15
Task Force for Business & Stability Operations (TFBSO)	0.82	0.75	0.64	0.11
DOD Drug Interdiction and Counter-Drug Activities (DOD CN)	3.00	2.88	2.88	0.12
Economic Support Fund (ESF)	18.60	17.08	14.16	3.75
International Narcotics Control & Law Enforcement (INCLE)	4.69	4.31	3.65	0.90
Total 7 Major Funds	\$95.71	\$86.11	\$81.14	\$10.01
Other Reconstruction Funds	7.48			
Civilian Operations	9.98			
Total	\$113.17			

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately \$4.6 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, 4/19/2016.

TABLE 3.3

FY 2017 AMOUNTS REQUESTED (\$ MILLIONS)	
Fund	Requested
ASFF	\$ 3,448.72
CERP	5.00
DOD CN	140.81
ESF	1,027.00
INCLE	185.00
Total Major Funds	\$4,806.53

As of March 31, 2016, approximately \$10.01 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 February 9, 2016, President Obama released his FY 2017 budget request. The request, if approved, would provide an additional \$4.8 billion for the major reconstruction funds, as shown in Table 3.3. Although FY 2016 allocations for State and USAID accounts were still being determined when this report went to press, the FY 2017 request for DOD reconstruction accounts is about 5% lower than the amount appropriated these accounts for FY 2016.

STATUS OF FUNDS

Congress appropriated nearly \$5.63 billion to the seven major reconstruction funds for FY 2014. Of that amount, nearly \$1.10 billion remained for possible disbursement, as of March 31, 2016, as shown in Table 3.4 and Figure 3.5.

TABLE 3.4

FY 2014 AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED (\$ MILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
ASFF	\$3,962.34	\$3,956.29	\$3,739.76	\$216.53
CERP	30.00	6.62	6.44	0.19
AIF	144.00	0.00	0.00	0.00
TFBSO	122.24	106.82	85.84	20.98
DOD CN	238.96	238.96	238.96	0.00
ESF	907.00	835.95	167.18	668.77
INCLE	225.00	224.74	34.64	190.10
Total Major Funds	\$5,629.54	\$5,369.38	\$4,272.81	\$1,096.56

Note: Numbers have been rounded. Amount remaining reflects the total disbursement potential of the seven major reconstruction funds after deducting approximately \$260 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, 4/19/2016.

Congress appropriated more than \$4.80 billion to four of the seven major reconstruction funds for FY 2015. Of that amount, almost \$1.94 billion remained for possible disbursement, as of March 31, 2016, as shown in Table 3.5 and Figure 3.6.

TABLE 3.5

FY 2015 AMOUNTS APPROPRIATED, OBLIGATED, AND DISBURSED (\$ MILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
ASFF	\$3,709.33	\$3,223.92	\$2,851.96	\$857.38
CERP	10.00	3.37	1.55	1.82
ESF	831.90	2.00	0.00	831.90
INCLE	250.00	8.06	6.03	243.97
Total Major Funds	\$4,801.23	\$3,237.35	\$2,859.54	\$1,935.07

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, 4/19/2016.

FIGURE 3.5

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

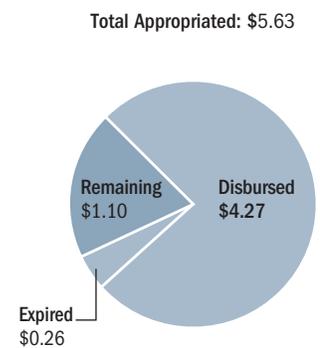
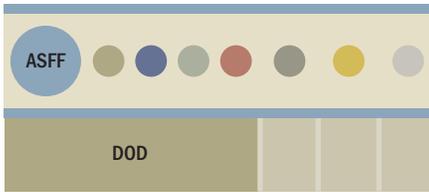


FIGURE 3.6

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.⁶⁹ The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan.⁷⁰ A financial and activity plan must be approved by the Afghanistan Resources Oversight Council (AROC) before ASFF funds may be obligated.⁷¹

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.⁷² As of March 31, 2016, nearly \$58.15 billion of total ASFF funding had been obligated, of which nearly \$57.05 billion had been disbursed.⁷³ Figure 3.7 displays the amounts made available for the ASFF by fiscal year.

DOD reported that cumulative obligations increased by nearly \$437.82 million over the quarter, and cumulative disbursements increased by nearly \$848.99 million.⁷⁴ 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)

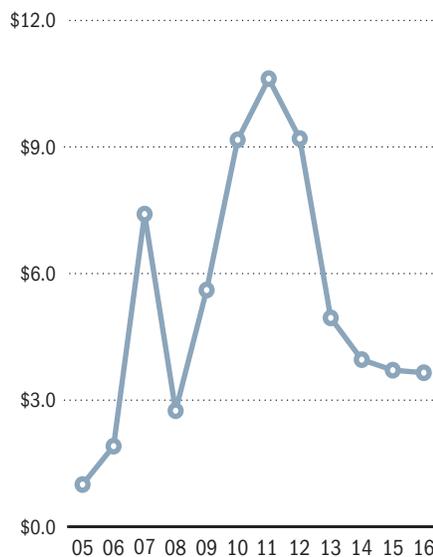
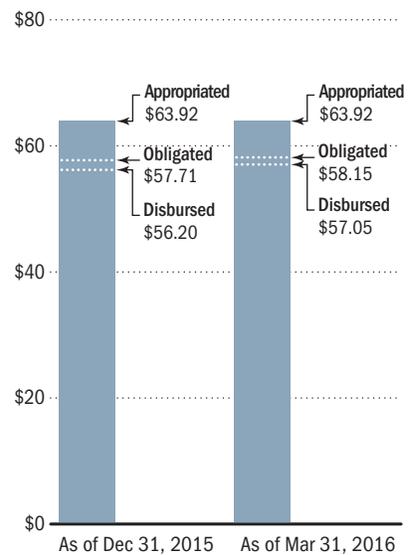


FIGURE 3.8

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 March 2016," 4/15/2016; 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, and 113-6.

STATUS OF FUNDS

ASFF Budget Activities

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

- Defense Forces (primarily Afghan National Army (ANA))
- Interior Forces (primarily Afghan National Police (ANP))
- Related Activities (primarily detainee operations)

Funds for each **budget activity group** are further allocated to four **subactivity groups**: infrastructure, equipment and transportation, training and operations, and sustainment.⁷⁵ 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.⁷⁶

As of March 31, 2016, DOD had disbursed nearly \$57.05 billion for ANDSF initiatives. Of this amount, more than \$38.19 billion was disbursed for the ANA, and nearly \$18.47 billion was disbursed for the ANP; the remaining \$388.37 million was directed to related activities.⁷⁷

As shown in Figure 3.9, the largest portion of the funds disbursed for the ANA—more than \$16.01 billion—supported ANA troop sustainment. Of the funds disbursed for the ANP, the largest portion—nearly \$7.68 billion—also supported sustainment of ANP forces, as shown in Figure 3.10.⁷⁸

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–MAR 31, 2016 (\$ BILLIONS)

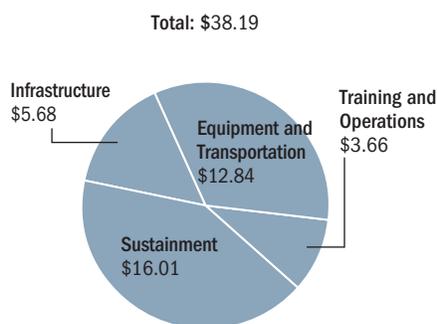
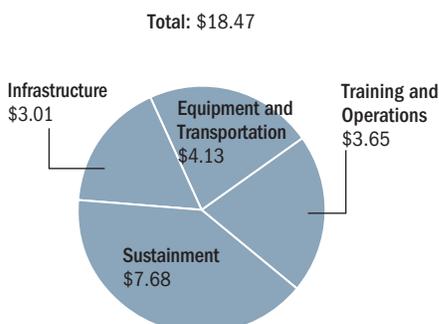


FIGURE 3.10

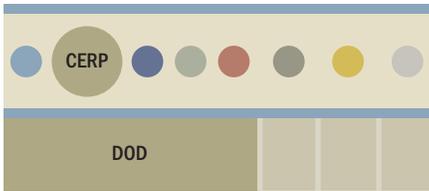
ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005–MAR 31, 2016 (\$ BILLIONS)



Note: Numbers have been rounded.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts March 2016," 4/15/2016.

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.⁷⁹ CERP-funded projects may not exceed \$2 million each.⁸⁰

The Consolidated Appropriations Act, 2016, appropriated \$5 million for CERP, increasing total cumulative funding to more than \$3.68 billion.⁸¹ 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 March 31, 2016.⁸² Figure 3.11 shows CERP appropriations by fiscal year, and Figure 3.12 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for CERP projects.

FIGURE 3.11

CERP APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

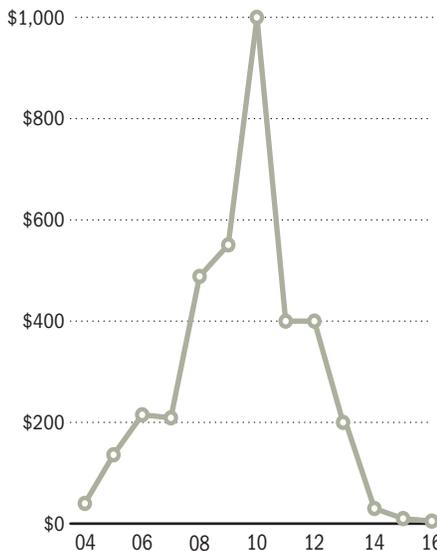


FIGURE 3.12

CERP FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



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

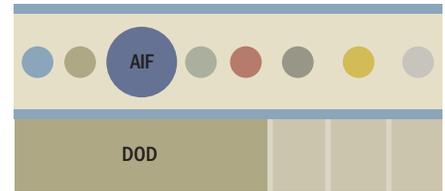
Source: DOD, response to SIGAR data calls, 4/19/2016 and 1/19/2016; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 114-113, 113-235, 113-76, 113-6, 112-74, 112-10.

AFGHANISTAN INFRASTRUCTURE FUND

The 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.⁸³ 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.⁸⁴

The AIF received cumulative appropriations of over \$1.32 billion; however, \$335.50 million of these funds were transferred to the Economic Support Fund for USAID's power transmission lines projects, bringing the cumulative amount remaining in the AIF to \$988.50 million.⁸⁵ Figure 3.13 shows AIF appropriations by fiscal year.

As of March 31, 2016, more than \$772.60 million of total AIF funding had been obligated, and more than \$500.37 million had been disbursed, as shown in Figure 3.14.⁸⁶



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)

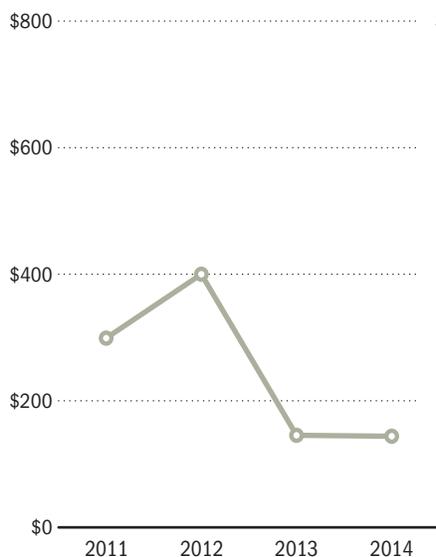


FIGURE 3.14

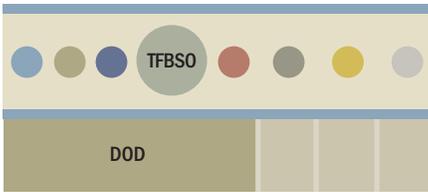
AIF FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



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 March 2016," 4/15/2016; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2015," 1/16/2016; 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.⁸⁷

Through March 31, 2016, the TFBSO had been appropriated more than \$822.85 million since FY 2009. Of this amount, nearly \$754.49 million had been obligated and nearly \$640.61 million had been disbursed.⁸⁸ Figure 3.15 displays the amounts appropriated for TFBSO by fiscal year, and Figure 3.16 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for the TFBSO and its projects.

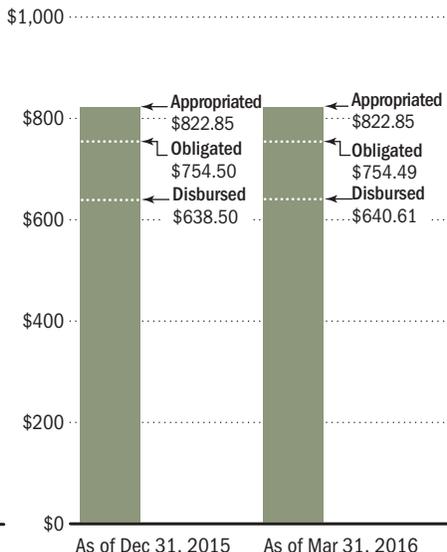
FIGURE 3.15

TFBSO APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



FIGURE 3.16

TFBSO FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



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

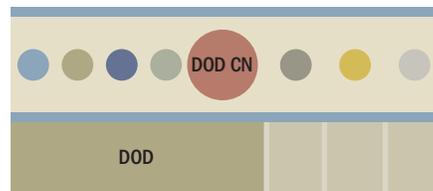
Source: DOD, response to SIGAR data calls, 4/18/2016, 1/13/2016, and 10/4/2011; Pub. L. Nos. 113-76, 113-6, 112-74, 112-10.

DOD DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

DOD Drug Interdiction and Counter-drug Activities (DOD CN) supports efforts to stabilize Afghanistan by combating the drug trade and related activities. DOD uses the DOD CN to provide assistance to the counternarcotics effort by supporting military operations against drug traffickers; expanding Afghan interdiction operations; and building the capacity of Afghan law enforcement bodies—including the Afghan Border Police—with specialized training, equipment, and facilities.⁸⁹

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.⁹⁰

DOD reported that DOD CN received nearly \$142.39 million for Afghanistan for FY 2016, bringing cumulative funding for DOD CN to more than \$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 March 31, 2016.⁹¹ 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.

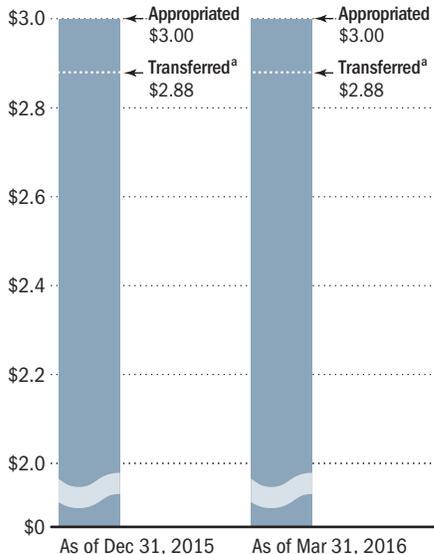
FIGURE 3.17

DOD CN APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



FIGURE 3.18

DOD CN FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)

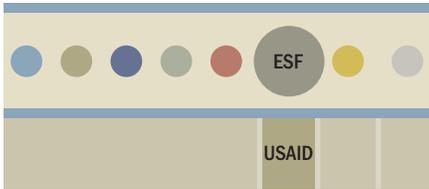


Note: Numbers have been rounded. Prior-year adjustments are done periodically to reflect deobligation and/or realignment of multi-year procurement funding. DOD reprogrammed \$125.13 million out of FY 2015 DOD CN due to several requirements for the Afghanistan Special Mission Wing being funded from the 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, 4/12/2016 and 12/29/2015; 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 counter-terrorism; bolster national economies; and assist in the development of effective, accessible, independent legal systems for a more transparent and accountable government.⁹²

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 \$17.08 billion had been obligated, of which nearly \$14.16 billion had been disbursed.⁹³ Figure 3.19 shows ESF appropriations by fiscal year.

USAID reported that cumulative obligations as of March 31, 2016, increased by more than \$20.19 million and cumulative disbursements increased by more than \$438.23 million from the amounts reported last quarter.⁹⁴ Figure 3.20 provides a cumulative comparison of the amounts appropriated, obligated, and disbursed for ESF programs.

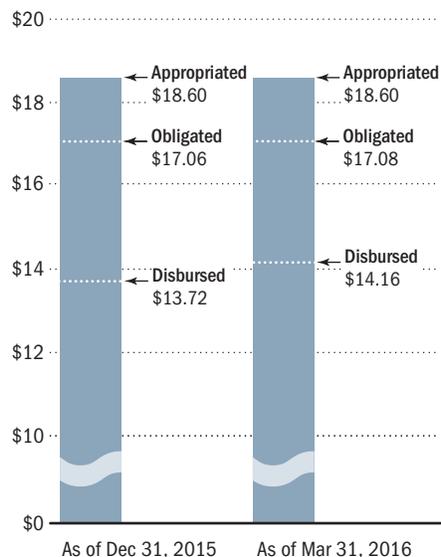
FIGURE 3.19

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.

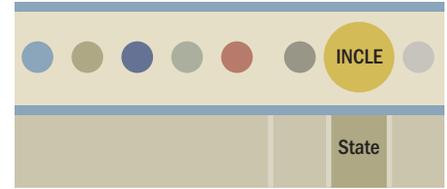
Source: USAID, response to SIGAR data calls, 4/9/2016 and 1/11/2016; State, response to SIGAR data calls, 1/13/2016, 10/20/2015, 4/15/2015, and 4/15/2014.

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.⁹⁵

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 \$3.65 billion had been disbursed.⁹⁶ Figure 3.21 shows INCLE appropriations by fiscal year.

State reported no change in cumulative obligations during the quarter, but cumulative disbursements as of March 31, 2016, increased by more than \$49.13 million over cumulative disbursements as of December 31, 2015.⁹⁷ Figure 3.22 provides a cumulative comparison of amounts appropriated, obligated, and disbursed for INCLE.



INL FUNDS TERMINOLOGY

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

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

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

FIGURE 3.21

INCLE APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

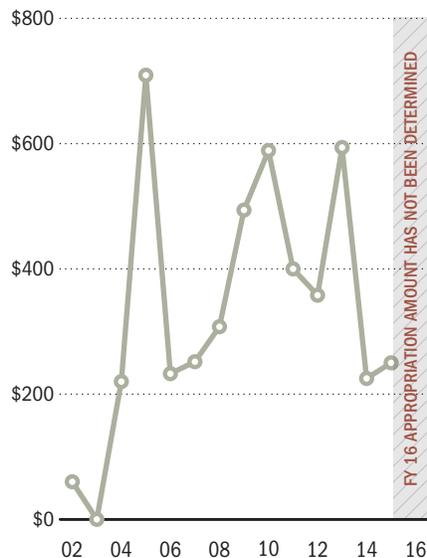
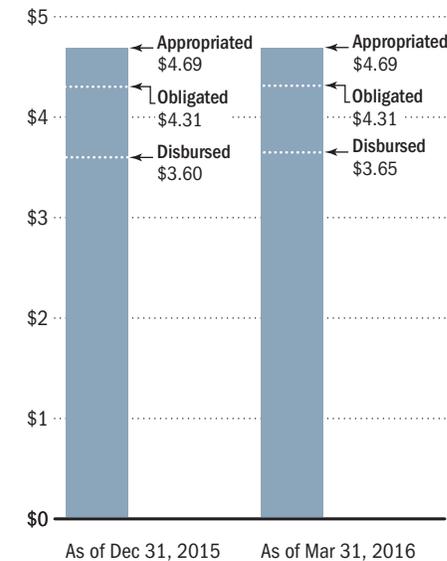


FIGURE 3.22

INCLE FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include inter-agency transfers. FY 2016 INCLE appropriation amount will be determined after State completes the 653(a) Congressional consultation process.

Source: State, response to SIGAR data calls, 4/7/2016 and 1/13/2016.

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).⁹⁸

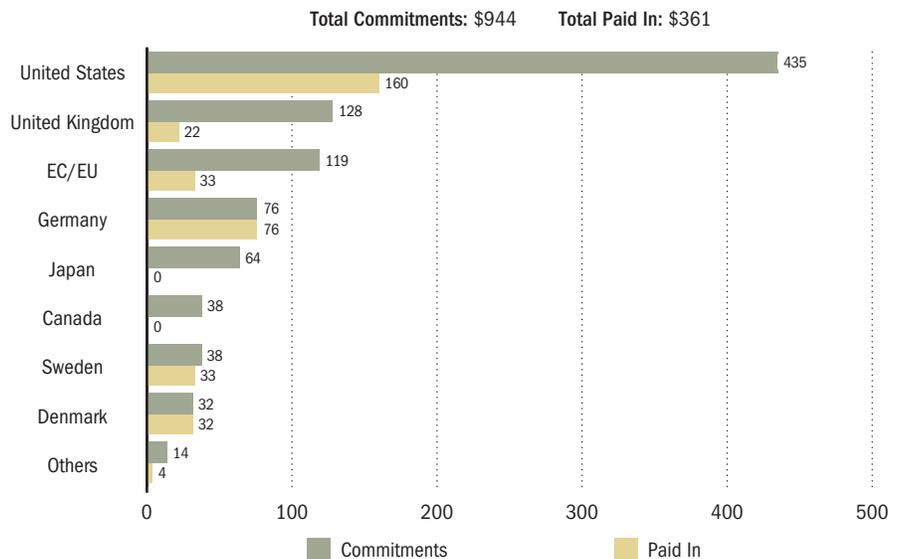
Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the Afghan operational and development budgets comes through the ARTF. From 2002 to February 19, 2016, the World Bank reported that 34 donors had pledged nearly \$9.53 billion, of which nearly \$8.95 billion had been paid in.⁹⁹ According to the World Bank, donors had pledged nearly \$943.92 million to the ARTF for Afghan fiscal year 1395, which runs from December 22, 2015, to December 21, 2016.¹⁰⁰ Figure 3.23 shows the eight largest donors to the ARTF for FY 1395.

As of February 19, 2016, the United States had pledged nearly \$3.12 billion and paid in more than \$2.84 billion since 2002.¹⁰¹ The United States and

FIGURE 3.23

ARTF CONTRIBUTIONS FOR FY 1395 BY DONOR, AS OF FEBRUARY 19, 2016 (\$ MILLIONS)



Note: Numbers have been rounded. FY 1395 = 12/22/2015–12/21/2016.

Source: World Bank, "ARTF: Administrator's Report on Financial Status as of February 19, 2016 (end of 2nd month of FY1395)," p. 1.

STATUS OF FUNDS

the United Kingdom are the two biggest donors to the ARTF, together contributing over 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.¹⁰² As of February 19, 2016, 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.¹⁰³ 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 “preference” (earmark) more than half of their annual contributions for desired projects.¹⁰⁴

The Investment Window supports the costs of development programs. As of February 19, 2016, according to the World Bank, more than \$4.15 billion had been committed for projects funded through the Investment Window, of which nearly \$3.29 billion had been disbursed. The World Bank reported 21 active projects with a combined commitment value of nearly \$2.82 billion, of which nearly \$1.96 billion had been disbursed.¹⁰⁵

Contributions to the Law and Order Trust Fund for Afghanistan

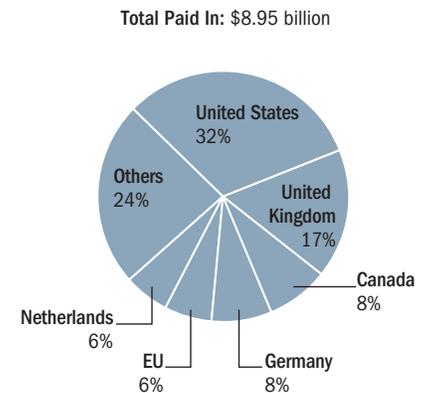
The United Nations Development Programme (UNDP) administers the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior (MOI).¹⁰⁶ Since 2002, donors have pledged nearly \$4.66 billion to the LOTFA, of which nearly \$4.49 billion had been paid in, as of April 11, 2016. UNDP reported that the United States had committed more than \$1.64 billion since the fund’s inception and had paid in nearly \$1.56 billion of the commitment.¹⁰⁷ Figure 3.25 shows the four largest donors to the LOTFA since 2002.

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 that aims to develop the capacity of the Afghan government to independently manage all non-fiduciary aspects of its pay budget for the ANP and Central Prisons Directorate (CPD) staff by December 31, 2016.¹⁰⁸ 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 Ministry of Finance (MOF) for ANP and CPD staff remunerations.¹⁰⁹ The MOI and Police Development (MPD) project is budgeted the remaining \$33 million. The MPD project focuses on institutional development of the MOI and police professionalization of the ANP.¹¹⁰

From July 1, 2015, through December 31, 2015, UNDP had expended more than \$237.05 million on the SPM project—a delivery rate of approximately 84%. Of this amount, \$235.71 million was transferred to the MOF to pay for ANP and CPD staff. In addition, nearly \$6.27 million was expended on the MPD project.¹¹¹

FIGURE 3.24

ARTF CONTRIBUTIONS PAID IN BY DONORS, 2002–FEBRUARY 19, 2016

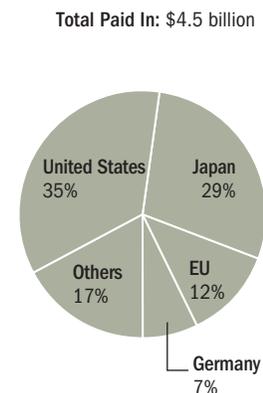


Note: Numbers have been rounded. EU = European Union. “Others” includes 28 donors.

Source: World Bank, “ARTF: Administrator’s Report on Financial Status as of February 19, 2016 (end of 2nd month of FY1395),” p. 5.

FIGURE 3.25

DONOR CONTRIBUTIONS TO THE LOTFA SINCE 2002, AS OF APRIL 11, 2016



Note: Numbers have been rounded. EU = European Union. “Others” includes 26 donors.

Source: UNDP, response to SIGAR data call, 4/13/2016.